



## OPTIVO FINANCE PLC

(Incorporated in England and Wales with limited liability under the Companies Act 2006, registered number 7933814)

### **£250,000,000 2.857 per cent. Secured Bonds due 2035**

#### **Issue Price: 100 per cent.**

The £250,000,000 2.857 per cent. Secured Bonds due 2035 (the **Bonds**) are issued by Optivo Finance plc (the **Issuer**).

This Prospectus has been approved by the Financial Conduct Authority (the **FCA**), as competent authority under Regulation (EU) 2017/1129 (the **Prospectus Regulation**). The FCA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer, the Original Borrower (as defined below) or the quality of the Bonds that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the Bonds.

Application has been made to the FCA for the Bonds to be admitted to the Official List of the FCA (the **Official List**) and to the London Stock Exchange plc (the **London Stock Exchange**) for the Bonds to be admitted to trading on the London Stock Exchange's regulated market. The London Stock Exchange's regulated market is a regulated market for the purposes of the Markets in Financial Instruments Directive 2014/65/EU (as amended or superseded, **MiFID II**).

**An investment in the Bonds involves certain risks. For a discussion of these risks see "Risk Factors".**

Subject as set out below, the net proceeds from the issue of the Bonds or, in the case of £100,000,000 in principal amount of the Bonds (the **Retained Bonds**) which will be immediately purchased by the Issuer on the Issue Date (as defined below), the net proceeds of the sale of the Bonds to a third party, will be advanced by the Issuer to Optivo (the **Original Borrower**) pursuant to a bond loan agreement between the Original Borrower and the Issuer to be dated on or around the Issue Date (the **Original Loan Agreement**) to be applied in accordance with the Original Borrower's constitutional documents.

The Initial Commitment (as defined below) may be drawn in one or more drawings, each in a principal amount up to an amount which corresponds to the sum of the Minimum Value of the Apportioned Properties multiplied by the Issuer's Security Percentage (each as defined below), less the principal amount of all previous drawings in respect of the Initial Commitment. For so long as insufficient security has been granted (or procured to be granted) by the Original Borrower in favour of the Security Trustee, for the benefit of the Issuer, to permit the drawing of the Initial Commitment in full or the Original Borrower has not otherwise drawn any part of the Initial Commitment, the amount of the Initial Commitment that remains undrawn shall be retained in a charged account (the **Initial Cash Security Account**) of the Issuer in accordance with the terms of the Account Agreement (as defined below) (and may be invested in Permitted Investments (as defined below)) (the **Retained Proceeds**). For the avoidance of doubt, in the event that the Original Borrower has not drawn any part of the Initial Commitment on the Issue Date, the Retained Proceeds at that date shall be the entire amount of the Initial Commitment (less any amount which is to be funded by a sale of Retained Bonds). Any Retained Proceeds (and any net sale proceeds from a sale by the Issuer of Retained Bonds (less any Retained Bond Premium Amount (as defined below)) and any net issue proceeds from a further issue of Bonds pursuant to Condition 19 (*Further issues*)) shall be advanced to the Original Borrower and/or any other charitable (or exempt charitable) Registered Providers of Social Housing of the Group (each as defined below) that have acceded to the Security Trust Deed (as defined below) as a borrower in accordance with the terms thereof (together, the **Additional Borrowers** and, each, an **Additional Borrower** and, together with the Original Borrower, the **Borrowers** and, each, a **Borrower**) at a later date pursuant to the Original Loan Agreement or an additional bond loan agreement between an Additional Borrower and the Issuer (each, an **Additional Loan Agreement** and, together with the Original Loan Agreement, the **Loan Agreements** and, each, a **Loan Agreement**), as applicable, to the extent that Properties of a corresponding value have been charged in favour of the Security Trustee, and allocated for the benefit of the Issuer, and, if applicable, subject to the sale by the Issuer of Retained Bonds and/or the issue by the Issuer of further Bonds.

Interest on the Bonds is payable semi-annually in arrear in equal instalments on 7 April and 7 October in each year at the rate of 2.857 per cent. per annum, commencing on 7 October 2020, as described in Condition 7 (*Interest*). Payments of principal of, and interest on, the Bonds will be made without withholding or deduction on account of United Kingdom taxes unless required by law. In the event that any such withholding or deduction is so required, the Issuer may opt to gross up payments due to the Bondholders in respect thereof as described in Condition 10 (*Taxation*).

The Bonds may be redeemed at any time upon the prepayment by a Borrower of its loan (each, a **Loan**) in whole or in part in accordance with the terms of its Loan Agreement at the higher of their principal amount and an amount calculated by reference to the sum of (i) the yield on the relevant outstanding United Kingdom Government benchmark gilt having the nearest maturity date to that of the Bonds and (ii) 0.35 per cent., together with accrued interest. The Bonds will also be redeemed at their principal

amount, plus accrued interest, (a) in an aggregate principal amount equal to the principal amount of the relevant Loan in the event of a mandatory prepayment of a Loan following the relevant Borrower ceasing to be a Registered Provider of Social Housing (other than if such Borrower regains its status as a Registered Provider of Social Housing within 180 days), or a Loan becoming repayable as a result of a Borrower Default (as defined in each Loan Agreement) or (b) in full in the event of any withholding or deduction on account of United Kingdom taxes being required and the Issuer not opting to pay (or having so opted to pay having notified the Bond Trustee (as defined below) of its intention to cease to pay) additional amounts in respect of such withholding or deduction.

Unless previously redeemed, or purchased and cancelled, the Bonds will be redeemed at their principal amount on 7 October 2035 (the **Maturity Date**).

The Original Borrower has been assigned a credit rating of "A2", and it is expected that the Bonds will also be rated "A2", by Moody's Investors Service Limited (**Moody's**). As of the date of this Prospectus, Moody's is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**). As such, Moody's is included in the list of credit rating agencies published by the European Securities and Markets Authority (**ESMA**) on its website (at <https://www.esma.europa.eu/supervision/credit-rating-agencies/risk>) in accordance with the CRA Regulation. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension, redaction or withdrawal at any time by the assigning rating agency.

The Bonds will be issued in denominations of £100,000 and integral multiples of £1,000 in excess thereof.

The Bonds will initially be represented by a temporary global bond (the **Temporary Global Bond**), without interest coupons, which will be deposited on or about 7 April 2020 (the **Issue Date**) with a common safekeeper for Euroclear Bank SA/NV (**Euroclear**) and Clearstream Banking S.A. (**Clearstream, Luxembourg**). Interests in the Temporary Global Bond will be exchangeable for interests in a permanent global bond (the **Permanent Global Bond** and, together with the Temporary Global Bond, the **Global Bonds**), without interest coupons, on or after 17 May 2020 (the **Exchange Date**), upon certification as to non-U.S. beneficial ownership. Interests in the Permanent Global Bond will be exchangeable for definitive Bonds only in certain limited circumstances. See "*Form of the Bonds and Summary of Provisions relating to the Bonds while in Global Form*".

#### **Joint Bookrunners**

**BNP PARIBAS**

**HSBC**

The date of this Prospectus is 3 April 2020.

This Prospectus comprises a prospectus for the purposes of the Prospectus Regulation.

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

The Original Borrower accepts responsibility for the information contained in this Prospectus relating to it and the security created and to be created by it including, without limitation:

- (a) the information under the heading "*Factors which may affect the Borrowers' ability to fulfil their obligations under the Loan Agreements*" in the section headed "*Risk Factors*";
- (b) the information contained in the sections headed "*Description of the Original Borrower and the Group*" and "*Description of the Regulation and Funding Environment applicable to the Borrowers*";
- (c) the financial statements relating to it referred to in the section headed "*Documents Incorporated by Reference*";
- (d) the information relating to the security created (and to be created) pursuant to the Legal Mortgages (as defined below) under the heading "*Underlying Security*" in the section headed "*Overview*", under the heading "*Considerations relating to the Issuer Security and the Underlying Security*" in the section headed "*Risk Factors*" and contained in the section headed "*Description of the Legal Mortgages and the Security Trust Deed*"; and
- (e) the information relating to it under the headings "*Material or Significant Change*" and "*Litigation*" in the section headed "*General Information*",

and, to the best of the knowledge of the Original Borrower, such information is in accordance with the facts and such information makes no omission likely to affect its import.

Jones Lang LaSalle Limited (the *Valuer*) accepts responsibility for the information contained in the section headed "*Valuation Report*" and, to the best of its knowledge, such information is in accordance with the facts and the section headed "*Valuation Report*" makes 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 this Prospectus or any other information provided by the Issuer in connection with the issue of the Bonds.

The figures referred to in the Valuation Report in the sections entitled "*General Commentary*", "*Valuation Commentary – Rented Stock*" and "*Market Commentary*" were obtained from HM Land Registry, the Ministry of Housing, Communities and Local Government (the *MHCLG*), the Office for National Statistics (the *ONS*), the Valuation Office Agency and the Statistical Data Return. The Issuer confirms that such figures have been accurately reproduced and that, as far as the Issuer is aware and is able to ascertain from information published by HM Land Registry, the MHCLG, the ONS, the Valuation Office Agency and the Statistical Data Return, no facts have been omitted which would render the reproduced figures inaccurate or misleading.

This Prospectus is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see "*Documents Incorporated by Reference*" below). This Prospectus should be read and construed on the basis that such documents are incorporated in, and form part of, this Prospectus.

None of the Joint Bookrunners, the Bond Trustee and the Security Trustee has 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 or Original Borrower contained in the Bonds or any of the Transaction Documents (as defined below). Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Joint Bookrunners, the Bond Trustee or the Security Trustee as to (i) the accuracy or completeness of the information contained in, or incorporated by reference in, this Prospectus or any other information provided by the Issuer, the Original Borrower or any other person in connection with the offering of the Bonds or (ii) the execution, legality, effectiveness, genuineness, validity, enforceability or admissibility in evidence of the Bonds or any Transaction Document. None of the Joint Bookrunners, the Bond Trustee and the Security Trustee accepts any liability in relation to the information contained in, or incorporated by reference in, this Prospectus or any other information provided by the Issuer, the Original Borrower or any other person in connection with the offering of the Bonds.

No person is or has been authorised by the Issuer, the Joint Bookrunners, the Bond Trustee or the Security Trustee to give any information or to make any representation not contained in or not consistent with this Prospectus or any other information supplied in connection with the offering of the Bonds and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Joint Bookrunners, the Bond Trustee or the Security Trustee.

To the fullest extent permitted by law, none of the Joint Bookrunners, the Bond Trustee and the Security Trustee accepts any responsibility for the contents of this Prospectus or for any other statement made or purported to be made by it or on its behalf in connection with the Issuer, the Original Borrower or the issue and offering of the Bonds. Each of the Joint Bookrunners, the Bond Trustee and the Security Trustee accordingly disclaims all and any liability whether arising in tort or contract or otherwise which it might otherwise have in respect of this Prospectus or any such statement.

Neither this Prospectus nor any other information supplied in connection with the Bonds (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer, the Original Borrower, the Joint Bookrunners, the Bond Trustee or the Security Trustee that any recipient of this Prospectus or any other information supplied in connection with the Bonds should purchase any Bonds. Each investor contemplating purchasing any Bonds should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and the Original Borrower. Neither this Prospectus nor any other information supplied in connection with the offering of the Bonds constitutes an offer or invitation by or on behalf of the Issuer, the Original Borrower, the Joint Bookrunners, the Bond Trustee or the Security Trustee to any person to subscribe for or to purchase the Bonds.

Neither the delivery of this Prospectus nor the offering, sale or delivery of the Bonds shall in any circumstances imply that the information contained herein concerning the Issuer or the Original Borrower is correct at any time subsequent to the date hereof or that any other information supplied in connection with the offering of the Bonds is correct as of any time subsequent to the date indicated in the document containing the same. The Joint Bookrunners, the Bond Trustee and the Security Trustee expressly do not undertake to review the financial condition or affairs of the Issuer, the Borrowers or any Eligible Group Member (as defined below) during the life of the Bonds or to advise any investor in the Bonds of any information coming to their attention.

The Bonds 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.

This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Bonds in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Prospectus and the offer or sale of Bonds may be restricted by law in certain jurisdictions. The Issuer, the Original Borrower, the Joint Bookrunners, the Bond Trustee and the Security Trustee do not represent that this Prospectus may be lawfully distributed, or that the Bonds may be lawfully offered or sold, 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 Original Borrower, the Joint Bookrunners, the Bond Trustee or the Security Trustee which is intended to permit a public offering of the Bonds or the distribution of this Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Bonds may be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus or any Bonds may come must inform themselves about, and observe, any such restrictions on the distribution of this Prospectus and the offering and sale of Bonds. In particular, there are restrictions on the distribution of this Prospectus and the offer or sale of Bonds in the United States, the United Kingdom and the European Economic Area (see "*Subscription and Sale*").

## PRESENTATION OF FINANCIAL AND OTHER INFORMATION

### Presentation of Financial Information

Unless otherwise indicated, the financial information in this Prospectus has been derived from the Issuer Financial Statements and the Original Borrower Financial Statements (each as defined below).

The Issuer's and the Original Borrower's financial year ends on 31 March, and references in this Prospectus to any specific year are to the 12-month period ended on 31 March of such year. The Issuer Financial Statements have been prepared and audited in accordance with FRS 102 the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland (United Kingdom Generally Accepted Account Practice. The Original Borrower Financial Statements have been prepared and audited in accordance with FRS 102 the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland, the Statement of Recommended Practice, "Accounting by registered social housing providers" 2014 and the Borrower Accounting Direction for Private Registered Providers of Social Housing 2019 (together, the **Original Borrower Accounting Standards**).

### Certain Defined Terms and Conventions

Capitalised terms which are used but not otherwise defined in any particular section of this Prospectus will have the meanings attributed to them in the section headed "*Conditions of the Bonds*" or any other section of this Prospectus. In addition, all references in this Prospectus to **Sterling** and **£** refer to pounds sterling and all references to a **billion** refer to a thousand million.

Certain figures and percentages included in this Prospectus 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 Bonds may not be a suitable investment for all investors. Each potential investor in the Bonds 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:

- (i) has sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained in this Prospectus;
- (ii) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact the Bonds will have on its overall investment portfolio;
- (iii) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds including where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understands thoroughly the terms of the Bonds and is familiar with the behaviour of financial markets; and
- (v) 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.

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

**IN CONNECTION WITH THE ISSUE OF THE BONDS, HSBC BANK PLC AS STABILISATION MANAGER (THE *STABILISATION MANAGER*) (OR PERSONS ACTING ON BEHALF OF THE STABILISATION MANAGER) MAY OVER-ALLOT BONDS OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE BONDS AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, STABILISATION ACTION 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 BONDS 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 BONDS AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE BONDS. ANY STABILISATION ACTION OR OVER-ALLOTMENT MUST BE CONDUCTED BY THE STABILISATION MANAGER (OR PERSONS ACTING ON BEHALF OF THE STABILISATION MANAGER) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.**

**MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPs ONLY TARGET MARKET – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Bonds has led to the conclusion that: (a) the target market of the Bonds is eligible counterparties and professional clients only, each as defined in MiFID II; and (b) all channels for the distribution of the Bonds to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Bonds (a *distributor*) should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market**

assessment in respect of the Bonds (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

**PROHIBITION OF SALES TO EEA AND UK RETAIL INVESTORS** – The Bonds 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*) or in the United Kingdom ) (the *UK*). 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 *PRIPs Regulation*) for offering or selling the Bonds or otherwise making them available to retail investors in the EEA or in the UK has been prepared and therefore offering or selling the Bonds or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIPs Regulation.

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## OVERVIEW

*The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Prospectus.*

This overview must be read as an introduction to this Prospectus and any decision to invest in the Bonds should be based on a consideration of this Prospectus as a whole.

Words and expressions defined in "*Form of the Bonds and Summary of Provisions relating to the Bonds while in Global Form*", "*Conditions of the Bonds*" and "*Description of the Loan Agreements*" shall have the same meanings in this overview.

|                                  |   |
|----------------------------------|---|
| <b>Issuer:</b>                   | Optivo Finance plc<br><br>Legal Entity Identifier (LEI): 213800DU46CL9M2ZRN02   |
| <b>Description of the Bonds:</b> | <p>£250,000,000 2.857 per cent. Secured Bonds due 2035 (the <b>Bonds</b>) to be issued by the Issuer on 7 April 2020 (the <b>Issue Date</b>).</p> <p>£100,000,000 in principal amount of the Bonds will be immediately purchased by or on behalf of the Issuer on the Issue Date (the <b>Retained Bonds</b>).</p>   |
| <b>Status of the Bonds:</b>      | The Bonds and the Coupons will constitute direct, secured, unsubordinated obligations of the Issuer and will rank <i>pari passu</i> among themselves.   |
| <b>Use of Proceeds:</b>          | <p>The net proceeds of the issue of the Bonds or, in the case of the Retained Bonds, the net proceeds of the sale of the Bonds to a third party (after deduction of expenses payable by the Issuer), will be applied by the Issuer to provide finance for the Original Borrower or (to the extent that the Original Borrower has reduced its Initial Commitment) to an Additional Borrower.</p> <p>Subject as described in "<i>Initial Cash Security Account</i>" below, the Issuer will lend such proceeds to the Original Borrower and/or one or more Additional Borrowers pursuant to the relevant Loan Agreement to be applied in accordance with such Borrower's constitutional documents.</p> <p>The Issuer may from time to time invest the funds held in the Initial Cash Security Account and the Ongoing Cash Security Account in Permitted Investments (as defined below) until such time as such funds are on-lent, or returned, to a Borrower pursuant to the relevant Loan Agreement.</p> |
| <b>Issue Price:</b>              | 100 per cent.   |
| <b>Form of Bonds:</b>            | The Bonds will be issued in bearer form as described in " <i>Form of the Bonds and Summary of Provisions relating to the Bonds while in Global Form</i> ".  |

|  |   |
|--|---|
| <b>Interest:</b>                         | The Bonds will bear interest at a fixed rate of 2.857 per cent. per annum payable semi-annually in arrear in equal instalments on 7 April and 7 October of each year, commencing on 7 October 2020. Interest will accrue from (and including) the Issue Date to (but excluding) 7 October 2035 (the <b>Maturity Date</b> ), subject to adjustment in accordance with Condition 8.5 ( <i>Payment Day</i> ) (each, an <b>Interest Payment Date</b> ).   |
| <b>Final Redemption:</b>                 | Unless previously redeemed or purchased and cancelled in accordance with Condition 9 ( <i>Redemption and Purchase</i> ), the Bonds will be redeemed at their principal amount on the Maturity Date.   |
| <b>Early Redemption:</b>                 | <p>Subject as described in "<i>Mandatory Early Redemption</i>" below, the Bonds may be redeemed in whole or in part at any time prior to the Maturity Date upon the optional prepayment by a Borrower of its Loan or a part thereof in accordance with the terms of the relevant Loan Agreement at the higher of their principal amount and an amount calculated by reference to the sum of:</p> <ul style="list-style-type: none"> <li>(a) the yield on the relevant outstanding UK Government benchmark conventional gilt having the nearest maturity date to that of the Bonds; and</li> <li>(b) 0.35 per cent.,</li> </ul> <p>together with accrued interest.</p>   |
| <b>Early Redemption for Tax Reasons:</b> | The Issuer shall redeem the Bonds in whole, but not in part, at their principal amount, together with any interest accrued, if, as a result of any actual or proposed change in tax law, the Issuer determines that it would be required to make a withholding or deduction on account of tax in respect of payments to be made by it in respect of the Bonds and the Issuer does not opt to pay additional amounts pursuant to Condition 10.2 ( <i>No obligation to pay additional amounts</i> ) or, having so opted, notifies the Bond Trustee of its intention to cease paying such additional amounts.  |
| <b>Mandatory Early Redemption:</b>       | <p>The Bonds shall be redeemed at their principal amount, plus accrued interest, in an aggregate principal amount equal to the principal amount of the relevant Loan, upon the mandatory prepayment of a Loan following the relevant Borrower ceasing to be a Registered Provider of Social Housing (other than if such Borrower regains its status as a Registered Provider of Social Housing within 180 days).</p> <p>In addition, if a Loan becomes repayable as a result of a Borrower Default, the Bonds shall be redeemed at their principal amount, plus accrued interest, in an aggregate principal amount equal to the principal amount of the relevant Loan.</p> <p>A <b>Borrower Default</b> includes non-payment, breach of other obligations, cross-acceleration, winding-up, cessation of</p> |

business, insolvency, unlawfulness and breach of the asset cover ratio, in each case as set out in Clause 14 (*Borrower Default*) of the Original Loan Agreement (or as will be set out in the corresponding clause of each Additional Loan Agreement) and described further in "*Description of the Loan Agreements*".

**Purchase:**

The Retained Bonds will be immediately purchased by the Issuer on the Issue Date.

Any Borrower and any other member of the Group (other than the Issuer) may at any time purchase Bonds in the open market or otherwise at any price. Any Bonds so purchased by any Borrower or other member of the Group may be surrendered to the Issuer for cancellation in consideration for an amount equal to the principal amount of the Bonds being surrendered being deemed to be prepaid under the relevant Loan Agreement or, to the extent that the relevant Loan is not then outstanding, an amount of the Undrawn Commitment (as defined below) in respect of such Loan Agreement equal to the Outstanding Balance of the Bonds surrendered being deemed to be cancelled.

**Retained Bonds:**

Pursuant to the terms of the Retained Bond Custody Agreement, the Retained Bond Custodian will hold the Retained Bonds on the Issuer's behalf (see "*Account Agreement, Custody Agreement and Retained Bond Custody Agreement*" below), and the Issuer has instructed the Retained Bond Custodian to waive its rights to receive payments (of interest, principal or otherwise) on the Retained Bonds for so long as the Retained Bonds are held on the Issuer's behalf. Such waiver may not be revoked without the consent of the Bond Trustee.

Pursuant to the Bond Trust Deed, the Issuer has covenanted with the Bond Trustee that it will, immediately prior to a sale of any Retained Bonds by the Issuer, deliver to the Bond Trustee a certificate in writing signed by two directors of the Issuer addressed to the Bond Trustee confirming that, immediately following the sale of such Retained Bonds, the Borrowers will be in compliance with the Asset Cover Test. For the purpose of giving such confirmation, the Issuer will require the Borrowers to deliver a Retained Bond Compliance Certificate pursuant to the Loan Agreement, as described further in "*Description of the Loan Agreement*".

The Retained Bonds may only be held on the Issuer's behalf until (but not including) the date falling three years after the Issue Date, and the Issuer must therefore sell the Retained Bonds within that three-year period, or else any Retained Bonds that have not been so sold will be cancelled in accordance with Condition 9.9 (*Cancellation of purchased or redeemed Bonds*).

**Events of Default:**

Following an Event of Default, the Bond Trustee may, and if so requested by the holders of at least one-fourth in principal amount of the Bonds then outstanding shall (subject to it being secured

and/or indemnified and/or pre-funded to its satisfaction and, upon certain events, the Bond Trustee having certified to the Issuer that such event is, in its opinion, materially prejudicial to the interests of the Bondholders), give notice to the Issuer and the Bonds shall become immediately due and repayable.

The Events of Default include, *inter alia*, non-payment of any principal and interest due in respect of the Bonds, failure of the Issuer to perform or observe any of its other obligations under the Conditions and the Bond Trust Deed, 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).

Upon the Bonds becoming repayable prior to the Maturity Date (other than as a result of a prepayment or termination of any Loan Agreement), each Borrower is required to prepay its Loan in full together with accrued interest and commitment fee to and including the date of redemption. Each Borrower is also required to pay to the Issuer, within three Business Days of demand, its *pro rata* share of the Issuer's reasonable costs, expenses and liabilities throughout the life of the Bonds.

**Issuer Security:**

The Issuer's obligations in respect of the Bonds are secured pursuant to the Bond Trust Deed in favour of the Bond Trustee for the benefit of itself and the Bondholders and the other Secured Parties by the following (the **Issuer Security**):

- (a) an assignment by way of security of the Issuer's rights, title and interest arising under the Loan Agreements, the Legal Mortgages, the Security Trust Deed, the Agency Agreement, the Account Agreement and the Custody Agreement, in each case to the extent that they relate to the Bonds;
- (b) a charge by way of first fixed charge over all moneys and/or securities from time to time standing to the credit of the Transaction Account, the Ongoing Cash Security Account, the Initial Cash Security Account and the Custody Account and all debts represented thereby; and
- (c) a charge by way of first fixed charge over all sums held from time to time by the Paying Agents for the payment of principal or interest in respect of the Bonds.

**Initial Cash Security Account:**

For so long as insufficient security has been granted (or procured to be granted) by the Original Borrower in favour of the Security Trustee, and allocated for the benefit of the Issuer, to permit the drawing of the Initial Commitment in full or the Original Borrower has not otherwise drawn any part of the Initial Commitment, the amount of the Initial Commitment that remains undrawn (in respect of each Commitment, the **Undrawn Commitment**) shall (subject, in the case of any portion of the Original Commitment

which is to be funded by a sale of Retained Bonds, to receipt by the Issuer of the net sale proceeds thereof) be retained in a charged account (the **Initial Cash Security Account**) of the Issuer (and may be invested in Permitted Investments) in accordance with the terms of the Account Agreement and the Custody Agreement (the **Retained Proceeds**).

For the avoidance of doubt, in the event that the Original Borrower has not drawn any part of the Initial Commitment on the Issue Date, the Retained Proceeds at that date shall be the entire amount of the Initial Commitment (less any amount which is to be funded by a sale of Retained Bonds). Any Retained Proceeds shall be advanced to one or more Borrowers at a later date pursuant to the relevant Loan Agreement(s) to the extent that Properties of a corresponding value have been charged in favour of the Security Trustee, and allocated for the benefit of the Issuer, and, if applicable, subject to the sale by the Issuer of Retained Bonds.

Funds standing to the credit of the Initial Cash Security Account may:

- (a) be held on deposit, in which case it shall accrue interest at the positive, negative or zero rate set by the Account Bank (as defined below) pursuant to the Account Agreement; or
- (b) be invested in Permitted Investments in accordance with the Custody Agreement.

See "*Permitted Investments*" below.

Pursuant to the Loan Agreements, each Borrower shall pay to the Issuer a commitment fee in respect of its Undrawn Commitment on each Loan Payment Date in an amount equal to its *pro rata* share of:

- (a) the aggregate of the interest payable by the Issuer under the Bonds on the following Interest Payment Date less:
- (b)
  - (i) the aggregate of the interest received from the Borrowers under the Loan Agreements on such Loan Payment Date; and
  - (ii) the interest otherwise received by the Issuer in respect of the Retained Proceeds during the relevant Loan Interest Period (including, but not limited to, any income received by the Issuer in respect of any Permitted Investments in which any Retained Proceeds are, for the time being, invested).

See "*Description of the Loan Agreements*" below.

**Ongoing Cash Security Account:**

Pursuant to the Loan Agreements, each Borrower is (or will be) required to procure that the specified asset cover ratio is maintained (see "*Description of the Loan Agreements*" below). In the event that the value of the Apportioned Property multiplied by the Issuer's Security Percentage is insufficient to maintain the relevant asset cover ratio, the Borrowers may deposit (or procure the deposit of) moneys into the Ongoing Cash Security Account. Such moneys will be charged in favour of the Bond Trustee pursuant to the terms of the Bond Trust Deed.

Funds standing to the credit of the Ongoing Cash Security Account may:

- (a) be held on deposit, in which case they shall accrue interest at the positive, negative or zero rate set by the Account Bank pursuant to the Account Agreement; or
- (b) be invested in Permitted Investments in accordance with the Custody Agreement.

See "*Permitted Investments*" below.

Moneys standing to the credit of the Ongoing Cash Security Account may be withdrawn:

- (i) to be applied in the acquisition of Property to be charged in favour of the Security Trustee, and allocated for the benefit of the Issuer; or
- (ii) otherwise, to the extent that the specified asset cover ratio would not be breached immediately after such withdrawal,

and, in any event, if no Borrower Default or Potential Borrower Default has occurred and is continuing.

**Permitted Investments:**

Permitted Investments shall consist of:

- (a) direct obligations of the United Kingdom or of any agency or instrumentality of the United Kingdom which are guaranteed by the United Kingdom;
- (b) demand and time deposits in, certificates of deposit of and bankers' acceptances issued by any depositary institution or trust company with a maturity of no more than 360 days subject to, *inter alia*, such issuer's debt obligations having:
  - (i) any two of the following long term debt credit ratings: (A) not less than "AA" from S&P Global Ratings Europe Limited (**S&P**), (B) not less than "Aa2" from Moody's and (C) not less than "AA"

from Fitch Ratings Limited (**Fitch**) (together, the **Permitted Investments Minimum Long-Term Rating**); or

- (ii) any two of the following short term debt or issuer (as applicable) credit ratings: (A) not less than "A-1" from S&P, (B) not less than "P-1" from Moody's and (C) not less than "F1" from Fitch (together, the **Permitted Investments Minimum Short-Term Rating**);
- (c) securities bearing interest or sold at a discount to the face amount thereof issued by any corporation that has a credit rating of not less than the Permitted Investments Minimum Long-Term Rating;
- (d) commercial paper or other short-term obligations which, *inter alia*, have a credit rating of not less than the Permitted Investments Minimum Short-Term Rating;
- (e) triple-A rated off-shore money market funds; and
- (f) any other investments similar to (a) to (e) above, in respect of which confirmation has been received by Moody's as to its inclusion as a Permitted Investment and which has, in the case of an investment with a maturity of longer than 360 days, a long-term credit rating of not less than the Permitted Investments Minimum Long-Term Rating or, in the case of an investment with a maturity of 360 days or less, a short-term credit rating of not less than the Permitted Investments Minimum Short-Term Rating,

provided that, in the case of (a) to (d) (and (f) insofar as it relates to the investments described in (a) to (d)) above, such investment shall be an investment which is an obligation of the United Kingdom or a company incorporated in the United Kingdom, and (i) in all cases, such investment shall be an investment which is denominated in Sterling and (ii) in all cases other than where a Permitted Investment is the Benchmark Gilt (as defined in Condition 9.2 (*Early Redemption*)) such investment shall have a maturity of which is no later than 7 October 2035.

In the event that any Permitted Investments are sold to fund a drawing by a Borrower pursuant to a Loan Agreement and such sale results in a loss realised by the Issuer, such drawing to be made by the Issuer to such Borrower pursuant to such Loan Agreement shall be advanced at a discount in an amount equal to the Actual Advance Amount (as defined in each Loan Agreement).

In the event that any Permitted Investments are sold to fund an advance to a Borrower pursuant to a Loan Agreement and such sale results in a gain realised by the Issuer (such gain, the

**Permitted Investment Profit**), the Issuer shall advance monies to such Borrower in an amount equal to the Actual Advance Amount and may (at its discretion) make a Gift Aid Payment to a charitable member of the Group which is connected with the Original Borrower (the Issuer being its wholly owned subsidiary) for the purposes of section 939G of the Corporation Tax Act 2010 (a **Charitable Group Member**) in an amount equal to the Permitted Investment Profit.

Immediately prior to the end of each accounting period, to the extent that the Issuer would otherwise be required to recognise a profit for tax purposes in respect of its Permitted Investments and/or Retained Bonds as a result of the movement in the fair value recognised in its accounts of such Permitted Investments and/or Retained Bonds for that accounting period, the Issuer shall sell Permitted Investments in an aggregate amount equal to the amount required to offset or discharge any corporation tax liability (either by the payment of such corporation tax liability or by making a Gift Aid Payment to a Charitable Group Member) in respect of the Accounting Profit and may (at its discretion), in the same accounting period or such later period permitted under section 199 of the Corporation Tax Act 2010, make a Gift Aid Payment to any Charitable Group Member in an amount equal to the Accounting Profit.

The Issuer's right to make a Gift Aid Payment exists to the extent that there are distributable reserves available for such purpose in the Issuer and, prior to taking into account the Gift Aid Payment, the Issuer has taxable profits for corporation tax purposes in the accounting period in which the Gift Aid Payment is or would but for the above otherwise be made or treated as made by section 199 of the Corporation Tax Act 2010.

See "*Description of the Loan Agreements – Facility*".

**Account Agreement, Custody Agreement and Retained Bond Custody Agreement:**

The Issuer has appointed HSBC Bank plc as its account bank (the **Account Bank**), its custodian in respect of its Permitted Investments (the **Custodian**) and its custodian in respect of the Retained Bonds (the **Retained Bond Custodian**) pursuant to the Account Agreement, the Custody Agreement and the Retained Bond Custody Agreement, respectively.

Pursuant to the Account Agreement, the Account Bank shall maintain three accounts for the Issuer in respect of the Bonds: the Transaction Account, the Initial Cash Security Account and the Ongoing Cash Security Account. Pursuant to the Account Agreement and the Bond Trust Deed, the Issuer has entered into certain covenants in respect of the monies which may be credited to and debited from each Account.

Pursuant to the Custody Agreement, the Custodian shall, subject to receipt of such documents as it may require, open the Custody Account (consisting of the Initial Cash Security Custody Sub-



Account, the Ongoing Cash Security Custody Sub-Account, the Initial Cash Security Cash Sub-Account and the Ongoing Cash Security Cash Sub-Account). The Issuer has authorised the Custodian to make payments and delivery out of the Custody Account only for the purpose of any acquisition or sale of Permitted Investments or as set out therein.

Pursuant to the Retained Bond Custody Agreement, the Retained Bond Custodian shall, subject to receipt of such documents as it may require, open the Retained Bond Custody Account (consisting of the Retained Bond Custody Sub-Account and the Retained Bond Cash Sub-Account). The Retained Bond Custodian has agreed not to effect a transfer of any Retained Bonds except with the prior written consent of the Bond Trustee, and the Issuer has authorised the Retained Bond Custodian to make other payments and delivery out of the Retained Bond Custody Account only as set out therein.

See "*Description of the Account Agreement, the Custody Agreement and the Retained Bond Custody Agreement*" below.

**Guarantee and Indemnity:**

Pursuant to the Loan Agreements, the Original Borrower has (and each Additional Borrower will have) irrevocably and unconditionally:

- (a) guaranteed to the Issuer the punctual performance by each other Borrower of all such Borrowers' obligations under, *inter alia*, their respective Loan Agreements, the Security Trust Deed and their respective Legal Mortgages, other than each other Borrowers' obligations to repay principal and any prepayment premium thereon pursuant to their respective Loan Agreements (such amounts being the **Guaranteed Interest and Fee Amounts**);
- (b) undertaken with the Issuer that, whenever any other Borrower does not pay any Guaranteed Interest and Fee Amounts when due under, its respective Loan Agreement, the Security Trust Deed or its respective Legal Mortgage(s), it must, immediately on demand by the Security Trustee and/or the Issuer, pay the Guaranteed Interest and Fee Amounts as if it were the principal obligor;
- (c) undertaken with the Issuer that, to the extent that the proceeds of the enforcement of the Underlying Security are insufficient to satisfy the Borrowers' obligations under their respective Loan Agreements in full (the shortfall being the **Guaranteed Principal Amount**), it must, immediately on demand by the Security Trustee and/or the Issuer, pay the Guaranteed Principal Amount as if it were the principal obligor; and

- (d) agreed to indemnify the Issuer immediately on demand against any loss or liability suffered by the Issuer if any obligation guaranteed by it is or becomes illegal or invalid.

**Underlying Security:**

Pursuant to the Legal Mortgages and the Security Trust Deed, the Original Borrower has created or procured the creation (and each Additional Borrower may, upon such entity becoming a Borrower in accordance with the terms of the Security Trust Deed, create or procure the creation) by an Eligible Group Member of the following security in favour of the Security Trustee and allocated for the benefit of, *inter alios*, itself and the Issuer:

- (a) first fixed legal mortgages over all of the right, title and interest from time to time in the properties specified in each Legal Mortgage; and
- (b) first fixed charges over, *inter alia*, the benefit of all plant and machinery, the Insurances (as defined in the Legal Mortgages) and all present and future licences, consents and authorisations in respect thereof,

and has (or will have) also covenanted that it will (following an Enforcement Event (as defined in the Legal Mortgages) which has occurred and is continuing unremedied or unwaived and has not been remedied within any applicable grace period) assign or procure the assignment to the Security Trustee for the benefit of itself and, *inter alios*, the Issuer, all of the rights, title and interest in and to certain agreements and covenants held by such Borrower, together, the **Underlying Security**.

The Issuer has secured its rights, title and interest in respect of the Underlying Security in favour of the Bond Trustee pursuant to the Bond Trust Deed.

See "*Description of the Legal Mortgages and the Security Trust Deed*" below.

**Additions, substitution and release of Apportioned Properties:**

The Borrowers and any Eligible Group Members may charge (and/or allocate) or release (and/or reallocate) Charged Properties from the Underlying Security (and the Issuer shall consent to such charging (and/or allocation) or release (and/or reallocation)) subject to, and in accordance with, the requirements of the Loan Agreements and the Security Trust Deed.

See "*Description of the Loan Agreements*" and "*Description of the Legal Mortgages and the Security Trust Deed*" below.

**Enforcement of the Underlying Security and the Issuer Security:**

Following a Borrower Default, the Issuer may declare the Underlying Security immediately enforceable and/or declare the Loan immediately repayable. Pursuant to Clause 6 (Default procedure) of the Security Trust Deed, the Security Trustee shall only be required to take action to enforce or protect the security in respect of the Loan Agreements if instructed to do so by the Issuer

(and then only if it has been indemnified and/or secured and/or pre-funded to its satisfaction).

The Issuer has assigned its rights under, *inter alia*, the Legal Mortgages and the Security Trust Deed, and, pursuant to Condition 6.3, has covenanted not to take any action or direct the Security Trustee to take any action pursuant thereto except with the prior consent of the Bond Trustee. The Bond Trustee may, but is not obliged to, seek the consent of the Bondholders in accordance with the Bond Trust Deed prior to giving any such consent.

In enforcing the Issuer Security (including the Issuer's rights, title and interests in the Legal Mortgages and the Security Trust Deed insofar as they relate to the Bonds) the Bond Trustee may act in its discretion. It is, however, required to take action, pursuant to Condition 12.2, where so directed by the requisite majority of the Bondholders provided, however, that it is secured and/or indemnified and/or pre-funded to its satisfaction.

See "*Description of the Legal Mortgages and the Security Trust Deed*" below.

#### **Priorities of Payments:**

Prior to the enforcement of the Issuer Security, the Issuer shall apply the monies standing to the credit of the Transaction Account on each Interest Payment Date and such other dates on which a payment is due in respect of the Bonds in the following order of priority (the **Pre-enforcement Priority of Payment**):

- (a) first, in payment of any taxes due and owing by the Issuer to any taxing authority (insofar as they relate to the Bonds);
- (b) second, in payment of any unpaid fees, costs, charges, expenses and liabilities incurred by the Bond Trustee and any Appointee (including remuneration payable to the Bond Trustee and any such Appointee) in carrying out its functions under the Bond Trust Deed;
- (c) third, in payment of any unpaid fees, costs, charges, expenses, liabilities and indemnity payments of the Issuer owing to the Paying Agents under the Agency Agreement, the Account Bank under the Account Agreement, the Custodian under the Custody Agreement and the Retained Bond Custodian under the Retained Bond Custody Agreement on a *pro rata* and *pari passu* basis;
- (d) fourth, in payment, on a *pro rata* and *pari passu* basis, of any other unpaid fees, expenses and liabilities of the Issuer (in so far as they relate to the Bonds);

- (e) fifth, in payment, on a *pro rata* and *pari passu* basis, to the Bondholders of any interest due and payable in respect of the Bonds;
- (f) sixth, in payment, on a *pro rata* and *pari passu* basis, to the Bondholders of any principal due and payable in respect of the Bonds;
- (g) seventh, in payment, on a *pro rata* and *pari passu* basis, to the Borrowers of any amounts due and payable under the terms of the Loan Agreements; and
- (h) eighth, in payment of any Permitted Investment Profit, Accounting Profit or Retained Bond Premium Amount, as the case may be, to any Charitable Group Member.

Following the enforcement of the Issuer Security, all monies standing to the credit of the Transaction Account, the Ongoing Cash Security Account and the Initial Cash Security Account and the net proceeds of enforcement of the Issuer Security shall be applied in the following order of priority (the **Post-enforcement Priority of Payment**):

- (a) first, in payment of any unpaid fees, costs, charges, expenses and liabilities incurred by the Bond Trustee, any Appointee or any receiver in preparing and executing the trusts under the Bond Trust Deed (including the costs of realising any Issuer Security and the Bond Trustee's, any such Appointee's and any such receiver's remuneration);
- (b) second, in payment, on a *pro rata* and *pari passu* basis, of all amounts owing to the Paying Agents under the Agency Agreement, the Account Bank under the Account Agreement, the Custodian under the Custody Agreement and the Retained Bond Custodian under the Retained Bond Custody Agreement;
- (c) third, in payment, on a *pro rata* and *pari passu* basis, to the Bondholders of any interest due and payable in respect of the Bonds;
- (d) fourth, in payment, on a *pro rata* and *pari passu* basis, to the Bondholders of any principal due and payable in respect of the Bonds;
- (e) fifth, in payment, on a *pro rata* and *pari passu* basis, of any other unpaid fees and expenses of the Issuer (insofar as they relate to the Bonds);
- (f) sixth, in payment, on a *pro rata* and *pari passu* basis, to the Borrowers of any amounts due and payable under the terms of the Loan Agreements; and

- (g) seventh, in payment of any Permitted Investment Profit, Accounting Profit or Retained Bond Premium Amount, as the case may be, to any Charitable Group Member.

**Covenants:**

Pursuant to Condition 6 (*Covenants*), the Issuer has covenanted not to engage in any activity or do anything other than carry out the business of a company which has as its purpose raising finance and on-lending such finance to or for the benefit of the Group or perform any act incidental to or necessary in connection with the aforesaid, without the consent of the Bond Trustee.

The Issuer has also covenanted to deliver to the Bond Trustee and, upon request by a Bondholder to the Issuer, to make available to any of the Bondholders, a copy of the Compliance Certificates received from the Borrowers pursuant to the terms of the Loan Agreements and a copy of the annual reports of each Borrower following publication of the same. In addition to the rights of Bondholders to convene a meeting pursuant to Condition 17 (*Meetings of Bondholders, Modification and Waiver*), at the request of the requisite majority of the Bondholders, the Issuer shall hold a meeting of the Bondholders to discuss the financial position of the Issuer and the Group, provided that the Issuer shall not be required to hold any such meeting more than once in any calendar year.

In addition, the Issuer has covenanted that, for so long as any of the Bonds remain outstanding, it shall not consent to any waiver, amendment or modification of, or take any action or direct the Security Trustee to take any action pursuant to, the Loan Agreements, the Legal Mortgages or the Security Trust Deed except with the prior consent of the Bond Trustee. The Bond Trustee may seek the consent of the Bondholders in accordance with the Bond Trust Deed prior to giving any such consent.

**Taxation:**

All payments in respect of the Bonds will be made without withholding or deduction for, or on account of, any taxes unless a tax deduction is required by law. In the event that any such withholding or deduction is required, the Issuer may at its option, but will not be obliged to, pay to Bondholders such additional amounts as may be necessary in order that the net amounts received by the Bondholders after such withholding or deduction will equal the amounts of principal and interest which would have been received in respect of the Bonds in the absence of such withholding or deduction. In the event that the Issuer does not opt to pay, or opts to pay and thereafter notifies the Bond Trustee and the Bondholders of its intention to cease paying, such additional amounts the Bonds shall be redeemed at their principal amount, together with any accrued interest, in accordance with Condition 9.3 (*Early Redemption for Tax Reasons*).

**Meetings of Bondholders:**

The Conditions of the Bonds and the Bond Trust Deed contain provisions for calling meetings of Bondholders to consider matters affecting their interests generally. These provisions permit defined

majorities to bind all Bondholders including Bondholders who did not attend and vote at the relevant meeting and Bondholders who voted in a manner contrary to the majority.

**Risk Factors:**

There are certain factors that may affect the Issuer's ability to fulfil its obligations under the Bonds. These are set out under "*Risk Factors*" below and include factors which may affect the Issuer's and/or a Borrower's and/or an Eligible Group Member's ability to fulfil their obligations under the Bonds and/or the Loan Agreements and/or Legal Mortgages, respectively, factors which are material for the purpose of assessing the market risks associated with the Bonds, risks relating to the security for the Bonds and risks relating to the market generally.

See "*Risk Factors*" below.

**Rating:**

The Original Borrower is rated "A2" by Moody's. It is expected that the Bonds will be rated "A2" by Moody's. As of the date of this Prospectus, Moody's is established in the European Union and is registered under the CRA Regulation. As such, Moody's is included in the list of credit rating agencies published by ESMA on its website in accordance with the CRA Regulation. A 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.

**Listing and admission to trading:**

Application has been made to the FCA for the Bonds to be admitted to the Official List and to the London Stock Exchange for the Bonds to be admitted to trading on the London Stock Exchange's regulated market.

**Joint Bookrunners:**

BNP Paribas  
HSBC Bank plc

**Principal Paying Agent,  
Account Bank, Custodian and  
Retained Bond Custodian:**

HSBC Bank plc

**Bond Trustee and Security  
Trustee:**

Prudential Trustee Company Limited

**Original Borrower:**

Optivo

**Borrowers:**

The Original Borrower and any other member of the Group that has charitable (or exempt charitable) status, is a Registered Provider of Social Housing and has acceded to the Security Trust Deed as an Additional Borrower in respect of the Bonds.

**Eligible Group Member:**

Any entity which has created (and which is subsisting) or will create security pursuant to the Security Trust Deed which is allocated for the benefit of the Issuer. Unless otherwise approved by the Security Trustee, each acceding Eligible Group Member

must be a member of the Group and a Registered Provider of Social Housing.

**Selling Restrictions:**

There are restrictions on the offer, sale and transfer of the Bonds in the United States and the United Kingdom and a prohibition on the sale of any Bonds to EEA retail investors. See "*Subscription and Sale*" below.

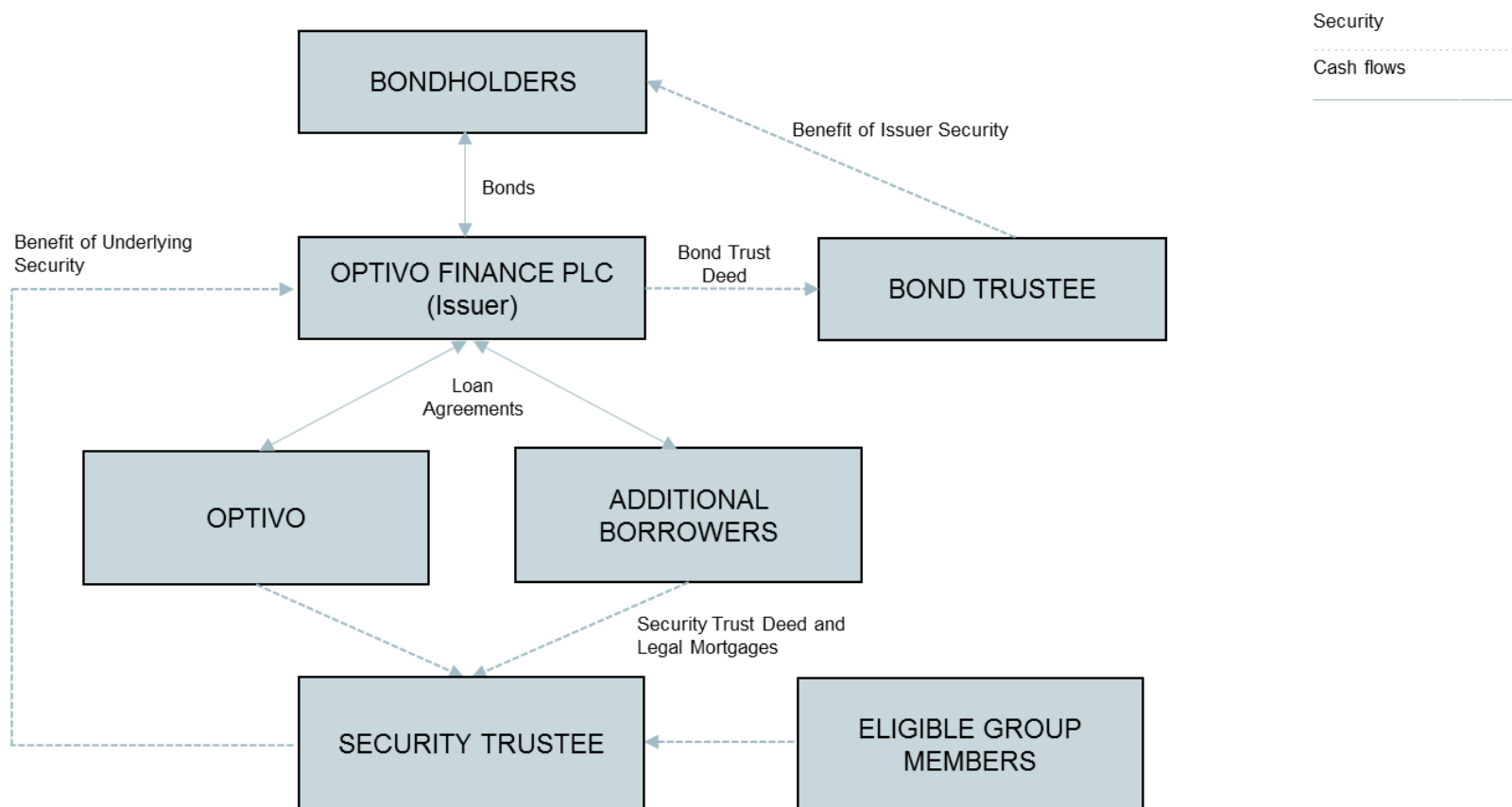
**MiFID II Product Governance:**

Solely for the purposes of each manufacturer's product approval processes, the manufacturers have concluded that: (a) the target market for the Bonds is eligible counterparties and professional clients only; and (b) all channels for distribution of the Bonds to eligible counterparties and professional clients are appropriate.

**Governing Law:**

The Bonds and any non-contractual obligations arising out of or in connection with them shall be governed by, and construed in accordance with, English law.

## STRUCTURE DIAGRAM OF TRANSACTION



NOTE: On the Issue Date, there will be no Eligible Group Members and Optivo will be the only entity providing security. However, Additional Borrowers and/or Eligible Group Members may accede to the structure at a future date, and any or all of the Borrowers may grant further security for their obligations under the Loan Agreements.



## RISK FACTORS

*The Issuer believes that the following factors (which include factors which may affect the ability of the Borrowers to fulfil their obligations under the Loan Agreements, the Legal Mortgages and the Security Trust Deed) may affect its ability to fulfil its obligations under the Bonds.*

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

*The Issuer believes that the factors described below represent the principal risks inherent in investing in the Bonds, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with the Bonds may occur for other reasons which may not be considered significant risks by the Issuer based on information currently available to it or which it may not currently be able to anticipate. This section is not intended to be exhaustive and prospective investors should also read the detailed information set out elsewhere in this Prospectus and reach their own views prior to making any investment decision. If any of the following risks actually materialise, the Issuer's and/or the Borrowers' business, financial condition and/or prospects could be materially and adversely affected. No assurance can be given that prospective Bondholders will receive full and/or timely payment of interest and principal or ultimate recovery in relation to the Bonds.*

### **Factors which may affect the Issuer's ability to fulfil its obligations under the Bonds**

**Special Purpose Vehicle Issuer:** The Issuer is a special purpose finance entity with no business operations other than the incurrence of financial indebtedness, including the issuance of the Bonds, on-lending the proceeds thereof to or for the benefit of the Group and investing in Permitted Investments. As such the Issuer is entirely dependent upon receipt of funds from the Borrowers in order to fulfil its obligations under the Bonds.

**Credit Risk:** The Issuer, and therefore payments by the Issuer in respect of the Bonds, will be subject to the credit risk of the Borrowers. The Issuer will be subject to the risk of delays in the receipt, or risk of defaults in the making, of payments due from the Borrowers in respect of the Loan Agreements. Delays in the receipt of payments due from any Borrower under its Loan Agreement could adversely affect the ability of the Issuer to fulfil its payment obligations under the Bonds.

**Effect of Losses on Loan on Interest Payments and Repayments on the Bonds:** There can be no assurance that the levels or timeliness of payments or collections received in respect of the Loans will be adequate to ensure fulfilment of the Issuer's obligations to the Bondholders in respect of the Bonds on each Interest Payment Date or on the Maturity Date. In addition, a default by a Borrower under its Loan Agreement could ultimately result in the enforcement of the Underlying Security in relation to the Bonds. The proceeds of any such enforcement may be insufficient to cover the full amount due from the Borrowers resulting in a shortfall in funds available to repay the Bonds. However, it is expected that, in the event that any Borrower's payment obligations under its Loan Agreement are not fulfilled, the other Borrowers will fulfil such obligations, in accordance with their respective guarantees, without the need to enforce the Underlying Security or seek recourse through the courts.

### **Factors which may affect the Borrowers' ability to fulfil their obligations under the Loan Agreements**

#### ***Risks relating to the Borrowers' business activities and industry***

**Change in Government Policy:** By virtue of its investment in, and management of, social housing assets the Original Borrower's business (and business model) is (and each Additional Borrower's business (and business model) is expected to be) highly sensitive to UK Government policy in relation

to housing. The Original Borrower's turnover is predominantly social housing letting activity. For the financial year ended 2018/19 it represented 84 per cent. of its combined turnover.

In particular, the Original Borrower is (and any Additional Borrower is expected to be) sensitive to policies impacting either the rent it is able to charge on social housing assets or its ability to recover rents due from residents, such as:

- (a) the rate at which social housing rents may index over time, under powers conferred through the Housing and Regeneration Act 2008. Current policy allows rents to index at CPI+1% for five years from the 2020/21 financial year;
- (b) the rate of increase or decrease of the Local Housing Allowance. This is the rate which is used in some cases to determine the maximum level of housing benefit receivable by residents;
- (c) a decision on whether and how to reintroduce "rent convergence" for social housing tenancies. The policy of converging rents for similar properties in similar locations to the same level previously ended in April 2015; and
- (d) the availability of benefit payments to support residents unable to otherwise pay rents due. The Original Borrower receives around 38 per cent. of its social housing rental income from housing benefit payable by local authorities, of which around 23 per cent. is paid through housing benefit for working age lead residents. If there is a reduction or termination by the UK Government of housing benefit, then this may accordingly have an adverse impact on the payment of rent, as the tenants would have to pay a higher proportion of the rent themselves.

Lower rental income could adversely affect the ability of the Borrowers to meet their payment obligations on a timely basis under the Loan Agreements which, in turn, may have an adverse effect on the Issuer's ability to meet its obligations to the Bondholders in respect of the Bonds.

**Income Collection:** The Borrowers' turnover depends on their capacity to collect rents due ("arrears"), and to let properties which are void ("voids"). Both depend on effective operations and a sound policy framework. If either arrears or voids increased significantly it could adversely affect the ability of a Borrower to meet its payment obligations on a timely basis under its Loan Agreement.

The Original Borrower has nearly 6,403 known claimants through the Universal Credit system, of whom 2,883 have been new cases in the 12 months to 31 December 2019. The Original Borrower has experienced an increase in rent arrears in respect of its residents as they move onto the Universal Credit system. As at 31 March 2019, the Original Borrower's rent arrears were at 4.35 per cent. Accounts where there is a Universal Credit claimant make up 30 per cent. of the overall debt on 14 per cent. of the Original Borrower's General Needs and Housing for Older People properties.

The roll out of Universal Credit is likely to increase transaction costs and the receipt of rental payments by the Borrowers, as landlords, may be delayed by the failure of tenants to apply for Universal Credit and/or regularly pay rent which is due in addition to the housing benefit and/or pass on the housing benefit payments to the landlord. In such circumstances, non-payment, partial payment or any delay in payment of rent could increase rental income arrears and bad debts, and could adversely affect the ability of a Borrower to meet its payment obligations on a timely basis under its Loan Agreements which, in turn, may have an adverse effect on the Issuer's ability to meet its obligations to the Bondholders in respect of the Bonds.

See further "*Universal Credit*" in the section headed "*Description of the Sector*".

**Cost Risk:** Against turnover of £314,032,000 in its financial year ended 31 March 2019, the Original Borrower's operating costs were £204,150,000. As owners and operators of residential accommodation,

the Borrowers have a principal risk exposure to the cost of construction, maintenance and repair of buildings. Costs in this area may increase due to idiosyncratic factors such as changes to materials costs, health & safety regulation and/or energy efficiency regulation.

A sustained period in which cost inflation exceeded income inflation would put the Borrowers' businesses under financial strain and ultimately affect the ability of the Borrowers to meet their payment obligations on a timely basis under the Loan Agreements.

**Contractor Risk:** The Original Borrower depends (and Additional Borrowers may depend) on an extensive network of contracted parties. The Borrowers' ability to meet their obligations are in part a function of the capacity and capability of these contractors. A contractor failure, for example, breach of contract or financial default, could leave a Borrower exposed in relation to compliance risks and/or significant financial costs in finding alternative contractors and resolving any issues arising. Any costs incurred by a Borrower in relation to a contractor failure could have an effect on such Borrower's income and cash flow and therefore such Borrower's ability to meet its payment obligations under its Loan Agreement which, in turn, may have an adverse effect on the Issuer's ability to meet its obligations to the Bondholders in respect of the Bonds.

**Construction Delay Risk:** A delay to completion of an asset under construction represents an income risk as the income anticipated from the asset once completed is due at a later date. Delay also represents a liquidity risk, as anticipated sales and rental income from the completed asset are also due later. Any delay in receiving the anticipated sales and rental income could have an adverse effect on a Borrower's cash flow and its ability to meet its payment obligations under its Loan Agreement which, in turn, may have an adverse effect on the Issuer's ability to meet its obligations to the Bondholders in respect of the Bonds.

**Sales Risk:** The majority of the properties of the Original Borrower are social rented (general needs, sheltered housing and supported housing), all of which have a limited exposure to housing market downturn risk. Rental income from these properties provides the major source of the Original Borrower's income.

However, the Original Borrower has (and Additional Borrowers may have) exposure to housing market downturn risk through shared ownership first tranche sales and open market sales. In its financial year ended 31 March 2019, the income on sale by the Original Borrower of these assets was £28,738,000 compared to total turnover for the year of £314,032,000. The exposure to market risk could have an impact on the Borrowers' ability to meet their payment obligations under the Loan Agreements and, accordingly, on the Issuer's ability to meet its payment obligations under the Bonds.

**Investment Risk:** The Original Borrower has (and Additional Borrowers may have) investment in assets which are not social housing, principally Student Accommodation but also including a portfolio of small retail units and offices. The financial return, and value, of these assets is driven to a large extent by market factors. Any market volatility in relation to these investments has the potential to reduce income, increase costs or decrease values, any of which has the potential to have an effect on a Borrower's ability to meet its payment obligations under its Loan Agreement which, in turn, may have an adverse effect on the Issuer's ability to meet its obligations to the Bondholders in respect of the Bonds.

**Social Housing Rent Linked to Market Levels:** The regulatory framework for social housing in England introduced from April 2012 (and revised with effect from 1 April 2015) (the **Regulatory Framework**) issued by the Regulator of Social Housing introduced a new category of social housing rent which allows Registered Providers of Social Housing to charge rents of up to a maximum of 80 per cent. of the local market rent level on both newly developed stock and on new lettings of a proportion of existing stock as long as it has entered into a housing supply delivery agreement with Homes England (in its capacity as a grant giving authority) and/or Greater London Authority (**GLA**). This rent is known

as Affordable Rent and, as at 31 March 2019, there were 3,343 affordable rent tenancies owned and managed by the Original Borrower. As the rent level is linked to local market levels each time a new tenancy is granted, this has the potential to increase cashflow volatility because rent will fluctuate as the market does.

As at 31 March 2019 the Original Borrower owned and managed a portfolio of 1,264 units of key worker accommodation. The rent on these homes is also set with reference to the market rent, with discounts ranging between 15 per cent. and 30 per cent., and re-benchmarked annually.

Rental volatility could affect the ability of the Borrowers to meet their payment obligations under the Loan Agreements which, in turn, may have an adverse effect on the Issuer's ability to meet its obligations to the Bondholders in respect of the Bonds.

**Housing Grant Risk:** The Original Borrower receives (and Additional Borrowers may receive) grant funding from a variety of sources, including Homes England and the GLA. Due to the nature of grant funding, there is a risk that the amount of funding available and the terms of grants will vary. Following approval of a grant there is a risk that Homes England and/or the GLA may revise the terms of a grant and reduce entitlement, suspend or cancel any instalment of such a grant. In certain circumstances (including, but not limited to, failure to comply with conditions or a disposal of the property funded by a grant), the grant may be required to be repaid or reused. Any such reduction in, withdrawal of, repayment or re-use of grant funding could adversely impact the future development and/or the financial standing of a Borrower and, accordingly, its ability to make repayment due under its Loan Agreement which, in turn, could adversely affect the Issuer's ability to make payments on the Bonds.

#### **Legal and Regulatory Risk**

**Regulatory Risk:** The funding and regulation of housing associations has undergone significant change in recent years. Bondholders are exposed to the creditworthiness of the Borrowers and any change in the Regulatory Framework could lead to the Borrowers facing increased costs in order to comply with the Regulatory Framework which could have an adverse effect on their ability to fund payments under the Loan Agreements. In such circumstances, there would be a consequential adverse effect in respect of the Issuer's ability to fund payments in respect of the Bonds, given that the Issuer is dependent on the ability of the Borrowers to make payments to it under the Loan Agreements.

**Legal and Compliance Risk:** The Original Borrower knows the significance to its operations of, and is focused on, adhering to all legal and compliance legislation. The Original Borrower is continually reviewing and updating its policies and procedures to ensure that the condition and safety of each property is compliant with prevailing legal and regulatory requirements. The Original Borrower 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. The Original Borrower is not currently aware of any material failure to adhere to applicable health and safety or environmental laws, litigation or breach of regulatory laws, or failure to comply with corporate, employee or taxation laws that has not already been reported and accounted for. To date, claims made against the Original Borrower have not had a material impact on the revenue or business of the Original Borrower.

Furthermore, the Original Borrower has (and each Additional Borrower is expected to have) the benefit of insurance for, among others, employer's liability, public liability and directors' and officers' liability at levels which the management of such Borrower considers to be prudent for the type of business in which such Borrower is engaged and commensurate with Registered Providers of Social Housing of a similar size.

If there was any material litigation in the future or any material failure to comply with relevant legislation or regulations, this could have significant cost implications for a Borrower and an adverse impact on such Borrower's results or operations, which could adversely affect its ability to comply with its payment

obligations under its Loan Agreement, which in turn, could affect the ability of the Issuer to meet its payment obligations to Bondholders in respect of the Bonds.

### ***Risks relating to the Borrower's Financial Situation***

**COVID-19:** On 20 January 2020, the World Health Organisation (the **WHO**) provided its first situation update on the novel coronavirus infectious disease (**2019-nCoV**), with 282 confirmed cases in four countries and 6 deaths in China. On 11 March 2020, the WHO announced that it characterised the outbreak as a pandemic, with 118,000 cases and 4,291 deaths worldwide. By 29 March 2020, the WHO reported 634,835 confirmed cases and 29,957 deaths worldwide.

On 3 March 2020, the UK Government published plans to contain, delay, research and mitigate the outbreak in the UK. On 12 March 2020, the UK Government announced moving out of the contain phase and into delay. On 23 March 2020, the UK Government announced new measures intended to slow the spread of the disease. These included instructions to British people to stay at home, as well as closures of certain businesses and places that the UK Government deemed non-essential.

At its budget announcement on 11 March 2020, as well as in the two weeks following, the UK Government announced a range of monetary and fiscal support measures for people, businesses and the economy. In particular, on 20 March 2020, the UK Government announced support in the form of the Coronavirus Job Retention Scheme, through which the UK Government will reimburse 80 per cent. of wage costs to employers for furloughed workers, up to £2,500 per month per worker, who would otherwise have been laid off in the crisis. Other measures include enhancements to Universal Credit, making self-employed workers eligible to claim Universal Credit to the extent of Statutory Sick Pay levels. For businesses, £350 billion of funding was announced, of which the largest is the Bank of England's Covid Corporate Financing Facility (**CCFF**).

The Original Borrower's profits may decline during the outbreak and recovery period. Potential causes are as follows:

- Rental income receipts may be lower during the period of outbreak. This may arise if residents are unable to maintain their own household budgets to meet rent obligations. This, in turn, may result in higher arrears and potentially higher bad debts. The Original Borrower estimates that 60 per cent. of general needs and independent living rent is backed by some form of state benefits. Of this segment, the Original Borrower estimates a quarter (15 per cent. of the total) are direct payers to it after receiving Universal Credit. Therefore approximately 55 per cent. of its general needs and independent rental income could potentially be affected for a period of time.
- The number of unlet void properties may rise, including student accommodation summer lettings as well as across the independent living portfolio due to the age profile of this group of residents, and possibly across the general needs social housing properties.
- Property sales income from current asset sales (first tranche sales of shared ownership properties) and fixed asset sales (staircasing of shared ownership properties and asset management disposals) may take longer to realise and sales values may fall.
- Operating costs may rise due to a need to pay more to secure supplies, as well as the risk of contractors facing financial hardship, although support measures have been put in place by the UK Government. Staff costs may rise due to a need to delay planned savings, and other costs may rise due to costs of implementing new remote working methods. There may be some offset of costs with reduced travel and office costs.

- Development commitments may be deferred, which would also reduce incremental debt requirements, and existing schemes that are in progress may be put on hold for a period of time so delaying handover of new sites and receipt of income.

Any or all of these may have an effect on the Original Borrower's ability to meet its payment obligations under the Original Loan Agreement which, in turn, may have an adverse effect of the Issuer's ability to meet its obligations to the Bondholders in respect of the Bonds.

**Fire Safety Cost Risk:** Following the tragic events at Grenfell Tower in the Royal Borough of Kensington and Chelsea, the Original Borrower completed additional comprehensive checks on all of the blocks it owns with six storeys or more. The Original Borrower identified four blocks with cladding of a similar type to that at Grenfell Tower, and this cladding was removed by 31 March 2018. In total, the Original Borrower has 102 blocks over six storeys high and 12 blocks currently under construction. The Original Borrower has prioritised 19 of its blocks for sampling and testing of the external wall systems. To date, it has received the results for 2 blocks, which indicate that remedial works are required. It is possible this testing may lead to identification of further works to ensure all high-rise properties are safe. In January 2020 the Secretary of State for Housing, Communities and Local Government announced the introduction of a new building safety regulator, and indicated further testing of the cladding of properties below six storeys and over 11 metres high would be expected.

If a Borrower was faced with material unforeseen renovation, maintenance and modernisation costs which it could not effectively fund, this could have an adverse impact on such Borrower's ability to meet its payment obligations on a timely basis under its Loan Agreement and, in turn, the ability of the Issuer to meet its payment obligations on a timely basis under the Bonds.

**Risks relating to withdrawal of the UK from the European Union:** On 29 March 2017, the UK invoked Article 50 of the Lisbon Treaty and officially notified the European Union (the **EU**) of its decision to withdraw from the EU. This commenced the formal two-year process of negotiations regarding the terms of the withdrawal and the framework of the future relationship between the UK and the EU, which was further extended to 31 January 2020. There is now a transition period which is expected to last until 31 December 2020, during which time negotiations in respect of a long-term relationship between the UK and the EU will take place.

Due to the on-going political uncertainty with regards to such transition period and the structure of the future relationship, the precise impact on the business of the Borrowers is difficult to determine. As such, no assurance can be given that such matters would not adversely affect the ability of the Borrowers to meet their respective payment obligations under the Loan Agreements, and therefore adversely affect the ability of the Issuer to meet its obligations under the Bonds and/or the market value and/or the liquidity of the Bonds in the secondary market.

**Capital Resources Risk:** To mitigate liquidity risk and augment its capital resources, the Original Borrower currently relies (and Additional Borrowers may rely) on financing through committed and secured lines of credit from major banks and building societies and through secured term and revolving credit facilities. As at 31 December 2019 the Original Borrower had available £70,422,000 cash and liquid resources £460,000,000 undrawn bank facilities with five banks.

A Borrower could find itself unable to access sources of financing if bank or building society lines become unavailable to it (for example, if banks and building societies are unable to provide new facilities, or extend existing facilities, or are unable to meet commitments to provide funds under existing committed lines) or if a reduction in its credit rating makes the cost of accessing the public and private debt markets prohibitive. This may affect its ability to meet its payment obligations under its Loan Agreement which, in turn, may affect the ability of the Issuer to meet its payment obligations under the Bonds.

**Interest Rate Risk:** The Original Borrower is (and any Additional Borrowers may be) subject to interest rate risk in respect of its variable rate borrowing although the Group's hedging strategy seeks to reduce interest rate risk volatility and uncertainty by allowing for a balance of fixed, floating and inflation-linked debt. As at 31 December 2019, 89 per cent. of total drawn debts of £1,417,529,049 was fixed either on an embedded basis or through standalone interest rate swaps.

**Insurance Risk:** The Original Borrower insures (and each Additional Borrowers is expected to insure) its business and assets against such risks and to such extent as is usual for Registered Providers of Social Housing. However, it is possible the Borrowers' insurance cover may prove inadequate in the event insurance limits are exceeded, or if cover does not extend to cover the specific circumstances of a case. In such cases a Borrower could be exposed to significant financial costs which could adversely affect the ability of such Borrower to meet its payment obligations under its Loan Agreement.

**Defined Benefit Pensions Risk:** The Original Borrower participates in the following defined benefit pension schemes:

- the Social Housing Pension Scheme administered by TPT Retirement Solutions (**SHPS**);
- Horizon Housing Group Pension Scheme (**HHGPS**);
- the East Sussex County Council Pension Fund (**ESPF**);
- the Kent County Council Scheme (**KPF**); and
- the London Borough of Barnet Pension Fund (**BPF**).

The defined benefit structure for each scheme is closed to new members.

**SHPS:** SHPS is a multi-employer, multi benefit, last man standing scheme. The Original Borrower participates in both the defined benefit and defined contribution structures within SHPS. The last valuation of the defined benefit scheme was as at 30 September 2017. The valuation revealed a shortfall of assets compared with the value of liabilities of £1,522 million. SHPS has recovery plans in place to pay for the past service deficit associated with accrued defined benefit. As at 31 March 2019, the present value of the Original Borrower's deficit funding arrangement, recognised as a liability on the Borrower's Statement of Financial Position, was £24,327,000. The Original Borrower is in negotiations with TPT to complete a bulk transfer out of SHPS, into a new sole employer scheme within TPT's administration. This is due to take place on or around 31 March 2020. It will mean the Original Borrower is no longer exposed to the risk of orphan debts within SHPS.

**HHGPS:** The HHGPS is a scheme specific to current and former employees of the Original Borrower. As at 31 March 2019, the deficit of the Original Borrower in the HHGPS was assessed to be £18,391,000 on an FRS102 basis.

**LGPS:** The LGPS is a public sector pension scheme independently administered locally through various regional pension funds and is also a multi-employer scheme. The LGPS is a defined benefit scheme which is currently based on average earnings over a member's career. ESPF, KPF, BPF and EPF are all LGPS schemes.

**ESPF:** As at 31 March 2019, the deficit of the Original Borrower in the ESPF was assessed to be £4,663,000 on an FRS102 basis.

**KPF:** As at 31 March 2019, the deficit of the Original Borrower in the KPF was assessed to be £4,973,000 on an FRS102 basis.

**BPF:** As at 31 March 2019, the deficit of the Original Borrower in the BPF was assessed to be £141,000 on an FRS102 basis.

**General:** There may be certain circumstances in which the sponsoring employers of the pension arrangements listed above are required to make good the funding deficit in short order. Certain forms of re-structuring of the Original Borrower may result in circumstances in which a funding deficit has to be met. For example, a transfer of engagements or a transfer under the Transfer of Undertakings (Protection of Employment) Regulations 2006 (SI 2006/246) could lead to a crystallisation of a net pension liability. However, the Original Borrower always carefully considers the pension implications of restructuring proposals and wherever possible ensures that such restructurings are organised to avoid material pension liabilities crystallising.

There is also a risk that the Original Borrower could be required to contribute to pension schemes on the basis that they are parties "connected to" or "associated with" the relevant employers, whether or not they themselves are classified as "employers".

The Pensions Regulator may require certain parties to make contributions to certain pension schemes that have a deficit. A contribution notice could be served on the Original Borrower if it is, or is connected/associated with, a defined benefit scheme (which could include SHPS), and if it was a party to an act, or a deliberate failure to act, the main purpose or one of the main purposes of which it was either (i) to prevent the recovery of the whole or any part of a debt which was, or might become, due from the employer under Section 75 of the Pensions Act 1995; (ii) to prevent such a debt becoming due, to compromise or otherwise settle such a debt, or to reduce the amount of such a debt which would otherwise become due; or (iii) where the effect (regardless of intention) of the act was to materially weaken the respective pension scheme by detrimentally affecting in a material way the likelihood of accrued scheme benefits being received by or in respect of members unless the Pensions Regulator is satisfied that the Borrower has a statutory defence. A contribution notice can only be served where the Pensions Regulator considers it is reasonable to do so.

A financial support direction could be served on the Original Borrower if the Original Borrower is connected to/associated with a defined benefit scheme (which could include SHPS) which is insufficiently resourced. An employer is insufficiently resourced if the value of its resources is less than 50 per cent. of the pension scheme's deficit calculated on an annuity buy-out basis and the aggregate value of the resources of the persons who are connected to or associated with the employer and each other, when added to the value of the employer's resources, would be 50 per cent. or more of the combined pension scheme deficit calculated on an annuity buy-out basis. A financial support direction can only be served where the Pensions Regulator considers it is reasonable to do so.

If a contribution notice or financial support direction was to be served on the Original Borrower, this could have an adverse impact on its cash flow. Specifically, if the amount payable under a contribution notice or support direction was material, this could adversely affect the Original Borrower's ability to meet its payment obligations under its Loan Agreement, which in turn, could affect the ability of the Issuer to meet its payment obligations to Bondholders in respect of the Bonds.

**Margin Call Risk:** The Original Borrower makes use of (and any Additional Borrower may also make use of) standalone financial derivatives with swap counterparties to manage its interest rate risk. However, this can present its own risks, because, as interest rates move, the relevant Borrower can be required to provide collateral to reduce the exposure that a swap counterparty has to such Borrower. All five swap counterparties of the Original Borrower permit it to provide property as collateral.

As at 31 December 2019 the mark-to-market value of the standalone derivative portfolio was £149,969,745 "out of the money". The Original Borrower has sufficient property security in charge that



if there were a 1 per cent. fall in interest rates, the mark-to-market value would increase by £203,977,565, but no cash security would be required.

### **Internal Control Risk**

**Permitted Reorganisations:** The Original Borrower, itself the product of the Amalgamation, has in the past, merged, and it and Additional Borrowers may, in the future, merge, with other businesses or make business acquisitions that could impact on the performance and risk profile of the Group and, in particular, such Borrower.

The Loan Agreements permit the undertaking of Permitted Reorganisations (including amalgamations and transfers of engagements) by the Borrowers. In the event of such a reorganisation, the resulting entity's credit risk may change, which may expose the Issuer to increased credit risk under the relevant Loan Agreement which could affect the Issuer's ability to meet its payment obligations under the Bonds. Mergers and acquisitions can involve a number of risks, such as the underlying business performing less well than expected after a merger or an acquisition, the possibility of the integration diverting management's attention, the possible loss of key personnel within the merged or acquired business and other risks inherent in the systems of the merged or acquired business and associated with unanticipated events or liabilities. In addition, the relevant Borrower 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. All of the factors above could have a material adverse effect on a Borrower's business, results of operations, financial condition or prospects of such merger or acquisition. In turn, this could have a material adverse effect on the ability of such Borrower to meet its payment obligations under its Loan Agreement and, ultimately, the ability of the Issuer to meet its payment obligations on a timely basis under the Bonds.

**Cyber Security and Data Quality Risks:** The Original Borrower is (and Additional Borrowers may be) heavily dependent on maintaining 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. Poor quality data could lead to operational failings, impaired decision making and fines, and could put residents at risk. Ultimately, this could have a negative impact on a Borrower's revenues and its ability to meet its payment obligations under its Loan Agreement and, in turn, the Issuer's ability to meet its payment obligations under the Bonds.

### **Factors which are material for the purpose of assessing the market risks associated with the Bonds**

**Interest rate risk:** The Bonds bear interest at a fixed rate and therefore involve the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds.

**Redemption prior to maturity:** In the event that the Bonds become repayable prior to maturity either following a Loan becoming repayable as a result of a Borrower Default (which includes, *inter alia*, failure by the relevant Borrower to make payments of interest under the relevant Loan Agreement) or a Borrower ceasing to be a Registered Provider of Social Housing or an Event of Default (as defined in Condition 12 (*Events of Default and Enforcement*)) or due to taxation pursuant to Condition 9.3 (*Early Redemption for Tax Reasons*), the Bonds will be redeemed in full at their principal amount, 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 Bonds. Furthermore, the optional redemption feature of the Bonds 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.

**Modification, waivers and substitution:** The Conditions of the Bonds and the Bond Trust Deed contain provisions for calling meetings of Bondholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Bondholders, including Bondholders who did not attend and vote at the relevant meeting and Bondholders who voted in a manner contrary to the majority.

The Conditions of the Bonds and the Bond Trust Deed also provide that the Bond Trustee may, without the consent of Bondholders (a) agree to any modification (except as stated in the Bond Trust Deed) of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of the Bonds or any Transaction Document (to which it is a party) or (b) determine without the consent of the Bondholders 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 Bonds in place of the Issuer, in the circumstances described in the Conditions, provided, in each case, that the Bond Trustee is of the opinion that to do so would not be materially prejudicial to the interest of Bondholders.

**Denominations involve integral multiples: definitive Bonds:** The Bonds have denominations consisting of a minimum of £100,000 plus one or more higher integral multiples of £1,000. It is possible that the Bonds may be traded in amounts that are not integral multiples of £100,000. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than £100,000 in his account with the relevant clearing system at the relevant time may not receive a definitive Bond in respect of such holding (should definitive Bonds be printed) and would need to purchase a principal amount of Bonds such that its holding amounts to £100,000.

If definitive Bonds are issued, holders should be aware that definitive Bonds which have a denomination that is not an integral multiple of £100,000 may be illiquid and difficult to trade.

**Change in Law:** Changes in law may affect the rights of Bondholders as well as the market value of the Bonds. The structure of the issue of the Bonds is based on English law and regulatory and administrative practice in effect as at the date of this Prospectus. 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 this Prospectus. Such changes in law may include changes in statutory, tax and regulatory regimes during the life of the Bonds, which may have an adverse effect on an investment in the Bonds.

**Taxation:** Under the Conditions of the Bonds (see Condition 10 (*Taxation*) below), the Issuer may, but will not be obliged to, gross up payments in respect of the Bonds if any deduction or withholding on account of tax is imposed. In the event that any deduction or withholding on account of tax is imposed and the Issuer does not opt to gross up payments in respect of the Bonds (or, if having previously opted to gross up notifies the Bond Trustee and the Bondholders of its intention to cease grossing up payments in respect of the Bonds), the Bonds will be redeemed in accordance with Condition 9.3 (*Early Redemption for Tax Reasons*). 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 Bonds. In addition, any amounts in respect of accrued interest which fall due on any such redemption of the Bonds (and, where the redemption follows the next following Interest Payment Date, such Interest Payment Date) shall be paid subject to the required withholding or deduction and the Issuer shall not be obliged to pay any additional amounts in respect thereof. The Bondholders will therefore bear the risk of any such withholding or deduction in respect of the period from the previous Interest Payment Date to the date of redemption.

The Original Loan Agreement requires, and each Additional Loan Agreement will require, that if any withholding or deduction is required by law to be made by the relevant Borrower thereunder, the amount of the payment due from such Borrower shall be increased to an amount which (after making the tax

deduction) leaves an amount equal to the payment which would have been due if no tax deduction had been required.

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

***Exchange rate risks and exchange controls:*** The Issuer will pay principal and interest on the Bonds in Sterling. 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 Sterling. These include the risk that exchange rates may significantly change (including changes due to devaluation of Sterling 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 Sterling would decrease (a) the Investor's Currency-equivalent yield on the Bonds, (b) the Investor's Currency-equivalent value of the principal payable on the Bonds and (c) the Investor's Currency-equivalent market value of the Bonds.

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

### **Risks Relating to the Security of the Bonds**

***Considerations relating to the Issuer Security and the Underlying Security:*** The validity of any Underlying Security given by the Borrowers and the Eligible Group Members in connection with additions and substitutions of Apportioned Properties may depend on the solvency of the relevant Borrower or Eligible Group Member at the time of the grant. If any Underlying Security is found to be invalid as a result, this will affect the amounts available to Bondholders in the event of a default under the Bonds.

***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 "owner" is not specifically defined and could include anyone with a proprietary interest in a property, which 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 Borrowers and the Eligible 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 the ability of the Borrowers to meet their payment obligations under their respective Loan Agreements and, in turn, the ability of the Issuer to meet its payment obligations under the Bonds.

In addition, the presence of hazardous or toxic substances, or the failure to adequately remedy adverse environmental conditions at an Apportioned Property, may adversely affect the market value of the Apportioned Property, as well as the Borrowers' or the Eligible Group Members' ability to sell, lease or refinance the Apportioned Property. Any environmental liability imposed on a Borrower could also affect the ability of such Borrower to meet its payment obligations under its respective Loan Agreement and, in turn, the ability of the Issuer to meet its payment obligations under the Bonds.

***Sufficiency of Insurance:*** Although each Apportioned 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 an Apportioned Property not adequately covered by insurance could result in a shortfall in funds available to meet the Borrowers' payment obligations under the Loan Agreements and, in turn, a shortfall in funds available to meet the Issuer's obligations under the Bonds.

***Investment of Retained Proceeds in Permitted Investments:*** For so long as any part of the net proceeds of the issue of the Bonds remains undrawn pursuant to the Loan Agreements, the Issuer may invest such amounts in Permitted Investments in accordance with the Custody Agreement. The Issuer may also invest the Charged Cash in Permitted Investments.

Although Permitted Investments are limited to highly rated securities which satisfy certain specified criteria (which, other than with respect to any investment in the Benchmark Gilt, includes a requirement that the investments have a maturity date which is no later than 7 October 2035), the Issuer may be required to liquidate such Permitted Investments (a) prior to the enforcement of the Issuer Security, (in the case of the Permitted Investments purchased with Retained Proceeds) to fund advances to a Borrower pursuant to a Loan Agreement or to fund redemptions of the Bonds in accordance with the Conditions or (b) following the enforcement of the Issuer Security, to make payments in accordance with the Post-enforcement Priority of Payment, in either case at a time when the disposal proceeds of such Permitted Investments is less than the price paid by the Issuer upon the acquisition thereof.

Prior to the enforcement of the Issuer Security, any losses realised by the Issuer in respect of a sale of Permitted Investments purchased with Retained Proceeds are passed on to the Borrowers pursuant to the terms of the Loan Agreements as a result of (i) the Issuer's obligation to fund a principal amount of an advance being such that it may be satisfied by funding such advance at a discount in proportion to any such losses and (ii) each Borrower's obligation to make further payments to the Issuer in respect of any prepayment of the loan in full to enable the Issuer to fund any shortfall on a redemption of the Bonds. However, following the enforcement of the Issuer Security, any losses in respect of the Permitted Investments will reduce the amounts available to the Issuer to satisfy its payment obligations in respect of the Bonds. For the purpose of calculating the Borrowers' compliance with the Asset Cover Test, the value of such Permitted Investments will be the purchase price thereof and the Borrowers shall not be required to monitor the market value of such Permitted Investments. Consequently, the value attributed to the Permitted Investments for this purpose may be more than the realisable value from time to time.

In the event that the enforcement of the Issuer Security takes place prior to the Apportioned Properties being charged with an aggregate Minimum Value equal (when multiplied by the Issuer's Security Percentage) to the principal amount of the Bonds, and/or at a time when the Permitted Investments have been acquired with the Charged Cash or otherwise charged by a Borrower as security, the value of the proceeds of enforcement of the Underlying Security, together with such amounts, may be insufficient to enable the Issuer to pay its obligations under the Bonds in full.

There is no limit as to the proportion of the Asset Cover Test which may be satisfied by Permitted Investments in the form of Retained Proceeds and/or Charged Cash (although in respect of Retained Proceeds, these will be deemed to be zero after the Final Charging Date).

***The Issuer's ability to meet its obligations under the Bonds after enforcement under the Loan:*** Following default by a Borrower, the Security Trustee shall be entitled to call for payments of any unpaid sums by such Borrower to be made by one or more of the other Borrowers (if any) under and in accordance with the guarantee given by such other Borrowers pursuant to their respective Loan Agreement (subject to the limitations of each guarantee). If there are no other Borrowers or the other Borrowers do not make payment (or are not required to make payment as a result of the limitation of the relevant guarantee) of such amounts to the Issuer pursuant to their respective Loan Agreements the Security Trustee may enforce the Underlying Security and appoint a Receiver pursuant to its powers under the Security Trust Deed.

The Issuer's ability to continue to pay principal and interest on the Bonds following default by a Borrower under a Loan is dependent upon the ability of the Issuer to receive from the Security Trustee pursuant to the collection of rental income or a disposal of the Underlying Security, sufficient funds to make such payment.

***Fixed charges may take effect under English law as floating charges:*** Pursuant to the Bond 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 the Transaction Account, the Ongoing Cash Security Account and the Initial Cash Security 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 Bond 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 Bond 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 moneys available to pay Bondholders what is owed to them under the Bonds.

***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 an Apportioned 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 Issuer, thereby reducing the amounts available to the Issuer to pay amounts owing under the Bonds.

***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 Apportioned Properties.

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

### **Risks Relating to the Market Generally**

***Potential Limited Liquidity:*** The Bonds may not have an established market when issued. There can be no assurance of a secondary market for the Bonds or the continued liquidity of such market if one develops. The development or continued liquidity of any secondary market for the Bonds will be affected by a number of factors such as the state of credit markets in general and the creditworthiness of the Group, as well as other factors such as the time remaining to the maturity of the Bonds.

***Credit ratings may not reflect all risks:*** It is expected that the Bonds will be rated "A2" by Moody's. This rating may not reflect the potential impact of all risks related to the structure, market and other factors that may affect the value of the Bonds. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the assigning rating agency at any time.

As at the date of this Prospectus, Moody's is established in the EU and is registered under the CRA Regulation. As such, Moody's is included in the list of credit rating agencies published by the ESMA on its website in accordance with the CRA Regulation.

In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended). If the status of Moody's changes, European regulated investors may no longer be able to use the relevant rating for regulatory purposes and the Bonds may have a different regulatory treatment.

This may result in European regulated investors selling Bonds held by them which may have an impact on the value of the Bonds in the secondary market.

## CONDITIONS OF THE BONDS

*The following are the Conditions of the Bonds which will be endorsed on each Bond in definitive form (if issued).*

The £250,000,000 2.857 per cent. Secured Bonds due 2035 (the **Bonds**, which expression shall in these Conditions, unless the context otherwise requires, include any further bonds issued pursuant to Condition 19 (*Further issues*) and forming a single series with the Bonds) of Optivo Finance plc (the **Issuer**) are constituted by a Bond Trust Deed (as amended and/or supplemented and/or restated from time to time, the **Bond Trust Deed**) dated 7 April 2020 made between the Issuer and Prudential Trustee Company Limited (the **Bond Trustee**, which expression shall include any successor as Bond Trustee) as trustee for the holders of the Bonds (the **Bondholders**) and the holders of the interest coupons appertaining to the Bonds (the **Couponholders** and the **Coupons** respectively, which expressions shall, unless the context otherwise requires, include the talons for further interest coupons (the **Talons**) and the holders of the Talons).

The Bonds have the benefit of an Agency Agreement dated 7 April 2020 (as amended and/or supplemented and/or restated from time to time, the **Agency Agreement**) and made between the Issuer, the Bond Trustee, HSBC Bank plc as principal paying agent (the **Principal Paying Agent**, which expression shall include any successor 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).

Copies of the Bond Trust Deed, the Agency Agreement, the Loan Agreements (as defined below), the Legal Mortgages (as defined below) and the Security Trust Deed (as defined below) are available for inspection during normal business hours at the registered office for the time being of the Bond Trustee being at the date of the issue of the Bonds at 10 Fenchurch Avenue, London EC3M 5AG and at the specified office of each of the Paying Agents. The Bondholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Bond Trust Deed and the Agency Agreement. The statements in these Conditions include summaries of, and are subject to, the detailed provisions and definitions of the Bond Trust Deed, which includes the form of the Bonds.

### 1 DEFINITIONS

Words and expressions defined in the Bond Trust Deed or the Agency Agreement shall have the same meanings where used in the Conditions unless the context otherwise requires or unless otherwise stated.

In these Conditions:

**Account Agreement** means the Account Agreement dated 7 April 2020 and made between the Issuer, the Bond Trustee and the Account Bank, as amended and/or supplemented and/or restated from time to time;

**Account Bank** means HSBC Bank plc as account bank pursuant to the Account Agreement or any successor account bank appointed thereunder;

**Accounting Profit** means, in respect of each accounting period of the Issuer, the aggregate amount which the Issuer would be required to recognise for corporation tax purposes as profit in respect of its Permitted Investments and/or Retained Bonds as a result of:

- (a) the movement in the fair value recognised in its accounts of such Permitted Investments and/or Retained Bonds for that accounting period, plus

- (b) any further profit arising from the sale of Permitted Investments, (ignoring, for this purpose, any Gift Aid Payment to be made pursuant to a Loan Agreement);

**Additional Borrower** means any entity which:

- (a) has charitable (or exempt charitable) status;
- (b) is a Registered Provider of Social Housing;
- (c) is a member of the Group; and
- (d) has acceded to the Security Trust Deed as a borrower in respect of the Bonds;

**Additional Loan Agreement** means a loan agreement between the Issuer, an Additional Borrower and the Security Trustee entered into in connection with the issue proceeds of the Bonds, as amended and/or supplemented and/or restated from time to time;

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

**Asset Cover Test** has the meaning given to it in the Loan Agreements;

**Bondholder Specific Withholding** means any withholding or deduction of Taxes which is required in respect of any payment in respect of any Bond or Coupon:

- (a) presented for payment by or on behalf of a holder who is liable to the Taxes in respect of the Bond or Coupon by reason of his having some connection with the Relevant Jurisdiction other than the mere holding of the Bond or Coupon; or
- (b) presented for payment more than 30 days after the Relevant Date except to the extent that a holder would have been entitled to additional amounts on presenting the same for payment on the last day of the period of 30 days assuming, whether or not such is in fact the case, that day to have been a Payment Day (as defined in Condition 8.5 (Payment Day)).

**Borrower Default** has the meaning given to it in the Loan Agreements;

**Borrowers** means the Original Borrower and any Additional Borrower, in each case for so long as it is a borrower under a Loan Agreement;

**Business Day** means, for the purpose of Condition 9 (*Redemption and Purchase*), a day (other than a Saturday, Sunday or public holiday) on which commercial banks are open for general business in London;

**Cancelled Retained Proceeds** has the meaning given to it in the Loan Agreements;

**Charged Cash** means, at any time, the aggregate of all amounts (whether representing proceeds of disposal or other moneys) standing to the credit of the Ongoing Cash Security Account and, to the extent invested in Permitted Investments in accordance with the Custody Agreement, such Permitted Investments and any income received by the Issuer in respect of such Permitted Investments, provided however that, for the purpose of determining the compliance of the Borrowers with the Asset Cover Test, the value to be attributed to such Permitted Investments shall be the purchase price thereof;



**Charitable Group Member** means a charitable member of the Group which is connected with the Original Borrower for the purposes of section 939G of the Corporation Tax Act 2010;

**Commitment** has the meaning given to it in the Loan Agreements;

**Compliance Certificate** has the meaning given to it in the Loan Agreements;

**Custodian** means HSBC Bank plc as custodian pursuant to the Custody Agreement or any successor custodian appointed thereunder;

**Custody Account** means the account of the Issuer set up with the Custodian in respect of the Permitted Investments in accordance with the Custody Agreement;

**Custody Agreement** means the Custody Agreement dated 7 April 2020 relating to the Permitted Investments and made between the Issuer, the Bond Trustee and the Custodian, as amended and/or supplemented and/or restated from time to time;

**Eligible Group Member** means any entity which, unless otherwise approved by the Security Trustee, is:

- (a) a member of the Group; and
- (b) a Registered Provider of Social Housing,

and which, in each case, has created (and which is subsisting) or will create security pursuant to the Security Trust Deed which is allocated for the benefit of the Issuer;

**Gift Aid Payment** means a qualifying charitable donation for the purposes of Part 6 of the Corporation Tax Act 2010;

**Group** means the Original Borrower and any other present or future, direct or indirect, subsidiaries of the Original Borrower (which includes, for the avoidance of doubt, any entity with which the Original Borrower may merge or be consolidated with at any time including as a result of a Permitted Reorganisation);

**Initial Cash Security Account** means the account of the Issuer set up with the Account Bank in respect of the Retained Proceeds in accordance with the Account Agreement;

**Issue Date** means 7 April 2020;

**Issuer Charged Property** has the meaning given to it in Condition 4 (*Security*);

**Issuer Security** has the meaning given to it in Condition 4 (*Security*);

**Legal Mortgages** means:

- (a) the Legal Mortgage dated 7 April 2020 and entered into between Original Borrower and the Security Trustee pursuant to which the Original Borrower provides security in respect of, *inter alia*, its obligations under the Original Loan Agreement; and
- (b) any additional legal mortgage entered into between a Borrower or an Eligible Group Member and the Security Trustee substantially in the form set out in the Security Trust Deed pursuant to which such Borrower or Eligible Group Member provides security in respect of a Borrower's obligations under a Loan Agreement;

**Loan Agreements** means the Original Loan Agreement and each Additional Loan Agreement;

**Loan Payment Day** means a day on which principal or interest in respect of a Loan is due and payable by a Borrower to the Issuer in accordance with the terms of a Loan Agreement;

**Loans** means the principal amount of each Commitment which has been advanced to a Borrower pursuant to the terms of a Loan Agreement or the outstanding balance thereof for the time being (ignoring, for these purposes, any Actual Advance Amount or Retained Bond Actual Advance Amount (as defined in the Loan Agreements));

**Ongoing Cash Security Account** means the account of the Issuer set up with the Account Bank in respect of the Charged Cash in accordance with the Account Agreement;

**Original Loan Agreement** means the Loan Agreement dated 7 April 2020 between the Original Borrower, the Issuer and the Security Trustee, as amended and/or supplemented and/or restated from time to time;

**Original Borrower** means Optivo, as borrower under the Original Loan Agreement;

**Permitted Investment Profit** means, in respect of any sale of Permitted Investments, the amount of any net profits or gains arising from such sale which are within the charge to corporation tax (if any);

**Permitted Investments** has the meaning given to it in the Loan Agreements;

**Permitted Reorganisation** has the meaning given to it in the Loan Agreements;

**Potential Event of Default** means any condition, event or act which, with the lapse of time and/or the issue, making or giving of any notice, certification, declaration, demand, determination and/or request and/or the taking of any similar action and/or the forming of an opinion and/or the fulfilment of any similar condition, would constitute an Event of Default;

**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 2008 (as amended from time to time) or a person having a status which, in the opinion of the Issuer and the Bond Trustee, is substantially equivalent under any replacement or successor legislation;

**Relevant Date** means, in respect of a payment, the date on which the payment first becomes due but, if the full amount of the money payable has not been received by the Principal Paying Agent or the Bond Trustee on or before the due date, it means the date on which, the full amount of the money having been so received, notice to that effect has been duly given to the Bondholders by the Issuer in accordance with Condition 15 (*Notices*);

**Relevant Jurisdiction** means the United Kingdom 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 the Issuer becomes subject in respect of payments made by it of principal and interest on the Bonds or Coupons;

**Retained Bond Custodian** means HSBC Bank plc as custodian pursuant to the Retained Bond Custody Agreement or any successor custodian appointed thereunder;

**Retained Bond Custody Agreement** means the Retained Bond Custody Agreement dated 7 April 2020 relating to the Retained Bonds and made between the Issuer, the Bond Trustee and

the Retained Bond Custodian, as amended and/or supplemented and/or restated from time to time;

**Retained Bond Premium Amount** means, in respect of any sale by the Issuer of Retained Bonds, the amount of any net profits or gains arising from such sale which are within the charge to corporation tax (if any);

**Retained Bonds** means £100,000,000 in principal amount of the Bonds purchased by the Issuer on the Issue Date;

**Retained Proceeds** means, at any time:

- (a) an amount of the net issue proceeds of the Bonds (other than the Retained Bonds) which have not been advanced to a Borrower pursuant to a Loan Agreement at such time (if any), plus
- (b) an amount of the net sale proceeds of the Retained Bonds (less any Retained Bond Premium Amount) which are not advanced to a Borrower pursuant to a Loan Agreement immediately following receipt thereof by the Issuer and have not subsequently been advanced to a Borrower (if any);

**Secured Parties** means the Bond Trustee (for itself and on behalf of the Bondholders and Couponholders), the Principal Paying Agent, the other Paying Agents, the Account Bank, the Custodian and the Retained Bond Custodian;

**Security Trust Deed** means the Security Trust Deed dated 7 April 2020 between the Issuer, the Original Borrower and the Security Trustee, as amended and/or supplemented and/or restated from time to time;

**Security Trustee** means Prudential Trustee Company Limited as security trustee under the Security Trust Deed for, *inter alios*, the Issuer;

**Taxes** has the meaning given to it in Condition 10.1 (*Payments without withholding*);

**Transaction Account** means the account of the Issuer set up with the Account Bank in respect of the Bonds in accordance with the Account Agreement;

**Transaction Documents** means the Loan Agreements, the Bond Trust Deed, the Security Trust Deed, the Agency Agreement, the Account Agreement, the Custody Agreement and the Retained Bond Custody Agreement;

**Transaction Parties** means any person who is party to a Transaction Document;

**UK Government Gilt** means Sterling denominated gilts or stock issued by or on behalf of Her Majesty's Treasury; and

**Undrawn Commitment** has the meaning given to it in the Loan Agreements.

## **2 FORM, DENOMINATION AND TITLE**

The Bonds are in bearer form, serially numbered, in the denominations of £100,000 and integral multiples of £1,000 in excess thereof up to and including £199,000, with Coupons and Talons attached on issue. No Bonds will be issued with a denomination above £199,000.

Title to the Bonds and Coupons will pass by delivery. The Issuer, any Paying Agent and the Bond Trustee will (except as otherwise required by law) deem and treat the bearer of any Bond 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.

### 3 STATUS

The Bonds and Coupons are direct obligations of the Issuer, secured in the manner set out in Condition 4 (*Security*), and rank *pari passu* without preference or priority amongst themselves.

### 4 SECURITY

The Issuer's obligations in respect of the Bonds are secured (subject as provided in these Conditions and the Bond Trust Deed) pursuant to the Bond Trust Deed in favour of the Bond Trustee for the benefit of itself and the Bondholders and the other Secured Parties as follows:

- (a) by an assignment by way of security of the Issuer's rights, title and interest arising under the Loan Agreements, the Security Trust Deed, the Legal Mortgages, the Agency Agreement, the Custody Agreement and the Account Agreement, in each case to the extent that they relate to the Bonds;
- (b) by a charge by way of first fixed charge over all moneys and/or securities from time to time standing to the credit of the Transaction Account, the Ongoing Cash Security Account, the Initial Cash Security Account and the Custody Account and all debts represented thereby; and
- (c) by a charge by way of first fixed charge over all sums held from time to time by the Paying Agents for the payment of principal or interest in respect of the Bonds.

The property charged and assigned pursuant to the Bond Trust Deed listed in (a) to (c) above, together with any other property or assets held by and/or assigned to the Bond Trustee and/or any deed or document supplemental thereto, is referred to herein as the **Issuer Charged Property** and the security created thereby, the **Issuer Security**.

### 5 ORDER OF PAYMENTS

#### 5.1 Pre-enforcement

Prior to the enforcement of the Issuer Security, the Issuer shall apply the monies standing to the credit of the Transaction Account on each Interest Payment Date and such other dates on which a payment is due in respect of the Bonds in the following order of priority (the **Pre-enforcement Priority of Payment**):

- (a) first, in payment of any taxes due and owing by the Issuer to any taxing authority (insofar as they relate to the Bonds);
- (b) second, in payment of any unpaid fees, costs, charges, expenses and liabilities incurred by the Bond Trustee and any Appointee (including remuneration payable to the Bond Trustee and any such Appointee) in carrying out its functions under the Bond Trust Deed;
- (c) third, in payment of any unpaid fees, costs, charges, expenses, liabilities and indemnity payments of the Issuer owing to the Paying Agents under the Agency Agreement, the

Account Bank under the Account Agreement, the Custodian under the Custody Agreement and the Retained Bond Custodian under the Retained Bond Custody Agreement on a *pro rata* and *pari passu* basis;

- (d) fourth, in payment, on a *pro rata* and *pari passu* basis, of any other unpaid fees, expenses and liabilities of the Issuer (in each case in so far as they relate to the Bonds);
- (e) fifth, in payment, on a *pro rata* and *pari passu* basis, to the Bondholders of any interest due and payable in respect of the Bonds;
- (f) sixth, in payment, on a *pro rata* and *pari passu* basis, to the Bondholders of any principal due and payable in respect of the Bonds;
- (g) seventh, in payment, on a *pro rata* and *pari passu* basis, to the Borrowers of any amounts due and payable under the terms of the Loan Agreements; and
- (h) eighth, in payment of any Permitted Investment Profit, Accounting Profit or Retained Bond Premium Amount, as the case may be, to any Charitable Group Member.

## 5.2 **Post-enforcement**

Following the enforcement of the Issuer Security, all monies standing to the credit of the Transaction Account, the Ongoing Cash Security Account and the Initial Cash Security Account and the net proceeds of enforcement of the Issuer Security shall be applied in the following order of priority (the **Post-enforcement Priority of Payment**):

- (a) first, in payment or satisfaction of the fees, costs, charges, expenses and liabilities incurred by the Bond Trustee, any Appointee or any receiver in preparing and executing the trusts under the Bond Trust Deed (including the costs of realising any Issuer Security and the Bond Trustee's, any such Appointee's and any such receiver's remuneration);
- (b) second, in payment, on a *pro rata* and *pari passu* basis, of all amounts owing to the Paying Agents under the Agency Agreement, the Account Bank under the Account Agreement, the Custodian under the Custody Agreement and the Retained Bond Custodian under the Retained Bond Custody Agreement;
- (c) third, in payment, on a *pro rata* and *pari passu* basis, to the Bondholders of any interest due and payable in respect of the Bonds;
- (d) fourth, in payment, on a *pro rata* and *pari passu* basis, to the Bondholders of any principal due and payable in respect of the Bonds;
- (e) fifth, in payment, on a *pro rata* and *pari passu* basis, of any other unpaid fees and expenses of the Issuer (in each case insofar as they relate to the Bonds);
- (f) sixth, in payment, on a *pro rata* and *pari passu* basis, to the Borrowers of any amounts due and payable under the terms of the Loan Agreements; and
- (g) seventh, in payment of any Permitted Investment Profit, Accounting Profit or Retained Bond Premium Amount, as the case may be, to any Charitable Group Member.

## **6 COVENANTS**

### **6.1 General Covenants**

In addition to the covenants of the Issuer set out in the Bond Trust Deed, for so long as any of the Bonds remain outstanding, the Issuer covenants that it will not, without the consent in writing of the Bond Trustee, engage in any activity or do anything other than:

- (a) carry out the business of a company which has as its purpose raising finance and on-lending such finance to or for the benefit of the Group (including, without limitation, as envisaged by the Transaction Documents); and
- (b) perform any act incidental to or necessary in connection with (a) above.

The Issuer also covenants, for so long as any of the Bonds remain outstanding, not to create or permit to subsist, over any of the security constituted by or created pursuant to the Bond Trust Deed, any mortgage or charge or any other security interest ranking in priority to, or *pari passu* with, the security created by or pursuant to the Bond Trust Deed.

### **6.2 Information Covenants**

For so long as any of the Bonds remain outstanding, the Issuer shall:

- (a) send to the Bond Trustee and, upon request by any Bondholder to the Issuer, make available to such Bondholder at the Issuer's registered office during normal business hours, a copy of the Compliance Certificates promptly upon receipt of the same from the Borrowers pursuant to the terms of their respective Loan Agreements;
- (b) send to the Bond Trustee and, upon request by any Bondholder to the Issuer, make available to such Bondholder at the Issuer's registered office during normal business hours, a copy of the audited financial statements of each Borrower (consolidated if available) promptly upon publication of the same by each Borrower; and
- (c) at the request of Bondholders holding not less than 33 per cent. in principal amount of the Bonds for the time being outstanding, convene a meeting of the Bondholders to discuss the financial position of the Issuer and the Group, provided, however, that the Issuer shall not be required to convene any such meeting pursuant to this Condition 6.2(c) more than once in any calendar year. Upon the request of Bondholders to convene any such meeting, as aforesaid, the Issuer shall notify all Bondholders 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 15 (*Notices*). The Issuer shall act in good faith in addressing any questions regarding the financial position of itself or any other member of the Group 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 6.2(c) are in addition to the meetings provisions set out in Condition 17 (*Meetings of Bondholders, Modification and Waiver*).

### **6.3 Loan Agreements, Legal Mortgages and Security Trust Deed Consents Covenant**

For so long as any of the Bonds remain outstanding, the Issuer covenants that it shall not consent to any waiver, amendment or modification of, or take any action or direct the Security Trustee to take any action pursuant to, the Loan Agreements, the Legal Mortgages or the Security Trust Deed except with the prior consent of the Bond Trustee. The Bond Trustee may

seek the consent of the Bondholders in accordance with the Bond Trust Deed prior to giving any such consent.

## **7 INTEREST**

### **7.1 Interest Rate and Interest Payment Dates**

The Bonds bear interest from (and including) 7 April 2020 at the rate of 2.857 per cent. per annum, payable semi-annually in arrear in equal instalments on 7 April and 7 October in each year (each, an **Interest Payment Date**), commencing on 7 October 2020.

### **7.2 Interest Accrual**

Each Bond will cease to bear interest from (and including) its due date for redemption unless, upon due presentation, payment of the principal in respect of the Bond is improperly withheld or refused or unless default is otherwise made in respect of payment, in which event interest shall continue to accrue as provided in the Bond Trust Deed.

### **7.3 Calculation of Broken Interest**

When interest is required to be calculated in respect of a period of less than a full half year, it shall be calculated on the basis of:

- (a) the actual number of days in the period from (and including) the date from which interest begins to accrue (the **Accrual Date**) to (but excluding) the date on which it falls due, divided by
- (b) the actual number of days from and including the Accrual Date to (but excluding) the next following Interest Payment Date multiplied by 2,

and multiplying the resulting fraction by the rate of interest specified in Condition 7.1 above and the relevant principal amount of the Bonds.

## **8 PAYMENTS**

### **8.1 Payments in respect of Bonds**

Subject as follows, payments of principal and interest in respect of each Bond will be made against presentation and surrender (or, in the case of part payment only, endorsement) of the Bond. Payments of interest on an Interest Payment Date will be made against presentation and surrender (or in the case of part payment only, endorsement) of the relevant Coupon, in each case at the specified office outside the United States of any of the Paying Agents.

### **8.2 Method of Payment**

Payments will be made by credit or transfer to an account in Sterling maintained by the payee with, or, at the option of the payee, by a cheque in Sterling drawn on, a bank in London.

### **8.3 Missing Unmatured Coupons**

Each Bond should be presented for payment together with all relative unmatured Coupons (which expression shall, for the avoidance of doubt, include Coupons falling to be issued on exchange of matured Talons), failing which the full amount of any relative missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the full amount of the missing unmatured Coupon which the amount so paid bears to the total amount due) will be

deducted from the amount due for payment. Each amount so deducted will be paid in the manner mentioned above against presentation and surrender (or, in the case of part payment only, endorsement) of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date in respect of the relevant Bond (whether or not the Coupon would otherwise have become void pursuant to Condition 11 (*Prescription*)) or, if later, five years after the date on which the Coupon would have become due, but not thereafter.

#### 8.4 **Payments subject to Applicable Laws**

Payments in respect of principal and interest on the Bonds are subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 10 (*Taxation*).

#### 8.5 **Payment Day**

If the date for payment of any amount in respect of any Bond 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*)):

- (a) is, or falls after, the relevant due date;
- (b) is, or falls at least one Business Day after, the corresponding Loan Payment Day;
- (c) is a Business Day in the place of the specified office of the Paying Agent at which the Bond or Coupon is presented for payment; and
- (d) in the case of payment by a credit or transfer to a Sterling account in London as referred to above, is a Business Day in London.

In this Condition, **Business Day** means, in relation to any place, 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 that place.

#### 8.6 **Initial Paying Agents**

The names of the initial Paying Agents and their initial specified offices are set out at the end of these Conditions. The Issuer reserves the right, subject to the prior written approval of the Bond Trustee, at any time to vary or terminate the appointment of any Paying Agent and to appoint additional or other Paying Agents provided that:

- (a) there will at all times be a Principal Paying Agent; and
- (b) there will at all times be at least one Paying Agent (which may be the Principal Paying Agent) having its specified office in a European city which so long as the Bonds are admitted to official listing on the London Stock Exchange shall be London or such other place as the Financial Conduct Authority may approve.

Notice of any termination or appointment and of any changes in specified offices will be given to the Bondholders promptly by the Issuer in accordance with Condition 15 (*Notices*).



In acting under the Agency Agreement, the Paying Agents act solely as agents of the Issuer and, in certain circumstances specified therein, of the Bond Trustee and do not assume any obligation to, or relationship of agency or trust with, any Bondholders or Couponholders. 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 paying agent.

## 8.7 Interpretation of principal and interest

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

- (a) any additional amounts which may be payable with respect to principal under Condition 10 (*Taxation*); and
- (b) any specific redemption price referred to in Condition 9 (*Redemption and Purchase*) which may be payable by the Issuer under or in respect of the Bonds.

Any reference in these Conditions to interest in respect of the Bonds shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 10 (*Taxation*).

## 9 REDEMPTION AND PURCHASE

### 9.1 Redemption at Maturity

Unless previously redeemed or purchased and cancelled as specified in these Conditions, the Bonds will be redeemed by the Issuer at their principal amount on 7 October 2035.

### 9.2 Early Redemption

Subject to Condition 9.4 (*Mandatory Early Redemption*) below, if in accordance with a Loan Agreement, a Borrower elects to prepay its Loan in whole or in part prior to the repayment date specified in the relevant Loan Agreement, then (if no replacement Commitment is put in place with another Borrower) the Issuer shall redeem the Bonds in whole or, in respect of a prepayment in part, in an aggregate principal amount equal to the nominal amount of the relevant Loan to be repaid on the date which is two Business Days after that on which payment is made by relevant Borrower under the relevant Loan Agreement (the **Loan Prepayment Date**).

Redemption of the Bonds pursuant to this Condition 9.2 shall be made at the higher of the following:

- (a) par; and
- (b) the amount (as calculated by a financial adviser nominated by the Issuer and approved by the Bond Trustee (the **Nominated Financial Adviser**) and reported in writing to the Issuer and the Bond Trustee) which is equal to the principal amount of the Bonds to be redeemed multiplied by the price (expressed as a percentage and calculated by the Nominated Financial Adviser) (rounded to three decimal places (0.0005 being rounded upwards)) at which the Gross Redemption Yield on the Bonds (if the Bonds 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) 0.35 per cent.,

together with any interest accrued up to (but excluding) the Loan Prepayment Date. For the purposes of this Condition:

**Benchmark Gilt** means the 4½% Treasury Gilt 2034 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 (failing such determination, as determined by the Bond Trustee with such advice) to be the most appropriate benchmark conventional UK Government Gilt;

**Determination Date** means three Business Days prior to the Loan Prepayment Date; and

**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).

### 9.3 **Early Redemption for Tax Reasons**

If as a result of any actual or proposed change in tax law, the Issuer determines (in its reasonable commercial judgement), and certifies to the Bond Trustee, that it would, on the next following Interest Payment Date, be required to make a withholding or deduction in respect of payments to be made on such Interest Payment Date (other than in respect of a Bondholder Specific Withholding) and the Issuer does not opt to pay additional amounts pursuant to Condition 10.2 (*No obligation to pay additional amounts*) or, having so opted, notifies the Bond Trustee and the Bondholders, in accordance with Condition 15 (*Notices*), of its intention to cease paying such additional amounts, the Issuer shall redeem the Bonds in whole, but not in part, at their principal amount, plus accrued interest to (but excluding) the date of redemption, as soon as reasonably practicable prior to the next following Interest Payment Date or, if it is not reasonably practicable for the Issuer to redeem the Bonds prior to the next following Interest Payment Date, within three Business Days thereafter. For the avoidance of doubt, any amounts in respect of accrued interest which fall due on any such redemption of the Bonds (and, where the redemption follows the next following Interest Payment Date, such Interest Payment Date) shall be paid subject to the required withholding or deduction and the Issuer shall not be obliged to pay any additional amounts in respect thereof.

### 9.4 **Mandatory Early Redemption**

If a Loan becomes repayable:

- (a) as a result of a Borrower Default; or
- (b) following a Borrower ceasing to be a Registered Provider of Social Housing (other than if such Borrower regains its status as a Registered Provider of Social Housing within 180 days),

then (unless the Issuer has agreed with another Borrower to increase its Commitment by the relevant amount of the Loan to be prepaid not later than the date on which the relevant amount of Bonds would otherwise be redeemed) the Issuer shall redeem the Bonds in an aggregate principal amount equal to the nominal amount of the relevant Loan at their principal amount, plus accrued interest to (but excluding) the date on which the Loan is repaid (the **Loan Repayment Date**), on the date which is two Business Days after the Loan Repayment Date.

#### **9.5 Notice of Early Redemption**

Notice of any early redemption in accordance with Condition 9.2 (*Early Redemption*), Condition 9.3 (*Early Redemption for Tax Reasons*) or Condition 9.4 (*Mandatory Early Redemption*) above shall be given by the Issuer to the Bond Trustee, the Paying Agents and the Bondholders, in accordance with Condition 15 (*Notices*), as promptly as practicable.

In the case of a partial redemption of Bonds, Bonds to be redeemed will be selected in such place as the Bond Trustee may approve and in such manner and at such time as the Bond Trustee may deem appropriate and fair. Notice of any such selection will be given by the Issuer to the Bondholders as promptly as practicable. Each notice will specify the date fixed for redemption, the early redemption amount and the aggregate principal amount of the Bonds to be redeemed, the serial numbers of the Bonds called for redemption, the serial numbers of Bonds previously called for redemption and not presented for payment and the aggregate principal amount of the Bonds which will be outstanding after the partial redemption.

#### **9.6 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. If the Issuer does not at any time for any reason calculate amounts referred to in this Condition 9, such amounts may be calculated by the Bond Trustee, or an agent appointed (at the expense of the Issuer) by the Bond Trustee for this purpose, (without any liability accruing to the Bond Trustee as a result) based on information supplied to it by the Issuer and each such calculation shall be deemed to have been made by the Issuer.

#### **9.7 Purchase of Bonds by Borrowers or other members of the Group**

Any Borrower and any other member of the Group (other than the Issuer) may at any time purchase Bonds in the open market or otherwise at any price. Following any such purchase, such Borrower or such other member of the Group, as the case may be, may (but is not obliged to) surrender the Bonds to the Issuer for cancellation. An amount equal to the principal amount of the Bonds being surrendered shall be deemed to be prepaid under the Loan Agreement specified by such Borrower or such other member of the Group (but, for the avoidance of doubt, without triggering a redemption under Condition 9.2 (*Early Redemption*)) or, to the extent that the relevant Loan is not then outstanding, an amount of the Undrawn Commitment of the relevant Borrower equal to the Outstanding Balance of the Bonds surrendered shall be deemed to be cancelled for the purposes of such Loan Agreement and an amount of Retained Proceeds equal to the Cancelled Retained Proceeds shall be paid by the Issuer to such Borrower or such other member of the Group, as the case may be.

#### **9.8 Purchase of Bonds by the Issuer**

The Issuer may not at any time purchase Bonds other than the Retained Bonds on the Issue Date.

#### **9.9 Cancellation of purchased or redeemed Bonds**

All Bonds redeemed by the Issuer pursuant to Conditions 9.2 (*Early Redemption*), Condition 9.3 (*Early Redemption for Tax Reasons*) or Condition 9.4 (*Mandatory Early Redemption*) or surrendered to the Issuer for cancellation pursuant to Condition 9.7 (*Purchase of Bonds by Borrowers or other members of the Group*) shall be cancelled and may not be issued or resold.

The Issuer:

- (a) may cancel any Retained Bonds held by it or on its behalf following a request by a Borrower, pursuant to a Loan Agreement, to cancel a corresponding amount of such Borrower's Undrawn Commitment;
- (b) shall cancel all Retained Bonds held by or on behalf of the Issuer:
  - (i) forthwith upon notice that the Bonds are to be redeemed (and, in any event, prior to such redemption) in accordance with Condition 9.3 (Early Redemption for Tax Reasons) or Condition 12 (Events of Default and Enforcement); and
  - (ii) on the date falling three years after the Issue Date; and
- (c) shall, forthwith upon notice that the Bonds are to be redeemed in full or in part in accordance with Condition 9.4 (*Mandatory Early Redemption*), cancel Retained Bonds held by or on behalf of the Issuer in an aggregate principal amount equal to the principal amount of the Undrawn Commitment (if any) of the relevant Borrower whose Loan has become repayable.

## **10 TAXATION**

### **10.1 Payments without withholding**

All payments of principal and interest in respect of the Bonds and Coupons by or on behalf of the Issuer shall be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature (**Taxes**) imposed or levied by or on behalf of the Relevant Jurisdiction, unless such withholding or deduction is required by law in which case the relevant payment will be made subject to such withholding or deduction.

### **10.2 No obligation to pay additional amounts**

Subject as follows, neither the Issuer, the Bond Trustee nor any Paying Agent shall be obliged to pay any additional amounts to the Bondholders or Couponholders as a result of any withholding or deduction made in accordance with Condition 10.1 (*Payments without withholding*).

Notwithstanding the foregoing, in the event that the Issuer would, on the next Interest Payment Date, be required to make a withholding or deduction in respect of tax (other than in respect of a Bondholder Specific Withholding), the Issuer may, provided that it has given notice to the Bond Trustee and the Bondholders, in accordance with Condition 15 (*Notices*), of its intention to do so prior to such Interest Payment Date, pay to Bondholders such additional amounts as may be necessary in order that the net amounts received by the Bondholders after such withholding or deduction will equal the amounts of principal and interest which would have been received in respect of the Bonds in the absence of such withholding or deduction. If at any time the Issuer intends to cease paying such additional amounts it may do so by giving notice to the Bondholders and the Bond Trustee of its intention to do so with effect from the next Interest Payment Date.

## 11 PRESCRIPTION

The Bonds and Coupons will become void unless presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date therefor.

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 (*Payments*) or any Talon which would be void pursuant to Condition 8 (*Payments*).

## 12 EVENTS OF DEFAULT AND ENFORCEMENT

### 12.1 Events of Default

The Bond Trustee at its discretion may, and if so requested in writing by the holders of at least one-fourth in principal amount of the Bonds then outstanding or if so directed by an Extraordinary Resolution shall (subject in each case to being secured and/or indemnified and/or pre-funded to its satisfaction), (but in the case of the happening of any of the events described in paragraphs (b), (c) and (j) below, only if the Bond Trustee shall have certified in writing to the Issuer that such event is, in its opinion, materially prejudicial to the interests of the Bondholders), give notice in writing to the Issuer that the Bonds are, and the Bonds shall thereupon immediately become, due and repayable at their principal amount together with accrued interest as provided in the Bond Trust Deed if any of the following events (each an **Event of Default**) shall occur:

- (a) if default is made in the payment of any principal or interest due in respect of the Bonds or any of them and the default continues for a period of seven days in the case of principal and 14 days in the case of interest; or
- (b) if the Issuer fails to perform or observe any of its other obligations under the Conditions or the Bond Trust Deed or if any representation given by the Issuer to the Bond Trustee in the Bond Trust Deed is found to be untrue, incorrect or misleading as at the time it was given and (except in any case where, in the opinion of the Bond 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 next following the service by the Bond Trustee on the Issuer of notice requiring the same to be remedied; or
- (c)
  - (i) 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);
  - (ii) any such indebtedness is not paid when due or, as the case may be, within any originally applicable grace period; or
  - (iii) 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

paragraph (i), (ii) or (iii) above have occurred equals or exceeds £10,000,000 or its equivalent in other currencies (as reasonably determined by the Bond Trustee); or

- (d) if 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 reorganisation on terms previously approved in writing by the Bond Trustee or by an Extraordinary Resolution; or
- (e) if the Issuer ceases or threatens to cease to carry on the whole or, in the opinion of the Bond Trustee, substantially all of its business, save for the purposes of reorganisation on terms previously approved in writing by the Bond Trustee or by an Extraordinary Resolution; or
- (f) if the Issuer stops or threatens to stop payment of, or is unable to, or admits inability to, pay, its debts (or any class of its debts) as they fall due, or 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
- (g) if:
  - (i) 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, liquidator, administrator or other similar official, or an administrative or other receiver, manager, liquidator, 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 Issuer's undertaking or assets, or an encumbrancer takes possession of all or substantially all of the Issuer's undertaking or assets, 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 Issuer's undertaking or assets; and
  - (ii) in any case (other than the appointment of an administrator) is not discharged within 14 days; or
- (h) if the Issuer 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
- (i) if the Issuer 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); or
- (j) if it is or will become unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Bonds, the Bond Trust Deed or any Loan Agreement.

## 12.2 Enforcement

The Bond 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 Bond Trust Deed, the Bonds, the Coupons and/or any of the other Transaction Documents or otherwise, but it shall not be bound to take any such proceedings or other steps or action unless (i) it shall have been

so directed by an Extraordinary Resolution or so requested in writing by the holders of at least one-fourth in principal amount of the Bonds then outstanding and (ii) it shall have been secured and/or indemnified and/or pre-funded to its satisfaction.

The Bond Trustee may refrain from taking any action in any jurisdiction if the taking of such action in that jurisdiction would, in its opinion based upon legal advice in the relevant jurisdiction, be contrary to any law of that jurisdiction. Furthermore, the Bond Trustee may also refrain from taking such action 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.

No Bondholder, Couponholder or any Secured Party (other than the Bond Trustee) shall be entitled (i) to take any steps or action against the Issuer to enforce the performance of any of the provisions of the Bond Trust Deed, the Bonds, the Coupons or any of the other Transaction Documents or (ii) to take any other action (including lodging an appeal in any proceedings) in respect of or concerning the Issuer, in each case unless the Bond Trustee, having become bound so to take any such steps, actions or proceedings, fails so to do within a reasonable period and the failure shall be continuing.

### **13 REPLACEMENT OF BONDS, COUPONS AND TALONS**

Should any Bond, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Principal Paying Agent (subject to all applicable laws and the requirements of the Financial Conduct Authority or the London Stock Exchange) 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 Bonds, Coupons or Talons must be surrendered before replacements will be issued.

### **14 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 the Principal Paying Agent or any other 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 Bond to which it appertains) a further Talon, subject to the provisions of Condition 11 (*Prescription*).

### **15 NOTICES**

All notices regarding the Bonds 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 and regulations of any stock exchange or other relevant authority on which the Bonds are for the time being listed or by which they have been admitted to trading. 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, in the opinion of the Bond Trustee, publication as provided above is not practicable, a notice shall be validly given if published in another leading daily English language newspaper with general circulation in Europe.

Notices to be given by any Bondholder shall be in writing and given by lodging the same, together with the relative Bond or Bonds, with the Principal Paying Agent.

Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of the Bonds in accordance with this Condition 15 (*Notices*).

## **16 SUBSTITUTION**

The Bond Trust Deed contains provisions permitting the Bond Trustee, subject to any required amendment of the Bond Trust Deed, without the consent of the Bondholders or the Couponholders or any 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 Bonds, the Coupons and the Bond Trust Deed of another company, registered society or other entity subject to:

- (a) the Bond Trustee being satisfied that the interests of the Bondholders will not be materially prejudiced by the substitution; and
- (b) certain other conditions set out in the Bond Trust Deed being complied with.

Any such substitution shall be notified to the Bondholders in accordance with Condition 15 (*Notices*) as soon as practicable thereafter.

## **17 MEETINGS OF BONDHOLDERS, MODIFICATION AND WAIVER**

### **17.1 Meetings of Bondholders**

The Bond Trust Deed contains provisions for convening meetings of the Bondholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Bonds, the Coupons or any of the provisions of the Bond Trust Deed (as more particularly described in the Bond Trust Deed). Such a meeting may be convened by the Issuer or the Bond Trustee and shall be convened by the Issuer if required in writing by Bondholders holding not less than ten per cent. in principal amount of the Bonds for the time being remaining outstanding (other than in respect of a meeting requested by Bondholders to discuss the financial position of the Issuer and the Group, which shall be requested in accordance with, and shall be subject to, Condition 6.2(c) (*Information Covenants*)). 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 Bonds for the time being outstanding, or at any adjourned meeting one or more persons being or representing Bondholders whatever the principal amount of the Bonds so held or represented, except that at any meeting the business of which includes any matter defined in the Bond Trust Deed as a Basic Terms Modification, including, *inter alia*, modifying the date of maturity of the Bonds 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 Bonds or altering the currency of payment of the Bonds or the Coupons, the quorum shall be one or more persons holding or representing in aggregate not less than 75 per cent. in principal amount of the Bonds 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 Bonds for the time being outstanding. The Bond Trust Deed provides that:

- (a) a resolution passed at a meeting duly convened and held in accordance with the Bond Trust Deed by a majority consisting of not less than 75 per cent. of the votes cast on such resolution;



- (b) a resolution in writing signed by or on behalf of the holders of not less than 75 per cent. in principal amount of the Bonds for the time being outstanding; or
- (c) consent given by way of electronic consents through the relevant clearing system(s) (in a form satisfactory to the Bond Trustee) by or on behalf of the holders of not less than 75 per cent. in principal amount of the Bonds for the time being outstanding,

shall, in each case, be effective as an Extraordinary Resolution of the Bondholders. An Extraordinary Resolution passed by the Bondholders shall be binding on all the Bondholders, 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 (or, in the case of a written resolution, whether or not they signed such written resolution), and on all Couponholders.

### **17.2 Modification, Waiver, Authorisation and Determination**

The Bond Trustee may agree, without the consent of the Bondholders, Couponholders or any Secured Party, to any modification (except as stated in the Bond Trust Deed) of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of the Bonds, the Bond Trust Deed, any Legal Mortgage or any other Transaction 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, where, in any such case, it is not, in the opinion of the Bond Trustee, materially prejudicial to the interests of the Bondholders so to do or may agree, without any such consent as aforesaid, to any modification which, in the opinion of the Bond Trustee, is of a formal, minor or technical nature or to correct a manifest error or an error which is, in the opinion of the Bond Trustee, proven. Any such modification, waiver, authorisation or determination shall be binding on the Bondholders, the Couponholders and the Secured Parties and (unless the Bond Trustee agrees otherwise) shall be notified to the Bondholders in accordance with Condition 15 (*Notices*) as soon as practicable thereafter.

### **17.3 Bond Trustee to have regard to interests of Bondholders 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 Bond Trustee shall have regard to the general interests of the Bondholders (excluding the Issuer, for so long as it holds any Retained Bonds) as a class (but shall not have regard to any interests arising from circumstances particular to individual Bondholders or Couponholders whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Bondholders 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 Bond Trustee shall not be entitled to require, nor shall any Bondholder or Couponholder be entitled to claim, from the Issuer, the Bond Trustee or any other person any indemnification or payment in respect of any tax consequences of any such exercise upon individual Bondholders or Couponholders.

## **18 INDEMNIFICATION AND PROTECTION OF THE BOND TRUSTEE AND BOND TRUSTEE CONTRACTING WITH THE ISSUER**

The Bond Trust Deed contains provisions for the indemnification of the Bond Trustee and for its relief from responsibility and liability towards the Issuer, the Bondholders and the Couponholders, including:

- (a) provisions relieving it from taking action unless secured and/or indemnified and/or pre-funded to its satisfaction; and
- (b) provisions limiting or excluding its liability in certain circumstances.

The Bond Trustee is exempted from any liability in respect of any loss, diminution in value or theft of all or any part of the Issuer Charged Property, from any obligation to insure all or any part of the Issuer 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.

The Bond Trust Deed also contains provisions pursuant to which the Bond Trustee is entitled, *inter alia*:

- (a) to enter into or be interested in any contract or financial or other transaction or other arrangement with the Issuer and/or any other Transaction Party or any person or body corporate associated with the Issuer and/or any Transaction Party; and
- (b) to accept or hold the trusteeship of any other trust deed constituting or securing any other securities issued by or relating to the Issuer and/or any Transaction Party or any such person or body corporate so associated or any other office of profit under the Issuer and/or any Transaction Party or any such person or body corporate so associated.

The Bond Trustee shall not be bound to take any step or action in connection with the Bond Trust Deed or the Bonds or obligations arising pursuant thereto or pursuant to the other Transaction Documents, where it is not satisfied that it is indemnified and/or secured and/or pre-funded 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.

The Bond Trustee shall have no responsibility for the validity, sufficiency or enforceability of the Issuer Security. The Bond Trustee shall not be responsible for monitoring the compliance by any of the other Transaction Parties with their obligations under the Transaction Documents, neither shall the Bond Trustee be responsible for monitoring the compliance by the Borrowers or the Eligible Group Members or any of the other parties to the Legal Mortgages and the Security Trust Deed of their obligations under the Legal Mortgages, the Security Trust Deed or any other document.

## **19 FURTHER ISSUES**

The Issuer shall be at liberty from time to time without the consent of the Bondholders or the Couponholders to create and issue further bonds having terms and conditions (and backed by the same assets) the same as the Bonds or the same in all respects save for the amount and date of the first payment of interest thereon and so that the same shall be consolidated and form a single series with the outstanding Bonds. Any further bonds so created and issued shall be constituted by a trust deed supplemental to the Bond Trust Deed.

## **20 CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999**

No person shall have any right to enforce any term or condition of this Bond 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.

## 21 GOVERNING LAW

The Bond Trust Deed, the Loan Agreements, the Agency Agreement, the Account Agreement, the Bonds and the Coupons, and any non-contractual obligations or matters arising from or in connection with them, shall be governed by, and construed in accordance with, English law.

## 22 SUBMISSION TO JURISDICTION

- (a) Subject to Condition 22(c) below, the English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with the Bond Trust Deed, the Bonds 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 Bond Trust Deed, the Bonds and/or the Coupons (a **Dispute**) and accordingly each of the Issuer and the Bond Trustee and any Bondholders or Couponholders in relation to any Dispute submits to the exclusive jurisdiction of the English courts.
- (b) For the purposes of this Condition 22, 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 Bond Trustee, the Bondholders 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.

## FORM OF THE BONDS AND SUMMARY OF PROVISIONS RELATING TO THE BONDS WHILE IN GLOBAL FORM

### Form of the Bonds

#### *Form, Exchange and Payments*

The Bonds will be in bearer new global note (**NGN**) form and will be initially issued in the form of a temporary global bond (a **Temporary Global Bond**) which will be delivered on or prior to the Issue Date to a common safekeeper for Euroclear Bank SA/NV (**Euroclear**) and/or Clearstream Banking S.A. (**Clearstream, Luxembourg**).

The Bonds are intended to be held in a manner which will allow Eurosystem eligibility. This means that the Bonds are intended, upon issue, to be deposited with Euroclear or Clearstream, Luxembourg as common safekeeper and does not necessarily mean that the Bonds 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. Bondholders should note that the European Central Bank has applied a temporary extension of Eurosystem eligibility to Sterling denominated securities. However, should this extension cease at any time during the life of the Bonds, the Bonds will not be in a form which can be recognised as eligible collateral.

Whilst the Bonds are represented by the Temporary Global Bond, payments of principal, premium, interest (if any) and any other amount payable in respect of the Bonds due prior to the Exchange Date (as defined below) will be made 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 Bond 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 the Temporary Global Bond is issued (the **Exchange Date**), interests in the Temporary Global Bond will be exchangeable (free of charge) upon a request as described therein for interests recorded in the records of Euroclear or Clearstream, Luxembourg, as the case may be, in a permanent global bond (the **Permanent Global Bond** and, together with the Temporary Global Bond, the **Global Bonds**), against certification of beneficial ownership as described above unless such certification has already been given. The holder of the Temporary Global Bond 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 Bond for an interest in the Permanent Global Bond is improperly withheld or refused.

Payments of principal, interest (if any) or any other amounts on the Permanent Global Bond will be made through Euroclear and/or Clearstream, Luxembourg without any requirement for certification.

On each occasion of a payment in respect of a Global Bond the Principal Paying Agent shall instruct Euroclear and Clearstream, Luxembourg to make appropriate entries in their records to reflect such payment.

The Global Bonds will be exchangeable (free of charge), in whole but not in part, for definitive Bonds with interest coupons and talons attached only upon the occurrence of an Exchange Event. For these purposes, **Exchange Event** means that:

- (a) an Event of Default (as defined in Condition 12.1 (*Events of Default*)) 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 Bond Trustee is available; or
- (c) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Bonds represented by the relevant Global Bond in definitive form.

The Issuer will promptly give notice to Bondholders in accordance with Condition 15 (*Notices*) if an Exchange Event occurs. In the event of the occurrence of an Exchange Event as described in (a) or (b) above, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Global Bond) or the Bond 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.

### ***Legend concerning United States persons***

The following legend will appear on all Bonds (other than the Temporary Global Bond) and on all interest coupons relating to the Bonds:

"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 the Bonds or interest coupons and will not be entitled to capital gains treatment of any gain on any sale, disposition, redemption or payment of principal in respect of the Bonds or interest coupons.

### **Summary of Provisions relating to the Bonds while in Global Form**

#### ***Notices***

For so long as all of the Bonds are represented by one or both of the Global Bonds and such Global Bond(s) is/are held on behalf of Euroclear and/or Clearstream, Luxembourg, notices to Bondholders (which includes, for this purpose, any Compliance Certificates or annual reports required to be made available pursuant to a request by any of the Bondholders pursuant to Condition 6.2 (*Information Covenants*)) may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg (as the case may be) for communication to the relative Accountholders (as defined below) rather than by publication as required by Condition 15 (*Notices*). Any such notice shall be deemed to have been given to the holders of the Bonds on the second day after the day on which such notice was delivered to Euroclear and/or Clearstream, Luxembourg (as the case may be) as aforesaid.

For so long as all of the Bonds are represented by one or both of the Global Bonds and such Global Bond(s) is/are held on behalf of Euroclear and/or Clearstream, Luxembourg, notices to be given by any Bondholder may be given to the Principal Paying Agent through Euroclear and/or Clearstream, Luxembourg and otherwise in such manner as the Principal Paying Agent and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

## ***Accountholders***

For so long as any of the Bonds is represented by a Global Bond held on behalf of Euroclear and/or 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 Bonds (the **Accountholder**) (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the principal amount of such Bonds 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 as the holder of such principal amount of such Bonds for all purposes other than with respect to the payment of principal or interest on such principal amount of such Bonds, for which purpose the bearer of the relevant Global Bond shall be treated as the holder of such principal amount of such Bonds in accordance with and subject to the terms of the relevant Global Bond and the expressions **Bondholder** and **holder of Bonds** and related expressions shall be construed accordingly. In determining whether a particular person is entitled to a particular principal amount of Bonds as aforesaid, the Bond 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.

Bonds which are represented by a Global Bond 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.

## ***Prescription***

Claims against the Issuer in respect of principal and interest on the Bonds represented by a Global Bond will be prescribed after 10 years (in the case of principal) and five years (in the case of interest) from the Relevant Date.

## ***Cancellation***

Cancellation of any Bond represented by a Global Bond and required by the Conditions of the Bonds to be cancelled following its redemption or purchase will be effected by entry in the records of Euroclear or Clearstream, Luxembourg, as the case may be.

## ***Partial Redemption***

For so long as all of the Bonds are represented by one or both of the Global Bonds and such Global Bond(s) is/are held on behalf of Euroclear and/or Clearstream, Luxembourg, no selection of Bonds will be required under Condition 9.5 (*Notice of Early Redemption*) in the event that the Bonds are to be redeemed in part pursuant to Condition 9.2 (*Early Redemption*) or Condition 9.4 (*Mandatory Early Redemption*). In such event, the standard procedures of Euroclear and/or Clearstream, Luxembourg shall operate to determine which interests in the Global Bond(s) are to be subject to such redemption (and such redemption shall be reflected in the records of Euroclear and Clearstream, Luxembourg as either a reduction in the principal amount of the Bonds or a reduction by the application of a pool factor at the discretion of Euroclear and Clearstream, Luxembourg).

## **USE OF PROCEEDS**

The Issuer estimates that the net amount of the proceeds of the issue of the Bonds (other than the Retained Bonds) will be £149,625,000. The net amount of the proceeds of the sale of the Retained Bonds to a third party will depend upon the sale price agreed in respect thereof, which will itself be dependent on market conditions at the relevant time.

Subject as set out below, the net proceeds from the issue of the Bonds or, in the case of the Retained Bonds, the net proceeds of the sale of the Bonds to a third party (after deduction of expenses payable by the Issuer), will be advanced by the Issuer to the Borrowers pursuant to the Loan Agreements to be applied in accordance with the Borrowers' constitutional documents (including, for the avoidance of doubt, the repayment of any existing indebtedness of the Borrowers and any other amounts due and payable thereunder).

For so long as insufficient security has been granted (or procured to be granted) by the Borrowers in favour of the Security Trustee, for the benefit of the Issuer, to permit the drawing of the Initial Commitment in full, the Retained Proceeds shall (subject, in the case of any portion of the Initial Commitment which is to be funded by a sale of Retained Bonds, to receipt by the Issuer of the net sale proceeds thereof) be retained in the Initial Cash Security Account in accordance with the terms of the Account Agreement and the Custody Agreement (and may be invested in Permitted Investments). For the avoidance of doubt, in the event that the Original Borrower has not drawn any part of the Initial Commitment on the Issue Date, the Retained Proceeds at that date shall be the entire amount of the Initial Commitment (less any amount which is to be funded by a sale of Retained Bonds). Any Retained Proceeds (and any net sale proceeds from a sale by the Issuer of Retained Bonds (less any Retained Bond Premium Amount)) shall be advanced to the Borrowers at a later date pursuant to the Loan Agreements to the extent that Properties of a corresponding value have been charged in favour of the Security Trustee, and allocated for the benefit of the Issuer. In addition, in the event that any losses are made in respect of any Retained Proceeds which have been invested in Permitted Investments, each drawing to be made by the Issuer to any Borrower pursuant to its Loan Agreement shall be advanced at a discount in an amount equal to the Actual Advance Amount (as defined in such Loan Agreement).

## DESCRIPTION OF THE LOAN AGREEMENTS

*The following description of the Loan Agreements consists of a summary of certain provisions of the Loan Agreements and is qualified by reference to the detailed provisions thereof. The Loan Agreements are not, however, incorporated by reference into, and therefore do not form part of, this Prospectus.*

*Definitions used in this section but not otherwise defined in this Prospectus have the meanings given to them in the Loan Agreements.*

### Facility

On or around the Issue Date, the Issuer shall enter into a loan agreement between the Issuer, the Original Borrower and the Security Trustee (the **Original Loan Agreement**).

Subject to the provisions of the Original Loan Agreement, the Issuer shall commit to make a loan to the Original Borrower in the principal amount of £250,000,000 (the **Initial Commitment** and, together with any further lending commitments to the Original Borrower under the Original Loan Agreement, the **Original Borrower Commitment**). The **Loan**, in respect of the Original Loan Agreement, is the principal amount of the Original Borrower Commitment that has been advanced to the Original Borrower or the outstanding balance thereof.

Upon the issue by the Issuer of any further Bonds pursuant to Condition 19 (*Further issues*), the Issuer may commit to making a loan to the Original Borrower and/or one or more other charitable (or exempt charitable) Registered Providers of Social Housing within the Group (together, the **Additional Borrowers** and, each, an **Additional Borrower** and, together with the Original Borrower, the **Borrowers**) in a nominal amount which reflects such issue proceeds (each, a **Commitment** and, together with the Original Borrower Commitment, the **Commitments**) pursuant to the Original Loan Agreement or to one or more additional bond loan agreements (each, an **Additional Loan Agreement** and, together with the Original Loan Agreement, the **Loan Agreements**). The **Loan**, in respect of each Additional Loan Agreement, is the principal amount of the Commitment that has been advanced to the relevant Additional Borrower or the outstanding balance thereof.

Each Commitment may be drawn in one or more drawings and the maximum principal amount of each drawing shall be an amount which corresponds to the Minimum Value of the Apportioned Properties multiplied by the Issuer's Security Percentage (in each case as at the date of such drawing), less the aggregate amount of all Commitments which have previously been drawn.

No Commitment may be drawn by a Borrower until it has satisfied the conditions set out in Clause 2.3 (*Facility*) of the Original Loan Agreement (or any such corresponding clause in any Additional Loan Agreement) in respect of the first drawing in respect of a Loan Agreement and the conditions set out in Clause 11.1 (*Addition, Substitution and Release of Apportioned Properties*) of the Original Loan Agreement (or any such corresponding clause in any Additional Loan Agreement) in respect of any subsequent drawings of amounts of the relevant Commitment which exceed the Minimum Value of the Apportioned Properties multiplied by the Issuer's Security Percentage.

In addition, the Issuer and the Original Borrower have each acknowledged (and each Additional Borrower will be required to acknowledge) that any drawing of a Commitment shall be subject to the Security Trustee being satisfied (based solely on the relevant confirmation from the Original Borrower of the Minimum Value of the Apportioned Properties multiplied by the Issuer's Security Percentage (which itself shall be evidenced by the relevant Valuation), which the Security Trustee is entitled to rely upon without further enquiry or investigation in respect thereof) is such that the Asset Cover Test is satisfied immediately following such drawing.



The Original Borrower has acknowledged (and each Additional Borrower will be required to acknowledge) that the Issuer may invest all or any part of the Retained Proceeds in Permitted Investments in accordance with the Custody Agreement and that, as a result of:

- (a) any losses made by the Issuer in respect of such Permitted Investments; and/or
- (b) any issue or sale of Bonds by the Issuer made at a discount to the principal amount of such Bonds,

the amount of Retained Proceeds held by the Issuer, at the time of any drawdown request, may be less than the Undrawn Commitment which is to be funded from such Retained Proceeds. In such circumstances, each drawing to be funded from the Retained Proceeds shall be advanced in an amount equal to the Actual Advance Amount (which may be at a discount to the principal amount requested).

For this purpose, **Actual Advance Amount** means, in respect of each drawing funded from Retained Proceeds, the principal amount of such drawing multiplied by the result of dividing (i) the amount of Retained Proceeds held by the Issuer at the time of the drawdown request (for the avoidance of doubt, after taking into account any losses suffered by the Issuer as a result of investing in Permitted Investments, but, for this purpose, excluding any Permitted Investment Profit) by (ii) the Undrawn Commitment which is to be funded from such Retained Proceeds.

For the avoidance of doubt:

- (a) no Borrower shall be required to monitor the market value of any Permitted Investments;
- (b) any difference between the principal amount of a drawing and the relevant Actual Advance Amount shall be ignored in determining the amount of the relevant Loan and, *inter alia*, the calculation of interest, principal and premium payments payable in respect thereon; and
- (c) any income received by the Issuer in respect of Permitted Investments shall not be credited to the Initial Cash Security Account but shall instead be credited to the Transaction Account in accordance with the Account Agreement.

The Issuer and the Original Borrower have agreed (and each Additional Borrower shall agree) that:

- (a) where the Issuer is required to sell any Permitted Investments to fund a drawing under the Loan Agreement and such sale results in a Permitted Investment Profit, the Issuer may (at its discretion) make a Gift Aid Payment to a Charitable Group Member in an amount equal to the Permitted Investment Profit and, for the avoidance of doubt, such drawing shall be advanced at the Actual Advance Amount (which such right exists to the extent that there are distributable reserves available for such purpose in the Issuer and, prior to taking into account the Gift Aid Payment, the Issuer has taxable profits for corporation tax purposes in the accounting period in which the Gift Aid Payment is or would but for this paragraph (a) otherwise be made or treated as made by section 199 of the Corporation Tax Act 2010); and
- (b) immediately prior to the end of each accounting period, to the extent that the Issuer would otherwise be required to recognise a profit for tax purposes in respect of its Permitted Investments and/or Retained Bonds as a result of the movement in the fair value recognised in its accounts of such Permitted Investments and/or Retained Bonds for that accounting period, the Issuer shall sell Permitted Investments in an aggregate amount equal to the amount required to offset or discharge any corporation tax liability (either by the payment of such corporation tax liability or by making a Gift Aid Payment to a Charitable Group Member) in respect of the Accounting Profit and may (at its discretion), in the same accounting period or such later period permitted under section 199 of the Corporation Tax Act 2010, make a Gift Aid Payment to a

Charitable Group Member in an amount equal to the Accounting Profit (which such right exists to the extent that there are distributable reserves available for such purpose in the Issuer and, prior to taking into account of the Gift Aid Payment, the Issuer has taxable profits for corporation tax purposes in the accounting period in which the Gift Aid Payment is or would but for this paragraph (b) otherwise be made or treated as made by section 199 of the Corporation Tax Act 2010).

The Issuer and the Original Borrower have also agreed (and each Additional Borrower shall agree, to the extent that any Retained Bonds are held by the Issuer upon the date of its accession as a Borrower) that, upon a sale (if any) of the Retained Bonds by the Issuer:

- (a) in the event that such sale produces a Retained Bond Premium Amount, the Issuer may (at its discretion) make a Gift Aid Payment to a Charitable Group Member in an amount equal to the Retained Bond Premium Amount (which such right exists to the extent that there are distributable reserves available for such purpose in the Issuer and, prior to taking account of the Gift Aid Payment, the Issuer has taxable profits for corporation tax purposes in the accounting period in which the Gift Aid Payment is or would but for this paragraph (a) otherwise be made or treated as made by section 199 of the Corporation Tax Act 2010) and, for the avoidance of doubt, where the Issuer is required to sell such Retained Bonds to directly fund a drawing under a Loan Agreement, such drawing shall be advanced at the Retained Bond Actual Advance Amount; and
- (b) where the Issuer is required to sell any Retained Bonds to directly fund a drawing under a Loan Agreement and such sale is made at a discount to the principal amount of such Retained Bonds, such drawing shall be advanced at a discount in an amount equal to the Retained Bond Actual Advance Amount.

For this purpose, **Retained Bond Actual Advance Amount** means, in relation to each drawing under a Loan Agreement which is funded directly by a sale of Retained Bonds, the principal amount of such drawing multiplied by the result of dividing (i) the net proceeds of sale of such Retained Bonds (excluding, for this purpose, the Retained Bond Premium Amount) by (ii) the principal amount of such Retained Bonds.

For the avoidance of doubt:

- (a) no Borrower shall not required to monitor the market value of any Retained Bonds; and
- (b) any difference between the principal amount of a drawing and the relevant Retained Bond Actual Advance Amount shall be ignored in determining the amount of the relevant Loan and, *inter alia*, the calculation of interest, principal and premium payments payable in respect thereon.

The Original Borrower has agreed (and each Additional Borrower shall agree, to the extent that any Retained Bonds are held by the Issuer upon the date of its accession as a Borrower) that, where the Issuer is required to sell any Retained Bonds in order to fund a drawdown request, the Issuer's obligations to fund such drawdown will be subject to the ability of the Issuer to sell such Retained Bonds to a third party.

For so long as any Retained Bonds are held by or on behalf of the Issuer, a Borrower may request that an amount of its Commitment be cancelled (provided that such amount does not exceed the principal amount of Retained Bonds held by or on behalf of the Issuer at that time). As soon as practicable following any such request, the Issuer shall cancel Retained Bonds in a corresponding amount. Such cancellation of the relevant Commitment shall take effect upon the cancellation of such Retained Bonds.

Subject to the conditions precedent set out in Clause 4.1 (*Request for Further Commitments*) of the Original Loan Agreement and any corresponding clause in any Additional Loan Agreement, the Issuer may make further commitments to any Borrower, each in an amount to be agreed between the Issuer, the relevant Borrower and the Security Trustee, following the issuance of further bonds pursuant to Condition 19 (*Further issues*).

## **Purpose**

The proceeds of each Loan may only be used by a Borrower in accordance with such Borrower's Constitutional Documents, including, for the avoidance of doubt, the repayment of any existing indebtedness of such Borrower and any other amounts due and payable thereunder.

## **Interest**

### ***Rate of Interest***

Following its advance, each Loan will carry interest from (and including) the date of its initial advance at the rate of 2.857 per cent. per annum, payable in arrear by equal half yearly instalments on each Loan Payment Date (being four Business Days prior to each Interest Payment Date).

### ***Interest Periods***

Notwithstanding the fact that interest is payable on each Loan Payment Date, interest will accrue on each Loan from (and including) an Interest Payment Date (or, in the case of the first interest period of a Loan, the date of its initial advance) to (but excluding) the immediately following Interest Payment Date (each, a **Loan Interest Period**).

### ***Commitment Fee***

Each Borrower shall pay to the Issuer a commitment fee in respect of its Undrawn Commitment on each Loan Payment Date in an amount equal to its pro rata share (based on the aggregate amount of all Undrawn Commitments of all Borrowers) of the interest payable by the Issuer under the Bonds on the following Interest Payment Date less (a) the aggregate of the interest received from the Borrowers under all Loan Agreements on such Loan Payment Date and (b) the interest otherwise received by the Issuer in respect of the Retained Proceeds in the relevant Loan Interest Period (including, but not limited to, any income received by the Issuer in respect of any Permitted Investments in which any Retained Proceeds are, for the time being, invested). The commitment fee shall accrue on a daily basis.

## **Repayment, Purchase and Prepayment**

### ***Repayment***

Each Borrower must repay its Loan in full four Business Days prior to the Interest Payment Date in October 2035 (the **Loan Maturity Date**).

### ***Bond Purchase Option***

Each Borrower and any other member of the Group (other than the Issuer) may at any time purchase Bonds on the London Stock Exchange, by tender (available to all Bondholders alike) or by private treaty at any price.

Following any such purchase, such Borrower or such other member of the Group, as the case may be, may (but is not obliged to) surrender the Bonds to the Issuer to be cancelled. An amount of the outstanding balance of the relevant Loan equal to the principal amount of the Bonds surrendered shall

be deemed to be prepaid (or, to the extent that no Loan is then outstanding, then an amount of the relevant Undrawn Commitment equal to the principal amount of the Bonds surrendered shall be deemed to be cancelled for the purposes of the relevant Loan Agreement and a corresponding portion of the Retained Proceeds shall be paid by the Issuer to the relevant Borrower or such other member of the Group, as the case may be).

The Original Borrower has acknowledged (and each Additional Borrower shall acknowledge) that the terms of the Bond Trust Deed provide that any Bonds which are for the time being held by or on behalf of, *inter alios*, a Borrower or any other member of the Group as beneficial owner shall be deemed not to remain outstanding for the purpose of, *inter alia*, the right to attend and vote at any meeting of the Bondholders.

### ***Optional Prepayment***

Pursuant to Clause 5.3 (*Repayment, Purchase and Prepayment*) of the Original Loan Agreement and the corresponding clause in any Additional Loan Agreement, each Borrower may, at any time (a) on or after the Final Retained Bond Disposal Date and (b) before the Loan Maturity Date, by giving not less than 45 nor more than 60 days' notice in writing to the Issuer and the Security Trustee, prepay the whole or (as the case may be) any part of the outstanding balance of its Loan, together with any interest accrued up to and including the date of prepayment and the relevant Prepayment Premium (being, for so long as any Bonds are outstanding, an amount equal to the excess of the amount notified to such Borrower by the Issuer as being the price determined under the Bond Trust Deed for the redemption of a corresponding principal amount of the Bonds over par).

### ***Mandatory Prepayment – Redemption of Bonds***

If the Bonds become redeemable prior to the Maturity Date, other than as a result of a prepayment or termination of a Loan Agreement, each Borrower shall prepay, at least one Business Day prior to the relevant date of redemption of the Bonds, the outstanding balance of the Loan, together with accrued interest and accrued commitment fee thereon up to and including the date of redemption.

### ***Mandatory Prepayment – Cancellation of Status***

Pursuant to Clause 5.6 (*Repayment, Purchase and Prepayment*) of the Original Loan Agreement and the corresponding clause in any Additional Loan Agreement, each Borrower shall promptly notify the Issuer and the Security Trustee if it ceases to be a Registered Provider of Social Housing. Within 180 days of such notification, such Borrower shall prepay the whole of the outstanding balance of its Loan, together with any interest and commitment fee accrued up to and including the date of prepayment, provided, however, that if such Borrower regains its status as a Registered Provider of Social Housing within such period of 180 days, it shall no longer be required to prepay the Loan in accordance with the above-mentioned Clause 5.6 (*Repayment, Purchase and Prepayment*) or such corresponding clause.

### ***Redemption of Bonds – Further Payment in Respect of Retained Proceeds Par Amount***

In the event that a Borrower elects to, or is otherwise required to, prepay the whole of the outstanding balance of its Loan and the Issuer is required to notify such Borrower of the price determined under the Conditions for the redemption of a corresponding principal amount of the Bonds, then the Issuer shall be entitled to also take account of the redemption of such principal amount of the Bonds (if no commitment is put in place with another Borrower) that shall correspond to the Retained Proceeds Par Amount (being an amount equal to the Retained Proceeds including, where any Retained Proceeds are invested in Permitted Investments, the purchase price of the relevant Permitted Investments and ignoring, for these purposes, any increase or decrease in such Retained Proceeds as a result of gains or losses in respect of such Permitted Investments and/or any discount on a sale of Retained Bonds by the Issuer), and the price notified to such Borrower shall be increased accordingly.

## **Warranties and Covenants**

Each Borrower will make various warranties and covenants pursuant to, in the case of the Original Borrower, Clause 8 (*Warranties and Covenants by the Original Borrower*) of the Original Loan Agreement and, in the case of any Additional Borrower, the corresponding clause in its Additional Loan Agreement. These warranties and covenants include (or will include, as the case may be), *inter alia*, the following:

### **Information Covenants**

Each Borrower must supply to the Issuer and the Security Trustee not later than 180 days after the end of each relevant financial year:

- (a) copies of the audited financial statements of such Borrower (consolidated if available) for such financial year; and
- (b) a certificate setting out, among other things, calculations in respect of the asset cover ratio substantially in the form set out in Schedule 2 to the Original Loan Agreement and, in the case of any Additional Borrower, the corresponding schedule in its Additional Loan Agreement (the **Compliance Certificate**) signed by two Authorised Signatories of such Borrower.

Each Borrower must, following receipt of a notice from the Issuer stating that it intends to sell any Retained Bonds, supply to the Issuer and the Bond Trustee not later than three Business Days prior to the date of such sale, a certificate setting out, among other things, calculations in respect of the Asset Cover Test substantially in the form set out in Schedule 8 to the Original Loan Agreement and, in the case of any Additional Borrower, the corresponding schedule in its Additional Loan Agreement signed by two Authorised Signatories of such Borrower confirming whether, immediately following such sale, the Borrowers will be in compliance with the Asset Cover Test.

### **Negative Pledge**

No Borrower shall create or allow to exist (and shall procure that no Eligible Group Member creates or allows to exist) any Security Interest on any assets which are Security Assets, except as set out, in the case of the Original Borrower, Clause 8.6 of the Original Loan Agreement and, in the case of any Additional Borrower, the corresponding clause in its Additional Loan Agreement which includes (or will include, as the case may be) the Security Interests created pursuant to, *inter alia*, the Security Trust Deed and the Legal Mortgages and any Security Interests created with the prior written consent of the Issuer or by operation of law.

### **Charged Properties**

Each Borrower shall obtain (and shall procure that each Eligible Group Member obtains) any authorisation or licence required in order to enable the Security Trustee pursuant to the powers of enforcement conferred on it by the Security Documents to sell vacant Apportioned Properties and maintain insurances on and in relation to its Apportioned Properties.

### **Covenants**

Each Borrower shall (and shall procure that each Eligible Group Member shall) (unless the Security Trustee otherwise agrees in writing) comply in all material respects with any covenants or restrictive covenants relating to an Apportioned Property which are binding on it.

### **Guarantee and Indemnity**

Pursuant to Clause 9 (*Guarantee and Indemnity*) of the Original Loan Agreement and the corresponding clause in each Additional Loan Agreement, each Borrower has (or will have) irrevocably and unconditionally:

- (a) guaranteed to the Issuer the punctual performance by each other Borrower of all such Borrowers' obligations under, inter alia, their respective Loan Agreements, the Security Trust Deed and their respective Legal Mortgages, other than each other Borrowers' obligations to repay principal and any prepayment premium thereon pursuant to their respective Loan Agreements (such amounts being, the **Guaranteed Interest and Fee Amounts**);
- (b) undertaken with the Issuer that, whenever any other Borrower does not pay any Guaranteed Interest and Fee Amounts when due under its respective Loan Agreement, the Security Trust Deed or its respective Legal Mortgage(s), it must, immediately on demand by the Security Trustee and/or the Issuer, pay the Guaranteed Interest and Fee Amounts as if it were the principal obligor;
- (c) undertaken with the Issuer that, to the extent that the proceeds of the enforcement of the Underlying Security are insufficient to satisfy the Borrowers' obligations under their respective Loan Agreements in full (the shortfall being, the **Guaranteed Principal Amount**), it must, immediately on demand by the Security Trustee and/or the Issuer, pay the Guaranteed Principal Amount as if it were the principal obligor; and
- (d) agreed to indemnify the Issuer immediately on demand against any loss or liability suffered by the Issuer if any obligation guaranteed by it is or becomes illegal or invalid.

#### **Asset Cover Ratio**

Pursuant to Clause 10 (*Asset Cover Ratio*) of the Original Loan Agreement or the corresponding clause in each Additional Loan Agreement, each Borrower shall procure that at all times the sum of:

- (a) the Minimum Value of Apportioned Properties multiplied by the Issuer's Security Percentage;
- (b) the Retained Proceeds Par Amount; and
- (c) the Charged Cash,

will not be less than Aggregate Funded Commitment, provided however, that from and including the Final Charging Date, the Retained Proceeds Par Amount shall be deemed to be zero for the purpose of determining the Borrowers' compliance with the Asset Cover Test.

#### ***Interpretation***

For these purposes:

**Aggregate Funded Commitment** means the aggregate amount of all Commitments under all Loan Agreements, less the aggregate principal amount of Retained Bonds held by or on behalf of the Issuer;

**Apportioned Properties** means:

- (a) unless and until the Charged Properties securing the obligations of the Borrowers under the Loan Agreements are apportioned, at such time, on the Specific Apportionment Basis following a request of the Issuer in the limited circumstances permitted in the Security Trust Deed, the Units comprising the Residual Properties (as defined in the Security Trust Deed); and

- (b) in the event that the Charged Properties securing the obligations of the Borrowers under the Loan Agreements are apportioned, at such time, on the Specific Apportionment Basis following a request of the Issuer in the limited circumstances permitted in the Security Trust Deed, such of the Units comprising the Charged Properties as have been allocated in respect of the Loan Agreements pursuant to the Security Trust Deed from time to time;

**Final Charging Date** means:

- (a) in relation to the Initial Commitment, 7 October 2020; and
- (b) in relation to any further Commitments, the date (if any) as agreed between the Issuer, the relevant Borrower and the Security Trustee.

**Issuer's Security Percentage** means:

- (a) where the Charged Properties securing the obligations of the Borrowers under the Loan Agreements are apportioned on the Numerical Apportionment Basis, the number of Units allocated to the Issuer in relation to the Loan Agreements 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 Borrowers under the Loan Agreements are apportioned on the Specific Apportionment Basis, 100 per cent.;

**Minimum Value** means, in relation to the Apportioned Properties:

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

A = the Value of the residential EUV-SH Apportioned Properties determined on the basis of EUV-SH; and

B = the Value of the residential MV-ST Apportioned Properties determined on the basis of MV-ST.

The Apportioned Properties shall each be treated as EUV-SH Apportioned 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 any such Apportioned Property and the Valuer has confirmed that it has reviewed a Certificate of Title in respect of such Apportioned Property certifying that it may be disposed of by the relevant Guarantor 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);

**Retained Proceeds Par Amount** means an amount equal to the Retained Proceeds at the time of calculation and, for this purpose:

- (a) where any Retained Proceeds are at that time invested in Permitted Investments, the amount of such Retained Proceeds shall be taken as the purchase price of the relevant Permitted Investments ignoring any gains or losses in respect of those Permitted Investments since the date of purchase; and
- (b) where the source of any Retained Proceeds is the net sale proceeds of any Retained Bonds which were sold at a discount, the amount of such Retained Proceeds shall be taken as the principal amount of such Retained Bonds; and

**Value** means, at any time and in relation to the Apportioned Properties, the value of those properties as shown in the then latest Valuation Report on the basis of EUV-SH or, as the case may be, MV-ST (provided that if any Apportioned Property or part thereof is sold pursuant to a Right to Buy, the Value of the relevant Apportioned 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 Apportioned Property has been sold) or (if only part of the relevant Apportioned Property has been sold) shall be the proportion of the value of the Apportioned Property which has not been sold pursuant to the relevant Right to Buy).

### **Apportionment Basis**

The Apportioned Properties securing the obligations of the Borrowers under the Loan Agreements shall be apportioned on the Numerical Apportionment Basis (subject to the rights of the Issuer to require the Specific Apportionment Basis to apply in limited circumstances after the occurrence of an Enforcement Event in accordance with the terms of the Security Trust Deed).

### **Addition, Substitution and Release of Apportioned Properties and Charged Cash**

#### ***Addition of Apportioned Properties***

Subject as set out below, each Borrower may charge (or may procure that any Eligible Group Member charges) additional Properties as Apportioned Properties provided that such Borrower and/or Eligible Group Member:

- (a) provides to the Issuer and the Security Trustee the condition precedent documents specified in Schedule 2 to the Security Trust Deed in respect of the charging of such Properties;
- (b) delivers to the Issuer and the Security Trustee a completed Additional Property Certificate certifying that, *inter alia*, such Properties are residential properties of a type and nature that are usually owned by Registered Providers of Social Housing; and
- (c) provides such other documents as the Security Trustee or the Issuer may require as set out in Part 2 (*Property Conditions Precedent Documents*) of Schedule 1 to the Original Loan Agreement (or the corresponding schedule in any Additional Loan Agreement).

Notwithstanding the foregoing, for so long as the Borrower's obligations under the Loan Agreements are secured on the Numerical Apportionment Basis, the above requirements shall not apply in the event that Properties are added to the Residual Properties solely as a result of them ceasing to be allocated to any Specific Beneficiary on a Specific Apportionment Basis.

#### ***Substitution of Apportioned Properties***

Subject as set out below, at the request and expense of a Borrower or an Eligible Group Member, the Security Trustee shall release from the relevant Security Documents (and/or reallocate, if applicable) such Apportioned Properties (the **Released Properties**) and substitute for the Released Properties other Properties (each, a **Substitute Property**) as may be selected by such Borrower or Eligible Group Member, provided that such Borrower or Eligible Group Member:

- (a) provides to the Issuer and the Security Trustee the condition precedent documents specified in Schedule 2 to the Security Trust Deed in respect of the charging of the Substitute Properties;
- (b) delivers to the Issuer and the Security Trustee a completed Substitute Property Certificate certifying, *inter alia*, that the relevant Substitute Property is a residential property of a type and nature that is usually owned by Registered Providers of Social Housing, that, immediately following such release (and/or reallocation, if applicable) and substitution, the Asset Cover Test



will not be breached as a result of the substitution of the relevant Apportioned Properties and that no Borrower Default or Potential Borrower Default has occurred and is continuing; and

- (c) provides such other documents as the Security Trustee or Issuer may require as set out in Part 2 (*Property Conditions Precedent Documents*) of Schedule 1 to the Original Loan Agreement (or the corresponding schedule in any Additional Loan Agreement).

Notwithstanding the foregoing, for so long as the Borrowers' obligations under the Loan Agreements are secured on the Numerical Apportionment Basis, the above requirements shall only apply in respect of substitutions out of and into the Residual Properties as a whole, and shall not apply in respect of adjustments to the Allocated Parts of NAB Beneficiaries without resulting in change to the Properties comprised within the Residual Properties or to the extent that the provisions described above and below relating to additions and substitutions would not apply to the the Substitute Property and the Released Property, respectively.

### ***Release of Apportioned Properties***

Subject as set out below, at the request and expense of a Borrower or Eligible Group Member, the Security Trustee shall release from the relevant Security Documents (and/or reallocate, if applicable) such Properties (or Units) forming part of the Issuer's Apportioned Part as may be selected by such Borrower or Eligible Group Member provided that such Borrower or Eligible Group Member delivers to the Issuer and the Security Trustee a completed Property Release Certificate certifying that, immediately following such release (and/or reallocation, if applicable), the Asset Cover Test will not be breached as a result of the release (and/or reallocation, if applicable) of such part of the Issuer's Apportioned Part and that no Borrower Default or Potential Borrower Default has occurred and is continuing.

Notwithstanding the foregoing, for so long as the Borrowers' obligations under the Loan Agreements are secured on the Numerical Apportionment Basis the above requirements shall only apply:

- (a) where the Properties to be released from the Residual Properties do not constitute Unallocated Properties; and/or
- (b) if an adjustment is required in respect of the Issuer's Apportioned Part irrespective of whether any Properties are to be removed from the Residual Properties as a whole.

### ***Statutory Disposals***

Each Borrower and Eligible Group Member shall have the right to withdraw Property from the Issuer's Apportioned Part pursuant to any Statutory Disposal and each Borrower or Eligible Group Member shall deliver to the Issuer and the Security Trustee, as soon as reasonably practicable after it has received notice of such Statutory Disposal, a completed Statutory Disposal Certificate, certifying that the relevant withdrawal relates to a Statutory Disposal, and, if the Statutory Disposal would result in a breach of the Asset Cover Test, confirming that it shall procure that Additional Properties are charged pursuant to the Security Trust Deed so as to become part of the Issuer's Apportioned Part and/or moneys are deposited into the Ongoing Cash Security Account, in accordance with the relevant Loan Agreement, such that any breach of the Asset Cover Test will be cured.

Without prejudice to the aforementioned right to withdraw Property from the Issuer's Apportioned Part pursuant to any Statutory Disposal, the Original Borrower has covenanted (and each Additional Borrower will be required to covenant) that, if following such withdrawal the Borrowers will no longer be in compliance with the Asset Cover Test, it shall, as soon as practicable thereafter (and, in any event, prior to the expiry of the applicable grace period, charge (or procure the charging of) additional Properties and/or deposit (or procure the deposit of) money into the Ongoing Cash Security Account in

an aggregate amount sufficient to ensure that the Borrowers will be in compliance with the Asset Cover Test.

### ***Charged Cash***

Pending the acquisition of any proposed Substitute Property by a Borrower or Eligible Group Member, such Borrower or Eligible Group Member, as applicable, may deposit the proceeds of disposal of the relevant Apportioned Properties which are released from charge under the relevant Security Documents into the Ongoing Cash Security Account of the Issuer for the purpose of maintaining the Asset Cover Test (for the avoidance of doubt, no Borrower shall be required to monitor the market value of any Permitted Investments). The Charged Cash may be withdrawn from the Ongoing Cash Security Account:

- (a) to be applied by a Borrower or Eligible Group Member (provided, for the avoidance of doubt, that such Borrower or Eligible Group Member continues, at such time, to be a Registered Provider of Social Housing) in the acquisition of a Substitute Property; or
- (b) to the extent that the Asset Cover Test would not be breached immediately after such withdrawal,

and, in any event, if no Borrower Default or Potential Borrower Default has occurred and is continuing.

Notwithstanding the above, any Borrower or Eligible Group Member may, at any time, deposit, or arrange for the deposit of, any other money into the Ongoing Cash Security Account for the purposes of satisfying the Asset Cover Test.

The Original Borrower has acknowledged (and each Additional Borrower will be required to acknowledge) that the money standing to the credit of the Ongoing Cash Security Account shall be charged in favour of the Bond Trustee pursuant to the terms of the Bond Trust Deed. The Original Borrower has also acknowledged (and each Additional Borrower will be required to acknowledge) that:

- (a) the Issuer may invest all or any part of the Charged Cash in Permitted Investments in accordance with the Custody Agreement;
- (b) as a result of any gains or losses made by the Issuer in respect of such Permitted Investments and any income received thereon (which shall, for the avoidance of doubt, be credited to the Ongoing Cash Security Account), the amount of such Charged Cash may be greater or less than the amount deposited in the Ongoing Cash Security Account by such Borrower or Eligible Group Member; and
- (c) it shall not have any recourse to the Issuer in respect of any losses realised by the Issuer in respect of the Charged Cash as a result of investment in any Permitted Investments.

### **Valuations**

#### ***Rolling Valuations***

Each Borrower shall deliver (or procure the delivery of) a Rolling Valuation Report to the Issuer and the Security Trustee in the period between 31 March and the date falling 60 days thereafter in each year (commencing on 31 March 2021) whereby the Valuer values:

- (a) not less than 20 per cent. of the Apportioned Properties on a Full Valuation Basis; and
- (b) the remaining Apportioned Properties on a Desk Top Valuation Basis.

For these purposes:

- (i) the Apportioned Properties to be valued on a Full Valuation Basis in any year must not include any Apportioned Properties which have been valued on a Full Valuation Basis in the preceding two years; and
- (ii) in any five year period, 100 per cent. of Apportioned Properties must be valued on a Full Valuation Basis, taking into account any additions and withdrawals of Apportioned Properties in accordance with this Agreement.

### ***Full and Desktop Valuations***

Notwithstanding the above, the Borrowers may elect, by notice to the Issuer and the Security Trustee, to provide Valuations as follows:

- (a) the Borrowers shall deliver (or procure the delivery of) a Full Valuation to the Issuer 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 31 March next following an election made in accordance with the Loan Agreements and the date falling 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 paragraph (or within the same period in any prior calendar year); and
- (b) the Borrowers shall deliver (or procure the delivery of) a Desk Top Valuation to the Issuer and the Security Trustee 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 produced in accordance with (a) above) other than a year in respect of which a Full Valuation is required to be delivered under (a) above.

### **Loan Events of Default and Enforcement**

#### ***Borrower Default***

Each of the following (set out in more detail in Clause 14 (*Borrower Default*) of the Original Loan Agreement and will be set out in more detail in the corresponding clause in any Additional Loan Agreement) is a **Borrower Default**:

- (a) ***Non-payment:*** The Borrower does not pay on the due date any amount payable by it under the Finance Documents in the manner required under the Finance Documents, unless the non-payment continues for a period of not more than seven days in the case of principal and not more than 14 days in the case of interest.
- (b) ***Breach of other obligations:*** The Borrower or any Eligible Group Member fails to perform or observe any of its obligations under the Finance Documents (other than as referred to in (a) above and (l) below) and (except in any case where, in the opinion of the Security 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 30 days next following the service by the Security Trustee on such Borrower or Eligible Group Member of notice requiring the same to be remedied.
- (c) ***Other non-payment:***
  - (i) Any other present or future indebtedness of the Borrower or any Eligible 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 default, event of default or the like (howsoever described);

- (ii) any such indebtedness is not paid when due or, as the case may be, within any originally applicable grace period; or
- (iii) the Borrower or any Eligible 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 in (i), (ii) or (iii) above in this paragraph (c) have occurred equals or exceeds £10,000,000 or its equivalent in other currencies (as reasonably determined by the Security Trustee) (and provided further, for the avoidance of doubt, that the amounts mentioned in (i), (ii) or (iii) above in this paragraph (c) shall exclude the amount of any Public Sector Subsidy except for any Public Sector Subsidy which is or becomes due and payable to the relevant grant making body or organisation).

- (d) **Enforcement Event:** An Enforcement Event occurs under a Relevant Document.
- (e) **Winding-up:** Any order is made by any competent court or resolution passed for the winding up or dissolution of the Borrower or any Eligible Group Member save for the purposes of a Permitted Reorganisation or a reorganisation on terms previously approved in writing by the Security Trustee.
- (f) **Cessation of Business:** The Borrower or any Eligible Group Member ceases or threatens to cease to carry on the whole or, as determined by the Security Trustee, substantially the whole of its business, save for the purposes of a Permitted Reorganisation or a reorganisation on terms previously approved in writing by the Security Trustee.
- (g) **Failure or inability to pay debts:** The Borrower or any Eligible Group Member stops or threatens to stop payment of, or is unable to, or admits inability to, pay, its debts (or any class of its debts) as they fall due, or 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.
- (h) **Insolvency:** Any of the insolvency related events occurs or proceedings are taken as referred to in Clause 14.1(h) of the Original Loan Agreement or the corresponding clause in the relevant Additional Loan Agreement, respectively (which exclude any Permitted Reorganisation or reorganisation on terms previously approved in writing by the Security Trustee).
- (i) **Insolvency Proceedings:** The Borrower initiates or consents to the proceedings referred to in Clause 14.1(i) of the Original Loan Agreement or the corresponding clause in the relevant Additional Loan Agreement, as applicable (which exclude, or will exclude, any Permitted Reorganisation or reorganisation on terms previously approved in writing by the Security Trustee).
- (j) **Arrangement with creditors:** The Borrower or any Eligible Group Member 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) (which exclude any Permitted Reorganisation or reorganisation on terms previously approved in writing by the Security Trustee).

- (k) **Unlawfulness:** It is or becomes unlawful for the Borrower or any Eligible Group Member to perform any of its obligations under the Finance Documents to which they are, respectively, is a party.
- (l) **Breach of the Asset Cover Test:** The Borrower fails to perform its obligations under Clause 10 (*Asset Cover Ratio*) of the Original Loan Agreement (or the corresponding clause in the relevant Additional Loan Agreement, as applicable) and (except in any case where, in the opinion of the Security 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 next following the service by the Security Trustee on the Borrower of notice requiring the same to be remedied.

For these purposes, **Permitted Reorganisation** means any amalgamation, merger, consolidation or transfer of engagements (whether entering into or acceptance thereof) of the whole of any Borrower's or any Eligible 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 (if applicable)) made between such Borrower or such Eligible Group Member, as the case may be, (**Party A**) and any other entity (**Party B**) provided that (i) Party B is a Registered Provider of Social Housing and any new amalgamated entity to be created as a result thereof will be a Registered Provider of Social Housing; (ii) 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 Party B or a new amalgamated entity, Party B or such new amalgamated entity 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 (iii) a certificate executed by two authorised signatories of Party A or Party B confirming the above is provided to the Bond Trustee.

#### ***Obligation to Notify the Issuer and the Security Trustee***

Each Borrower shall notify the Issuer and the Security Trustee of any Borrower Default (and the steps, if any, being taken to remedy it) or potential Borrower Default in respect of its Loan Agreement promptly upon becoming aware of the same. The Issuer shall also notify the Security Trustee of any Borrower Default or potential Borrower Default promptly upon becoming aware of the same (unless the Issuer is aware that a notification has already been provided by the relevant Borrower) including, but not limited to, the non-payment by a Borrower of any amounts owing to the Issuer under its Loan Agreement on the due date for payment thereof.

#### ***Borrower Default Notice***

Following the occurrence of a Borrower Default (but in the case of the happening of any of the events described in paragraphs (b) (*Breach of other obligations*), (c) (*Other non-payment*) and (k) (*Unlawfulness*) above, only if the Security Trustee shall have certified in writing to the relevant Borrower that such event is, in its opinion, materially prejudicial to the interests of the Issuer), the Issuer may declare by notice to the relevant Borrower either:

- (a) that the security for the relevant Loan has become, whereupon the security for the relevant Loan shall become, immediately enforceable (and the Issuer shall notify the Security Trustee of the same in accordance with Clause 6 (*Default procedure*) of the Security Trust Deed); and/or
- (b) (irrespective of whether a notice to the effect set out in (a) shall have already been given) that the Loan has become due and repayable, whereupon that Loan shall become immediately due and repayable at the outstanding balance thereof together with accrued interest, premium (if any) and any other amounts and the security therefor shall become immediately enforceable.

## **Enforcement**

If the security constituted under any Security Documents for the benefit of the Issuer becomes enforceable as a result of the service of a notice pursuant to Clause 14.4 of the Original Loan Agreement (or the corresponding clause in any Additional Loan Agreement), then the Security Trustee or any Receiver (where appropriate) shall hold the monies arising from any sale, calling in, collection or conversion under, or otherwise arising from the exercise of, the powers of conversion contained in the Security Documents after the security has become enforceable upon trust to apply the same:

- (a) first, in payment or retention of all costs, charges, expenses and liabilities incurred in or about the exercise of such powers or otherwise in accordance with the Security Documents and payments made by the Security Trustee, any Appointee or any Receiver in accordance with the Security Documents and of all remuneration payable to the Security Trustee, any Appointee or any Receiver in accordance with the Security Documents with interest thereon as provided in the Security Documents;
- (b) second, in or towards payment to the Issuer of all interest then due and remaining unpaid on the relevant Loan and all commitment fees then due and remaining unpaid;
- (c) third, in or towards payment to the Issuer of all principal and premium (if any) then due and remaining unpaid in respect of the relevant Loan; and
- (d) fourth, in or towards payment to the Issuer of all other amounts then due and remaining unpaid under the relevant Loan Agreement.

## **Taxes**

Each Borrower must make all payments to be made by it to the Issuer under, *inter alia*, its Loan Agreement, the Legal Mortgages and the Security Trust Deed, without any deduction or withholding for or on account of tax, unless a deduction or withholding is required by law.

If a deduction or withholding from any such payment is required by law to be made by a Borrower, the amount of the payment due from such Borrower shall be increased to an amount which (after making such deduction or withholding) leaves an amount equal to the payment which would have been due if no deduction or withholding had been required.

If, as a result of any actual or proposed change in tax law, the Issuer determines (in its reasonable commercial judgement) that it would on the next following Interest Payment Date be required to make a withholding or deduction in respect of payments to be made by the Issuer to the Bondholders pursuant to the Conditions (other than in respect of a Bondholder Specific Withholding), it shall notify each Borrower of the same. Each Borrower may (but, for the avoidance of doubt, shall not be obliged to), in its sole discretion, pay to the Issuer its *pro rata* share of such additional amounts as will enable the Issuer (after such withholding or deduction) to pay to the Bondholders the amounts of principal and interest which they would have received in respect of the Bonds in the absence of such withholding or deduction. Each Borrower shall continue to pay such additional amounts to the Issuer unless and until such Borrower delivers to the Issuer a notice stating that it shall cease to make such additional payments with effect from the next following Interest Payment Date.

In the event that one or more Borrowers does not choose to make such additional payments (or indicates that it intends to cease to make such additional payments), the remaining Borrowers may (but, for the avoidance of doubt, shall not be obliged to), in their sole discretion, pay to the Issuer such increased amount as will enable the Issuer (after such withholding or deduction) to pay to the Bondholders the amounts of principal and interest which they would have received in respect of the Bonds in the absence of such withholding or deduction. If the remaining Borrowers (either collectively or individually) do not

choose to make such payments and as a result the Issuer will not have sufficient funds to pay the additional amounts in respect of the Bonds, the Issuer shall not opt to pay such additional amounts (or, having so opted, will notify the Bond Trustee and the Bondholders of its intention to cease paying such additional amounts) and the Bonds shall be redeemed in accordance with Condition 9.3 (*Early Redemption for Tax Reasons*), whereupon each Borrower shall be required to prepay the outstanding balance of its Loan, together with accrued interest and accrued commitment fee thereon up to and including the date of redemption.

### **Governing Law**

Each Loan Agreement, and any non-contractual obligations or matters arising from or connected with it, are governed by and shall be construed in accordance with English law.

## DESCRIPTION OF THE LEGAL MORTGAGES AND THE SECURITY TRUST DEED

The Issuer's obligations in respect of the Bonds are secured pursuant to the Bond Trust Deed in favour of the Bond Trustee for the benefit of itself, the Bondholders and the other Secured Parties by the Issuer Security, which includes an assignment by way of security of the Issuer's rights, title and interest arising under the Legal Mortgages and the Security Trust Deed.

*The following description of the Legal Mortgages and the Security Trust Deed consists of a summary of certain provisions of the Legal Mortgages and the Security Trust Deed and is qualified by reference to the detailed provisions thereof. The Legal Mortgages and the Security Trust Deed are not, however, incorporated by reference into, and therefore do not form part of, this Prospectus.*

*Definitions used in this section but not otherwise defined in this Prospectus have the meanings given to them in the Legal Mortgages and/or the Security Trust Deed.*

### LEGAL MORTGAGES

The Original Borrower has, in relation to the initial Apportioned Properties, entered into a Legal Mortgage dated 7 April 2020 (the **Original Legal Mortgage**).

The Borrowers shall, in relation to any additional properties to be charged as underlying security for the Bonds, enter into further Legal Mortgages substantially in the form set out in the Security Trust Deed (each, an **Additional Legal Mortgage** and, together with the Original Legal Mortgage, the **Legal Mortgages**).

### Fixed Charges

Pursuant to each Legal Mortgage, the Original Borrower has charged, and each other Borrower and/or Eligible Group Member, as applicable, will charge with full title guarantee, as security for the payment of all Secured Obligations in favour of the Security Trustee for the benefit of itself and, *inter alios*, the Issuer:

- (a) by way of a first fixed legal mortgage all the property specified therein together with all buildings and Fixtures, erections and structures thereon or in the course of construction 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 such Borrower or Eligible Group Member and any monies paid or payable in respect of such covenants;
- (b) by way of first fixed charge:
  - (i) all plant and machinery (except for the Fixtures within paragraph (a) above) now or in the future owned by such Borrower or Eligible Group Member and its interest in any plant and machinery in its possession which form part of or are operated on the property specified therein;
  - (ii) all benefits in respect of the Insurances and all claims and returns of premiums in respect thereof;
  - (iii) the benefit of all present and future licences, consents and authorisations (statutory or otherwise) held in connection with the Security Assets and the use of any of the Security Assets specified in paragraphs (a) and (b)(i) above and the right to recover and receive all compensation which may at any time become payable to it in respect thereof; and



- (iv) if and in so far as the legal mortgage set forth in paragraph (a) above or the assignments set forth in the section entitled "*Assignment*" below shall for any reason be ineffective as legal mortgages or assignments, the assets referred to in therein.

## **Assignment**

Pursuant to each Legal Mortgage, the Original Borrower has covenanted each other Borrower and/or Eligible Group Member, as applicable, will covenant with full title guarantee, as security for payment of the Secured Obligations, that on the request of the Security Trustee, it shall following the occurrence of an Enforcement Event which is continuing (unremedied or unwaived and is not remedied within any applicable grace period) assign to the Security Trustee for the benefit of itself and, *inter alios*, the Issuer (to the fullest extent assignable or capable of assignment without first infringing any contracted provision restricting the same) all of its rights, title and interest in and to:

- (a) the personal agreements and covenants (still subsisting and capable of being enforced) by the tenants, lessees, licensees or other parties under the Letting Documents and by all guarantors and all security held by such Borrower or Eligible Group Member from time to time whether present or future 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 monies due and owing to such Borrower or Eligible Group Member or which may become due and owing to such Borrower or Eligible Group Member at any time in the future in connection therewith and any rent arrears or service charges due at any time from any tenants, lessees, licensees or other parties under the Letting Documents regardless of whether such amounts became due before or after the date of such Legal Mortgage);
- (b) all agreements now or from time to time entered into or to be entered into to enable the charging of the Security Assets and for the sale, letting or other disposal or realisation of the whole or any part of the Security Assets (including, without limiting the generality of the foregoing, all monies due and owing to such Borrower or which may become due and owing to such Borrower at any time in the future in connection therewith);
- (c) all agreements, contracts, deeds, licences, undertakings, guarantees, covenants, warranties, representations and other documents (including all documents entered into now or in the future so as to enable such Borrower to perfect its rights under such Legal Mortgage or any such agreement, contract, deed, licence, undertaking, guarantee, covenant, warranty, representation or other documents) now or hereafter entered into by or given to such Borrower or Eligible Group Member in respect of the properties specified therein and all claims, remedies, awards or judgments paid or payable to such Borrower or Eligible Group Member (including, without limitation, all liquidated and ascertained damages payable to such Borrower or Eligible Group Member under the above) in each case relating to the properties specified therein;
- (d) all licences held now or in the future in connection with the properties specified therein and also the right to recover and receive all compensation which may at any time become payable to such Borrower or Eligible Group Member in relation to the properties specified therein;
- (e) all rights and claims to which such Borrower or Eligible Group Member is now or may hereafter become entitled in relation to any development, construction project, redevelopment, refurbishment, repair or improvement of or on the properties specified therein;
- (f) all guarantees, warranties, bonds and representations given or made now or hereafter by, and any rights or remedies against, all or any of the designers, builders, contractors, surveyors, valuers, professional advisers, sub-contractors, manufacturers, suppliers and installers of any Fixtures in respect of the properties specified therein; and

- (g) all rental income and disposal proceeds in each case relating to the properties specified therein which has not been assigned as set out in (a), (b) or (c) and the right to make demand for and receive the same.

### **Representations, Warranties and Undertakings**

The Original Borrower makes (and each other Borrower and Eligible Group Member shall make) various representations in respect of the properties specified in the relevant Legal Mortgage including as to ownership, planning permission, covenants and security interests. In addition, the Original Borrower undertakes (and each other Borrower and Eligible Group Member shall undertake) to, *inter alia*, repair, insure, pay taxes in respect of and comply with all leases in respect of, such properties.

### **Enforcement of Security**

Each Legal Mortgage provides, or will provide, that at any time after an Enforcement Event has occurred and is continuing, the security created by or pursuant to such Legal Mortgage will be immediately enforceable and the Security Trustee may enforce all or any part of such security.

The Legal Mortgages further entitle, or shall entitle, the Security Trustee and, *inter alia*, the Issuer to be indemnified in respect of, *inter alia*, all liabilities incurred by them in the execution or purported execution of any of the powers vested in them pursuant to the Legal Mortgages.

### **Governing Law**

Each Legal Mortgage and any non-contractual obligations arising out of or in connection with it are, or will be, governed by and construed in accordance with English law.

### **SECURITY TRUST DEED**

The benefit of the security created by the Borrowers and the Eligible Group Members pursuant to the Legal Mortgages shall be held by the Security Trustee on trust for the benefit of itself and, *inter alios*, the Issuer on the terms of the Security Trust Deed.

### **The Security**

#### ***Division of Properties and Related Security Assets***

The Original Loan Agreement specifies (and each Additional Loan Agreement will specify) that the Charged Property is to be apportioned to the Issuer in respect of the Borrowers obligations thereunder on a "Numerical Apportionment Basis". The Security Trust Deed provides that, where Numerical Apportionment Basis is specified as the basis for apportionment, a specific number of units within the portfolio of Residual Properties will be designated to the relevant Beneficiary (each, a **NAB Beneficiary**) as agreed between a Borrower and such Beneficiary (being, in the case of the Loan Agreements, the Issuer).

Where Numerical Apportionment Basis is specified as the apportionment basis, a Beneficiary in respect thereof is entitled to change its basis of apportionment to "Specific Apportionment Basis" only in the limited circumstances and in accordance with the procedures specified in the Security Trust Deed.

In the event that the apportionment basis is changed to Specific Apportionment Basis, the apportioned part of the Charged Properties shall be as selected and notified to the Issuer in accordance with the terms of the Security Trust Deed.

### ***Additions and releases of Apportioned Properties***

On or prior to creating a Legal Mortgage in respect of any Property, the relevant Borrower or Eligible Group Member, as applicable, is required to deliver to the Security Trustee (or such person as shall be nominated by the Security Trustee, to be held by such person to the order of the Security Trustee) the documents listed in Schedule 2 to the Security Trust Deed, such documents to be in form and substance satisfactory to the Issuer (and, for so long as the Apportioned Properties are the Residual Properties, the other NAB Beneficiaries).

The Security Trustee shall release the benefit of any Security Interest, rights or obligations held by it over the Apportioned Property as security for all or any of the Secured Obligations:

- (a) subject to the instruction the Issuer and, for so long as the Apportioned Properties are the Residual Properties, the other NAB Beneficiaries (or, where the Properties to be released constitute Unallocated Properties, the relevant Borrower or Eligible Group Member); and
- (b) provided, in each case, that the relevant Borrower or Eligible Group Member, as applicable, shall have paid to the Security Trustee, or provided for to the satisfaction of the Security Trustee, all Trustee Costs which relate to the Residual Properties.

The Issuer's instructions shall be subject to satisfaction with the requirements of the Loan Agreements as regards such additions and releases (see "*Description of the Loan Agreements*" above).

### **Application of Proceeds**

The Security Trustee shall, upon the enforcement of the Rights, and after satisfying claims which at law rank in priority to sums owing under or in respect of any of the Relevant Documents, apply all Proceeds and all money derived therefrom:

- (a) in respect of the Security Assets comprised in the Residual Properties:
  - (i) first, in or towards payment of all NAB Trustee Costs;
  - (ii) second, by allocating the balance among the NAB Beneficiaries by reference to their NAB Security Percentages so that the amount allocated to each NAB Beneficiary shall be applied in satisfaction when due of the Relevant Liabilities owed to such NAB Beneficiary arising under or in connection with each Relevant Document to which such NAB Beneficiary is a party in the order of priority set out therein (deducting for its own account, where appropriate, any Valuer's Expenses from the relevant NAB Beneficiary's allocation) (and so that, in each case, any surplus remaining after payment of all such Relevant Liabilities shall be reallocated among the remaining NAB Beneficiaries *mutatis mutandis* in accordance with the foregoing provisions). For the avoidance of doubt, no surplus amounts shall be reallocated by the Security Trustee until all Relevant Liabilities have been fully discharged in connection with the relevant Relevant Document;
  - (iii) third, by allocating the balance among the Beneficiaries whose Relevant Liabilities have not been fully discharged under (a)(ii) above or (b)(ii) below *pro rata* to their unpaid liabilities so that the amount allocated to each Beneficiary shall be applied in satisfaction when due of the Relevant Liabilities owed to such Beneficiary arising in connection with the relevant Relevant Document in the order of priority set out therein (and so that, in each case, any surplus remaining after payment of all such Relevant Liabilities when due shall be re-allocated among the remaining Beneficiaries *mutatis mutandis* in accordance with the foregoing provisions);

- (iv) fourth, to the extent not recovered under (a)(i) above or (b)(i) below, in or towards payment of all Trustee Costs; and
  - (v) fifth, the balance, if any, to the relevant Borrower or Eligible Group Member; and
- (b) in respect of the Security Assets comprised in a Specific Apportioned Part:
- (i) first, in or towards payment of all Relevant Trustee Costs;
  - (ii) second, in or towards satisfaction of all Relevant Liabilities of the Specific Beneficiary (other than Relevant Trustee Costs) in accordance with the Relevant Documents in respect of the Relevant Liabilities (deducting for its own account, where appropriate, any Valuer's Expenses from the relevant Specific Beneficiary's allocation);
  - (iii) third, by allocating the balance among the Beneficiaries whose Relevant Liabilities have not been fully discharged under (a)(ii) or (b)(ii) above *pro rata* to their unpaid liabilities so that the amount allocated to each Beneficiary shall be applied in satisfaction when due of the Relevant Liabilities owed to such Beneficiary arising in connection with the relevant Relevant Document in the order of priority set out therein (deducting for its own account, where appropriate, any Valuer's Expenses from the relevant Specific Beneficiary's allocation) (and so that, in each case, any surplus remaining after payment of all such Relevant Liabilities when due shall be re-allocated among the remaining Beneficiaries *mutatis mutandis* in accordance with the foregoing provisions);
  - (iv) fourth, to the extent not recovered under Clauses (a)(i) or (b)(i) above, in or towards payment of all Trustee Costs; and
  - (v) fifth, the balance, if any, to the relevant Borrower or Eligible Group Member.

### **Enforcement of Security**

Pursuant to Clause 6 (*Default procedure*) of the Security Trust Deed, the Security Trustee shall only be required to take action to enforce or protect the security created by, or rights arising under, the Loan Agreement if instructed to do so by the Issuer (and/or the other NAB Beneficiaries for so long as the Underlying Security is apportioned to it on the Numerical Apportionment Basis) (and then only if it has been indemnified and/or secured to its satisfaction).

In respect of instructions given by the Issuer, the Issuer has assigned its rights under, *inter alia*, the Security Trust Deed and the Legal Mortgages to the Bond Trustee and, pursuant to Condition 6.3, has covenanted not to take any action or direct the Security Trustee to take any action pursuant thereto except with the prior consent of the Bond Trustee. The Bond Trustee may, but is not obliged to, seek the consent of the Bondholders in accordance with the Bond Trust Deed prior to giving any such consent.

In enforcing the Underlying Security (including the Issuer's rights, title and interests in the Security Trust Deed and the Legal Mortgages insofar as they relate to the Bonds) the Bond Trustee may act in its discretion. It is, however, required to take action, pursuant to Condition 12.2, where so directed by the requisite majority of the Bondholders provided, however, that it is secured and/or indemnified and/or pre-funded to its satisfaction.

### **Governing Law**

The Security Trust Deed and any non-contractual obligations arising out of or in connection with it will be governed by and construed in accordance with English law.

## **DESCRIPTION OF THE ACCOUNT AGREEMENT, THE CUSTODY AGREEMENT AND THE RETAINED BOND CUSTODY AGREEMENT**

The Issuer has appointed HSBC Bank plc as its account bank, its custodian in relation to Permitted Investments and its custodian in relation to Retained Bonds pursuant to the Account Agreement, the Custody Agreement and the Retained Bond Custody Agreement, respectively, in relation to the issue of the Bonds.

HSBC Bank plc and its subsidiaries form a group providing a range of banking products and services. HSBC Bank plc (formerly Midland Bank plc) was formed in England in 1836 and subsequently incorporated as a limited company in 1880. In 1923 the company adopted the name Midland Bank Limited, which it held until 1982 when it re-registered and changed its name to Midland Bank plc. In 1992, Midland Bank plc became a wholly owned subsidiary undertaking of HSBC Holdings plc, whose Group Head Office is at 8 Canada Square, London E14 5HQ. HSBC Bank plc adopted its current name, changing from Midland Bank plc, in 1999.

The HSBC Group is one of the world's largest banking and financial services organisations, with approximately 3,800 offices in 65 countries and territories in Europe, Asia, Middle East and North Africa, North America and Latin America. The HSBC Group's total assets at 30 June 2019 were U.S.\$2,751 billion. HSBC Bank plc is one of the HSBC Group's principal operating subsidiary undertakings in Europe.

The short term senior unsecured and unguaranteed obligations of HSBC Bank plc are, as at the date of this Prospectus, rated "P-1" by Moody's and "A-1+" by S&P and HSBC Bank plc has a short term issuer default rating of "F1+" from Fitch. The long term senior unsecured and unguaranteed obligations of HSBC Bank plc are rated "Aa3" by Moody's and "AA-" by S&P and HSBC Bank plc has a long term issuer default rating of "A+" from Fitch.

HSBC Bank plc is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. HSBC Bank plc's principal place of business in the United Kingdom is 8 Canada Square, London E 14 5HQ.

*The following description of the Account Agreement, the Custody Agreement and the Retained Bond Custody Agreement consists of a summary of certain provisions of the Account Agreement, and the Custody Agreement and the Retained Bond Custody Agreement and is qualified by reference to the detailed provisions thereof. The Account Agreement, the Custody Agreement and the Retained Bond Custody Agreement are not, however, incorporated by reference into, and therefore do not form part of, this Prospectus.*

*Definitions used in this section but not otherwise defined in this Prospectus have the meanings given to them in the Account Agreement, the Custody Agreement and the Retained Bond Custody Agreement.*

### **ACCOUNT AGREEMENT**

#### **Accounts**

The Account Bank shall maintain three accounts for the Issuer in respect of the Bonds: the Transaction Account, the Initial Cash Security Account and the Ongoing Cash Security Account.

## **Initial Deposits**

Pursuant to the Account Agreement, the Issuer shall on the issue date of the Bonds:

- (a) credit the Initial Cash Security Account with the Retained Proceeds (if any), to the extent that such amount is not invested directly in Permitted Investments which are deposited in the Initial Cash Security Custody Sub-Account; and
- (b) credit the Transaction Account with the net issue proceeds of the Bonds less the Retained Proceeds (if any) to the extent that such amount is not paid directly to or to the order of the Original Borrower pursuant to, and in accordance with, the Original Loan Agreement.

The Issuer shall, upon receipt, credit to the Ongoing Cash Security Account all amounts received from a Borrower or an Eligible Group Member pursuant to Clause 11.7 (*Addition, Substitution and Release of Apportioned Properties and Charged Cash*) of the Original Loan Agreement (or the corresponding clause in any Additional Loan Agreement).

## **Retained Bond Deposits**

Pursuant to the Account Agreement, the Issuer shall, upon the sale of any Retained Bonds:

- (a) credit the Initial Cash Security Account with the net sale proceeds of such Retained Bonds (less any Retained Bond Premium Amount), to the extent that such amount is not paid directly to a Borrower pursuant to, and in accordance with, a Loan Agreement; and
- (b) credit the Transaction Account with the Retained Bond Premium Amount (if any), pending application in accordance with the Conditions.

## **Future Deposits and Withdrawals**

The Issuer has covenanted, pursuant to the Bond Trust Deed that:

- (a) prior to the enforcement of the Issuer Security, payments from the Initial Cash Security Account shall only be made to fund:
  - (i) the Commitments pursuant to, and in accordance with the terms of, the Loan Agreements;
  - (ii) payment to a Borrower or any other member of the Group (other than the Issuer) in respect of any Bonds surrendered for cancellation in accordance with a Loan Agreement;
  - (iii) the purchase of Permitted Investments pursuant to the Custody Agreement; or
  - (iv) redemptions of the Bonds in accordance with the Conditions;
- (b) prior to the enforcement of the Issuer Security, payments from the Ongoing Cash Security Account shall only be made to a Borrower pursuant to, and in accordance with the terms of, the relevant Loan Agreement or to purchase Permitted Investments pursuant in accordance with the Custody Agreement; and
- (c) no payments from the Transaction Account will be made other than in accordance with the Conditions and the Issuer has undertaken to procure that amounts are paid into and out of the Transaction Account only in accordance with the Conditions, the Account Agreement and the Agency Agreement.

The Account Bank is under no obligation to monitor compliance with the above covenants.

## **Interest**

Any monies standing to the credit of the Transaction Account, the Initial Cash Security Account and/or the Ongoing Cash Security Account will, subject to the Account Agreement, earn interest at the positive, negative or zero rate(s) set by the Account Bank from time to time.

Pursuant to the Account Agreement, interest accrued on the Transaction Account and the Initial Cash Security Account shall be credited to, or debited from, the Transaction Account and interest accrued on the Ongoing Cash Security Account shall be credited to, or debited from, the Ongoing Cash Security Account.

## **Change of Account Bank**

The appointment of the Account Bank may, with the prior written approval of the Bond Trustee, be terminated upon 45 days' written notice (subject to the appointment of a replacement account bank) or forthwith at any time the Account Bank is adjudged bankrupt or insolvent. The appointment of the Account Bank may also be terminated in the event that the short-term senior, unsecured and unguaranteed indebtedness rating of the Account Bank as assigned by Moody's falls below "P-1" or is withdrawn and there are amounts standing to the credit of the Initial Cash Security Account or the Ongoing Cash Security Account (subject to the appointment of a replacement account bank).

The Account Bank may resign its appointment upon giving at least 45 days' written notice (subject to the appointment of a replacement account bank, provided that if the Account Bank shall resign due to a change in any applicable law or regulation to which the Account Bank may be subject and such change causes the performance by the Account Bank of its duties under the Account Agreement to be in violation of such law or regulation, such resignation shall take place immediately).

Pursuant to the Account Agreement, the appointment of any replacement Account Bank shall be subject to the prior written approval of the Bond Trustee, be on substantially the same terms as the Account Agreement and be subject to the condition that it must have a short-term senior, unsecured and unguaranteed indebtedness rating from Moody's of no less than "P-1".

## **CUSTODY AGREEMENT**

### **Custody Account**

Pursuant to the Custody Agreement, the Custodian shall, subject to receipt of such documents as it may require, open, in the name of the Issuer, the Ongoing Cash Security Custody Sub-Account and the Initial Cash Security Custody Sub-Account (the **Custody Sub-Accounts**) and the Ongoing Cash Security Cash Sub-Account and the Initial Cash Security Cash Sub-Account (the **Cash Sub-Accounts** and, together with the Custody Sub-Accounts, the **Custody Account**).

### **Payments and Delivery**

The Issuer has authorised the Custodian to make payments and delivery out of the Custody Account only for the purpose of any acquisition or sale of Permitted Investments or as provided below.

Pursuant to the Custody Agreement, unless otherwise instructed pursuant to Instructions to make a payment out of the proceeds of any Distributions in respect of Permitted Investments held by the Issuer in the settlement of an acquisition of other Permitted Investments on or prior to the date of receipt of such Permitted Investments (subject as provided below), the Issuer has agreed to give Instructions to the Custodian, forthwith upon receipt by the Custodian of any Distributions to transfer:

- (a) all Distributions credited to the Ongoing Cash Security Cash Sub-Account to the Ongoing Cash Security Account;
- (b) all Distributions (including any amount representing Permitted Investment Profit (if any)) credited to the Initial Cash Security Cash Sub-Account (other than Distributions which represent redemption and/or sale proceeds less any Permitted Investment Profit (if any)) to the Transaction Account; and
- (c) all Distributions credited to the Initial Cash Security Cash Sub-Account (other than those to be credited to the Transaction Account pursuant to (b) above) to the Initial Cash Security Account,

subject, in each case, to any withholding as required by applicable tax laws.

The Issuer has agreed that it shall not instruct the Custodian pursuant to Instructions to make a payment out of the proceeds of any Distributions standing to the credit of the Initial Cash Security Cash Sub-Account other than Distributions which represent redemption and/or sale proceeds (but excluding any amount representing Permitted Investment Profit (if any)) and that such amounts shall forthwith upon receipt be transferred to the Transaction Account in accordance with (b) above.

### **Interest**

Any monies standing to the credit of the Ongoing Cash Security Cash Sub-Account and the Initial Cash Security Cash Sub-Account will, subject to the Custody Agreement bear or charge interest at the prevailing deposit interest rate (whether negative or positive) as offered by the Custodian from time to time.

### **Change of Custodian**

Either the Issuer (with the prior written approval of the Bond Trustee) or the Custodian may terminate the Custody Agreement by giving to at least 45 days' written notice to the other party (subject to the appointment of a replacement custodian).

Either of the Issuer (with the prior written approval of the Bond Trustee) or the Custodian may further terminate the Custody Agreement with immediate effect by giving notice to the other parties if the Custodian or the Issuer, as applicable, has committed a material breach of the terms of the Custody Agreement which is not remedied within 30 days of notice of the same or upon the occurrence of an insolvency event with respect to that party.

The Issuer (with the prior written approval of the Bond Trustee) shall terminate the appointment of the Custodian in the event that the short-term senior, unsecured and unguaranteed indebtedness rating of the Custodian as assigned by Moody's falls below "P-1" or is withdrawn and there are Permitted Investments standing to the credit of the Custody Account (subject to the appointment of a replacement custodian).

Pursuant to the Custody Agreement, the appointment of any replacement custodian shall be subject to the prior written consent of the Bond Trustee, be on substantially the same terms as the Custody Agreement and be subject to the condition that it must have a short-term senior, unsecured and unguaranteed indebtedness rating from Moody's of no less than "P-1".

## **RETAINED BOND CUSTODY AGREEMENT**

### **Retained Bond Custody Account**

Pursuant to the Retained Bond Custody Agreement, the Retained Bond Custodian shall, subject to receipt of such documents as it may require, open, in the name of the Issuer, the Retained Bond Custody



Sub-Account and the Retained Bond Cash Sub-Account (together with the Retained Bond Custody Sub-Account, the **Retained Bond Custody Account**).

### **Payments and Delivery**

The Issuer has authorised the Retained Bond Custodian to make payments and delivery out of the Retained Bond Custody Account only as provided below.

Pursuant to the Retained Bond Custody Agreement, the Retained Bond Custodian shall not effect a transfer of any Retained Bonds except with the prior written consent of the Bond Trustee in the form of a Retained Bond Consent Letter which has been countersigned on behalf of the Bond Trustee.

Pursuant to the Retained Bond Custody Agreement, unless otherwise instructed pursuant to Instructions to make a payment out of any Sale Proceeds (other than any Retained Bond Premium Amount) to a Borrower in satisfaction of the Issuer's obligation to make an advance pursuant to a Loan Agreement, the Issuer shall give Instructions to the Retained Bond Custodian, forthwith upon receipt by the Retained Bond Custodian of any Sale Proceeds to transfer:

- (a) all Sale Proceeds (other than any Retained Bond Premium Amount) to the Initial Cash Security Account; and
- (b) all Retained Bond Premium Amounts to the Transaction Account,

in each case, subject to any withholding as required by applicable tax laws.

### **Payment Waiver**

Notwithstanding any other provision of the Retained Bond Custody Agreement to the contrary and subject to the following paragraph, the Issuer has, pursuant to Clause 3.1 (*Waiver of Distributions and Transfer Restrictions*) of the Retained Bond Custody Agreement, unconditionally and irrevocably:

- (a) waived its rights to receive payments of interest, principal or other amounts in respect of the Retained Bonds and, for the avoidance of doubt, such waiver by the Issuer of such rights will continue to be effective following the occurrence of an Event of Default or Potential Event of Default;
- (b) authorised the Retained Bond Custodian to disclose the waiver referred to in (a) above in respect of the Retained Bonds (and the Retained Bonds position with the Retained Bond Custodian) to the Principal Paying Agent and any applicable international clearing system for the Retained Bonds to ensure that the waiver of the right to receive payments of interest, principal or otherwise in respect of the Retained Bonds is effected; and
- (c) directed the Retained Bond Custodian, in respect of each Retained Bond held by the Retained Bond Custodian on behalf of the Issuer in the Retained Bond Custody Sub-Account in definitive form:
  - (i) on each Interest Payment Date, to surrender the interest coupon for such Retained Bond corresponding to such Interest Payment Date to the Principal Paying Agent for cancellation; and
  - (ii) to surrender the definitive bond representing such Retained Bond to the Principal Paying Agent for cancellation on any date on which the Retained Bonds are to be redeemed in full.

The Retained Bond Custodian and the Issuer have each acknowledged and agreed that the waiver, authorisation and direction provided by the Issuer as described above are irrevocable except with the prior written consent of the Bond Trustee in the form of a Retained Bond Consent Letter which has been countersigned on behalf of the Bond Trustee.

### **Interest**

Any monies standing to the credit of the Retained Bond Cash Sub-Account will, subject to the Retained Bond Custody Agreement bear or charge interest at the prevailing deposit interest rate (whether negative or positive) as offered by the Retained Bond Custodian from time to time.

### **Termination of Retained Bond Custody Agreement**

Either the Issuer or the Retained Bond Custodian may terminate the Retained Bond Custody Agreement by giving to at least 30 days' written notice to the other party.

Either of the Issuer or the Retained Bond Custodian may further terminate the Retained Bond Custody Agreement with immediate effect by giving notice to the other parties if the Retained Bond Custodian or the Issuer, as applicable, has committed a material breach of the terms of the Retained Bond Custody Agreement which is not remedied within 30 days of notice of the same or upon the occurrence of an insolvency event with respect to that party.

Pursuant to the Retained Bond Custody Agreement, the Issuer has covenanted for the benefit of the Bond Trustee that, in the event that the Retained Bond Custody Agreement is terminated, it shall appoint a successor custodian to hold the Retained Bonds on substantially the same terms as the Retained Bond Custody Agreement, in particular, but without limitation, with respect to the payment waiver and transfer restrictions applicable to the Retained Bonds, as described above.

## DESCRIPTION OF THE ISSUER

### Incorporation and Status

Optivo Finance plc (the **Issuer**) is a public limited company incorporated in England and Wales with registered number 7933814 on 2 February 2012 under the Companies Act 2006. It was originally incorporated under the name of AmicusHorizon Finance plc and changed its name to Optivo Finance plc on 14 February 2018.

The registered address of the Issuer is Grosvenor House, 125 High Street, Croydon CR0 9XP. The telephone number of its registered address is 0800 121 6060. The Issuer has no subsidiaries.

The website of the Issuer is at <https://www.optivo.org.uk>. The information on the Issuer's website does not form part of this Prospectus unless that information is incorporated by reference into this Prospectus (see "*Documents Incorporated by Reference*" below).

### Principal Activities of the Issuer

The Issuer is a special purpose vehicle established for the purpose of issuing the Bonds (and incurring other indebtedness (including other secured indebtedness but subject to the covenant set out in Condition 6.1 (*General Covenants*))) and lending the proceeds thereof to the Borrowers to be applied in accordance with the Borrowers' constitutional documents.

### Directors

The directors of the Issuer and their other principal activities are:

| Name           | Other Principal Activities  |
|----------------|---|
| Sarah Smith    | Chief Financial Officer, Optivo<br>Board and Audit Committee member of The Dolphin Square Charitable Foundation   |
| Thomas Paul    | Director of Treasury and Commercial, Optivo<br>Board member Housing Committee of Church of England Pensions Board   |
| Paul Hackett   | Chief Executive, Board Member, Optivo<br>Trustee of Real Equity for All<br>Honorary Professor at UCL Bartlett School of Construction and Project Management<br>Member UCL Bartlett's Independent Advisory Board<br>Member of RICS Housing Supply Group<br>Member of the Town & Country Planning Association |
| Michelle Dovey | Board Member, Optivo<br>Director of MJD Treasury Solutions Limited;<br>Director of 40 Steps Property Services Limited<br>Board Trustee at Kairos Women Working Together   |

The business address of each of the directors is Grosvenor House, 125 High Street, Croydon CR0 9XP.

The Secretary of the Issuer is Alison Wignall whose business address is at Grosvenor House, 125 High Street, Croydon CR0 9XP.

Subject as follows, 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. Paul Hackett, Sarah Smith and Thomas Paul are employees of the Original Borrower and Paul Hackett and Michelle Dovey are also board members of the Original Borrower. A conflict of interest could therefore arise if these directors of the Issuer are required to approve any transactions between the Issuer and the Original Borrower, such as the Loan Agreement. However, the Issuer's Articles of Association provide that, so long as directors disclose the nature and extent of such a conflict, they may nevertheless vote on behalf of the Issuer in respect of such transactions.

The Issuer has no employees but has available to it the treasury and business resources of the Original Borrower to enable it to administer its business and perform its obligations.

### **Share Capital and Major Shareholders**

The entire issued share capital of the Issuer comprises 50,000 ordinary shares of £1 each, all of which are paid up to 25 pence.

The Original Borrower holds all of the shares of the Issuer.

The Original Borrower exercises control over the Issuer through its full ownership of the Issuer.

### **Operations**

On 13 March 2012, the Issuer issued £150,000,000 5.25 per cent. Secured Bonds due 2043, of which it repurchased £50,000,000 in principal amount of such bonds (the **2043 Retained Bonds**) on that same date with a view to selling the 2043 Retained Bonds to third parties thereafter. On 2 September 2013, the Issuer sold the 2043 Retained Bonds.

On 22 March 2018, the Issuer issued £250,000,000 3.283 per cent. Secured Bonds due 2048, of which it repurchased £100,000,000 in principal amount of such bonds (the **2048 Retained Bonds**) on that same date with a view to selling the 2048 Retained Bonds to third parties thereafter. On 25 April 2019, the Issuer sold £25,000,000 in principal amount of the 2048 Retained Bonds and, on 2 September 2019, the Issuer sold the remaining £75,000,000 in principal amount of the 2048 Retained Bonds.

### **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.

## DESCRIPTION OF THE ORIGINAL BORROWER AND THE GROUP

### Incorporation and Status

Optivo (the **Original Borrower**) was incorporated on 22 May 2017 as the resultant entity of the amalgamation of AmicusHorizon Limited and Viridian Housing (the **Amalgamation**). The Original Borrower is registered in England with limited liability under the Co-operative and Community Benefit Societies Act 2014 (with registered number 7561) and is a Registered Provider of Social Housing whose activities are regulated by the Regulator of Social Housing (with registered number 4851). As such, the Original Borrower has charitable status but is exempt from registration with the Charity Commission.

The registered office of the Original Borrower is Grosvenor House, 125 High Street, Croydon CR0 9XP. The telephone number of its principal place of business is 0800 121 6060.

The website of the Original Borrower is at <https://www.optivo.org.uk>. The information on the Original Borrower's website does not form part of this Prospectus unless that information is incorporated by reference into this Prospectus (see "*Documents Incorporated by Reference*" below).

### Principal Activities of the Original Borrower

The Original Borrower's mission is "Building Homes, Making Places, Enhancing Lives" and the Original Borrower promotes four core values: Customer Focused, One Team, Respect and Enthusiastic. The Original Borrower's four key objectives are:

- to provide sector leading service;
- to value its people;
- to maximise its social impact; and
- to ensure a sustainable business: driving efficiency and helping the environment.

The Original Borrower will achieve its social purpose by following five key principles:

- co-creation;
- fair and ethical;
- inclusive;
- not for profit; and
- sustainable.

Any surpluses generated by the Original Borrower are reinvested towards the attainment of these objectives.

The Original Borrower is a member of the g15. g15 is the group of London's largest housing associations which together house approximately one in ten Londoners and build one in four new homes.

### Background and History

#### ***AmicusHorizon Limited***

South London Family Housing Association Limited (**South London Family HA**) was originally registered in 1967 and was formed from a number of small societies in the Crystal Palace area of South London. These societies had the common goal of providing affordable homes to residents in this area.

In 1998, Rother Homes Limited was formed as a Large Scale Voluntary Transfer (**LSVT**) subsidiary of South London Family HA following a transfer of the housing stock of Rother District Council. In 2001, South London Family HA changed its name to Horizon Housing Group Limited and created two new

subsidiaries, SLFHA Limited and Southern Horizon Housing Limited, to manage properties in London, and in Surrey and Sussex, respectively. During 2004 and 2005, the ownership of the properties within the group was transferred to the two subsidiaries.

In April 2006, Amicus Group Limited (**Amicus**) became a subsidiary of Horizon Housing Group Limited and Horizon Housing Group Limited changed its name to AmicusHorizon Group Limited. Amicus was formed in 2001 to provide financial and other management services to two LSVT subsidiaries, Swale Housing Association Limited (**Swale**), and Ten Sixty Six Housing Association Limited (**1066**). Swale was formed in August 1989 following an LSVT of housing stock from Swale Borough Council. 1066 received an LSVT of housing stock from Hastings Borough Council in February 1996.

In October 2009, the group of seven operating housing associations was collapsed by amalgamation into a single operating association, AmicusHorizon Limited. AmicusHorizon Limited was a leading housing association working in London, Kent, Surrey and Sussex.

### ***Viridian Housing***

Viridian Housing was founded in 1945 as Hearth and Home Limited. Hearth and Home Limited purchased its first home in 1946 in Kensington, which housed elderly men and women whose own homes were damaged during the Blitz. In 1974 the name was changed to Servite Houses Limited and in 1990 to Servite Houses.

Between 1992 and 2003 Battersea Old Peoples Housing Ltd, Chelsea Housing Association Ltd and Harding Housing Association consolidated into Riverhaven Ltd. In 2005 Riverhaven Ltd joined Servite Houses.

Servite Houses diversified its business during the 2000s, acquiring assets for use as student accommodation, hostels for young people and NHS key workers.

In 2007 Thames Housing Association merged with Servite Houses.

In 2008 Servite Houses transferred 1,800 homes in Merseyside to local Registered Providers of Social Housing and, in 2010, was renamed as Viridian Housing.

### **Structure of the Original Borrower**

The Original Borrower is the parent of a number of subsidiaries comprising the Group. The Group consists of the following principal active legal entities:

- the Issuer;
- Crystal Palace Housing Association Limited (**CPHA**), a registered society under the Cooperative and Community Benefit Societies Act 2014. CPHA's principal activity is managing an historic portfolio of 298 shared ownership properties. CPHA is not intending to develop any new schemes in the immediate future;
- Charity of Julia Spicer for Almshouse, a registered charity with the Charity Commission holding 14 homes, of which the Original Borrower is the sole corporate trustee;
- Eason Gruaz Homes, a registered charity with the Charity Commission holding 10 homes, of which the Original Borrower is the sole corporate trustee;

- Middlesex First Limited (**MDF**), a registered society under the Co-operative and Community Benefit Societies Act 2014. MDF is a special purpose vehicle providing student accommodation associated with Middlesex University;
- The Fresh Visions People Limited (**FVP**), a private company limited by guarantee incorporated in England and Wales and a registered charity with the Charity Commission. FVP aims to support children and young adults who face extreme disadvantage as a result of poverty, domestic abuse, lack of education and social exclusion;
- Optivo Development Services Limited (**ODS**), a private limited company incorporated in England and Wales whose principal purpose is the development of residential property for sale and provision of design and building services for the Original Borrower;
- Lamborn Estates Limited (**LEL**), a private limited company incorporated in England and Wales. LEL's purpose is the development of residential property for sale for the Original Borrower; and
- Optivo Homes Ltd (**OHL**), a private limited company incorporated in England and Wales. OHL's sole purpose is investment in residential property development. OHL owns 50 per cent. of Linden (Rainham) Ltd, a joint venture with Galliford Try Homes Ltd with the sole purpose of building out a development site of 121 homes in Rainham, Medway.

In addition to the principal subsidiaries of the Original Borrower specified above, the Original Borrower has 3 subsidiaries that are dormant legal entities. The Original Borrower also:

- owns 50 per cent. of the shares in INK Development Company Limited (**INK**), a joint venture with West Kent Housing Association. INK's principal purpose is the provision of design and building services for the Original Borrower and West Kent Housing Association; and
- owns 16 per cent. of the shares in Ealing Care Alliance (Holdings) Limited (**ECAH**). ECAH acts as a holding company of a single subsidiary, Ealing Care Alliance Limited (**ECA**). ECA's principal activity is the development and management of four resource centres for older people and funding for such project was awarded by the London Borough of Ealing as part of the UK Government's Private Finance Initiative.

## Property portfolio

The number of units of housing stock owned by the Original Borrower and the Group as at 31 March 2019, is as follows:

|   | Group  |        | Original Borrower |        |
|---|--------|--------|-------------------|--------|
|   | 2019   | 2018   | 2019              | 2018   |
| <b>Social housing</b>                             |        |        |                   |        |
| Social & affordable rent                          | 29,748 | 29,357 | 29,726            | 29,335 |
| Supported   | 1,001  | 981    | 1,001             | 981    |
| Care  | 221    | 221    | 221               | 221    |
| Housing for older people                          | 3,455  | 3,396  | 3,455             | 3,396  |
| Key workers                                       | 1,264  | 1,252  | 1,264             | 1,252  |
| Temporary & intermediate housing                  | 353    | 771    | 353               | 771    |
| Shared ownership                                  | 3,913  | 3,605  | 3,719             | 3,407  |
| Total social housing homes owned and / or managed | 39,955 | 39,583 | 39,739            | 39,363 |
| <b>Non social housing</b>                         |        |        |                   |        |

|   |        |        |        |        |
|---|--------|--------|--------|--------|
| Market rent   | 117    | 134    | 117    | 134    |
| Student accommodation                                 | 2,646  | 2,277  | 2,646  | 2,277  |
| Care  | 139    | 139    | 139    | 139    |
| Total non social housing homes owned and / or managed | 2,902  | 2,550  | 2,902  | 2,550  |
| Total   | 42,857 | 42,133 | 42,641 | 41,913 |

|                          | <b>Group</b> |             | <b>Original Borrower</b> |             |
|--------------------------|--------------|-------------|--------------------------|-------------|
|                          | <b>2019</b>  | <b>2018</b> | <b>2019</b>              | <b>2018</b> |
| Leaseholders             | 2,199        | 2,133       | 2,104                    | 2,039       |
| Homes under construction | 1,393        | 2,054       | 1,274                    | 1,953       |

## Board

The 10 Board members of the Original Borrower (all of whom are non-executive) and their principal activities outside the Original Borrower, where these are significant with respect to the Original Borrower, are as follows:

| <b>Name</b>             | <b>Principal Activities outside Original Borrower</b>  |
|-------------------------|--|
| Sir Peter Dixon (Chair) | Chair of Diabetes UK<br>Trustee, Pathway, a charity supporting homeless healthcare   |
| Eugenie Turton          | Board Associate and Mentor of Critical Eye network for business leaders<br>Lay member of Salisbury Cathedral Chapter and Chair of HR Committee<br>Member of the Advisory Council on the Disposal of Nuclear Waste<br>Board member of Rockpools |
| Howard Cresswell        | Director of 21 Powis Square Limited<br>Director of 21 Powis Square Freehold Limited  |
| Geanna Bray             | None   |
| Michelle Dovey          | Director of the Issuer<br>Director of MJD Treasury Solutions Limited<br>Director of 40 Steps Property Services Limited<br>Board Trustee at Kairos Women Working Together   |
| Candice McCausland      | None   |
| Nick Stephenson         | Economic Development Consultant and Bid Writer<br>Founder of Unemployed.Net<br>Director of Nick Stephenson Ltd   |
| Andrew Wiseman          | None   |



| <b>Name</b>  | <b>Principal Activities outside Original Borrower</b>  |
|--------------|--|
| Paul Hackett | Director of the Issuer<br>Trustee of Real Equity for All<br>Honorary Professor at UCL Bartlett School of Construction and Project Management<br>Member UCL Bartlett's Independent Advisory Board<br>Member of RICS Housing Supply Group<br>Member of the Town & Country Planning Association |

The business address of each of the above board members is Grosvenor House, 125 High Street, Croydon CR0 9XP.

Subject as follows, there are no potential conflicts of interest between any duties to the Original Borrower of the Board members of the Original Borrower and their private interests and/or duties. Paul Hackett and Michelle Dovey are directors of the Issuer. A conflict of interests could therefore arise if either Paul Hackett or Michelle Dovey is required to approve any transactions between the Issuer and the Original Borrower, such as the Original Loan Agreement. However, the Original Borrower's Rules provide that, so long as board members disclose the nature and extent of such a conflict, they may nevertheless vote on behalf of the Original Borrower in respect of such transactions.

### **Corporate Governance**

The Original Borrower is led and governed by its Board. The main responsibilities of the Board include:

- setting the overall strategy and business plan of the Original Borrower;
- ensuring the Executive Team (as to which, see below) is working effectively and has access to the resources it needs;
- ensuring any risks to the Original Borrower are identified and controlled; and
- monitoring the performance, service delivery and financial viability of the Original Borrower.

The Board delegates some of its responsibilities to its committees. The following are the principal committees supporting the Board:

- Audit & Risk Committee, whose role is to support the Board in its responsibilities in relation to statutory accounting, risk, internal control and assurance. The Audit and Risk Committee reviews the public reporting aspects of the Borrower's value for money agenda;
- People, Governance and Remuneration Committee, which supports Optivo Board to achieve strategic objectives around people issues including:
  - Employment, People and Organisational Development (**OD**)
  - Governance
  - Remuneration
  - Inclusion and Diversity;
- Treasury Committee, whose role is to provide financial oversight of the Group, recommend the treasury strategy and plans to the Board, oversee treasury activity and approve treasury transactions under delegation from the Board;
- Growth Committee, whose role is to support the Board in its strategic objectives of becoming a major, multi-regional and mixed tenure developer; and

- Customer Experience Committee, whose role is to advise the Board on the implementation of the organisation's digital agenda and channel shift, the development of cutting edge customer facing strategies and the implementation of the technology strategy.

In addition, Optivo has a Pensions Group (comprised of two Board members and an independent member) and a Chairs Group (comprised of all Committee/Group Chairs). The Board has also approved the establishment of various formal resident groups to provide scrutiny of the Board, however, these groups do not have delegated authority from the Board. The main formal resident groups are: the Residents' Strategy Group, the Scrutiny Panel, the Local General Panel and the Local Repairs Panel.

The Original Borrower's Rules are based on the National Housing Federation's Model Rules 2015.

### **Executive Team**

The Executive Team of the Original Borrower (and their principal activities outside the Original Borrower, where these are significant with respect to the Executive Team of the Original Borrower) comprises the following:

| <b>Name</b>    | <b>Role</b>                              | <b>Principal activities outside of the Executive Team of the Original Borrower</b>   |
|----------------|--|--|
| Paul Hackett   | Chief Executive                          | Director of the Issuer<br>Board member of Borrower<br>Trustee of Real Equity for All<br>Honorary Professor at UCL Bartlett School of Construction and Project Management<br>Member UCL Bartlett's Independent Advisory Board<br>Member of RICS Housing Supply Group<br>Member of the Town & Country Planning Association |
| Sarah Smith    | Chief Financial Officer                  | Director of the Issuer<br>Board and Audit Committee member of The Dolphin Square Charitable Foundation   |
| Kerry Kyriacou | Executive Director Development and Sales | None   |
| Jane Porter    | Chief Operating Officer                  | None   |
| Joanne Stewart | Executive Director for People            | None   |

The business address of each of the above Executive Team members is Grosvenor House, 125 High Street, Croydon CR0 9XP.

There are no potential conflicts of interest between any duties to the Original Borrower of the Executive Team of the Original Borrower and their private interests and/or duties.

The Secretary of the Issuer is Alison Wignall whose business address is at Grosvenor House, 125 High Street, Croydon CR0 9XP

## Share Capital and Major Shareholders

The entire issued share capital of the Original Borrower comprises 64 shares of £1 each, all of which are fully paid up. Every member holds one share of £1. These shares carry no dividend rights and, on cessation of membership of the Original Borrower, are cancelled and the amount paid becomes the property of the Original Borrower. Each member has the right to vote at members' meetings.

## Regulatory Judgement

As at 30 October 2019, the Original Borrower's regulatory judgement by the Regulator of Social Housing for governance was G1 and for financial viability was V1.

## Corporate Credit Rating

The Original Borrower has been assigned a credit rating of "A2" by Moody's which was most recently affirmed on 18 November 2019. Moody's is established in the European Union and is registered under the CRA Regulation. As such, Moody's is included in the list of credit rating agencies published by ESMA on its website in accordance with the CRA Regulation.

## Recent Developments

There have been no recent events particular to the Original Borrower that are, to a material extent, relevant to the evaluation of the Original Borrower's solvency.

## Alternative Performance Measures

The Original Borrower believes that certain financial measures that are not recognised by the Original Borrower Accounting Standards, but are derived from the information provided in its Financial Statements, provide additional useful information regarding the Group's ongoing operating and financial performance.

These measures are not recognised measures under the Original Borrower Accounting Standards, do not have standardised meanings prescribed by the Original Borrower Accounting Standards and should not be considered in isolation or construed to be alternatives to measures pursuant to the Original Borrower Accounting Standards including revenues, net income (loss) and comprehensive income (loss) for the period determined in accordance with the Original Borrower Accounting Standards. The Original Borrower'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 this Prospectus 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 incorporated by reference in the financial statements set out in the section headed "*Documents incorporated by reference*" below and should be read in conjunction therewith.

The Original Borrower uses the financial measures (as defined below) to evaluate the business performance of the Group.

For the purposes of the tables below:

- **Balance Sheet** means the balance sheet set out in the Original Borrower Financial Statements;
- **SOCI** means the statement of comprehensive income set out in the Original Borrower Financial Statements;
- all references to specific line items taken from the Original Borrower Financial Statements are to the line items in respect of the Group; and

- all references to **Notes** are to the relevant note in the Original Borrower Financial Statements.

| <b>Financial Measure</b>                           | <b>Definition</b>   | <b>Reconciliation</b>  | <b>Additional information</b>   |
|--|---|--|---|
| <b>EBITDA MRI (excluding sales) Interest Cover</b> | <b>EBITDA MRI</b><br><br>divided by<br><b>Interest paid</b>   | <b>EBITDA MRI</b> is defined below.<br><br><b>Interest paid</b> is taken from the Consolidated Statement of cash flows in the Financial Statements.  |   |
| <b>EBITDA MRI</b>                                  | <b>Operating Surplus</b><br><br>deducting<br><b>Surplus on disposal of housing properties</b><br><br>adding<br><b>Interest receivable</b><br><br>adding<br><b>Depreciation – housing properties</b><br><br>adding<br><b>Depreciation – other fixed assets</b><br><br>deducting<br><b>Impairment of housing properties</b><br><br>deducting<br><b>Additions during the year</b><br><br>deducting<br><b>Grant amortised</b> | <b>Operating Surplus</b> is taken from the SOCI.<br><br><b>Surplus on disposal of housing properties</b> is taken from the SOCI.<br><br><b>Interest receivable</b> is taken from the SOCI.<br><br><b>Depreciation – housing properties</b> is the sum of <b>Depreciation – housing properties</b> plus <b>Accelerated depreciation on replaced components</b> (taken from Note 5).<br><br><b>Depreciation - other fixed assets</b> is taken from Note 5.<br><br><b>Impairment release housing properties</b> is taken from Note 5.<br><br><b>Additions during the year</b> is <b>Additions during year</b> plus <b>Disposals – Components</b> taken from the column headed <b>Housing properties held for letting</b> in Note 13(a).<br><br><b>Grant amortised</b> is taken from Note 5. | This is a key indicator for liquidity and investment capacity.  |
| <b>Operating margin</b>                            | <b>Operating Surplus</b> (excluding surplus on the disposal of housing property)<br><br>divided by<br><b>Turnover</b>   | <b>Operating Surplus</b> is taken from the SOCI.<br><br><b>Turnover</b> is taken from the SOCI.  | The operating margin demonstrates the profitability of operating assets before exceptional expenses are taken into account. |
| <b>Net Debt</b>                                    | <b>Creditors: amounts falling due within one year – Loan repayments</b><br><br>adding   | <b>Creditors: amounts falling due within one year – Loan repayments</b> is taken from the Balance Sheet (see Note 22).<br><br><b>Creditors: amounts falling due</b>  | Net Debt is an indicator that shows how much debt is outstanding if the cash and investments of the Group used to           |

|                               |  |  |  |
|-------------------------------|--|--|--|
|                               | <b>Creditors: amounts falling due after more than one year – Loans &amp; borrowings"</b><br><br>deducting <b>Cash and cash equivalents"</b><br><br>deducting <b>Short term investments</b> | <b>after more than one year – Loans &amp; borrowings</b> is taken from the Balance Sheet (see Note 23).<br><br><b>Cash and cash equivalents</b> is taken from the Balance Sheet (see Note 21).<br><br><b>Short term investments</b> is taken from the Balance Sheet (see Note 20). | satisfy part of the debt.  |
| <b>Gearing</b>                | <b>Net Debt</b><br><br>divided by <b>Tangible fixed assets – Housing properties</b>  | <b>Net Debt</b> is defined above.<br><br><b>Tangible fixed assets – Housing properties</b> is taken from the Balance Sheet (see Note 13).  | This metric assesses how much of the adjusted assets are made up of debt and the degree of reliance on debt finance. |
| <b>Trading sales/turnover</b> | <b>First tranche sales plus Market sales</b><br><br>divided by <b>Turnover</b>   | <b>First tranche sales</b> is taken from Note 3(a).<br><br><b>Market sales</b> is taken from Note 3(a).<br><br><b>Turnover</b> is defined above.   | Turnover generated from trading sales as a percentage of total Turnover.   |

The Original Borrower aims to maintain thresholds in relation to certain key financial measures set out in the table below. Applying the financial information contained in the Original Borrower Financial Statements to such key financial measures illustrates the Original Borrower's compliance with such key financial measures as at 31 March 2019.

| <b>Financial Measure</b>                         | <b>Threshold</b> |
|--|------------------|
| EBITDA MRI (Excluding Sales) Interest Cover      | >125%            |
| EBITDA MRI (Excluding Sales) Cash Interest Cover | >105%            |
| Trading Sales over Turnover                      | <30%             |

### Other financial information

The table below sets out the origin of certain other financial information of the Original Borrower:

|                             |   |
|-----------------------------|---|
| Social Housing Turnover     | See "Social Housing Activities" and "Other Social Housing Activities" in Note 3(a). |
| Non-Social Housing Turnover | See "Non- Social Housing Activities" in Note 3(a).                                  |
| Cost per Unit               | See "Key Financial Indicators" in the Financial Statements.                         |

## DESCRIPTION OF THE REGULATION AND FUNDING ENVIRONMENT APPLICABLE TO THE BORROWERS

### The Social Housing Sector

Social housing is housing to rent at below market level rents, or to buy through schemes such as shared ownership, that is made available to those whose needs are not served by the commercial housing market. As at 23 December 2019 the Regulator of Social Housing reported there were 1,627 registered providers of social housing in England.

### Regulation and Regulatory Framework

The Housing and Regeneration Act 2008, as amended by the Localism Act 2011 and the Housing and Planning Act 2016 (the **HPA 2016**), (the **HRA 2008**) makes provision for the regulation of social housing provision in England.

Pursuant to the HRA 2008, the Homes and Communities Agency (the **HCA**) acted as the regulator of Registered Providers of Social Housing in England, including the Original Borrower. Since January 2018, Homes England has operated the non-regulatory arm and the Regulator of Social Housing (the **Regulator**) has taken on the functions of the regulation committee. The Regulator provides economic regulation for Registered Providers of Social Housing in order to ensure that they are financially viable and well governed.

The Regulator regulates Registered Providers of Social Housing in accordance with the regulatory framework for social housing in England (the **Regulatory Framework**), which sets out the standards that apply to Registered Providers of Social Housing (the **Standards**).

The Regulator proactively regulates the three Standards which are classified as 'economic'. These are

- the Governance and Financial Viability Standard;
- the Value for Money Standard; and
- the Rent Standard.

The Regulator has issued two codes of practice: one code to amplify the Governance and Financial Viability Standard and the code for the Value for Money Standard. Furthermore, the Regulator has issued a Rent Standard Guidance.

The remaining four standards are classified as 'consumer' for which the Regulator's role is reactive in response to referrals or other information received. Its role is limited to intervening where failure to meet the standards has caused or could have caused serious harm to tenants. The consumer standards are:

- the Tenant Involvement and Empowerment Standard;
- the Home Standard;
- the Tenancy Standard; and
- the Neighbourhood and Community Standard.

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 enforcement by the Regulator of the Standards other than those relating to governance and financial viability, rent and value for money is restricted to cases in which there is, or there is a risk of, serious detriment to tenants (including future tenants). The Regulatory Framework includes guidance as to how the Regulator will assess whether serious detriment may arise.

In March 2019, the Regulator updated its "*Regulating the Standards*" publication which outlines the Regulator's operational approach to assessing Registered Providers of Social Housing compliance with the economic and consumer standards.

On 14 August 2018 the Ministry of Housing, Communities and Local Government (**MHCLG**) published the green paper titled "*A new deal for social housing*". The paper sets out the UK Government's intention to carry out a review of regulation of social housing to ensure it remains fit for purpose, reflects changes in the social housing sector and drives a focus on delivering a good service for residents. A "call for evidence" which marks the first stage in the review process was launched which asked interested parties such as residents, landlords and lenders for information on how the regulatory regime is meeting its current objectives – both what works well and what does not. Alongside questions in the green paper it marks the first stage in the review process. The deadline for responses was 6 November 2018 and, as at the date of this Prospectus, the UK Government has not yet published its feedback and the proposed next steps.

The Government is establishing a new building safety regulator, which will be entirely run by the Health and Safety Executive. The building safety regulator will oversee the design and management of buildings, with a strong focus on ensuring the new regime for higher-risk buildings is enforced effectively and robustly. It will also have the power to apply criminal sanctions to building owners who do not obey the new regime.

## **Housing Grant**

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, Registered Providers of Social Housing are able to charge Affordable Rents where a Framework Delivery Agreement with Homes England has been entered into.

The 2015-2018 Affordable Homes Programme (the **New Framework**) was launched in January 2014. In December 2014 the Chancellor announced that the grant programme would be extended to 2020 with additional grant being made available. The primary change brought about under the New Framework is that all of the available funding is not allocated from the outset. The New Framework allows bidders the opportunity to bid for the remaining funding for development opportunities as these arise during the programme, where they can be delivered within the programme timescales.

In April 2016, the HCA announced that it was making available £4.7 billion of capital grant between 2016-2021 under the Shared Ownership and Affordable Homes Programme 2016-2021 (**SOAHP 2016 to 2021**). That marked a shift towards support for home ownership in England. However, the Autumn Statement 2016 announced that an additional £1.4 billion would be made available to build 40,000 affordable homes and that the SOAHP 2016 to 2021 will support a variety of tenures which now includes affordable rent, shared ownership and rent to buy. This, together with the publication of the Housing White Paper "*Fixing our broken housing market*" published in February 2017, has marked a shift of emphasis in UK Government investment priorities back towards rented housing.

## **Social Housing Rents**

As part of the 2012 spending round, the UK Government confirmed, through its policy "*Guidance on Rents for Social Housing*" published in May 2014, that from 2015-2016, rents in the social sector should increase by up to the Consumer Price Index (**CPI**) at September of the previous year plus 1 per cent. annually, for ten years, whilst rent convergence (including the ability to charge an additional £2 per week) would end in April 2015.

The relevant rent standard guidance for Registered Providers of Social Housing is contained within the Regulatory Framework.

In the 2015 Summer Budget, the UK Government announced that rents for social housing (as defined in Part 2 of the HRA 2008) in England would be reduced by 1 per cent. a year for the next four years. This change was introduced on 1 April 2016 pursuant to Section 23 of the Welfare Reform and Work Act 2016 (the **WRWA 2016**).

In the WRWA 2016 and associated amendment regulations there is provision for exceptions to the rent reduction requirement and MHCLG has regulation making powers to introduce other exemptions. For example, reductions do not apply to rents payable by residents in low cost home ownership and shared ownership properties. Furthermore, the WRWA 2016 also gives the Regulator the power, by direction, to exempt a Registered Provider of Social Housing from the rent reduction requirement but only where compliance with the requirement would jeopardise that Registered Provider of Social Housing's financial viability.

On 4 October 2017, the UK Government announced that social housing rents will be restored to the CPI plus 1 per cent. formula for five years from 2020. Rent reductions will continue to apply until then.

### **Household Benefit Cap**

The Summer Budget 2015 announced, and the Spending Review and Autumn Statement 2015 confirmed, that 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) would be reduced to £20,000 per year for couples or parents (or £23,000 in Greater London) and £13,400 per year for single people without children (or £15,410 in Greater London). Measures to implement the lowering of the threshold were included in the WRWA 2016 which applies to Registered Providers of Social Housing.

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**

The Welfare Reform Act 2012 (the **WRA 2012**) introduced a size criterion for working age social housing tenants in receipt of housing benefit known as the "removal of the spare room subsidy" 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, (d) two children under the age of 10, (e) any other child, (f) those with a disability, and (g) a non-resident overnight carer) to be entitled to one bedroom. Exemptions are applied to 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.

### **Universal Credit**

Universal Credit, introduced under the WRA 2012, replaces six existing means-tested benefits and tax credits for working-age families, namely income support, income-based jobseeker's allowance, income-related employment and support allowance, housing benefit, child tax credit and working tax credit with a single monthly payment, transferred directly into a household bank account of choice, and is currently in an extended "roll out" phase across the UK which is expected to last until 2023.

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; 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.

### **Right to Buy**

The introduction of the right to buy to assured tenants of Registered Providers of Social Housing was a manifesto commitment by the Conservative party for the 2015 general election. An announcement from the Secretary of State for Communities and Local Government on 24 September 2015 confirmed a proposal made by the National Housing Federation (**NHF**) to introduce the right to buy voluntarily. The voluntary arrangement is based on four key principles:

- (a) tenants would have the right to purchase a home at right to buy discounts (maximum discount of £77,900 (£103,900 in London)) 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 market value of the properties sold, with the value of the discount funded by the UK Government; and
- (d) nationally, for every home sold under the agreement a new affordable property would be built.

The Prime Minister confirmed on 7 October 2015 that the NHF's proposal had been accepted by the UK Government. This means that, rather than including the right to buy extension in the HPA 2016 as a statutory obligation, there is an agreement by the social housing sector to deliver the extension voluntarily. The HPA 2016 establishes a statutory framework to facilitate the implementation of the voluntary right to buy scheme and makes provision for grants to be paid to Registered Providers of Social Housing to cover the cost of selling housing assets at a discount. The HPA 2016 states that such grant may be made on any terms and conditions the MHCLG considers appropriate.

The UK Government ran an initial pilot scheme in January 2016 involving five housing associations and launched a further regional pilot in August 2018. The latest pilot is currently underway and will run for two years. It will test two aspects of the voluntary agreement that the original pilot did not cover, namely (a) one for one replacement and (b) portability of discounts. The latest pilot will also test the application of the Voluntary Right to Buy guidance, which is the policy that details how the scheme will operate. This policy has been jointly designed by housing associations, the NHF and the UK Government and the Original Borrower is taking part in this pilot.

### **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. The Regulator may then seek to agree proposals

about the future ownership and management of the provider's land with its secured creditors. The Security Trustee is required to notify the Regulator of its intention to enforce the security created pursuant to the Security Documents and it cannot enforce its security during the resulting moratorium without the consent of the Regulator.

The Original Borrower is a registered society within the meaning of the Cooperative and Community Benefit Society Act 2014, and is therefore not subject to administration under the Insolvency Act 1986. However, the Housing and Planning Act 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

This Prospectus should be read and construed in conjunction with:

- (a) the Issuer's audited annual 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 2019 and 31 March 2018 (the **Issuer Financial Statements**); and
- (b) the Original Borrower's audited consolidated annual financial statements, which include the report of the board, operating and financial review, independent auditor's report and annual accounts, for the financial years ended 31 March 2019 and 31 March 2018 (the **Original Borrower Financial Statements** and, together with the Issuer Financial Statements, the **Financial Statements**),

which have previously been published and have been filed with the Financial Conduct Authority and shall be incorporated in, and form part of, this Prospectus, save that any statement contained in the Financial Statements shall be modified or superseded for the purposes of this Prospectus 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 this Prospectus.

Copies of the Financial Statements can be obtained from the registered office of the Issuer, from the specified office of the Principal Paying Agent for the time being in London and on the Issuer's website (at <https://www.optivo.org.uk/investors/Financial-Statements.aspx>).

Any documents themselves incorporated by reference in the Financial Statements shall not form part of this Prospectus.

## VALUATION REPORT

The Bonds are secured by, *inter alia*, an allocation of Charged Properties from a shared security pool (the **Apportioned Properties**). On an ongoing basis, the Security Trustee apportions such number of units of the Charged Properties between all the Beneficiaries (including the Issuer) as is appropriate. The following valuation report (the **Valuation Report**) therefore relates to the Apportioned Properties, an appropriate part of which will be apportioned to secure the Bonds, such part as is required to enable the Borrowers to satisfy the Asset Cover Test (as defined in the Loan Agreements) (see the section entitled "*Description of the Loan Agreements*" above)).

The Valuation Report was prepared by Jones Lang LaSalle Limited, Registered Chartered Surveyors of 30 Warwick Street, London W1B 5NH. The Valuation Report is included in this Prospectus, 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 or the Original Borrower.

### Summary of valuations

A summary of the values of the Apportioned 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 |              |
| No.                                  | £m                    | No.   | £m                   | £m           |
| 222                                  | £22,300,000           | 790   | £155,050,000         | £177,350,000 |

\* A further 319 Units have been attributed a nil value.

### Issuer's Apportioned Part

Of the 1,331 units which comprise the Apportioned Properties, 1,331 units will be apportioned to the Issuer on the Issue Date as lender under the Loan Agreements. The Issuer's Security Percentage for the purpose of calculating the Asset Cover Test on the Issue Date is therefore 100%.

As at the Issue Date, for the purpose of the Asset Cover Test, the Minimum Value of the Apportioned Properties multiplied by the Issuer's Security Percentage is £156,064,182.19.

*Jones Lang LaSalle*

# *Valuation Advisory*

**Client:** Optivo and Optivo Finance plc

**Property:** 1,331 Affordable Housing units owned by Optivo

April 2020



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Prudential Trustee Company Limited as Bond Trustee and Security Trustee

Optivo Finance plc as Issuer

Optivo as Original Borrower

HSBC Bank plc and BNP Paribas as Joint Bookrunners

(together the “Addressees”)

3 April 2020

Dear Sirs

**1,331 Affordable Housing units owned by Optivo relating to the issue by the Issuer of its £250,000,000 2.857 per cent. Secured Bonds due 2035 (the “Bonds”)**

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We are pleased to attach our Report in connection with the above.

This Report is issued for the benefit and use of the Addressees and for inclusion in the prospectus for the issue of the Bonds (the “Prospectus” and the “Bond Issue”) and may only be used in connection with the Prospectus and the Bond Issue. We hereby give our consent to the publication of this Report within the Prospectus and accept responsibility for the information contained in this Report.

To the best of our knowledge the information given in this Report is in accordance with the facts and makes no omission likely to affect its import.

Before this Report or any part of it is reproduced or referred to in any document, circular or statement (other than the Prospectus in respect of the Bonds), our written approval as to the form and context of such publication must be obtained.

If you have any questions about this Report, or require further information, please contact Fiona Hollingworth.

Yours faithfully



**Fiona Hollingworth MRICS**  
**Director**  
**For and on behalf of**  
**Jones Lang LaSalle Limited**

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Yours faithfully



**Richard Petty FRICS**  
**Director**  
**For and on behalf of**  
**Jones Lang LaSalle Limited**

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# Executive Summary

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This summary should be read in conjunction with the main body of our Report. Section numbers are supplied where relevant.

## Introduction

The date of this Report is 3 April 2020.

Jones Lang LaSalle Limited has been instructed to value a portfolio of 1,331 properties for loan security purposes.

## Properties

The portfolio comprises 1,012 social housing units located in Greater London.

The portfolio contains a mixture of different tenures as summarised in the table overleaf and set out in greater detail in section 3 of this Report.

In addition there are 319 units in the portfolio which form ancillary accommodation, have been sold on long leases or fully staircased. Optivo's interest in the properties is considered to be de minimis for the purpose of this exercise and so these properties have been included at nil value. Furthermore, please note that these properties have not been included in any unit counts or other statistics in this Report.

We have inspected the exterior of all units in the portfolio and have seen a representative sample of 10% internally (section 3).

## Valuations

The effective date of valuation is 3 April 2020.

Our valuation of the 222 properties being valued on the basis of Existing Use Value for Social Housing ("EUV-SH"), in aggregate, at the valuation date is:

**£22,300,000**  
**(twenty two million, three hundred thousand pounds)**

Our valuation of the 790 properties being valued on the basis of Market Value subject to Tenancies ("MV-T"), in aggregate, at the valuation date is:

**£155,050,000**  
**(one hundred and fifty five million and fifty thousand pounds)**

The following table summarises our opinions of value (section 6):

### Freehold Properties

| Category                   | Unit Count | Basis of Value | EUV-SH             | MV-T                |
|----------------------------|------------|----------------|--------------------|---------------------|
| General Needs Unrestricted | 776        | MV-T           | £63,030,000        | £151,790,000        |
| General Needs Restricted   | 8          | EUV-SH         | £580,000           | n/a                 |
| Affordable Unrestricted    | 8          | MV-T           | £1,130,000         | £1,960,000          |
| Affordable Restricted      | 1          | EUV-SH         | £60,000            | n/a                 |
| Supported                  | 6          | MV-T           | £510,000           | £1,300,000          |
| Shared Ownership           | 197        | EUV-SH         | £20,375,000        | n/a                 |
| <b>Total</b>               | <b>996</b> |                | <b>£82,685,000</b> | <b>£155,050,000</b> |

### Leasehold Properties

| Category         | Unit Count | Basis of Value | EUV-SH            | MV-T       |
|------------------|------------|----------------|-------------------|------------|
| Shared Ownership | 16         | EUV-SH         | £1,285,000        | n/a        |
| <b>Total</b>     | <b>16</b>  |                | <b>£1,285,000</b> | <b>n/a</b> |

## Portfolio Analysis

### Strengths:

- given the divergence between property prices and local average earnings, demand for these properties should be sustainable in the medium to long term;
- the level of rental income for all areas is broadly in line with other Registered Providers (“RPs”) in the respective areas;
- the level of rental income is, in aggregate, below the relevant levels of Local Housing Allowance (LHA) for each region;
- the EUV-SH and MV-T values per unit and percentage relationships to MV-VP, are at levels appropriate to the current climate, having regard to the portfolio’s location and composition;
- we have made conservative assumptions with regard to the respective rent and sales contributions to the valuations of the shared ownership units and they are not overly dependent on proceeds from sales;
- there are currently 244,000 households on local authority waiting lists across Greater London; and
- based on current levels of affordable housing supply (new build) across Greater London, there are 45 households on the waiting list for every new property being built.

### **Weaknesses:**

- whilst we have been prudent in applying our MV-VPs, MRs and sales rates, there are well-documented challenges at present to the domestic sales and lettings market.

### **Opportunities:**

- increased efficiencies driven by mergers between Housing Associations;
- rationalisation of RPs' stock allowing for more efficient asset management; and
- investment of REITs and other funds into the sector as whole.

### **Threats:**

- changes in Government policy such as a further period of rent cuts or changing the Rent Regime to CPI only;
- results of the Hackitt Report could lead to retrospective remedial repairs and alterations being enforced upon RPs; and
- sharp increase in the cost of materials and labour to carry out any repairs and maintenance work on existing stock and meet development plans.

## **Suitability of Security**

Your instructions require us to comment on whether the properties we have valued provide adequate security for the Bond Issue.

It is difficult for any valuer, without being asked to consider a specific credit or risk assessment policy, to make an absolute, unqualified statement that those assets will provide suitable security because our instructions do not explain what criteria the Security Trustee is applying in making this assessment.

However we confirm that, in our opinion, should the Security Trustee become a mortgagee in possession of this portfolio of properties, then it would be possible to achieve a sale to another RP that would be at a price at least equivalent to our valuation on the basis of EUV-SH or, in principle, to a private purchaser at a price equivalent to our valuation on the basis of MV-T as set out in our Report. However, the valuation assumes implicitly that a purchaser could obtain debt finance on commercially viable terms to facilitate a purchase of the portfolio.

Based on our inspections, we are satisfied that the properties we inspected internally, are being maintained to an acceptable social housing standard, in line with Regulator of Social Housing ("RSH") regulatory requirements and commensurate with the likely demands of the target tenant group.

Overall, we have assumed that each property has a useful economic life of at least 50 years provided that the properties continue to be properly maintained in the future.

Unless otherwise stated in our Report none of the properties are of 6 storeys or more or are subject to any remedial works in the wake of the Grenfell Tower disaster of June 2017. We have therefore assumed that the properties conform to the Fire Precaution Regulations and any other statutory requirements.

Our inspections are for valuation purposes only and carried out on an external and internal sample basis only, therefore we cannot confirm whether invasive vegetation has been or is present on the site, our valuation assumes that none exists within the demise or proximity of any of the properties.

With the above factors in mind, and with specific regard to the continuing need for well-maintained social housing accommodation, we believe it reasonable to conclude an acceptable demand for a portfolio of this nature from commensurate social housing landlords and private institutional investment firms.

Subject to the information presented within this Report, and at the values formally reported, we are satisfied to recommend to the Security Trustee that this portfolio is suitable for security purposes.

## Lender Action Points

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a “Global Pandemic” on the 11th March 2020, has impacted global financial markets. Travel restrictions have been implemented by many countries.

Market activity is being impacted in many sectors. As at the valuation date, we consider that we can attach less weight to previous market evidence for comparison purposes, to inform opinions of value. Indeed, the current response to COVID-19 means that we are faced with an unprecedented set of circumstances on which to base a judgement.

Our valuations are therefore reported on the basis of “material valuation uncertainty” as per VPS 3 and VPGA 10 of the RICS Red Book Global. Consequently, less certainty – and a higher degree of caution – should be attached to our valuation than would normally be the case. Given the unknown future impact that COVID-19 might have on the real estate market, we recommend that you keep the valuation of this Portfolio under frequent review.

## Stock

The stock is summarised by count of unit type for each business stream as follows:

| Property Type   | General Needs | Supported Housing | Shared Ownership | Total        |
|-----------------|---------------|-------------------|------------------|--------------|
| Studio flats    | 11            | 0                 | 0                | 11           |
| 1 bed flats     | 254           | 6                 | 63               | 323          |
| 2 bed flats     | 295           | 0                 | 83               | 378          |
| 3 bed flats     | 154           | 0                 | 1                | 155          |
| 4 bed flats     | 29            | 0                 | 0                | 29           |
| 2 bed houses    | 12            | 0                 | 33               | 45           |
| 3 bed houses    | 21            | 0                 | 33               | 54           |
| 4 bed houses    | 11            | 0                 | 0                | 11           |
| 1 bed bungalows | 6             | 0                 | 0                | 6            |
| <b>Total</b>    | <b>793</b>    | <b>6</b>          | <b>213</b>       | <b>1,012</b> |

## Assumptions: Rented Properties

The following table provides a summary of the assumptions made in our rented valuations:

| Assumption                             | EUV-SH          | MV-T                  |
|--|-----------------|-----------------------|
| Rental income growth - houses (Year 1) | 1%              | 25.4% - 29.5%         |
| Rental income growth - flats (Year 1)  | 1%              | 21.8% - 29.7%         |
| Sales rate (houses)                    | n/a             | 3.0% - 12.0%          |
| Sales rate (flats)                     | n/a             | 1.0% - 17.0%          |
| Bad debts and voids (Year 1)           | 2.25% - 2.75%   | 9.0% - 10.0%          |
| Management costs                       | £650            | 10.0% of Gross Income |
| Management cost growth inflator        | 0.5%            | n/a                   |
| Total repairs costs (Year 1)           | £1,370 - £1,650 | £2,900 - £3,850       |
| Repair cost growth inflator            | 1%              | 1.0%                  |
| Discount rate (income)                 | 5.25% - 5.75%   | 7.25% - 7.75%         |
| Discount rate (sales)                  | n/a             | 9.0% - 10.0%          |

## Assumptions: Shared Ownership

The following table provides a summary of the assumptions made in our shared ownership valuation:

| Assumption                | EUV-SH |
|---------------------------|--------|
| Discount rate (income)    | 5.0%   |
| Discount rate (sales)     | 7.75%  |
| Management Costs          | 3.5%   |
| Sales rate (yrs 0-2)      | 4      |
| Sales rate (yrs 3-10)     | 6      |
| Sales rate (yrs 11-39)    | 8      |
| Sales rate (yrs 40-50)    | 2      |
| Rental growth (all years) | 0.5%   |

**This summary should be read in conjunction with the remainder of the valuation Report and must not be relied upon in isolation.**

# 1 Introduction

---

## 1.1 Background

Jones Lang LaSalle Limited ("JLL") has been instructed to prepare a valuation of 1,331 properties ("the Portfolio") owned by Optivo.

## 1.2 Compliance

Our valuations have been prepared in accordance with the current RICS Valuation – Global Standards 2017 published by the Royal Institution of Chartered Surveyors (commonly known as the "Red Book") and the RICS Valuation – Global Standards 2017 – UK National Supplement effective from 14 January 2019.

Our valuations may be subject to monitoring by the RICS and have been undertaken by currently Registered RICS Valuers.

This Report has been prepared by Fiona Hollingworth MRICS (Valuer Number: #0099707) and countersigned by Richard Petty FRICS (Valuer Number: #0089005), Head of Affordable Housing and a Director of JLL.

In accordance with PS 2.3 of the Red Book, we confirm that we have sufficient knowledge and skills to undertake this valuation competently.

We can confirm that no conflict of interest has occurred as a result of our production of this Report.

The effective date of valuation is 3 April 2020.

For the avoidance of doubt, we confirm that it would not be appropriate or possible to compare this valuation with any values appearing in Optivo's accounts. This Report has been prepared in accordance with the Red Book. The valuations are prepared on this basis so that we can determine the value recoverable if the charges over the properties were enforced at the date of this Report. We understand that values given in Optivo's accounts are prepared on an historic cost basis which considers how much the properties have cost and will continue to cost Optivo. This is an entirely different basis of valuation from that used for loan security purposes.

This valuation qualifies as a Regulated Purpose Valuation ("RPV") as defined by the Red Book. A RPV is a valuation which is intended for the information of third parties in addition to the Addressees. It is a requirement of UKVS 4.3 of the Red Book in relation to disclosures that we declare our prior involvement with Optivo, or the properties being valued, to ensure that there is no conflict of interest.

We confirm that the total fee income earned from Optivo is substantially less than 5% of the fee income earned by JLL in our last financial year (ending 31 December 2019) and that we do not anticipate this situation changing in the foreseeable future.

## 1.3 Instructions

Our Report is prepared in accordance with Optivo's formal instructions.

We have been instructed to prepare our valuations on the following bases:

- Existing Use Value for Social Housing ("EUV-SH"); and



- Market Value subject to existing Tenancies (“MV-T”).

Please note that the properties that have been valued on the basis of MV-T have also been valued on the basis of EUV-SH, for information purposes only.

## 1.4 Status of Valuer

In preparing this Report, we confirm that JLL is acting as an external valuer as defined in the Red Book. We can also confirm that we consider ourselves to be independent for the purposes of this instruction.

In accordance with RICS guidance, and our own rotation policy, we recommend that a rotation of overall responsibility within JLL is considered no later than the end of 2024.

## 1.5 The Stock Rationalisation Market – EUV-SH Transactions

As you will be aware, an active market exists for the sale of tenanted stock between RPs. This can be driven by strategic decisions about the type and location of accommodation that RPs wish to provide, and the viability of investing in properties to bring them up to the required standards.

Where competition is generated, a market has emerged in which RPs bid against one another on price. The resulting values, even though presented on an EUV-SH basis, tend to be in excess of base EUV-SH values that might be expected for balance sheet or loan security purposes.

Although this may appear hard to justify, the underlying rationale is as follows:

- the bidding price is still much less than the cost of development;
- the marginal cost of taking additional units into management, in an area where the acquiring RP already has stock, justifies a financial model based on relatively low costs for management, repairs and maintenance;
- the judgement of all-round risk formed by the acquiring RP, as reflected in the discount rate, is often lower (and the rate therefore keener) than would be acceptable to either a funder or an auditor in a balance sheet context;
- the price is worth paying to achieve strategic objectives around increasing a presence in a particular area or market; and/or
- the price may be supported by future void sales and/or changes of tenure (for example, from Social Rent to Affordable Rent).

## 1.6 Deregulatory Measures

A package of deregulatory measures for which the primary legislation was the Housing & Planning Act 2016 came into force on 6 April 2017. These are very significant for the UK social housing sector, as they give RPs greater freedom in terms of commercial decision making than they have ever previously enjoyed in terms of the reduced ability of the regulator to prevent asset management actions.

These deregulatory measures, inter alia, give RPs the freedom to dispose of assets without the regulator’s consent, either with or without tenants in place. Disposals include the grant of leases and the creation of charges when assets are pledged as security for loan security purposes.

There are already early signs that these measures are having an effect on RPs' thinking, and on their business plans, as they begin to adopt a more commercial approach to asset management as one of the tools at their disposal to respond to the greater financial pressures and expectations upon them. For example, through our day to day work, we are beginning to see more analytical requirements in terms of asset management decisions, around investment, remodelling and sale; and an element of sales being built into some stock rationalisation bids.

To be clear this does not mean that RPs are in any way sacrificing their fundamental social ethos. Rather, it is a recognition that, as for any charitable organisation, making best use of its assets to enable it to meet its charitable objectives is an obligation rather than an option; and that commercial behaviour is not at all incompatible with a strong social ethos, within a framework of strong governance.

As mentioned, some RPs are steadily starting to build in an element of void sales into some stock rationalisation bids, however in accordance with our instructions, we have not considered or built in any rate for sales of void properties within our EUV-SH valuations.

## 1.7 Certificates of Title

We have reviewed the draft Certificate of Title for the portfolio issued by Devonshires Solicitors LLP and to be dated 7<sup>th</sup> April 2020 ("the Certificate") and the Report on Title ("the Report") prepared by Addleshaw Goddard LLP and can confirm that our valuations fully reflect the disclosures contained therein. In particular, in respect of each unit which we have valued on the basis of MV-T, we can confirm that (based on our review of the Certificate and the Report) such units may be disposed of by or on behalf of the Security Trustee on an unfettered basis (meaning subject to existing tenancies disclosed in the Certificate but not subject to any security of interest, option or other encumbrance or to any restriction preventing or restricting its sale to, or use by, any person for residential use).

From our review of the Certificate and the Report, 8 of the general needs and affordable rent properties are subject to restrictions that would be binding on a mortgagee in possession and therefore we have valued them on the basis of EUV-SH only.

For the avoidance of doubt, we have valued the remainder of the portfolio, except those units mentioned above and marked as shared ownership, on the basis of MV-T.

## 1.8 Building Safety Market Uncertainty

The aftermath of the Grenfell Fire on 14 June 2017 has resulted in a wholesale review of the regime relating to building safety in addition to the public inquiry that has been established to investigate the circumstances (and which is due to resume in March 2020).

The Independent Review of Building Regulations and Fire Safety led by Dame Judith Hackitt was published in May 2018. One of the key recommendations of the Hackitt Review was for a new Building Regulations regime for residential buildings of 10 storeys (30m) or higher. The government has not yet stated in detail which measures recommended in the Hackitt Review will be implemented or the timing of any such regulatory changes.

However, the Building Regulations were amended from 21 December 2018 to ban the use of combustible materials on the external walls of new buildings over 18m containing flats, as well as, inter alia, buildings such as new hospitals, residential care homes and student accommodation. The ban also affects existing buildings undergoing

major works or undergoing a change of use. The government also made announcements on that date about how it proposes to implement a tougher and more effective regulatory framework to improve building safety.

Whilst a ban affecting lower rise buildings falling within these categories has not yet been implemented, the government has recently indicated a clear intention to amend the definition of high-rise buildings to cover all those above 11m, rather than 18m. If implemented, this will bring a considerable number of additional buildings within the scope of requiring investigation, certification and, in many cases, remediation works.

The government published a Hackitt Review Implementation Plan that was out for consultation until 12 February 2019 and a further consultation “Building a Safer Future” issued in June 2019 which lasted until 31 July 2019 in respect of the potential new Regulatory regime.

The government has also recently issued a consolidated guidance note, published on 20 January 2020, “Advice for Building Owners of Multi-Storey, Multi-Occupied Residential Buildings”. This consolidates and replaces all recent guidance, including Advice Note 14 on non-ACM external wall systems, which has received wide media coverage in relation to difficulties in the residential mortgage market. The new guidance sets out actions that building owners should be taking immediately to address risk of fire spread from unsafe external wall systems (EWS); and emphasises that the duty of building owners to assess and manage the risk of external fire spread applies to buildings of any height.

The new guidance also covers balconies and fire doors. Fire risk assessments should take into account height, materials, vulnerability of residents, location of escape routes, and the complexity of the building.

We are aware that market participants that are affected by the same or similar issues continue to review details of construction, health and safety, and particularly fire prevention, mitigation and means of escape from buildings where people sleep, albeit with the focus on residential buildings above 18m. The need to do so has been underlined by the recent serious fire in a student housing block in Bolton.

However, it remains difficult for valuers, funders and building owners to assess fully any valuation impact because of the lack of transactional evidence of tall residential buildings, with some form of cladding, that have been traded since June 2017. In the light of these circumstances, this valuation has been undertaken in the context of a rapidly changing and still uncertain regulatory environment. We would therefore recommend that it is kept under regular and careful review.

In the short to medium term, which could be a period of several years, it is also likely that potential investors and occupiers will be more cautious, and the liquidity and pricing of some properties may be impacted. It is important to bear in mind in this context that the definition of Market Value requires both buyer and seller to be assumed to be acting “knowledgably and prudently”; and these are difficult terms to reconcile in relation to many cladding systems at present.

If it subsequently transpires that properties included in our valuation have cladding or wall systems that are no longer compliant or regarded as acceptable; or if the relevant regulations change in response to recent events, then additional costs may be incurred, and our opinions of value would be adversely affected accordingly.

## **1.9 Material valuation uncertainty due to Novel Coronavirus (COVID – 19)**

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a “Global Pandemic” on the 11th March 2020, has impacted global financial markets. Travel restrictions have been implemented by many countries.

Market activity is being impacted in many sectors. As at the valuation date, we consider that we can attach less weight to previous market evidence for comparison purposes, to inform opinions of value. Indeed, the current response to COVID-19 means that we are faced with an unprecedented set of circumstances on which to base a judgement.

Our valuations are therefore reported on the basis of “material valuation uncertainty” as per VPS 3 and VPGA 10 of the RICS Red Book Global. Consequently, less certainty – and a higher degree of caution – should be attached to our valuation than would normally be the case. Given the unknown future impact that COVID-19 might have on the real estate market, we recommend that you keep the valuation of this portfolio under frequent review.

## 2 Methodology

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### 2.1 Valuation Model

We have undertaken our valuation of the Portfolio using fully explicit discounted cashflow models, over a 50-year period, with the net income in the final year capitalised into perpetuity.

For the purposes of our valuation, we have split this Portfolio by tenure in order to reflect the different risks and opportunities associated with each business stream. We have further split the Portfolio geographically by region to reflect the different markets in which the properties are located and the associated risks and opportunities.

In accordance with section 1.5, whilst we recognise that there is a growing active market for the sale of tenanted stock between RPs, we have not split the Portfolio into 'lots' to reflect this and have, in accordance with our instructions, valued the properties as a single portfolio.

Against the income receivable for each Portfolio, we have made allowances for voids and bad debts; the costs of management and administration; major repairs; cyclical maintenance; day-to-day repairs; and for future staircasing (where applicable). We have assumed an appropriate level of future growth in these costs (expenditure inflation).

We have then discounted the resulting net income stream at an appropriate rate which reflects our judgement of the overall level of risk associated with the long-term income. A more detailed explanation of the discount rate is included in section 4.

### 2.2 Information Provided

The principal source of background data for the Portfolio has been the rent roll for each property provided by Optivo. This detailed the number and type of units, the rent payable, tenancy type, and equity retained by the association (where applicable).

This information was supplemented with our market research and other data we have gathered from similar instructions undertaken recently and involving comparable stock. From these sources we have collated information on the following:

- rents;
- bad debts, voids and arrears;
- cost of maintenance and repairs; and
- management and administration expenses.

A location plan of the Portfolio is provided as Appendix 3.

### 2.3 Inspections

We derived our inspections strategy by giving full regard to:

- the geographical spread of the stock;
- the concentration (and thereby its exposure to risk); and

- the property types.

We have satisfied ourselves as to the quality of location and the general condition and level of fixtures and fittings provided to the properties, and we have derived our valuation assumptions accordingly.

In accordance with our instructions, we have inspected all schemes externally and a representative sample of 10% of the stock was inspected internally. Our inspections were carried out between 3<sup>rd</sup> and 21<sup>st</sup> of February 2020.

A representative selection of photographs is provided as Appendix 4.

## **2.4 Market Research**

In arriving at our valuation, we have undertaken a comprehensive programme of research to supplement our knowledge and understanding of the properties. This has included:

- researching local vacant possession values through conversations with local estate agents together with internet research and using RightmovePlus, a bespoke tool for comparable evidence;
- examining local benchmark affordable rents and comparing these with Optivo's rents; and
- analysing data provided by Optivo.

## 3 General Commentary

Schedules summarising the following data for each property within the Portfolio form Appendix 2 of this Report:

- address;
- unit type;
- title number; and
- tenure.

### 3.1 Locations

The properties within the Portfolio are located across Greater London as shown in the table below:

| London Boroughs | General Needs | Supported | Shared Ownership | Total        |
|-----------------|---------------|-----------|------------------|--------------|
| Bromley         | 94            | -         | -                | 94           |
| Croydon         | 86            | 1         | 88               | 263          |
| Lambeth         | 437           | -         | 1                | 438          |
| Lewisham        | 37            | 1         | -                | 38           |
| Merton          | 19            | -         | -                | 19           |
| Southwark       | 94            | 1         | 80               | 175          |
| Sutton          | 9             | -         | 44               | 53           |
| Wandsworth      | 17            | 3         | -                | 20           |
| <b>Total</b>    | <b>793</b>    | <b>6</b>  | <b>213</b>       | <b>1,012</b> |

A location plan of the Portfolio is provided at Appendix 3.

### 3.2 Property Types

The following table summarises the different property types within the Portfolio:

| Property Type | General Needs | Supported Housing | Shared Ownership | Total |
|---------------|---------------|-------------------|------------------|-------|
| Studio flats  | 11            | 0                 | 0                | 11    |
| 1 bed flats   | 254           | 6                 | 63               | 323   |
| 2 bed flats   | 295           | 0                 | 83               | 378   |
| 3 bed flats   | 154           | 0                 | 1                | 155   |
| 4 bed flats   | 29            | 0                 | 0                | 29    |
| 2 bed houses  | 12            | 0                 | 33               | 45    |
| 3 bed houses  | 21            | 0                 | 33               | 54    |

| Property Type   | General Needs | Supported Housing | Shared Ownership | Total        |
|-----------------|---------------|-------------------|------------------|--------------|
| 4 bed houses    | 11            | 0                 | 0                | 11           |
| 1 bed bungalows | 6             | 0                 | 0                | 6            |
| <b>Total</b>    | <b>793</b>    | <b>6</b>          | <b>213</b>       | <b>1,012</b> |

### 3.3 Condition

We have not carried out a condition survey, this being outside the scope of our instructions.

The properties within the Portfolio are a mixture of ages as shown in the table below:

| Age          | House      | Flat       | Bungalow | Total        |
|--------------|------------|------------|----------|--------------|
| Pre-1919     | 1          | 393        | -        | 394          |
| 1920-1949    | -          | 50         | -        | 50           |
| 1950-1979    | 23         | 309        | 6        | 338          |
| 1980s        | 21         | 38         | -        | 59           |
| 1990s        | 38         | 16         | -        | 54           |
| 2000s        | 27         | 72         | -        | 99           |
| Post 2010    | -          | 18         | -        | 18           |
| <b>Total</b> | <b>110</b> | <b>896</b> | <b>6</b> | <b>1,012</b> |

We understand from Optivo that there are 5 blocks of six storeys or above in the portfolio. We understand that these blocks have all been recently reviewed by Optivo and tests have been carried out where necessary. Optivo have confirmed that all of these properties are of traditional brick construction, and that no remedial costs are required to these properties. The blocks in question and associated works are summarised in the following table:

| Scheme                     | Units (not including nil value units) | Age   | Storeys |
|----------------------------|---------------------------------------|-------|---------|
| St George's Buildings, SE1 | 11                                    | 1900s | 6       |
| Baldwin House, SW2         | 30                                    | 1930s | 6       |
| Maskall Close, SW2         | 32                                    | 1930s | 6       |
| Morrison House, SW2        | 17                                    | 1930s | 6       |
| Roycroft Close, SW2        | 32                                    | 1930s | 6       |



For all of the properties of less than six storeys in the portfolio Optivo have confirmed that, to the best of their knowledge, none of the properties have fire safety remediation required in relation to any external wall systems.

The property ages and construction methodology have been factored into the assumptions we have made regarding voids, discount rates and repairs and maintenance.

Based on our inspections, we are satisfied that the properties we inspected internally are being maintained to an acceptable social housing standard, in line with RSH regulatory requirements and commensurate with the likely demands of the target tenant group.

Overall, we have assumed that each property has a useful economic life of at least 50 years provided that the properties continue to be properly maintained in the future.

## 4 Valuation Commentary – Rented Stock

### 4.1 Introduction

There are 799 rented properties in the Portfolio. The rented properties within the Portfolio are a mixture of general needs, Affordable Rent and supported social housing properties.

### 4.2 Tenancies

The majority of the properties (88.5%) are let on assured tenancies. We have assumed that these are ‘standard’ assured tenancies although we have not seen example tenancy agreements. The remaining 92 units are let on secure tenancies.

### 4.3 Rental Income

The following table summarises the total income that Optivo receive from the Portfolio annually:

| Business Stream   | Units      | Annual Income     | Average Rent   |
|-------------------|------------|-------------------|----------------|
| General Needs     | 793        | £4,692,286        | £113.79        |
| Supported Housing | 6          | £36,010           | £115.42        |
| <b>Total</b>      | <b>799</b> | <b>£4,728,296</b> | <b>£113.80</b> |

The Statistical Data Return (“SDR”) is an annual online survey completed by all private RPs of social housing in England. The latest return for 2017/18 provides the average social rents charged by all RPs for general needs and sheltered/supported properties. The following table compares Optivo’s average rents with the average sector rents in the same localities:

| Size           | Average Sector Rent - General Needs | Optivo General Needs |
|----------------|-------------------------------------|----------------------|
| 0 bedroom      | £97.65                              | £95.67               |
| 1 bedroom      | £109.00                             | £104.73              |
| 2 bedroom      | £126.24                             | £113.65              |
| 3 bedroom      | £144.07                             | £124.45              |
| 4 bedroom      | £159.21                             | £132.10              |
| <b>Average</b> | <b>£125.79</b>                      | <b>£113.79</b>       |

According to the Valuation Office Agency, LHA is set at the 30th centile point between what in the local Rent Officer’s opinion are the highest and lowest non-exceptional rents in a given Broad Rental Market Area. This analysis looks at local properties and differentiates by bedroom number but not by property type (i.e. houses and flats). These

statistics are used as a reference for housing benefit and are a good indication of rent levels which are affordable in a given area.

The following table sets out a comparison of Optivo's average rents with the average LHA in the Portfolio and also our opinion of Market Rents for comparable properties in the same areas (rents are shown on the basis of 52 weeks).

| Property Type     | Average Passing Rent | Average LHA | Average Market Rents | % of LHA | % of Market Rent |
|-------------------|----------------------|-------------|----------------------|----------|------------------|
| General Needs     | £113.79              | £303.04     | £323.67              | 37.5%    | 35.2%            |
| Supported Housing | £115.42              | £260.64     | £290.38              | 44.3%    | 39.7%            |

We are unable to verify the accuracy of the rent roll provided to us by Optivo.

#### 4.4 Affordability

In addition, we have looked at the passing rents as a proportion of local net weekly earnings as reported by the Office of National Statistics in its 2018 Annual Survey of Hours and Earnings. The results for each region are shown in the table below and, in our opinion, demonstrate that the rents being charged by Optivo are affordable.

| Region         | Average Weekly Earnings | General Needs | As %age |
|----------------|-------------------------|---------------|---------|
| Greater London | £546.18                 | £113.79       | 20.8%   |

#### 4.5 EUV-SH Rental Growth

We have modelled rental growth of CPI plus 1% in our EUV-SH valuation models into perpetuity.

#### 4.6 MV-T Rental Growth

Passing rents are currently below market levels, resulting in good prospects for future rental growth when considering the market value of the Portfolio.

We have assumed that it will take between 3 and 6 years for assured rents to increase to market levels and thereafter for rents to rise at 1% (real) per annum. In making our assumptions regarding the number of years and annual increases, we have had regard to typical gross and net yields on private residential portfolios of a similar age profile and in comparable locations.

The average increases we have modelled per year for houses and flats in each of our valuations range from 21.8% to 29.7%.

#### 4.7 Relet Rates

Our EUV-SH model allows for a rate at which secure tenancies are relet as assured tenancies. The annual rates of tenancy turnover experienced by housing associations vary considerably between localities and between different

property types. In regard to assured tenancies, national turnover rates are typically within the range of 5.0% to 11.0%, with higher rates of turnover in the North than in the South.

We have adopted rates of 3% (houses) and 5% (flats) and have assumed that those properties will be relet at the prevailing average target rent. In addition, we have included an allowance for incidental voids as outlined in section 4.11.

## 4.8 Sales Rates

In accordance with section 1.6, we have not included the sale of any void units under the deregulatory measures introduced by the Housing and Planning Act 2016 in any of our EUV-SH valuations.

In our MV-T cashflows we have assumed that some of the units which become void are sold on the open market. In establishing the sales rates, we have had regard to Land Registry's information on the number of sales and average prices in Greater London over the past 12 months.

The average sales rates we have applied per annum for houses and flats are shown in the table below:

| Valuation Category         | Annual Sales (Houses) | Annual Sales (Flats) |
|----------------------------|-----------------------|----------------------|
| General Needs Unrestricted | 3% - 12%              | 1% - 4%              |
| Affordable Unrestricted    | 3%                    | 17%                  |
| Supported                  | 3%                    | 14%                  |

This equates to 19 flat sales and 2 house sales in the first year and 442 sales in total over 50 years. This, in our view, is a sustainable level of sales which would not adversely impact local house prices or marketability.

## 4.9 Right to Buy

Following announcements made in the Budget delivered on 8 July 2015 we anticipate that the tenants of some of the properties within the Portfolio may in future have either the Right to Buy ("RTB") or the Right to Acquire ("RTA"). The National Housing Federation ("NHF") put an offer to Government in September 2015 in which it proposed the implementation of an extended RTB on a voluntary basis. The Voluntary Right to Buy ("VRtB") was described as a compromise with a view to securing the independence of housing associations and the best deal on compensation (for discounts) and flexibilities (the ability to refuse the VRtB in relation to certain properties).

In the Autumn Statement 2016 it was announced that the Government would fund a large-scale regional pilot of the VRtB for housing association tenants. It was expected that over 3,000 tenants would be able to buy their own home with VRtB discounts under the initial pilot scheme.

The initial pilot scheme in 2016 involved only five housing associations. A second pilot scheme across the Midlands commenced in August 2018 and will run for a period of two years. The second pilot scheme is aimed at testing two aspects of the voluntary agreement that the original pilot scheme did not cover, namely:

- one-for-one replacement; and
- portability of discounts.

The wider terms of the overall extension of RTB and therefore any consideration of the impact of RTB or RTA on valuations would be speculative. We consider it imprudent to reflect additional value from capital receipts and we have therefore assumed that neither RTB nor RTA will be available to exercise at the date of valuation.

## 4.10 Outgoings

In forming our opinion of the net rental income generated by the Portfolio, we have considered the following outgoings:

- bad debts, voids and arrears;
- cost of maintenance and repairs; and
- management and administration expenses.

We emphasise that, under the definitions of the bases of valuation we have been instructed to adopt, we are not valuing Optivo's stewardship of the stock, rather we are assessing what a hypothetical purchaser in the market would pay for the stock, based on the market's judgement of the capabilities of the Portfolio.

The assumptions we have made in our appraisal reflect our opinion of the view the market would adopt on the future performance of the Portfolio. In forming our opinion, we have had regard to other recent valuations we have undertaken of comparable stock.

## 4.11 Bad Debts and Voids

We have incorporated into our valuations the potential for future voids and bad debts. Any loss of income for both void properties and bad debts is reflected in a deduction made from the gross rental income.

The rates applied take into consideration the figures in the 2018 Global Accounts data provided by the Regulator of Social Housing and are similar to allowances used by other RPs providing a management and maintenance service in the areas where the properties are situated.

The 2018 Global Accounts data shows that across the whole affordable housing sector, RPs have lost approximately 0.69% of their gross income through bad debts and 1.35% through void losses. Both of these figures reflect a slight decrease from the previous two years.

In our MV-T valuations we are assuming greater increases in rents than a social landlord would impose. In our opinion, these rent increases would inevitably be reflected in a higher level of voids and bad debts than would otherwise be the case. The associated risk has been factored into our MV-T discount rate.

The average rates we have adopted for bad debts and voids as a percentage of gross income for each of our EUV-SH and MV-T valuations are summarised in the table below:

| Valuation Category         | Bad debts & voids<br>Year 1 (EUV-SH) | Bad debts & voids<br>Year 1 (MV-T) |
|----------------------------|--------------------------------------|------------------------------------|
| General Needs Unrestricted | 2.25% - 2.75%                        | 9% - 10%                           |
| General Needs Restricted   | 2.25%                                | 9%                                 |
| Affordable Unrestricted    | 2.5%                                 | 9%                                 |
| Affordable Restricted      | 2.5%                                 | 9%                                 |

| Valuation Category | Bad debts & voids<br>Year 1 (EUV-SH) | Bad debts & voids<br>Year 1 (MV-T) |
|--------------------|--------------------------------------|------------------------------------|
| Supported          | 2.25%                                | 9%                                 |

## 4.12 Management Costs

We have adopted rates for management and administration based on our experience of other RPs operating in similar areas to Optivo. Our rates are subject to an annual inflator of 0.5% (real) for the duration of the cashflow reflecting long-term earnings, growth predictions and potential management savings.

From the information provided in the 2018 Global Accounts, the average cost of management across the sector is £1,020 per unit and the average management cost per unit for Optivo is £1,389 per annum.

In arriving at our opinion of value, we are assessing what a hypothetical purchaser in the market would pay for the properties and, in our experience, bids are likely to reflect a marginal approach to management costs. That is, the incremental cost to the organisation of managing the acquired stock is likely to be significantly less than the organisation's overall unit cost. Furthermore, a growth in stock numbers could give rise to potential economies of scale, rationalisation of services and other efficiencies which would reduce unit costs.

Taking the above into account, we have adopted a rate of £650 per unit for management and administration in our valuations on the basis of EUV-SH.

We have assumed that a mortgagee in possession would expect to spend 10% of rental income on management and administration in our valuations on the basis of MV-T.

## 4.13 Repairs and Maintenance

Although the majority of the properties are generally in a reasonable or good condition, renewal, day-to-day and cyclical maintenance will be required to keep the stock in its present condition.

From the information provided in the 2018 Global Accounts, the total average cost of carrying out major repairs, planned and routine maintenance across the sector is £1,830 per unit and the average maintenance cost per unit for Optivo is £2,254 per annum. These Global Accounts figures are an increase on 2017 but lower on average than in 2016.

The above figures are broad averages; costs will vary according to a property's age, type, size and form of construction. In particular, the profile of expenditure will be different for a newly built property compared to an older property. The former should only require modest routine maintenance over the first 5 to 10 years of its life, with major repairs only arising from years 15 to 20. Hence there is a low-start cost profile, rising steeply in the medium term, whilst an older property is likely to have a flatter profile with a higher starting point.

In accordance with section 3.3 we have had due consideration to the age and construction type for each of the tenure types in our valuations.

The following table sets out the average cost assumptions we have made in the first year of our EUV-SH cashflows. All of our appraisals assume that these costs will inflate at 1.0% (real) per annum.

| Category of Expenditure    | Period        | Rented Properties |
|----------------------------|---------------|-------------------|
| Major repairs and renewals | Year 1        | £767              |
| Cyclical repairs           | Year 1        | £371              |
| Day-to-day repairs         | Year 1        | £392              |
| <b>Total Average Costs</b> | <b>Year 1</b> | <b>£1,530</b>     |

We have adopted higher costs for major repairs in the first 2 years of our MV-T valuations as some of the properties will require refurbishment and redecoration in order to attract buyers or to be let in the private residential market. After this initial period, our costs settle to a lower level similar to the costs used in our EUV-SH valuation.

#### 4.14 Discount Rate

Our cashflow valuations are based on constant prices and therefore explicitly exclude inflation. The chosen discount rate reflects our judgement of the economic conditions at the time of the valuation and the level of risk involved in each cashflow, taking all factors and assumptions into account. To determine the risk involved we have looked at:

- the sustainability of the existing rental income;
- the likely rate of future rental growth;
- the condition of the Portfolio;
- the level of outgoings required to maintain the maximum income stream;
- the likely performance of the Portfolio in relation to its profile and location;
- the real cost of borrowing; and
- the long-term cost of borrowing.

For our EUV-SH valuations of the rented properties we have adopted real discount rates of between 5.25% and 5.75% on net rental income.

In our MV-T model we have adopted a higher rate on rental income to reflect additional risk resulting from the significant rental growth that we have assumed during the first 3 to 6 years. In addition, we have adopted a higher rate on income from sales to reflect the additional premium on the yield which an investor would expect from a sales income stream.

We have adopted real discount rates of between 7.25% and 7.75% (rental income), and between 9.0% and 10.0% (sales) for our MV-T cashflows.

## 5 Valuation Commentary - Shared Ownership

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### 5.1 Introduction

There are 213 shared ownership properties within the Portfolio. Optivo currently owns 55.14% of the equity in the units and a rent is charged on this percentage.

### 5.2 Rental Levels

According to the information provided by Optivo, the average gross weekly rental level is £80.13 against the average retained equity. All rents are expressed on the basis of 52 rent weeks per year.

We have not included the value of any current or future ground rent income in our valuations.

### 5.3 Rental Growth

The RSH's restriction on future rental growth through section 2.4.5 of the Capital Funding Guide allows a maximum of 0.5% real growth per annum only. The imposition of this formula effectively constrains the net present value of the cashflow to the basis of EUV-SH.

It should also be noted that although, in general, rents in the sector will be linked to CPI, the rents for shared ownership properties will grow as set out in the signed leases for each property. We have not had sight of these leases and assume that they have the standard rent review provisions (upwards only, indexed linked at RPI plus 0.5%) set out in the model shared ownership lease, published by the National Housing Federation.

We have grown rents at a rate of RPI plus 0.5% in line with this guidance and the terms of the existing leases.

### 5.4 Outgoings

In forming an opinion of the net rental income generated by the Portfolio, we have allowed 3.5% of gross rental income for management.

### 5.5 Voids and Bad Debts

We understand that all of the properties are now let and so we would not expect any voids going forward. We have allowed for the incidence of bad debts in the discount rate.

### 5.6 Repairs and Maintenance

We have assumed any repair obligations will lie with the leaseholders. We would expect that repair/renewal, day-to-day and cyclical maintenance would be required to keep the stock in its present condition. However, we have assumed that, where appropriate, service charge income fully covers expenditure.

### 5.7 Discount Rate

For our EUV-SH valuation we have adopted a discount rate of 5.0% on the rental income and 7.75% on sales.



## 5.8 Rate of Sales

We have adopted what we would expect to be a long-term sustainable rate of sales of further tranches over the 50 years of our cashflow model. We have assumed that equity is sold in 25% tranches.

The rates we have adopted in our cashflow are as follows:

| Years       | Tranche Sales p.a. |
|-------------|--------------------|
| Years 0-2   | 4                  |
| Years 3-10  | 8                  |
| Years 11-39 | 6                  |
| Years 40-50 | 2                  |

It is difficult to judge when tenants will purchase additional tranches so the income from sales proceeds has been discounted at a higher rate, in line with section 5.7, to reflect the additional risk of realising the value. However, it should be noted that in our valuation, the majority of the value (circa 65%) is attributed to the rental income.

## 6 Valuation

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### 6.1 Background

We have prepared our valuations on the following bases:

- Existing Use Value for Social Housing (“EUV-SH”); and
- Market Value subject to existing Tenancies (“MV-T”).

Our valuations have been prepared in accordance with the RICS Red Book.

Apportionments of the valuations have been calculated as arithmetic apportionments and are included in the schedules at Appendix 2. This is a portfolio valuation, and no valuation of individual properties has been performed.

In forming our opinion of the value of the Portfolio as a whole, we have neither applied a discount for quantum nor added a premium to reflect break-up potential.

The definitions of the bases of valuation are set out in full in section 7 of this Report.

### 6.2 Asset Value for Loan Security Purposes

Our valuation of all 222 properties being valued on the basis of EUV-SH, in aggregate as at the date of valuation, is:

**£22,300,000**  
**(twenty two million, three hundred thousand pounds)**

Our valuation of all 790 properties being valued on the basis of MV-T, in aggregate as at the date of valuation, is:

**£155,050,000**  
**(one hundred and fifty five million and fifty thousand pounds)**

#### Freehold Properties

Our valuation of the 206 freehold properties that have been valued on the basis of EUV-SH, in aggregate as at the date of valuation, is:

**£21,015,000**  
**(twenty one million, and fifteen thousand pounds)**

Our valuation of the 790 freehold properties that have been valued on the basis of MV-T, in aggregate as at the date of valuation, is:

**£155,050,000**  
**(one hundred and fifty five million, and fifty thousand pounds)**

## Leasehold Properties

Our valuation of the 16 leasehold properties that have been valued on the basis of EUV-SH, in aggregate as at the date of valuation, is:

**£1,285,000**  
(one million, two hundred and eighty five thousand pounds)

## 6.3 Asset Value by Tenure

Our valuation of each individual tenure is shown in the following table:

| Category                   | Unit Count   | Basis of Value | EUV-SH             | MV-T                |
|----------------------------|--------------|----------------|--------------------|---------------------|
| General Needs Unrestricted | 776          | MV-T           | £63,030,000        | £151,790,000        |
| General Needs Restricted   | 8            | EUV-SH         | £580,000           | n/a                 |
| Affordable Unrestricted    | 8            | MV-T           | £1,130,000         | £1,960,000          |
| Affordable Restricted      | 1            | EUV-SH         | £60,000            | n/a                 |
| Supported                  | 6            | MV-T           | £510,000           | £1,300,000          |
| Shared Ownership           | 213          | EUV-SH         | £21,660,000        | n/a                 |
| <b>Total</b>               | <b>1,012</b> |                | <b>£86,970,000</b> | <b>£155,050,000</b> |

## 7 Bases of Valuation

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Our valuations have been prepared in accordance with the RICS Red Book.

### 7.1 Existing Use Value for Social Housing

The basis of Existing Use Value for Social Housing is defined in UK VPGA 7 of the RICS Valuation Global Standards 2017 – UK National Supplement as follows:

*“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 and 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;*
- *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.”*

### 7.2 Market Value

The basis of Market Value is defined in VPS 4.4 of the Red Book as follows:

*“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 Value subject to Tenancies is in accordance with the above definition, with the addition of the point below:

*“That the properties would be subject to any secure or assured tenancies that may prevail, together with any other conditions or restrictions to which property may be subject.”*

### 7.3 Expenses

No allowance is made in our valuations for any expenses of realisation.

## **7.4 Tax**

No allowance is made in our valuations for any liability for payment of Corporation Tax, or for any liability for Capital Gains Tax, whether existing or which may arise in the future.

The transfer of properties between RPs is exempt from Stamp Duty Land Tax (“SDLT”). Our MV-T valuations include fees of 3.0% on individual unit sales, however we have not included SDLT or other costs of acquisition within our valuation.

## **7.5 VAT**

Our valuations are exclusive of VAT on disposal.

## 8 Sources of Verification of Information

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### 8.1 General

We have relied upon the description, tenancy type and current rental income provided to us by Optivo and we have been unable to verify the accuracy of that data.

### 8.2 Tenure

Unless otherwise stated in this Report, Optivo holds a freehold interest or long leasehold interest with not less than 80 years unexpired in respect of its properties. We confirm that there will be no material difference in the MV-T and EUV-SH cashflow valuations between these two holding interests.

### 8.3 Nomination Agreements

Our valuations are prepared on the basis that there are no nomination agreements. If any nomination rights are found to be in existence, they are assumed not to be binding on a mortgagee in possession unless otherwise stated in this Report.

### 8.4 Measurements/Floor Areas

We have not measured the properties, this being outside the scope of a valuation of a portfolio of this nature, unless otherwise stated in this Report.

However, where measurements have been undertaken, we have adhered to the RICS Code of Measuring Practice, 6th edition, except where we specifically state that we have relied on another source. The areas adopted are purely for the purpose of assisting us in forming an opinion of capital value. They should not be relied upon for other purposes nor used by other parties without our written authorisation.

Where floor areas have been provided to us, we have relied upon these and have assumed that they have been properly measured in accordance with the Code of Measuring Practice referred to above.

### 8.5 Structural Surveys

Unless expressly instructed, we do not carry out a structural survey, nor do we test the services and we, therefore, do not give any assurance that any property is free from defect. We seek to reflect in our valuations any readily apparent defects or items of disrepair, which we note during our inspection, or costs of repair which are brought to our attention. Otherwise, we assume that each building is structurally sound and that there are no structural, latent or other material defects.

In our opinion the economic life of each property should exceed 50 years providing the properties are properly maintained.

### 8.6 Deleterious Materials

We do not normally carry out or commission investigations on site to ascertain whether any building was constructed or altered using deleterious materials or techniques (including, by way of example high alumina

cement concrete, woodwool as permanent shuttering, calcium chloride or asbestos). Unless we are otherwise informed, our valuations are on the basis that no such materials or techniques have been used.

## **8.7 Site Conditions**

We do not normally carry out or commission investigations on site in order to determine the suitability of ground conditions and services for the purposes for which they are, or are intended to be, put; nor do we undertake archaeological, ecological or environmental surveys. Unless we are otherwise informed, our valuations are on the basis that these aspects are satisfactory and that, where development is contemplated, no extraordinary expenses, delays or restrictions will be incurred during the construction period due to these matters.

## **8.8 Environmental Contamination**

Unless expressly instructed, we do not carry out or commission site surveys or environmental assessments, or investigate historical records, to establish whether any land or premises are, or have been, contaminated. Therefore, unless advised to the contrary, our valuations are carried out on the basis that properties are not affected by environmental contamination. However, should our site inspection and further reasonable enquiries during the preparation of the valuation lead us to believe that the land is likely to be contaminated we will discuss our concerns with you.

## **8.9 Japanese Knotweed**

Our inspections are for valuation purposes only and carried out on an external and internal sample basis only, therefore we cannot confirm whether invasive vegetation has been or is present on the site, our valuation assumes that none exists within the demise or proximity of any of the properties.

## **8.10 Energy Performance Certificates (EPCs)**

We have not been provided with copies of any Energy Performance Certificates by Optivo. The Energy Efficiency (Private Rented Property) (England and Wales) Regulations 2015 make it unlawful for landlords in the private rented sector to let properties that have an EPC rating of F or G, from 1 April 2018. The Regulations do not apply to the majority of properties owned by RPs. Based on our inspections and our wider knowledge of energy ratings within the social housing sector, we do not consider this issue to present a material valuation risk.

## **8.11 Market Rental Values**

Our assessment of rental values is formed purely for the purposes of assisting in the formation of an opinion of MV-T and is generally on the basis of Market Rent, as defined in the “the Red Book”. Such figures should not be used for any other purpose other than in the context of this valuation.

## **8.12 Insurance**

Unless expressly advised to the contrary we assume that appropriate cover is and will continue to be available on commercially acceptable terms.

## **8.13 Planning**

We have prepared our valuations on the basis that each property exists in accordance with a valid planning permission.

## **8.14 The Equality Act**

From our inspections the properties appear to comply with the requirements of the Equality Act 2010.

## **8.15 Outstanding Debts**

In the case of property where construction works are in hand, or have recently been completed, we do not normally make allowance for any liability already incurred, but not yet discharged, in respect of completed works, or obligations in favour of contractors, subcontractors or any members of the professional or design team.

## **8.16 Services**

We do not normally carry out or commission investigations into the capacity or condition of services. Therefore, we assume that the services, and any associated controls or software, are in working order and free from defect. We also assume that the services are of sufficient capacity to meet current and future needs.

## **8.17 Plans and Maps**

All plans and maps included in our Report are strictly for identification purposes only, and, whilst believed to be correct, are not guaranteed and must not form part of any contract. All are published under licence and may include mapping data from Ordnance Survey © Crown Copyright. All rights are reserved.

## **8.18 Compliance with Building Regulations and Statutory Requirements**

Unless otherwise stated in our Report none of the properties are of 6 storeys or more or are subject to any remedial works in the wake of the Grenfell Tower disaster of June 2017. We have therefore assumed that the properties conform to the Fire Precaution Regulations and any other statutory requirements.





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## About JLL

JLL (NYSE: JLL) is a leading professional services firm that specializes in real estate and investment management. A Fortune 500 company, JLL helps real estate owners, occupiers and investors achieve their business ambitions. In 2016, JLL had revenue of \$6.8 billion and fee revenue of \$5.8 billion and, on behalf of clients, managed 4.4 billion square feet, or 409 million square meters, and completed sales acquisitions and finance transactions of approximately \$136 billion. At year-end 2016, JLL had nearly 300 corporate offices, operations in over 80 countries and a global workforce of more than 77,000. As of December 31, 2016, LaSalle Investment Management has \$60.1 billion of real estate under asset management. JLL is the brand name, and a registered trademark, of Jones Lang LaSalle Incorporated.

<https://internetadmin.jll.com/united-kingdom/en-gb>

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# Appendix 1

## General Terms and Conditions

## 1. AGREEMENT

1.1. These Terms together with any Engagement set out the terms on which JLL will provide the Services to the Client. Each of the provisions provided in the Agreement are severable and distinct from the others.

1.2. The Engagement shall prevail to the extent of any conflict between the Terms, and the Engagement. The Agreement supersedes any previous arrangement concerning its subject matter. Unless the Parties agree otherwise, these Terms shall apply to any future instructions from the Client, although such instructions may be subject to a separate Engagement.

## 2. INTERPRETATION

The following definitions and rules of interpretation apply in these Terms:

### 2.1. Definitions

**"Affiliates"** includes in relation to either Party each and any subsidiary or holding company of that Party and each and any subsidiary of a holding company of that Party and any business entity from time to time controlling, controlled by, or under common control with, that Party, and **"holding company"** means a holding company as defined in section 1159 of the Companies Act 2006 or a parent undertaking as defined in section 1162 and schedule 7 of the Companies Act 2006, and **"subsidiary"** means a subsidiary as defined in section 1159 of the Companies Act 2006 or a subsidiary undertaking as defined in section 1162 and schedule 7 of the Companies Act 2006;

**"Agreement"** means any Engagement and these Terms together;

**"Client"** means the Party who enters into the Agreement with JLL;

**"Data Protection Legislation"** shall mean GDPR and any national implementing laws, regulations and secondary legislation in force in the United Kingdom from time to time;

**"Engagement"** means the agreement, letter of engagement or engagement agreement or email and any schedules/appendices sent to the Client by JLL (or agreed in writing) which sets out details of the Services to be provided to the Client pursuant to the Agreement;

**"GDPR"** means the General Data Protection Regulation ((EU) 2016/679) and in this Agreement: "controller", "processor", "data subject", "personal data", "personal data breach", "supervisory authority", and "processing" shall have the meaning set out in the GDPR, and references to "personal data" shall in addition mean personal data related to the Agreement.

**"Insolvent"** means in relation to:

- (a) a company (including any body corporate), that it:
  - (i) is unable to pay its debts as they fall due;
  - (ii) becomes or is deemed insolvent;
  - (iii) has a notice of intention to appoint an administrator filed at Court in respect of it, has an administrator appointed over, or has an administration order in relation to it, or has appointed a receiver or an administrative receiver over, or an encumbrancer takes possession of or sells the whole or part of its undertaking, assets, rights or revenue;
  - (iv) passes a resolution for its winding up or a court of competent jurisdiction makes an order for it to be wound up or dissolved or it is otherwise dissolved (other than a voluntary winding up solely for the purpose of a solvent amalgamation or reconstruction); or
  - (v) enters into an arrangement, compromise or composition in satisfaction of its debts with its creditors or any class of them or takes steps to obtain a moratorium or making an application to a court of competent jurisdiction for protection of its creditors;
- (b) a partnership, that it is dissolved by reason of the bankruptcy of one or more of its partners;
- (c) an individual, that they are bankrupt; and
- (d) a Party based outside England and Wales, that it is considered insolvent by the laws applicable to that Party;

**"JLL"** means Jones Lang LaSalle Limited of 30 Warwick Street London W1B 5NH registered in England and Wales with company number 01188567 and/or any Affiliate of JLL that provides the Services to the Client;

**"Materials"** means all materials, equipment, documents and other property of JLL made available to the Client by JLL in carrying out the Services;

**"Party"** means either the Client or JLL (as the context requires) and **"Parties"** shall mean both of them;

**"Services"** means the Services set out in the Engagement or as otherwise agreed in writing between the Parties;

**"Terms"** means these terms and conditions.

2.2. Unless the context otherwise requires, words in the singular shall include the plural and, in the plural, shall include the singular.

2.3. A reference to a statute or statutory provision is a reference to it as it is in force as at the date of the Agreement and shall include all subordinate legislation made as at the date of the Agreement under that statute or statutory provision.

2.4. A reference to writing or written unless otherwise specified herein includes email.

2.5. Any words following the terms including, include, in particular or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.

2.6. Headings are for convenience only and do not affect the interpretation of this Agreement.

### **3. SERVICES**

3.1. JLL shall provide the Services using reasonable care and skill.

3.2. JLL has no obligation to provide any services other than the Services and has no obligation to provide nor any liability for:

- a) an opinion on the price of a property (unless specifically agreed in writing);
- b) any advice regarding the condition of a property (unless specifically agreed in writing);
- c) the security or management of a property unless specifically instructed to arrange it;
- d) the safety of any third party entering any premises; or
- e) the management or payment of any third party suppliers.

3.3. Where the Parties have agreed that JLL shall carry out estate agency business, JLL shall (i) report in writing all offers it receives regarding the relevant property; and (ii) comply with its obligations under the Estate Agents Act 1979 and regulations made under that Act together with any other similar laws and regulations.

3.4. Where agreed in writing JLL shall use reasonable endeavours to meet any performance dates. JLL shall not be responsible for any failure to meet performance dates due to causes outside its reasonable control and time shall not be of the essence for the performance of the Services.

3.5. JLL shall have the right to make any changes to the Services which are necessary to comply with any applicable law, regulation, safety requirement, or which do not materially affect the nature or quality of the Services and JLL shall notify the Client in any such event.

3.6. Without prejudice to clause 9.2(b), JLL will take all appropriate steps to identify, prevent or manage a conflict of interest that may arise in the course of business. In the event that an actual or potential conflict of interest is identified, JLL will recommend a course of action.

### **4. CLIENT OBLIGATIONS**

4.1. The Client shall:

- a) notify JLL promptly if it considers that any details or requirements set out in the Engagement are incomplete or inaccurate;
- b) co-operate with JLL in all matters relating to the Services;
- c) provide JLL, its employees, agents, consultants and subcontractors, with access to the relevant property as reasonably required by JLL to provide the Services; and
- d) obtain and maintain all necessary licences, permissions and consents which may be required by the Client before the date on which the Services are to start.

4.2. The Client shall promptly provide JLL with such information and materials as it may reasonably require in order to supply the Services and warrants that:

- a) such information is complete and accurate and was obtained and drafted in accordance with all applicable laws;
- b) it shall ensure that where the information and material include representations or descriptions of a property, that such information and material contain no misrepresentation or false impression;
- c) where the Client will advertise a property under JLL's logo, that such advertisement (including its content and context in which it will appear) is approved in writing by JLL prior to its publication; and
- d) it shall immediately notify JLL on becoming aware of any changes or issues that may render inaccurate any information or material provided to JLL.

4.3. In the event of any act or omission by the Client in breach of the Agreement or failure by the Client to perform any relevant obligation (Client Default):

- a) JLL shall without limiting its other rights or remedies have the right to suspend performance of the Services until the Client remedies the Client Default, and to rely on the Client to relieve JLL from the performance of any of its obligations to the extent the Client Default prevents or delays JLL's performance of any of its obligations; and
- b) JLL shall not be liable for any costs or losses sustained or incurred by the Client arising directly or indirectly from the Client Default.

4.4. The Client is responsible for effecting and maintaining adequate property and public liability insurance in relation to its activities and any relevant properties owned or occupied by it and shall be responsible for the safety of any person entering the relevant properties.

4.5. Where the Client constitutes more than one legal person, the liability of such persons shall be joint and several.

## 5. PAYMENTS

5.1. Whenever possible, the fees and expenses (if known) for the Services shall be as set out in the Engagement. Where fees and expenses for the Services are not specified in writing, JLL shall be entitled to the fee specified by the Royal Institution of Chartered Surveyors (RICS) or if there is none specified, by any other applicable professional body chosen by JLL (acting reasonably) or, if none is specified, a fair and reasonable fee by reference to time spent delivering the Services; and reimbursement of any expenses properly incurred by JLL on the Client's behalf.

5.2. All amounts payable by the Client under the Agreement are exclusive of value added tax (VAT) or similar taxes which the Client shall pay at the applicable rate.

5.3. In consideration of the provision of the Services, the Client shall pay each invoice submitted by JLL in accordance with the Agreement within 28 days from the date of invoice.

5.4. If the Client fails to make any payment due to JLL under the Agreement by the due date for payment, then JLL reserves the right to charge late payment interest after the due date on the overdue amount at the rate of 4% per cent per annum above the Bank of England's official bank rate from time to time. Such interest shall accrue on a daily basis from the due date until actual payment of the overdue amount, whether before or after

judgment. The Client shall pay the interest together with the overdue amount.

5.5. If termination of the Agreement takes place prior to the Services being completed, JLL shall, without limitation to its other rights and remedies under this Agreement or at law, be entitled to receive from the Client a reasonable fee proportionate to the part of the Services performed to the date of termination.

## 6. INTELLECTUAL PROPERTY RIGHTS

6.1. All intellectual property rights in or arising out of or in connection with the Services including the intellectual property rights in Materials shall be owned by JLL unless otherwise expressly agreed in writing. For this purpose **"intellectual property rights"** means patents, utility models, rights to inventions, copyright and related rights, trademarks and service marks, trade names and domain names, trade secrets, rights in get-up, goodwill and the right to sue for passing off or unfair competition, rights in designs, rights in computer software, database rights, rights to preserve the confidentiality of information (including know-how and trade secrets) and any other intellectual property rights, including all applications for (and rights to apply for and be granted), renewals or extensions of, and rights to claim priority from, such rights and all similar or equivalent rights or forms of protection which subsist or will subsist, now or in the future, in any part of the world.

6.2. The Client shall have an irrevocable, royalty-free, non-exclusive licence to use the Materials for the purposes for which they are prepared by JLL, subject to JLL having received full payment for the Services in accordance with the Agreement. Such licence shall be capable of sub-licence by the Client to its employees, agents and subcontractors and shall survive termination. No third party has any right to use any such Materials without JLL's specific consent. JLL shall not be liable for the use of any Material for any purpose other than that for which JLL provided it to the Client.

6.3. Nothing in this clause 6 shall affect the Client's intellectual property rights that pre-exist the Services. The Client shall grant to JLL an irrevocable, royalty-free, non-exclusive, sub-licensable licence to use such pre-existing intellectual property rights for the purpose of carrying out the Services.

## 7. CONFIDENTIALITY

7.1. A Party (receiving party) shall keep in strict confidence all technical or commercial know-how, processes or initiatives which are of a confidential nature and have been disclosed to the receiving party by the other Party (disclosing party), their Affiliates and their employees, agents or subcontractors, and any other confidential information concerning the disclosing party's

business, its products and services which the receiving party may obtain. The receiving party shall ensure that such Affiliates, employees, agents and subcontractors comply with the obligations set out in this clause as though they were a party to the Agreement. The receiving party may disclose such of the disclosing party's confidential information as is required to be disclosed by law, any governmental or regulatory authority or by a court of competent jurisdiction, or with the consent of the disclosing party. JLL may remove, or arrange for the removal of, names and any other identifiers from confidential information and then use such anonymised information for lawful purposes chosen at its discretion.

7.2 Where JLL delivers services to or is approached to deliver services to another party JLL shall not be required to use or disclose to the Client any information known to JLL, which is confidential to another party.

## **8. LIABILITY**

8.1. a) JLL shall under no circumstances whatsoever be liable, whether in contract, tort (including negligence), breach of statutory duty, or otherwise, for any loss of profit, loss of revenue or loss of anticipated savings, or for any indirect, special or consequential loss arising out of or in connection with the Agreement and/or the Services;

b) JLL's total liability in respect of all losses arising out of or in connection with the Agreement and/or the Services, whether in contract, tort (including negligence), breach of statutory duty, or otherwise, shall not exceed £5 million; and

c) nothing in the Agreement limits any liability which cannot legally be limited, including but not limited to, liability for: death or personal injury caused by negligence; or fraud or fraudulent misrepresentation.

8.2. JLL shall have no liability for the consequences, including delay in or failure to provide the Services:

a) due to any failure by the Client or any representative or agent of the Client to provide information or other material that JLL reasonably requires promptly, or where that information or material provided is inaccurate or incomplete;

b) to the extent that the Client or someone on the Client's behalf for whom JLL is not responsible is responsible, and where JLL is one of the parties liable in conjunction with others, JLL's liability shall be limited to the share of loss reasonably attributable to JLL on the assumption

that all other parties pay the share of loss attributable to them (whether or not they do); or

c) due to any failure by the Client or any representative or agent of the Client to follow JLL's advice or recommendations.

8.3. JLL owes no duty of care and has no liability to anyone but the Client unless specifically agreed in writing by JLL.

## **9. TERMINATION**

9.1. Without limiting its other rights or remedies, either Party may terminate the Agreement by giving the other Party 28 days' written notice.

9.2. Without limiting its other rights or remedies, either Party may terminate the Agreement with immediate effect by giving written notice to the other Party if:

a) the other Party commits a material breach of the Agreement and (if such a breach is remediable) fails to remedy that breach within 14 days of that Party being notified in writing to do so;

b) a conflict of interest arises which prevents JLL continuing to act for the Client; or

c) the other Party becomes Insolvent.

9.3. Without limiting its other rights or remedies, JLL may suspend provision of the Services under the Agreement or any other contract between the Client and JLL if the Client becomes Insolvent, or JLL reasonably believes that the Client is about to become Insolvent, or if the Client fails to pay any amount due under the Agreement on the due date for payment.

9.4. On termination of the Agreement for any reason:

a) the Client shall immediately pay to JLL all of JLL's outstanding unpaid invoices and interest and, in respect of Services supplied but for which no invoice has been submitted and associated expenses, JLL shall submit an invoice, which shall be payable by the Client immediately on receipt;

b) the Client shall return any Materials which have not been fully paid for;

c) JLL may, to comply with legal, regulatory or professional requirements, keep one copy of all Material which is what was supplied by or on behalf of the Client in relation to the Services;

- d) the accrued rights, remedies, obligations and liabilities of the Parties as at expiry or termination shall be unaffected, including the right to claim damages in respect of any breach of the Agreement which existed at or before the date of termination or expiry; and
- e) clauses which expressly or by implication survive termination shall continue in full force and effect.

9.5. JLL may destroy any hard copy and electronic files it has in its possession after six years from the earlier of completion of the Services or termination of the Agreement.

## 10. DATA PROTECTION

10.1. JLL (including third parties as described in our Privacy Statement available at [www.jll.co.uk](http://www.jll.co.uk)) may process in hard copy and/or in electronic form, personal data regarding the Client, its officers and any other individuals connected with the Client ('Client Contacts'). It may also verify the identity of Client Contacts including carrying out checks with third parties such as financial probity, anti-money laundering or sanctions-checking agencies. To facilitate compliance with money laundering regulations and avoid duplication of due diligence, the Client acknowledges that JLL may share Client contacts' personal data with such third party agencies and JLL Affiliates.

10.2 Unless the Agreement and factual arrangements dictate otherwise, as between the Parties for the purposes of the Agreement, the Client is deemed to be the controller and JLL is deemed to be the processor. The Client will ensure that any transfer of personal data to JLL (and any sub-processors under clause 10.11) complies with the Data Protection Legislation. In providing the Services, JLL in its role as processor shall comply with the Data Protection Legislation as it relates to data processors. Nothing within the Agreement relieves either Party of its own direct responsibilities and liabilities under the Data Protection Legislation.

10.3 JLL shall not process personal data other than in relation to the documented instructions of the Client, unless it is required to process the personal data by any law to which it is subject. In such a case JLL shall inform the Client of that legal requirement before complying with it, unless that law prohibits JLL from doing so.

10.4 JLL shall ensure that it and any third party with access to the personal data has appropriate technical and organisational security measures in place, to guard against the unauthorised or unlawful processing of personal data and against the accidental or unlawful destruction, loss, alteration, unauthorised disclosure of, or access to, the personal data. Upon a written request, JLL

shall provide to the Client a general description of the security measures it has adopted.

10.5 JLL shall take reasonable steps to ensure any person that has access to personal data is made aware of their responsibilities, and subject to enforceable duties of confidentiality.

10.6 JLL shall notify the Client without undue delay if it:

10.6.1 receives a request for access from an individual, or a request relating to any of the other individuals' rights available under the Data Protection Legislation, in respect of personal data;

10.6.2 receives any enquiry or complaint from a data subject, supervisory authority or third party regarding the processing of the personal data; and

10.6.3 becomes aware of a personal data breach affecting personal data, unless the breach is unlikely to result in a risk to the rights and freedoms of data subjects.

10.7 JLL shall assist and provide all information reasonably requested in writing by the Client in relation to data protection impact assessments or 'prior consultation' with supervisory authorities or matters under clause 10.6.

10.8 JLL shall maintain all the records and information necessary to demonstrate its compliance with the requirements set out in this clause 10.

10.9 JLL shall allow the Client (or its appointed auditor) to audit JLL's compliance with this clause 10. The Client agrees to give reasonable notice of any audit, to undertake any audit during normal business hours, to take steps to minimise disruption to JLL's business, and not exercise this right of audit more than once every year unless instructed otherwise by a supervisory authority.

10.10 JLL shall, upon receipt of a written request, from the Client delete or return all personal data at the end of the provision of the Services. JLL may retain copies of the personal data in accordance with any legal or regulatory requirements, or any guidance that has been issued in relation to deletion or retention by a supervisory authority.

10.11 JLL shall only engage a sub-processor where:

10.11.1 the Client has agreed in writing to the engagement of the sub-processor; or

10.11.2 the sub-processor is an Affiliate of JLL or a service provider engaged by JLL to support the infrastructure and administration of its business (with details maintained at <http://www.jll.co.uk/sub-processors>).

10.12 JLL shall ensure that any arrangements between JLL and a sub-processor are governed by a written contract including terms which offer at least the same level of protection for personal data as those set out in this clause. Where JLL intends to engage a new sub-processor under 10.11.2 and the Client objects, then the Client may choose to terminate the Services in accordance with clause 9.

10.13 In accordance with clause 12.1, JLL shall remain liable for the acts and omissions of its sub-processors.

10.14 JLL shall only transfer personal data outside the European Economic Area where it has ensured the transfer complies with the Data Protection Legislation.

## 11. FORCE MAJEURE

11.1. Neither Party shall be liable to the other Party as a result of any delay or failure to perform its obligations under the Agreement as a result of any event beyond the reasonable control of either Party including strikes, lock-outs or other industrial disputes (whether involving the workforce of JLL or any other party), failure of a utility service or transport network, act of God, war, riot, civil commotion, malicious damage, compliance with any law or governmental order, rule, regulation or direction, accident, breakdown of plant or machinery, fire, flood, storm or default of suppliers or subcontractors.

11.2. If such an event prevents either Party from providing any of the Services for more than four weeks, the affected Party shall, without limiting their other rights or remedies, have the right to terminate the Agreement immediately by giving written notice to the Party.

11.3. This clause does not apply to the payment of fees due to JLL by the Client.

## 12. GENERAL

12.1. **Subcontracting.** JLL may subcontract or deal in any other manner with all or any of its rights or obligations under the Agreement to any third party or agent provided that:

- (i) where JLL subcontracts or delegates its obligations at the specific request of the Client, JLL shall have no liability for the acts or omissions of the third party or agent; and
- (ii) otherwise, JLL shall remain liable for the acts or omissions of the third party or agent, unless the Client agrees to rely only on the third party or agent, such agreement not to be unreasonably withheld.

12.2. **Notices.** a) Any notice or other communication, including the service of any proceedings or other documents in any legal action given to a Party under or in connection with the Agreement shall be in writing, addressed to that Party at its registered office (if it is a company) or its principal place of business (in any other case) or such other address as that Party may have specified to the other Party in writing in accordance with this clause, and shall be delivered personally or sent by pre-paid first class post or commercial courier. Any notice or other communication sent to a Party located in a different country to the sending Party must be sent by commercial courier;

b) A notice or other communication shall be deemed to have been received: if delivered personally, when left at the address referred to in clause 12.2.a); if sent by pre-paid first class post at 9.00 am on the second business day after posting; or if sent by commercial courier, on the date and at the time that the courier's delivery receipt is signed. For this purpose, a business day means a day (other than a Saturday or Sunday) on which banks are open for business in London.

12.3. **Severance.** a) If any provision or part-provision of the Agreement is or becomes invalid, illegal or unenforceable, it shall be deemed modified to the minimum extent necessary to make it valid, legal and enforceable. If such modification is not possible, the relevant provision or part-provision shall be deemed deleted. Any modification to or deletion of a provision or part-provision under this clause shall not affect the validity and enforceability of the rest of the Agreement;

b) If any provision or part-provision of the Agreement is invalid, illegal or unenforceable, the Parties shall negotiate in good faith to amend such provision so that, as amended, it is legal, valid and enforceable, and, to the greatest extent possible, achieves the intended commercial result of the original provision.

12.4. **Waiver.** A waiver of any right under the Agreement or law is only effective if it is in writing and shall not be deemed to be a waiver of any subsequent breach or default. No failure or delay by a Party in exercising any right or remedy provided under the Agreement or by law shall constitute a waiver of that or any other right or remedy, nor shall it prevent or restrict its further exercise of that or any other right or remedy. No single or partial exercise of such right or remedy shall prevent or restrict the further exercise of that or any other right or remedy.



12.5. **No Partnership or Agency.** Nothing in the Agreement is intended to, or shall be deemed to, establish any partnership or joint venture between the Parties, nor constitute either Party the agent of the other for any purpose. Neither Party shall have authority to act as agent for, or to bind, the other Party in any way.

12.6. **Third parties.** Subject to clause 12.8, a person who is not a Party to the Agreement shall not have any rights to enforce its Terms unless specifically agreed in writing.

12.7. **Variation.** Except as set out in these Terms, no variation of the Agreement, including the introduction of any additional terms and conditions, shall be effective unless it is agreed in writing and signed by both Parties. Unless otherwise expressly agreed, variation of these Terms does not require the consent of any third party (whether any employee referred to in clause 12.8 or otherwise).

12.8. **Protection of Employees.** Save in respect of fraud or criminal conduct no employee of JLL or any Affiliate has any personal liability to the Client nor to anyone representing the Client. Neither the Client nor anyone representing the Client may make a claim or bring proceedings against an employee or former employee personally. Any such employee of JLL is entitled to enforce this provision pursuant to the Contracts (Rights of Third Parties) Act 1999.

12.9. **Directors.** Some employees of JLL have the title of “director”. The Client acknowledges that this does not mean they hold the office of director for the purposes of the Companies Act 2006. Rather, it means that they hold a senior role as an employee of JLL.

12.10. **Complaints.** JLL’s complaints procedure is available on request.

12.11. **Publicity.** Neither Party may publicise or issue any specific information to the media about the Services or the Agreement’s subject matter without the consent of the other.

12.12. **Criminal Activity.** To comply with the law and professional rules on suspected criminal activity JLL is required to verify the identity of its clients and understand their business. Upon request, the Client will promptly provide to JLL evidence of the Client’s identity, management or ownership. Where JLL is required by law to obtain similar evidence for another party to a transaction, the Client will provide all reasonable assistance to obtain such evidence. JLL may also need to provide such evidence to another party’s agents and the Client consents to the release of such information. If a Party fails to provide such evidence the transaction and Services may not be able to proceed. JLL is required by law to report to the appropriate authorities any knowledge or suspicion of money laundering or

terrorist financing. JLL may be unable to inform the Client of any disclosure and may have to stop the Services for a period of time without explanation.

12.13. **Regulated Activity.** JLL is not permitted to carry out any activity regulated by the Financial Services and Markets Act 2000 including the insurance of property, except through an authorised person and in accordance with a separate agreement. Unless JLL specifically agrees otherwise in writing, no communication by JLL is intended to be, or should be construed as an invitation or inducement to any person to engage in investment activity for the purposes of the Financial Services and Markets Act 2000, or as the approval of any communication of any such invitation or inducement.

12.14. **Anti-bribery.** Both parties shall comply with all applicable laws, statutes, regulations, relating to anti-bribery and anti-corruption including but not limited to the Bribery Act 2010.

12.15. **RICS.** JLL is regulated by RICS for the provision of surveying services and agrees to uphold the RICS Rules of Conduct for Firms and all other applicable mandatory professional practice requirements of RICS, which can be found at [www.rics.org](http://www.rics.org). As a RICS regulated firm JLL has committed to cooperate with RICS to ensure compliance with its standards. JLL’s nominated RICS contact is Luis Campbell, Head of Compliance: [emeacompliance@eu.jll.com](mailto:emeacompliance@eu.jll.com).

12.16. **Governing Law.** The Agreement and any disputes arising from it (including non-contractual claims and disputes) are governed by English Law.

12.17. **Jurisdiction.** Each Party irrevocably agrees that the courts of England and Wales shall have exclusive jurisdiction over any dispute or claim arising out of or in connection with this agreement or its subject matter or formation (including non-contractual disputes or claims).

12.18. **Language.** These Terms are provided in English and JLL will communicate with the Client in English.

12.19. **Survival.** Clauses 5 to 10 shall survive termination of the Agreement.

## Appendix 2

### Property Schedule

**Valuation Schedule****Housing Association:****Valuer:****Valuation Date:****Valuation:****Optivo****JLL****03 April 2020****Optivo Bond Issue 2020**

| Category                   | Units        | EUV-SH             | MV-T                | Asset Value for Lending Purposes | Indicative MV-VP    |
|----------------------------|--------------|--------------------|---------------------|----------------------------------|---------------------|
| General Needs Unrestricted | 776          | £63,030,000        | £151,790,000        | £151,790,000                     | £257,075,000        |
| General Needs Restricted   | 8            | £580,000           | -                   | £580,000                         | £1,760,000          |
| Affordable Unrestricted    | 8            | £1,130,000         | £1,960,000          | £1,960,000                       | £2,685,000          |
| Affordable Restricted      | 1            | £60,000            | -                   | £60,000                          | £210,000            |
| Supported                  | 6            | £510,000           | £1,300,000          | £1,300,000                       | £1,915,000          |
| Shared Ownership           | 213          | £21,660,000        | -                   | £21,660,000                      | £70,585,000         |
| <b>Total</b>               | <b>1,012</b> | <b>£86,970,000</b> | <b>£155,050,000</b> | <b>£177,350,000</b>              | <b>£334,230,000</b> |

*Plus 319 Nil Value Properties*

Valuation Schedule  
Housing Association:  
Valuer:  
Valuation Date:  
Valuation:

Optivo  
JLL  
03 April 2020  
Optivo Bond Issue 2020

| Property Reference Number | Title Number | Address 1                   | Address 2              | Address 3   | Address 4 | County         | Postcode | Freehold/ Leasehold | JLL Basis of Valuation | Prop. Type | No. Bedrooms | EUV-SH   | MV-T     |
|---------------------------|--------------|-----------------------------|------------------------|-------------|-----------|----------------|----------|---------------------|------------------------|------------|--------------|----------|----------|
| 15306                     | SGL446052    | 22 Maberley Road            | Anerley                | London      |           | Greater London | SE19 2JA | Freehold            | MV-T                   | Maisonette | 2            | £84,709  | £198,601 |
| 64906                     | SGL226256    | 32 Rowena Crescent          | Battersea              | London      |           | Greater London | SW11 2PT | Freehold            | MV-T                   | House      | 3            | £119,622 | £380,098 |
| 13121                     | LN181028     | 64A Brailsford Road         | Tulse Hill             | London      |           | Greater London | SW2 2TF  | Freehold            | MV-T                   | Flat       | 1            | £80,798  | £162,029 |
| 13122                     | LN181028     | 64B Brailsford Road         | Tulse Hill             | London      |           | Greater London | SW2 2TF  | Freehold            | MV-T                   | Flat       | 2            | £93,396  | £182,283 |
| 13123                     | LN181028     | 64C Brailsford Road         | Tulse Hill             | London      |           | Greater London | SW2 2TF  | Freehold            | MV-T                   | Flat       | 2            | £93,396  | £182,283 |
| 11976                     | LN34600      | 61C East Dulwich Grove      | East Dulwich           | London      |           | Greater London | SE22 8PR | Freehold            | MV-T                   | Flat       | 2            | £98,398  | £230,695 |
| 11977                     | LN34600      | 61A East Dulwich Grove      | East Dulwich           | London      |           | Greater London | SE22 8PR | Freehold            | MV-T                   | Flat       | 2            | £96,655  | £226,607 |
| 11978                     | LN34600      | 61B East Dulwich Grove      | East Dulwich           | London      |           | Greater London | SE22 8PR | Freehold            | MV-T                   | Maisonette | 4            | £123,161 | £288,750 |
| 11894                     | LN174963     | 1A Luxor Street             | Loughboro' Junction    | London      |           | Greater London | SE5 9QN  | Freehold            | MV-T                   | Maisonette | 3            | £111,993 | £262,567 |
| 11895                     | LN174963     | 1B Luxor Street             | Loughboro' Junction    | London      |           | Greater London | SE5 9QN  | Freehold            | MV-T                   | Maisonette | 3            | £112,511 | £263,782 |
| 10650                     | LN231885     | 98A Breakspears Road        | Brockley               | London      |           | Greater London | SE4 1TS  | Freehold            | MV-T                   | Flat       | 3            | £106,213 | £249,015 |
| 10651                     | LN231885     | 98B Breakspears Road        | Brockley               | London      |           | Greater London | SE4 1TS  | Freehold            | MV-T                   | Flat       | 2            | £139,811 | £270,049 |
| 10652                     | LN231885     | 98C Breakspears Road        | Brockley               | London      |           | Greater London | SE4 1TS  | Freehold            | MV-T                   | Flat       | 2            | £79,934  | £190,049 |
| 13362                     | SY190300     | 3A Woodside                 | Wimbledon              | London      |           | Greater London | SW19 7AR | Freehold            | MV-T                   | Flat       | 1            | £92,532  | £216,940 |
| 13363                     | SY190300     | 3B Woodside                 | Wimbledon              | London      |           | Greater London | SW19 7AR | Freehold            | MV-T                   | Flat       | 1            | £90,804  | £212,889 |
| 13364                     | SY190300     | 3C Woodside                 | Wimbledon              | London      |           | Greater London | SW19 7AR | Freehold            | MV-T                   | Flat       | 1            | £90,796  | £212,871 |
| 15307                     | SGL446052    | FLAT 1                      | 24 Maberley Road       | Anerley     | London    | Greater London | SE19 2JA | Freehold            | MV-T                   | Flat       | 2            | £84,709  | £198,601 |
| 15308                     | SGL446052    | FLAT 2                      | 24 Maberley Road       | Anerley     | London    | Greater London | SE19 2JA | Freehold            | MV-T                   | Flat       | 2            | £94,479  | £221,507 |
| 15309                     | SGL446052    | FLAT 3                      | 24 Maberley Road       | Anerley     | London    | Greater London | SE19 2JA | Freehold            | MV-T                   | Flat       | 2            | £84,709  | £198,601 |
| 15310                     | SGL446052    | FLAT 4                      | 24 Maberley Road       | Anerley     | London    | Greater London | SE19 2JA | Freehold            | MV-T                   | Flat       | 2            | £84,709  | £198,601 |
| 17194                     | LN194566     | FLAT 1                      | 272 Queens Road        | New Cross   | London    | Greater London | SE14 5JN | Freehold            | MV-T                   | Flat       | 2            | £89,485  | £209,796 |
| 17195                     | LN194566     | FLAT 2                      | 272 Queens Road        | New Cross   | London    | Greater London | SE14 5JN | Freehold            | MV-T                   | Flat       | 3            | £99,050  | £232,223 |
| 17196                     | LN194566     | FLAT 3                      | 272 Queens Road        | New Cross   | London    | Greater London | SE14 5JN | Freehold            | MV-T                   | Flat       | 1            | £76,879  | £180,243 |
| 17197                     | LN194566     | FLAT 4                      | 272 Queens Road        | New Cross   | London    | Greater London | SE14 5JN | Freehold            | MV-T                   | Flat       | 3            | £99,050  | £232,223 |
| 17198                     | LN194566     | FLAT 5                      | 272 Queens Road        | New Cross   | London    | Greater London | SE14 5JN | Freehold            | MV-T                   | Flat       | 3            | £99,050  | £232,223 |
| 62837                     | SGL290715    | 7 Killburns Mill Close      | Wallington             | Surrey      |           | Greater London | SM6 7EX  | Freehold            | EUV-SH                 | Flat       | 1            | £60,165  | -        |
| 62894                     | SGL290715    | 8 Killburns Mill Close      | Wallington             | Surrey      |           | Greater London | SM6 7EX  | Freehold            | EUV-SH                 | Flat       | 1            | £70,270  | -        |
| 63086                     | SGL290715    | 9 Killburns Mill Close      | Wallington             | Surrey      |           | Greater London | SM6 7EX  | Freehold            | EUV-SH                 | Flat       | 1            | £70,270  | -        |
| 63283                     | SGL290715    | 10 Killburns Mill Close     | Wallington             | Surrey      |           | Greater London | SM6 7EX  | Freehold            | EUV-SH                 | Flat       | 1            | £70,270  | -        |
| 60901                     | SGL64937     | FLAT 1                      | 8 Veronica Road        | Tooling     | London    | Greater London | SW17 8QL | Freehold            | MV-T                   | Flat       | 1            | £85,236  | £199,835 |
| 61048                     | SGL64937     | FLAT 2                      | 8 Veronica Road        | Tooling     | London    | Greater London | SW17 8QL | Freehold            | MV-T                   | Flat       | 1            | £81,639  | £191,402 |
| 61978                     | SGL64937     | FLAT 3                      | 8 Veronica Road        | Tooling     | London    | Greater London | SW17 8QL | Freehold            | MV-T                   | Flat       | 1            | £90,568  | £212,337 |
| 62266                     | SGL64937     | FLAT 4                      | 8 Veronica Road        | Tooling     | London    | Greater London | SW17 8QL | Freehold            | MV-T                   | Flat       | 1            | £85,785  | £201,123 |
| 62429                     | SGL64937     | FLAT 5                      | 8 Veronica Road        | Tooling     | London    | Greater London | SW17 8QL | Freehold            | MV-T                   | Flat       | 2            | £96,192  | £237,561 |
| 60920                     | LN59370      | FLAT 1                      | 9 Tynwhitt Road        | Brockley    | London    | Greater London | SE4 1OD  | Freehold            | MV-T                   | Maisonette | 3            | £73,432  | £213,805 |
| 61465                     | LN59370      | FLAT 2                      | 9 Tynwhitt Road        | Brockley    | London    | Greater London | SE4 1OD  | Freehold            | MV-T                   | Flat       | 1            | £81,654  | £185,659 |
| 61660                     | LN59370      | FLAT 3                      | 9 Tynwhitt Road        | Brockley    | London    | Greater London | SE4 1OD  | Freehold            | MV-T                   | Flat       | 1            | £80,107  | £185,659 |
| 60495                     | LN215706     | FLAT 1                      | 10 Sangora Road        | Battersea   | London    | Greater London | SW11 1RL | Freehold            | MV-T                   | Flat       | 1            | £97,315  | £237,561 |
| 61169                     | LN215706     | FLAT 2                      | 10 Sangora Road        | Battersea   | London    | Greater London | SW11 1RL | Freehold            | MV-T                   | Flat       | 1            | £97,315  | £237,561 |
| 61757                     | LN215706     | FLAT 3                      | 10 Sangora Road        | Battersea   | London    | Greater London | SW11 1RL | Freehold            | MV-T                   | Flat       | 1            | £95,139  | £237,561 |
| 63334                     | SGL290715    | 11 Killburns Mill Close     | Wallington             | Surrey      |           | Greater London | SM6 7EX  | Freehold            | EUV-SH                 | Flat       | 1            | £70,270  | -        |
| 63482                     | SGL290715    | 12 Killburns Mill Close     | Wallington             | Surrey      |           | Greater London | SM6 7EX  | Freehold            | EUV-SH                 | Flat       | 1            | £70,270  | -        |
| 63560                     | SGL290715    | 13 Killburns Mill Close     | Wallington             | Surrey      |           | Greater London | SM6 7EX  | Freehold            | EUV-SH                 | Flat       | 2            | £79,304  | -        |
| 63643                     | SGL290715    | 14 Killburns Mill Close     | Wallington             | Surrey      |           | Greater London | SM6 7EX  | Freehold            | EUV-SH                 | Flat       | 1            | £70,270  | -        |
| 63795                     | SGL290715    | 15 Killburns Mill Close     | Wallington             | Surrey      |           | Greater London | SM6 7EX  | Freehold            | EUV-SH                 | Flat       | 2            | £79,304  | -        |
| 60557                     | K63604       | FLAT 1                      | 16 Versailles Road     | Anerley     | London    | Greater London | SE20 8AX | Freehold            | MV-T                   | Flat       | 2            | £93,820  | £219,960 |
| 61349                     | K63604       | FLAT 2                      | 16 Versailles Road     | Anerley     | London    | Greater London | SE20 8AX | Freehold            | MV-T                   | Flat       | 1            | £80,359  | £188,400 |
| 61607                     | K63604       | FLAT 3                      | 16 Versailles Road     | Anerley     | London    | Greater London | SE20 8AX | Freehold            | MV-T                   | Maisonette | 3            | £105,545 | £247,450 |
| 64268                     | LN224887     | FLAT 21C                    | 21 Crockerton Road     | Tooling     | London    | Greater London | SW17 7HE | Freehold            | MV-T                   | Flat       | 1            | £90,776  | £232,685 |
| 64279                     | LN224887     | FLAT 21E                    | 21 Crockerton Road     | Tooling     | London    | Greater London | SW17 7HE | Freehold            | MV-T                   | Flat       | 2            | £109,739 | £257,283 |
| 64303                     | LN224887     | FLAT 21D                    | 21 Crockerton Road     | Tooling     | London    | Greater London | SW17 7HE | Freehold            | MV-T                   | Flat       | 1            | £88,786  | £227,584 |
| 64316                     | LN224887     | FLAT 21A                    | 21 Crockerton Road     | Tooling     | London    | Greater London | SW17 7HE | Freehold            | MV-T                   | Flat       | 1            | £94,927  | £222,556 |
| 64317                     | LN224887     | FLAT 21B                    | 21 Crockerton Road     | Tooling     | London    | Greater London | SW17 7HE | Freehold            | MV-T                   | Flat       | 1            | £90,776  | £232,685 |
| 60560                     | SGL329829    | FLAT 1                      | 27 Tynwhitt Road       | Brockley    | London    | Greater London | SE4 1OD  | Freehold            | MV-T                   | Maisonette | 3            | £85,314  | £213,805 |
| 61534                     | SGL329829    | FLAT 2                      | 27 Tynwhitt Road       | Brockley    | London    | Greater London | SE4 1OD  | Freehold            | MV-T                   | Flat       | 1            | £74,123  | £173,780 |
| 61866                     | SGL329829    | FLAT 3                      | 27 Tynwhitt Road       | Brockley    | London    | Greater London | SE4 1OD  | Freehold            | MV-T                   | Flat       | 1            | £81,654  | £185,659 |
| 60805                     | SGL202358    | FLAT 1                      | 28 Shell Road          | Ladywell    | London    | Greater London | SE13 7TW | Freehold            | MV-T                   | Flat       | 1            | £63,222  | £154,415 |
| 61018                     | SGL202358    | FLAT 2                      | 28 Shell Road          | Ladywell    | London    | Greater London | SE13 7TW | Freehold            | MV-T                   | Flat       | 2            | £95,116  | £222,998 |
| 60667                     | SGL180170    | FLAT 1                      | 57 Upper Brockley Road | Brockley    | London    | Greater London | SE4 1SY  | Freehold            | MV-T                   | Maisonette | 3            | £113,383 | £265,826 |
| 61195                     | SGL180170    | FLAT 2                      | 57 Upper Brockley Road | Brockley    | London    | Greater London | SE4 1SY  | Freehold            | MV-T                   | Maisonette | 3            | £73,565  | £213,805 |
| 60712                     | LN127317     | FLAT 1                      | 76 Shelgate Road       | Battersea   | London    | Greater London | SW11 1BQ | Freehold            | MV-T                   | Flat       | 1            | £97,315  | £237,561 |
| 61321                     | LN127317     | FLAT 2                      | 76 Shelgate Road       | Battersea   | London    | Greater London | SW11 1BQ | Freehold            | MV-T                   | Flat       | 1            | £97,315  | £237,561 |
| 61633                     | LN127317     | FLAT 3                      | 76 Shelgate Road       | Battersea   | London    | Greater London | SW11 1BQ | Freehold            | MV-T                   | Flat       | 1            | £97,315  | £237,561 |
| 60553                     | LN209551     | FLAT 1                      | 133 Lavender Sweep     | Battersea   | London    | Greater London | SW11 1EA | Freehold            | MV-T                   | Flat       | 1            | £160,428 | £314,991 |
| 61355                     | LN209551     | FLAT 2                      | 133 Lavender Sweep     | Battersea   | London    | Greater London | SW11 1EA | Freehold            | MV-T                   | Flat       | 1            | £95,186  | £237,561 |
| 61955                     | LN209551     | FLAT 3                      | 133 Lavender Sweep     | Battersea   | London    | Greater London | SW11 1EA | Freehold            | MV-T                   | Flat       | 1            | £100,346 | £237,561 |
| 12722                     | SGL278684    | 66 Sydenham Road            | Croydon                | Surrey      |           | Greater London | CR0 2EF  | Freehold            | MV-T                   | Flat       | 2            | £89,060  | £195,786 |
| 12723                     | SGL278684    | 66A Sydenham Road           | Croydon                | Surrey      |           | Greater London | CR0 2EF  | Freehold            | MV-T                   | Flat       | 1            | £78,644  | £151,903 |
| 12724                     | SGL278684    | 66B Sydenham Road           | Croydon                | Surrey      |           | Greater London | CR0 2EF  | Freehold            | MV-T                   | Maisonette | 2            | £89,045  | £195,786 |
| 12355                     | SGL23988     | 65A Southwell Road          | Denmark Hill           | London      |           | Greater London | SE5 9PF  | Freehold            | MV-T                   | Flat       | 1            | £86,013  | £201,657 |
| 12356                     | SGL23988     | 65B Southwell Road          | Denmark Hill           | London      |           | Greater London | SE5 9PF  | Freehold            | MV-T                   | Flat       | 1            | £86,005  | £201,639 |
| 12357                     | SGL23988     | 65C Southwell Road          | Denmark Hill           | London      |           | Greater London | SE5 9PF  | Freehold            | MV-T                   | Flat       | 1            | £86,005  | £201,639 |
| 12518                     | SGL248505    | 64A Croydon Road            | Penge                  | London      |           | Greater London | SE20 7AD | Freehold            | MV-T                   | Flat       | 1            | £76,008  | £168,781 |
| 12519                     | SGL248505    | 64B Croydon Road            | Penge                  | London      |           | Greater London | SE20 7AD | Freehold            | MV-T                   | Flat       | 1            | £77,759  | £168,781 |
| 12520                     | SGL248505    | 64C Croydon Road            | Penge                  | London      |           | Greater London | SE20 7AD | Freehold            | MV-T                   | Flat       | 4            | £107,736 | £252,587 |
| 11884                     | TGL180427    | 64A Cambria Road            | Denmark Hill           | London      |           | Greater London | SE5 9AS  | Freehold            | MV-T                   | Flat       | 1            | £90,906  | £213,129 |
| 11885                     | TGL180427    | 64B Cambria Road            | Denmark Hill           | London      |           | Greater London | SE5 9AS  | Freehold            | MV-T                   | Flat       | 1            | £78,631  | £184,349 |
| 12975                     | SGL268683    | FLAT 1                      | 62 Maberley Road       | Anerley     | London    | Greater London | SE19 2JA | Freehold            | MV-T                   | Flat       | 1            | £74,712  | £175,161 |
| 12976                     | SGL268683    | FLAT 2                      | 62 Maberley Road       | Anerley     | London    | Greater London | SE19 2JA | Freehold            | MV-T                   | Flat       | 1            | £104,858 | £202,537 |
| 12977                     | SGL268683    | FLAT 3                      | 62 Maberley Road       | Anerley     | London    | Greater London | SE19 2JA | Freehold            | MV-T                   | Maisonette | 2            | £89,618  | £210,109 |
| 11991                     | 356340       | FLAT 62A 62 Devonshire Road | Devonshire Road        | Forest Hill | London    | Greater London | SE23 3SX | Freehold            | MV-T                   | Flat       | 1            | £86,280  | £202,283 |
| 11992                     | 356340       | FLAT 62B 62 Devonshire Road | Devonshire Road        | Forest Hill | London    | Greater London | SE23 3SX | Freehold            | MV-T                   | Maisonette | 2            | £100,613 | £235,887 |
| 11993                     | 356340       | FLAT 62C 62 Devonshire Road | Devonshire Road        | Forest Hill | London    | Greater London | SE23 3SX | Freehold            | MV-T                   | Flat       | 1            | £86,280  | £202,283 |
| 12512                     | SGL248505    | 62A Croydon Road            | Penge                  | London      |           | Greater London | SE20 7AD | Freehold            | MV-T                   | Flat       | 1            | £80,861  | £168,781 |
| 12513                     | SGL248505    | 62B Croydon Road            | Penge                  | London      |           | Greater London | SE20 7AD | Freehold            | MV-T                   | Flat       | 1            | £78,851  | £168,781 |
| 12514                     | SGL248505    | 62C Croydon Road            | Penge                  | London      |           | Greater London | SE20 7AD | Freehold            | MV-T                   | Flat       | 4            | £92,885  | £217,769 |
| 12509                     | SGL248505    | 60A Croydon Road            | Penge                  | London      |           | Greater London | SE20 7AD | Freehold            | MV-T                   | Flat       | 1            | £76,008  | £168,781 |
| 12510                     | SGL248505    | 60B Croydon Road            | Penge                  | London      |           | Greater London | SE20 7AD | Freehold            | MV-T                   | Flat       | 1            | £76,008  | £168,781 |
| 12511                     | SGL248505    | 60C Croydon Road            | Penge                  | London      |           | Greater London | SE20 7AD | Freehold            | MV-T                   | Flat       | 4            | £107,736 | £252,587 |
| 12053                     | SGL178929    | 6A Thurlow Park Road        | West Dulwich           | London      |           | Greater London | SE21 8JB | Freehold            | MV-T                   | Flat       | 3            | £105,553 | £247,469 |
| 12054                     | SGL178929    | 6B Thurlow Park Road        | West Dulwich           | London      |           | Greater London | SE21 8JB | Freehold            | MV-T                   | Flat       | 1            | £79,055  | £182,283 |
| 12055                     | SGL178929    | 6C Thurlow Park Road        | West Dulwich           | London      |           | Greater London | SE21 8JB | Freehold            | MV-T                   | Flat       | 1            | £79,055  | £182,283 |
| 12056                     | SGL178929    | 6D Thurlow Park Road        | West Dulwich           | London      |           | Greater London | SE21 8JB | Freehold            | MV-T                   | Flat       | 3            | £105,553 | £247,469 |
| 12057                     | SGL178929    | 6E Thurlow Park Road        | West Dulwich           | London      |           | Greater London | SE21 8JB | Freehold            | MV-T                   | Flat       | 1            | £79,055  | £182,283 |
| 12058                     | SGL178929    | 6F Thurlow Park Road        | West Dulwich           | London      |           | Greater London | SE21 8JB | Freehold            | MV-T                   | Flat       | 1            | £79,055  | £182,283 |
| 11984                     | SGL184901    | 58A Cambria Road            | Denmark Hill           | London      |           | Greater London | SE5 9AS  | Freehold            | MV-T                   | Flat       | 1            | £80,437  | £188,584 |
| 11985                     | SGL184901    | 58B Cambria Road            | Denmark Hill           | London      |           | Greater London | SE5 9AS  | Freehold            | MV-T                   | Flat       | 1            | £78,631  | £184,349 |
| 12195                     | SY165161     | FLAT 54                     | 54 Clyde Road</        |             |           |                |          |                     |                        |            |              |          |          |

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| 11912 | SY298118  | 4A Newhaven Road           | South Norwood       | London        |
| 12765 | K43376    | 4A Hamlet Road             | Upper Norwood       | London        |
| 12766 | K43376    | 4B Hamlet Road             | Upper Norwood       | London        |
| 12767 | K43376    | 4C Hamlet Road             | Upper Norwood       | London        |
| 12768 | K43376    | 4D Hamlet Road             | Upper Norwood       | London        |
| 12338 | SGL236104 | 39A Maberley Road          | Anerley             | London        |
| 12339 | SGL236104 | 39B Maberley Road          | Anerley             | London        |
| 12978 | K46807    | 39A Cintra Park            | Upper Norwood       | London        |
| 12979 | K46807    | 39B Cintra Park            | Upper Norwood       | London        |
| 12980 | K46807    | 39C Cintra Park            | Upper Norwood       | London        |
| 12658 | SGL228202 | 38A Cintra Park            | Upper Norwood       | London        |
| 12659 | SGL228202 | 38B Cintra Park            | Upper Norwood       | London        |
| 12660 | SGL228202 | 38C Cintra Park            | Upper Norwood       | London        |
| 10691 | P10368    | 36A Cintra Park            | Upper Norwood       | London        |
| 10692 | P10368    | 36B Cintra Park            | Upper Norwood       | London        |
| 10693 | P10368    | 36C Cintra Park            | Upper Norwood       | London        |
| 13101 | SGL356817 | 347A Lordship Lane         | East Dulwich        | London        |
| 13102 | SGL356817 | 347B Lordship Lane         | East Dulwich        | London        |
| 13103 | SGL356817 | 347C Lordship Lane         | East Dulwich        | London        |
| 12970 | SGL306698 | 345A Lordship Lane         | East Dulwich        | London        |
| 12971 | SGL306698 | 345B Lordship Lane         | East Dulwich        | London        |
| 12972 | SGL306698 | 345C Lordship Lane         | East Dulwich        | London        |
| 13061 | SGL297885 | FLAT 33A 33 Tresco Road    | Tresco Road         | Nunhead       |
| 13062 | SGL297885 | FLAT 33B 33 Tresco Road    | Tresco Road         | Nunhead       |
| 11828 | SGL205190 | 33A Prince Road            | South Norwood       | London        |
| 11829 | SGL205190 | 33.Gnd Prince Road         | South Norwood       | London        |
| 12433 | SY22269   | 33A Miller Road            | Wimbledon           | London        |
| 12434 | SY22269   | 33B Miller Road            | Wimbledon           | London        |
| 11844 | SY22268   | 31A Miller Road            | Wimbledon           | London        |
| 11845 | SY22268   | 31B Miller Road            | Wimbledon           | London        |
| 10508 | SGL200236 | 31A Glebe Road             | Bromley             | Kent          |
| 10509 | SGL200236 | 31B Glebe Road             | Bromley             | Kent          |
| 10462 | SGL187670 | 30A Harpenden Road         | West Norwood        | London        |
| 10463 | SGL187670 | 30B Harpenden Road         | West Norwood        | London        |
| 12009 | SGL207634 | FLAT 3A 3 Morland Avenue   | Morland Avenue      | Croydon       |
| 12010 | SGL207634 | FLAT 3B 3 Morland Avenue   | Morland Avenue      | Croydon       |
| 12011 | SGL207634 | FLAT 3C 3 Morland Avenue   | Morland Avenue      | Croydon       |
| 10694 | SY297778  | FLAT 29.Gnd 29 Prince Road | Prince Road         | South Norwood |
| 10695 | SY297778  | FLAT 29A 29 Prince Road    | Prince Road         | South Norwood |
| 11890 | SY128396  | FLAT Gnd                   | 28 Norbury Crescent | Norbury       |
| 11891 | SY128396  | 28A Norbury Crescent       | Norbury             | London        |
| 12322 | SGL179498 | 28A Keston Road            | East Dulwich        | London        |
| 12323 | SGL179498 | 28B Keston Road            | East Dulwich        | London        |
| 10369 | SGL56561  | 27A Padua Road             | Penge               | London        |
| 10370 | SGL56561  | 27B Padua Road             | Penge               | London        |

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|  | Greater London | SE25 6JO |
|  | Greater London | SE19 2AW |
|  | Greater London | SE19 2AW |
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|  | Greater London | SE19 2JA |
|  | Greater London | SE19 2JA |
|  | Greater London | SE19 2LO |
|  | Greater London | SE19 2LO |
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|  | Greater London | SE19 2LO |
|  | Greater London | SE22 8JH |
|  | Greater London | SE22 8JH |
|  | Greater London | SE22 8JH |
|  | Greater London | SE22 8JH |
|  | Greater London | SE15 3PY |
|  | Greater London | SE15 3PY |
|  | Greater London | SE25 6NN |
|  | Greater London | SE25 6NN |
|  | Greater London | SW19 2DB |
|  | Greater London | SW19 2DB |
|  | Greater London | SW19 2DB |
|  | Greater London | BR1 3NT  |
|  | Greater London | BR1 3NT  |
|  | Greater London | SE27 0AE |
|  | Greater London | SE27 0AE |
|  | Greater London | CR0 6EA  |
|  | Greater London | CR0 6EA  |
|  | Greater London | CR0 6EA  |
|  | Greater London | SE25 6NN |
|  | Greater London | SE25 6NN |
|  | Greater London | SW16 4LA |
|  | Greater London | SW16 4LA |
|  | Greater London | SE15 4JB |
|  | Greater London | SE15 4JB |
|  | Greater London | SE20 8HF |
|  | Greater London | SE20 8HF |
|  | Greater London | SE20 8HF |
|  | Greater London | SE25 6PR |
|  | Greater London | SE25 6PR |
|  | Greater London | SE19 2AL |
|  | Greater London | SE19 2AL |
|  | Greater London | SE19 2AL |
|  | Greater London | SE4 1YG  |
|  | Greater London | SE4 1YG  |
|  | Greater London | SE4 1YG  |
|  | Greater London | SE4 1YG  |
|  | Greater London | SE4 1YG  |
|  | Greater London | SW19 2DB |
|  | Greater London | SW19 2DB |
|  | Greater London | SE25 6UU |
|  | Greater London | SE25 6UU |
|  | Greater London | SE25 6JX |
|  | Greater London | SE25 6JX |
|  | Greater London | SE23 2RT |
|  | Greater London | SE23 2RT |
|  | Greater London | SE23 2RT |
|  | Greater London | CR7 8NB  |
|  | Greater London | CR7 8NB  |
|  | Greater London | SE27 0AE |
|  | Greater London | SE27 0AE |
|  | Greater London | SE27 0RL |
|  | Greater London | SE27 0RL |
|  | Greater London | SE27 0RL |
|  | Greater London | SE20 7XE |
|  | Greater London | SE20 7XE |
|  | Greater London | SE20 7XE |
|  | Greater London | SE20 7XE |
|  | Greater London | SE19 3AY |
|  | Greater London | SE19 3AY |
|  | Greater London | SE22 9QA |
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|  | Greater London | SE22 9QA |
|  | Greater London | SW19 2DB |
|  | Greater London | SW19 2DB |
|  | Greater London | SE25 5BU |
|  | Greater London | SE25 5BU |
|  | Greater London | SE26 5JO |
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|  | Greater London | SE20 8DD |
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|  | Greater London | SE20 8DD |
|  | Greater London | SE20 8DD |
|  | Greater London | SE25 6NW |
|  | Greater London | SE25 6NW |
|  | Greater London | SE26 5HX |
|  | Greater London | SE26 5HX |
|  | Greater London | SE25 6LO |
|  | Greater London | SE25 6LO |
|  | Greater London | SE25 6LO |
|  | Greater London | SE27 0SH |
|  | Greater London | SE27 0SH |
|  | Greater London | SE27 9QT |
|  | Greater London | SE27 9QT |
|  | Greater London | SE27 9QT |
|  | Greater London | SE27 9QT |
|  | Greater London | CR0 6AF  |
|  | Greater London | CR0 6AF  |
|  | Greater London | CR0 2ES  |
|  | Greater London | CR0 2ES  |
|  | Greater London | SE20 8DD |
|  | Greater London | SE20 8DD |
|  | Greater London | SE20 8DD |
|  | Greater London | SE20 8DD |
|  | Greater London | SE20 8DD |
|  | Greater London | SW16 4JZ |
|  | Greater London | SW16 4JZ |
|  | Greater London | SE4 1XZ  |
|  | Greater London | SE4 1XZ  |
|  | Greater London | SE4 1XZ  |
|  | Greater London | SE4 1XZ  |
|  | Greater London | SE26 5HU |
|  | Greater London | SE26 5HU |
|  | Greater London | SE26 5HS |
|  | Greater London | SE26 5HS |
|  | Greater London | SE23 3HX |
|  | Greater London | SE23 3HX |
|  | Greater London | SE23 3HX |
|  | Greater London | SW19 2DB |
|  | Greater London | SW19 2DB |
|  | Greater London | SE19 1QG |
|  | Greater London | SE19 1QG |
|  | Greater London | SE19 1QG |
|  | Greater London | SE19 1QG |
|  | Greater London | SE19 1QG |
|  | Greater London | CR0 6AD  |
|  | Greater London | CR0 6AD  |
|  | Greater London | SE19 2HY |
|  | Greater London | SE19 2HY |
|  | Greater London | SE27 9QS |
|  | Greater London | SE27 9QS |
|  | Greater London | SE27 9QS |
|  | Greater London | SE15 2HU |
|  | Greater London | SE15 2HU |
|  | Greater London | CR0 6ED  |
|  | Greater London | CR0 6ED  |





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|-------|--|-----------|----------------------------|------------------|------------------|----------------|----------------|----------|-----------|--------|------------|----------|----------|----------|
| 13309 |  | SGL468076 | FLAT 23 Hazel Court        | Acom Walk        | Rotherhithe      | London         | Greater London | SE16 5EW | Freehold  | MV-T   | Flat       | 4        | E117,734 | E332,586 |
| 13310 |  | SGL468076 | FLAT 24 Hazel Court        | Acom Walk        | Rotherhithe      | London         | Greater London | SE16 5EW | Freehold  | MV-T   | Flat       | 3        | E105,569 | E285,074 |
| 13311 |  | SGL468076 | FLAT 25 Hazel Court        | Acom Walk        | Rotherhithe      | London         | Greater London | SE16 5EW | Freehold  | MV-T   | Flat       | 3        | E105,553 | E285,074 |
| 13312 |  | SGL468076 | FLAT 26 Hazel Court        | Acom Walk        | Rotherhithe      | London         | Greater London | SE16 5EW | Freehold  | MV-T   | Flat       | 3        | E98,438  | E285,074 |
| 13313 |  | SGL468076 | FLAT 27 Hazel Court        | Acom Walk        | Rotherhithe      | London         | Greater London | SE16 5EW | Freehold  | MV-T   | Flat       | 3        | E105,553 | E285,074 |
| 13314 |  | SGL468076 | FLAT 28 Hazel Court        | Acom Walk        | Rotherhithe      | London         | Greater London | SE16 5EW | Freehold  | MV-T   | Maisonette | 2        | E96,443  | E226,110 |
| 13315 |  | SGL468076 | FLAT 29 Hazel Court        | Acom Walk        | Rotherhithe      | London         | Greater London | SE16 5EW | Freehold  | MV-T   | Maisonette | 2        | E90,286  | E213,805 |
| 13316 |  | SGL468076 | FLAT 30 Hazel Court        | Acom Walk        | Rotherhithe      | London         | Greater London | SE16 5EW | Freehold  | MV-T   | Maisonette | 2        | E96,443  | E226,110 |
| 13317 |  | SGL468076 | FLAT 31 Hazel Court        | Acom Walk        | Rotherhithe      | London         | Greater London | SE16 5EW | Freehold  | MV-T   | Maisonette | 2        | E96,435  | E226,091 |
| 13318 |  | SGL468076 | FLAT 32 Hazel Court        | Acom Walk        | Rotherhithe      | London         | Greater London | SE16 5EW | Freehold  | MV-T   | Maisonette | 2        | E90,286  | E213,805 |
| 13319 |  | SGL468076 | FLAT 33 Hazel Court        | Acom Walk        | Rotherhithe      | London         | Greater London | SE16 5EW | Freehold  | MV-T   | Maisonette | 2        | E89,414  | E213,805 |
| 11244 |  | TGL132605 | 13 Porchester Close        | Denmark Hill     | London           | Greater London | SE5 8EW        | Freehold | MV-T      | Flat   | 1          | E83,885  | E185,659 |          |
| 11245 |  | TGL132605 | 14 Porchester Close        | Denmark Hill     | London           | Greater London | SE5 8EW        | Freehold | MV-T      | Flat   | 1          | E80,633  | E185,659 |          |
| 11246 |  | TGL132605 | 15 Porchester Close        | Denmark Hill     | London           | Greater London | SE5 8EW        | Freehold | MV-T      | Flat   | 1          | E84,270  | E185,659 |          |
| 11247 |  | TGL132605 | 16 Porchester Close        | Denmark Hill     | London           | Greater London | SE5 8EW        | Freehold | MV-T      | Flat   | 1          | E96,120  | E185,659 |          |
| 11248 |  | TGL132605 | 17 Porchester Close        | Denmark Hill     | London           | Greater London | SE5 8EW        | Freehold | MV-T      | Flat   | 1          | E84,270  | E185,659 |          |
| 11249 |  | TGL132605 | 18 Porchester Close        | Denmark Hill     | London           | Greater London | SE5 8EW        | Freehold | MV-T      | Flat   | 1          | E83,885  | E185,659 |          |
| 11250 |  | TGL132605 | 19 Porchester Close        | Denmark Hill     | London           | Greater London | SE5 8EW        | Freehold | MV-T      | Flat   | 2          | E94,699  | E222,022 |          |
| 11251 |  | TGL132605 | 20 Porchester Close        | Denmark Hill     | London           | Greater London | SE5 8EW        | Freehold | MV-T      | Flat   | 1          | E86,021  | E185,659 |          |
| 17214 |  | SGL601417 | 3 Arcadia Close            | Carshalton       | Surrey           | Greater London | SM5 2AE        | Freehold | EUV-SH    | House  | 3          | E116,300 | -        |          |
| 17215 |  | SGL601417 | 9 Arcadia Close            | Carshalton       | Surrey           | Greater London | SM5 2AE        | Freehold | EUV-SH    | House  | 2          | E85,500  | -        |          |
| 16171 |  | SGL601417 | 10 Arcadia Close           | Carshalton       | Surrey           | Greater London | SM5 2AE        | Freehold | EUV-SH    | House  | 2          | E102,000 | -        |          |
| 16173 |  | SGL601417 | 12 Arcadia Close           | Carshalton       | Surrey           | Greater London | SM5 2AE        | Freehold | EUV-SH    | House  | 3          | E100,000 | -        |          |
| 17216 |  | SGL601417 | 13 Arcadia Close           | Carshalton       | Surrey           | Greater London | SM5 2AE        | Freehold | EUV-SH    | House  | 2          | E97,400  | -        |          |
| 16174 |  | SGL601417 | 14 Arcadia Close           | Carshalton       | Surrey           | Greater London | SM5 2AE        | Freehold | EUV-SH    | House  | 2          | E101,500 | -        |          |
| 16175 |  | SGL601417 | 15 Arcadia Close           | Carshalton       | Surrey           | Greater London | SM5 2AE        | Freehold | EUV-SH    | House  | 2          | E104,800 | -        |          |
| 16176 |  | SGL601417 | 16 Arcadia Close           | Carshalton       | Surrey           | Greater London | SM5 2AE        | Freehold | EUV-SH    | House  | 3          | E115,600 | -        |          |
| 16178 |  | SGL601417 | 19 Arcadia Close           | Carshalton       | Surrey           | Greater London | SM5 2AE        | Freehold | EUV-SH    | House  | 3          | E111,600 | -        |          |
| 16179 |  | SGL601417 | 20 Arcadia Close           | Carshalton       | Surrey           | Greater London | SM5 2AE        | Freehold | EUV-SH    | House  | 3          | E111,600 | -        |          |
| 16180 |  | SGL601417 | 21 Arcadia Close           | Carshalton       | Surrey           | Greater London | SM5 2AE        | Freehold | EUV-SH    | House  | 3          | E96,400  | -        |          |
| 16181 |  | SGL601417 | 22 Arcadia Close           | Carshalton       | Surrey           | Greater London | SM5 2AE        | Freehold | EUV-SH    | House  | 2          | E104,800 | -        |          |
| 17217 |  | SGL601417 | 24 Arcadia Close           | Carshalton       | Surrey           | Greater London | SM5 2AE        | Freehold | EUV-SH    | House  | 2          | E102,600 | -        |          |
| 16183 |  | SGL601417 | 25 Arcadia Close           | Carshalton       | Surrey           | Greater London | SM5 2AE        | Freehold | EUV-SH    | House  | 3          | E118,400 | -        |          |
| 16218 |  | SGL373921 | 1 Copper Close             | Upper Norwood    | London           | Greater London | SE19 2RF       | Freehold | EUV-SH    | House  | 2          | E84,000  | -        |          |
| 16219 |  | SGL373921 | 2 Copper Close             | Upper Norwood    | London           | Greater London | SE19 2RF       | Freehold | EUV-SH    | House  | 2          | E84,000  | -        |          |
| 16220 |  | SGL373921 | 4 Copper Close             | Upper Norwood    | London           | Greater London | SE19 2RF       | Freehold | EUV-SH    | House  | 2          | E84,000  | -        |          |
| 16221 |  | SGL373921 | 5 Copper Close             | Upper Norwood    | London           | Greater London | SE19 2RF       | Freehold | EUV-SH    | House  | 2          | E84,000  | -        |          |
| 18543 |  | SGL600355 | 1 Iona Close               | Morden           | Surrey           | Greater London | SM4 6HR        | Freehold | EUV-SH    | House  | 3          | E125,300 | -        |          |
| 18544 |  | SGL600355 | 2 Iona Close               | Morden           | Surrey           | Greater London | SM4 6HR        | Freehold | EUV-SH    | House  | 3          | E115,200 | -        |          |
| 18545 |  | SGL600355 | 3 Iona Close               | Morden           | Surrey           | Greater London | SM4 6HR        | Freehold | EUV-SH    | House  | 3          | E34,000  | -        |          |
| 18546 |  | SGL600355 | 4 Iona Close               | Morden           | Surrey           | Greater London | SM4 6HR        | Freehold | EUV-SH    | House  | 2          | E120,500 | -        |          |
| 18548 |  | SGL600355 | 6 Iona Close               | Morden           | Surrey           | Greater London | SM4 6HR        | Freehold | EUV-SH    | House  | 2          | E110,000 | -        |          |
| 18550 |  | SGL600355 | 8 Iona Close               | Morden           | Surrey           | Greater London | SM4 6HR        | Freehold | EUV-SH    | House  | 3          | E124,800 | -        |          |
| 18551 |  | SGL600355 | 9 Iona Close               | Morden           | Surrey           | Greater London | SM4 6HR        | Freehold | EUV-SH    | House  | 3          | E125,700 | -        |          |
| 18552 |  | SGL600355 | 10 Iona Close              | Morden           | Surrey           | Greater London | SM4 6HR        | Freehold | EUV-SH    | House  | 3          | E124,800 | -        |          |
| 18555 |  | SGL600355 | 13 Iona Close              | Morden           | Surrey           | Greater London | SM4 6HR        | Freehold | EUV-SH    | House  | 2          | E118,700 | -        |          |
| 18557 |  | SGL600355 | 15 Iona Close              | Morden           | Surrey           | Greater London | SM4 6HR        | Freehold | EUV-SH    | House  | 2          | E123,600 | -        |          |
| 18558 |  | SGL600355 | 16 Iona Close              | Morden           | Surrey           | Greater London | SM4 6HR        | Freehold | EUV-SH    | House  | 2          | E102,700 | -        |          |
| 18559 |  | SGL600355 | 17 Iona Close              | Morden           | Surrey           | Greater London | SM4 6HR        | Freehold | EUV-SH    | House  | 2          | E111,000 | -        |          |
| 18560 |  | SGL600355 | 18 Iona Close              | Morden           | Surrey           | Greater London | SM4 6HR        | Freehold | EUV-SH    | House  | 2          | E112,300 | -        |          |
| 16222 |  | SGL373921 | 7 Copper Close             | Upper Norwood    | London           | Greater London | SE19 2RF       | Freehold | EUV-SH    | House  | 2          | E84,000  | -        |          |
| 16223 |  | SGL373921 | 9 Copper Close             | Upper Norwood    | London           | Greater London | SE19 2RF       | Freehold | EUV-SH    | House  | 2          | E42,000  | -        |          |
| 16225 |  | SGL373921 | 11 Copper Close            | Upper Norwood    | London           | Greater London | SE19 2RF       | Freehold | EUV-SH    | House  | 2          | E84,000  | -        |          |
| 16226 |  | SGL373921 | 12 Copper Close            | Upper Norwood    | London           | Greater London | SE19 2RF       | Freehold | EUV-SH    | House  | 2          | E84,000  | -        |          |
| 16227 |  | SGL373921 | 13 Copper Close            | Upper Norwood    | London           | Greater London | SE19 2RF       | Freehold | EUV-SH    | House  | 2          | E84,000  | -        |          |
| 16228 |  | SGL373921 | 14 Copper Close            | Upper Norwood    | London           | Greater London | SE19 2RF       | Freehold | EUV-SH    | House  | 2          | E84,000  | -        |          |
| 16229 |  | SGL373921 | 15 Copper Close            | Upper Norwood    | London           | Greater London | SE19 2RF       | Freehold | EUV-SH    | House  | 2          | E84,000  | -        |          |
| 17219 |  | SGL601417 | 2 Arcadia Close            | Carshalton       | Surrey           | Greater London | SM5 2AE        | Freehold | EUV-SH    | Flat   | 1          | E81,100  | -        |          |
| 17303 |  | SGL587887 | FLAT 1 Kestrel Court 1-12  | Kestrel Court    | Haling Park Road | South Croydon  | Greater London | CR2 6NJ  | Freehold  | EUV-SH | Flat       | 2        | E92,700  | -        |
| 17305 |  | SGL587887 | FLAT 3 Kestrel Court 1-12  | Kestrel Court    | Haling Park Road | South Croydon  | Greater London | CR2 6NJ  | Freehold  | EUV-SH | Flat       | 2        | E89,200  | -        |
| 17306 |  | SGL587887 | FLAT 4 Kestrel Court 1-12  | Kestrel Court    | Haling Park Road | South Croydon  | Greater London | CR2 6NJ  | Freehold  | EUV-SH | Flat       | 2        | E83,400  | -        |
| 17307 |  | SGL587887 | FLAT 5 Kestrel Court 1-12  | Kestrel Court    | Haling Park Road | South Croydon  | Greater London | CR2 6NJ  | Freehold  | EUV-SH | Flat       | 2        | E53,400  | -        |
| 17309 |  | SGL587887 | FLAT 7 Kestrel Court 1-12  | Kestrel Court    | Haling Park Road | South Croydon  | Greater London | CR2 6NJ  | Freehold  | EUV-SH | Flat       | 2        | E97,000  | -        |
| 17310 |  | SGL587887 | FLAT 8 Kestrel Court 1-12  | Kestrel Court    | Haling Park Road | South Croydon  | Greater London | CR2 6NJ  | Freehold  | EUV-SH | Flat       | 2        | E93,300  | -        |
| 17312 |  | SGL587887 | FLAT 10 Kestrel Court 1-12 | Kestrel Court    | Haling Park Road | South Croydon  | Greater London | CR2 6NJ  | Freehold  | EUV-SH | Flat       | 2        | E96,400  | -        |
| 17315 |  | SGL587887 | FLAT 13 Kestrel Court      | Haling Park Road | South Croydon    | Surrey         | Greater London | CR2 6NJ  | Freehold  | EUV-SH | Flat       | 2        | E86,400  | -        |
| 17316 |  | SGL587887 | FLAT 14 Kestrel Court      | Haling Park Road | South Croydon    | Surrey         | Greater London | CR2 6NJ  | Freehold  | EUV-SH | Flat       | 2        | E103,700 | -        |
| 17317 |  | SGL587887 | FLAT 15 Kestrel Court      | Haling Park Road | South Croydon    | Surrey         | Greater London | CR2 6NJ  | Freehold  | EUV-SH | Flat       | 2        | E69,200  | -        |
| 17319 |  | SGL587887 | FLAT 17 Kestrel Court      | Haling Park Road | South Croydon    | Surrey         | Greater London | CR2 6NJ  | Freehold  | EUV-SH | Flat       | 2        | E86,400  | -        |
| 17321 |  | SGL587887 | FLAT 19 Kestrel Court      | Haling Park Road | South Croydon    | Surrey         | Greater London | CR2 6NJ  | Freehold  | EUV-SH | Flat       | 2        | E42,600  | -        |
| 17325 |  | SGL587887 | FLAT 23 Kestrel Court      | Haling Park Road | South Croydon    | Surrey         | Greater London | CR2 6NJ  | Freehold  | EUV-SH | Flat       | 2        | E121,200 | -        |
| 17326 |  | SGL587887 | FLAT 24 Kestrel Court      | Haling Park Road | South Croydon    | Surrey         | Greater London | CR2 6NJ  | Freehold  | EUV-SH | Flat       | 2        | E63,000  | -        |
| 17327 |  | SGL587887 | FLAT 25 Kestrel Court      | Haling Park Road | South Croydon    | Surrey         | Greater London | CR2 6NJ  | Freehold  | EUV-SH | Flat       | 2        | E78,800  | -        |
| 17328 |  | SGL587887 | FLAT 26 Kestrel Court      | Haling Park Road | South Croydon    | Surrey         | Greater London | CR2 6NJ  | Freehold  | EUV-SH | Flat       | 2        | E95,100  | -        |
| 17329 |  | SGL587887 | FLAT 27 Kestrel Court      | Haling Park Road | South Croydon    | Surrey         | Greater London | CR2 6NJ  | Freehold  | EUV-SH | Flat       | 2        | E78,300  | -        |
| 17331 |  | SGL587887 | FLAT 29 Kestrel Court      | Haling Park Road | South Croydon    | Surrey         | Greater London | CR2 6NJ  | Freehold  | EUV-SH | Flat       | 2        | E94,500  | -        |
| 19222 |  | SGL617236 | FLAT 1 Old Market Court    | Crown Road       | Sutton           | Surrey         | Greater London | SM1 1SD  | Leasehold | EUV-SH | Flat       | 1        | E78,800  | -        |
| 19223 |  | SGL617236 | FLAT 2 Old Market Court    | Crown Road       | Sutton           | Surrey         | Greater London | SM1 1SD  | Leasehold | EUV-SH | Flat       | 1        | E52,500  | -        |
| 19224 |  | SGL617236 | FLAT 3 Old Market Court    | Crown Road       | Sutton           | Surrey         | Greater London | SM1 1SD  | Leasehold | EUV-SH | Flat       | 2        | E78,800  | -        |
| 19225 |  | SGL617236 | FLAT 4 Old Market Court    | Crown Road       | Sutton           | Surrey         | Greater London | SM1 1SD  | Leasehold | EUV-SH | Flat       | 2        | E94,500  | -        |
| 19226 |  | SGL617236 | FLAT 5 Old Market Court    | Crown Road       | Sutton           | Surrey         | Greater London | SM1 1SD  | Leasehold | EUV-SH | Flat       | 2        | E78,800  | -        |
| 19227 |  | SGL617236 | FLAT 6 Old Market Court    | Crown Road       | Sutton           | Surrey         | Greater London | SM1 1SD  | Leasehold | EUV-SH | Flat       | 1        | E65,600  | -        |
| 19230 |  | SGL617236 | FLAT 9 Old Market Court    | Crown Road       | Sutton           | Surrey         | Greater London | SM1 1SD  | Leasehold | EUV-SH | Flat       | 2        | E78,800  | -        |
| 19231 |  | SGL617236 | FLAT 10 Old Market Court   | Crown Road       | Sutton           | Surrey         | Greater London | SM1 1SD  | Leasehold | EUV-SH | Flat       | 1        | E78,800  | -        |
| 19232 |  | SGL617236 | FLAT 11 Old Market Court   | Crown Road       | Sutton           | Surrey         | Greater London | SM1 1SD  | Leasehold | EUV-SH | Flat       | 1        | E65,600  | -        |
| 19233 |  | SGL617236 | FLAT 12 Old Market Court   | Crown Road       | Sutton           | Surrey         | Greater London | SM1 1SD  | Leasehold | EUV-SH | Flat       | 2        | E78,800  | -        |
| 19234 |  | SGL617236 | FLAT 13 Old Market Court   | Crown Road       | Sutton           | Surrey         | Greater London | SM1 1SD  | Leasehold | EUV-SH | Flat       | 2        | E94,500  | -        |
| 19235 |  | SGL617236 | FLAT 14 Old Market Court   | Crown Road       | Sutton           | Surrey         | Greater London | SM1 1SD  | Leasehold | EUV-SH | Flat       | 2        | E94,500  | -        |
| 19236 |  | SGL617236 | FLAT 15 Old Market Court   | Crown Road       | Sutton           | Surrey         | Greater London | SM1 1SD  | Leasehold | EUV-SH | Flat       | 1        | E78,800  | -        |
| 19237 |  | SGL617236 | FLAT 16 Old Market Court   | Crown Road       | Sutton           | Surrey         | Greater London | SM1 1SD  | Leasehold | EUV-SH | Flat       | 2        | E94,500  | -        |
| 19238 |  | SGL617236 | FLAT 17 Old Market Court   | Crown Road       | Sutton           | Surrey         | Greater London | SM1 1SD  | Leasehold | EUV-SH | Flat       | 2        | E78,800  | -        |
| 19239 |  | SGL617236 | FLAT 18 Old Market Court   | Crown Road       | Sutton           | Surrey         | Greater London | SM1 1SD  | Leasehold | EUV-SH | Flat       | 2        | E94,500  | -        |
| 28921 |  | SY317953  | 2 Robinson Court           | 5 Campbell Road  | Croydon          | Surrey         | Greater London | CR0 2SP  | Freehold  | EUV-SH | Flat       | 1        | E89,900  | -        |
| 28922 |  | SY317953  | 3 Robinson Court           | 5 Campbell Road  | Croydon          | Surrey         | Greater London | CR0 2SP  | Freehold  | EUV-SH | Flat       | 1        | E86,300  | -        |
| 28923 |  | SY317953  | 4 Robinson Court           | 5 Campbell Road  | Croydon          | Surrey         | Greater London | CR0 2SP  | Freehold  | EUV-SH | Flat       | 1        | E90,700  | -        |
| 28924 |  | SY317953  | 5 Robinson Court           | 5 Campbell Road  | Croydon          | Surrey         | Greater London | CR0 2SP  | Freehold  | EUV-SH | Flat       | 1        | E85,800  | -        |
| 28925 |  | SY317953  | 6 Robinson Court           | 5 Campbell Road  | Croydon          | Surrey         | Greater London | CR0 2SP  | Freehold  | EUV-SH | Flat       | 1        | E69,000  | -        |
| 28927 |  | SY317953  | 8 Robinson Court           | 5 Campbell Road  | Croydon          | Surrey         | Greater London | CR0 2SP  | Freehold  | EUV-SH | Flat       | 1        | E103,500 | -        |
| 28928 |  | SY317953  | 9 Robinson Court           | 5 Campbell Road  | Croydon          | Surrey         | Greater London | CR0 2SP  | Freehold  | EUV-SH | Flat       | 1        | E103,500 | -        |
| 28929 |  | SY317953  | 10 Robinson Court          | 5 Campbell Road  | Croydon          | Surrey         | Greater London | CR0 2SP  | Freehold  | EUV-SH | Flat       | 1        | E88,500  | -        |
| 28930 |  | SY317953  | 11 Robinson Court          | 5 Campbell Road  | Croydon          | Surrey         | Greater London | CR0 2SP  | Freehold  | EUV-SH | Flat       | 1        | E103,500 | -        |
| 28931 |  | SY317953  | 12 Robinson Court          | 5 Campbell Road  | Croydon          | Surrey         | Greater London | CR0 2SP  | Freehold  | EUV-SH | Flat       | 1        | E69,000  | -        |
|       |  |           |                            |                  |                  |                |                |          |           |        |            |          |          |          |

|       |           |                                    |                      |                 |                |                |          |          |          |            |          |          |   |
|-------|-----------|------------------------------------|----------------------|-----------------|----------------|----------------|----------|----------|----------|------------|----------|----------|---|
|       | TGL171409 | 6 Ewen Crescent                    | Tulse Hill           | London          | Greater London | SW2 2NX        | Freehold | MV-T     | Bungalow | 1          | E60,244  | E154,549 |   |
| 47491 | TGL171409 | 7 Ewen Crescent                    | Tulse Hill           | London          | Greater London | SW2 2NU        | Freehold | MV-T     | House    | 4          | E93,185  | E239,054 |   |
| 47610 | TGL171409 | 8 Ewen Crescent                    | Tulse Hill           | London          | Greater London | SW2 2NX        | Freehold | MV-T     | Bungalow | 1          | E60,244  | E154,549 |   |
| 47492 | TGL171409 | 9 Ewen Crescent                    | Tulse Hill           | London          | Greater London | SW2 2NU        | Freehold | MV-T     | House    | 4          | E77,972  | E231,874 |   |
| 47488 | TGL171409 | 10 Ewen Crescent                   | Tulse Hill           | London          | Greater London | SW2 2NX        | Freehold | MV-T     | Bungalow | 1          | E60,244  | E154,549 |   |
| 47493 | TGL171409 | 11 Ewen Crescent                   | Tulse Hill           | London          | Greater London | SW2 2NU        | Freehold | MV-T     | House    | 4          | E93,191  | E239,070 |   |
| 47489 | TGL171409 | 12 Ewen Crescent                   | Tulse Hill           | London          | Greater London | SW2 2NX        | Freehold | MV-T     | Bungalow | 1          | E60,244  | E154,549 |   |
| 47490 | TGL171409 | 14 Ewen Crescent                   | Tulse Hill           | London          | Greater London | SW2 2NX        | Freehold | MV-T     | Bungalow | 1          | E60,244  | E154,549 |   |
| 47571 | TGL171409 | 2 Rickard Close                    | Tulse Hill           | London          | Greater London | SW2 2RU        | Freehold | MV-T     | House    | 2          | E77,072  | E216,415 |   |
| 47572 | TGL171409 | 3 Rickard Close                    | Tulse Hill           | London          | Greater London | SW2 2RU        | Freehold | MV-T     | House    | 2          | E77,079  | E216,415 |   |
| 47573 | TGL171409 | 4 Rickard Close                    | Tulse Hill           | London          | Greater London | SW2 2RU        | Freehold | MV-T     | House    | 2          | E77,072  | E216,415 |   |
| 47574 | TGL171409 | 5 Rickard Close                    | Tulse Hill           | London          | Greater London | SW2 2RU        | Freehold | MV-T     | House    | 2          | E77,072  | E216,415 |   |
| 47575 | TGL171409 | 6 Rickard Close                    | Tulse Hill           | London          | Greater London | SW2 2RU        | Freehold | MV-T     | House    | 2          | E69,352  | E216,415 |   |
| 47576 | TGL171409 | 7 Rickard Close                    | Tulse Hill           | London          | Greater London | SW2 2RU        | Freehold | MV-T     | House    | 3          | E84,932  | E226,721 |   |
| 47577 | TGL171409 | 11 Rickard Close                   | Tulse Hill           | London          | Greater London | SW2 2RU        | Freehold | MV-T     | House    | 3          | E77,123  | E226,721 |   |
| 47578 | TGL171409 | 12 Rickard Close                   | Tulse Hill           | London          | Greater London | SW2 2RU        | Freehold | MV-T     | House    | 3          | E78,472  | E226,721 |   |
| 47579 | TGL171409 | 13 Rickard Close                   | Tulse Hill           | London          | Greater London | SW2 2RU        | Freehold | MV-T     | House    | 3          | E81,955  | E226,721 |   |
| 47580 | TGL171409 | 14 Rickard Close                   | Tulse Hill           | London          | Greater London | SW2 2RU        | Freehold | MV-T     | House    | 2          | E77,072  | E216,415 |   |
| 47581 | TGL171409 | 16 Rickard Close                   | Tulse Hill           | London          | Greater London | SW2 2RU        | Freehold | MV-T     | House    | 2          | E77,072  | E216,415 |   |
| 47582 | TGL171409 | 17 Rickard Close                   | Tulse Hill           | London          | Greater London | SW2 2RU        | Freehold | MV-T     | House    | 2          | E69,352  | E216,415 |   |
| 16715 | TGL112246 | 5 Sherwood Gardens                 | Rotherhithe          | London          | Greater London | SE16 3JA       | Freehold | EUV-SH   | House    | 3          | E106,000 | -        |   |
| 16716 | TGL112246 | 6 Sherwood Gardens                 | Rotherhithe          | London          | Greater London | SE16 3JA       | Freehold | EUV-SH   | House    | 3          | E106,000 | -        |   |
| 16718 | TGL112246 | 8 Sherwood Gardens                 | Rotherhithe          | London          | Greater London | SE16 3JA       | Freehold | EUV-SH   | House    | 2          | E108,000 | -        |   |
| 16719 | TGL112246 | 10 Sherwood Gardens                | Rotherhithe          | London          | Greater London | SE16 3JA       | Freehold | EUV-SH   | House    | 3          | E106,000 | -        |   |
| 16720 | TGL112246 | 11 Sherwood Gardens                | Rotherhithe          | London          | Greater London | SE16 3JA       | Freehold | EUV-SH   | House    | 3          | E106,000 | -        |   |
| 16721 | TGL112246 | 12 Sherwood Gardens                | Rotherhithe          | London          | Greater London | SE16 3JA       | Freehold | EUV-SH   | House    | 3          | E106,000 | -        |   |
| 16722 | TGL112246 | 13 Sherwood Gardens                | Rotherhithe          | London          | Greater London | SE16 3JA       | Freehold | EUV-SH   | House    | 3          | E106,000 | -        |   |
| 16723 | TGL112246 | 14 Sherwood Gardens                | Rotherhithe          | London          | Greater London | SE16 3JA       | Freehold | EUV-SH   | House    | 3          | E106,000 | -        |   |
| 16724 | TGL112246 | 16 Sherwood Gardens                | Rotherhithe          | London          | Greater London | SE16 3JA       | Freehold | EUV-SH   | House    | 2          | E108,000 | -        |   |
| 16732 | TGL112246 | 32 Sherwood Gardens                | Rotherhithe          | London          | Greater London | SE16 3JB       | Freehold | EUV-SH   | House    | 3          | E106,000 | -        |   |
| 16734 | TGL112246 | 34 Sherwood Gardens                | Rotherhithe          | London          | Greater London | SE16 3JB       | Freehold | EUV-SH   | House    | 2          | E108,000 | -        |   |
| 16736 | TGL112246 | 37 Sherwood Gardens                | Rotherhithe          | London          | Greater London | SE16 3JB       | Freehold | EUV-SH   | House    | 3          | E127,200 | -        |   |
| 16737 | TGL112246 | 38 Sherwood Gardens                | Rotherhithe          | London          | Greater London | SE16 3JB       | Freehold | EUV-SH   | House    | 3          | E127,200 | -        |   |
| 16739 | TGL112246 | 40 Sherwood Gardens                | Rotherhithe          | London          | Greater London | SE16 3JB       | Freehold | EUV-SH   | House    | 3          | E84,800  | -        |   |
| 16740 | TGL112246 | 41 Sherwood Gardens                | Rotherhithe          | London          | Greater London | SE16 3JB       | Freehold | EUV-SH   | House    | 2          | E108,000 | -        |   |
| 16741 | TGL112246 | 43 Sherwood Gardens                | Rotherhithe          | London          | Greater London | SE16 3JB       | Freehold | EUV-SH   | House    | 3          | E84,800  | -        |   |
| 16742 | TGL112246 | 44 Sherwood Gardens                | Rotherhithe          | London          | Greater London | SE16 3JB       | Freehold | EUV-SH   | House    | 3          | E106,000 | -        |   |
| 16743 | TGL112246 | 45 Sherwood Gardens                | Rotherhithe          | London          | Greater London | SE16 3JB       | Freehold | EUV-SH   | House    | 3          | E127,200 | -        |   |
| 16744 | TGL112246 | 46 Sherwood Gardens                | Rotherhithe          | London          | Greater London | SE16 3JB       | Freehold | EUV-SH   | House    | 3          | E106,000 | -        |   |
| 16745 | TGL112246 | 47 Sherwood Gardens                | Rotherhithe          | London          | Greater London | SE16 3JB       | Freehold | EUV-SH   | House    | 2          | E108,000 | -        |   |
| 16747 | TGL112246 | 50 Sherwood Gardens                | Rotherhithe          | London          | Greater London | SE16 3JB       | Freehold | EUV-SH   | House    | 3          | E127,200 | -        |   |
| 16748 | TGL112246 | 51 Sherwood Gardens                | Rotherhithe          | London          | Greater London | SE16 3JB       | Freehold | EUV-SH   | House    | 2          | E111,500 | -        |   |
| 16749 | TGL112246 | 54 Sherwood Gardens                | Rotherhithe          | London          | Greater London | SE16 3JB       | Freehold | EUV-SH   | House    | 3          | E127,200 | -        |   |
| 16750 | TGL112246 | 56 Sherwood Gardens                | Rotherhithe          | London          | Greater London | SE16 3JB       | Freehold | EUV-SH   | House    | 2          | E90,000  | -        |   |
| 16751 | TGL112246 | 57 Sherwood Gardens                | Rotherhithe          | London          | Greater London | SE16 3JB       | Freehold | EUV-SH   | House    | 3          | E53,000  | -        |   |
| 16753 | TGL112246 | 60 Sherwood Gardens                | Rotherhithe          | London          | Greater London | SE16 3JB       | Freehold | EUV-SH   | House    | 3          | E106,000 | -        |   |
| 16754 | TGL112246 | 62 Sherwood Gardens                | Rotherhithe          | London          | Greater London | SE16 3JB       | Freehold | EUV-SH   | House    | 3          | E127,200 | -        |   |
| 47555 | TGL171409 | 201 Upper Tulse Hill               | Tulse Hill           | London          | Greater London | SW2 2NP        | Freehold | MV-T     | House    | 4          | E93,197  | E239,087 |   |
| 47556 | TGL171409 | 203 Upper Tulse Hill               | Tulse Hill           | London          | Greater London | SW2 2NP        | Freehold | MV-T     | House    | 4          | E82,772  | E231,874 |   |
| 47557 | TGL171409 | 225 Upper Tulse Hill               | Tulse Hill           | London          | Greater London | SW2 2NR        | Freehold | MV-T     | House    | 4          | E92,450  | E237,169 |   |
| 15764 | SQL441942 | FLAT 3 Bryan House                 | Rotherhithe Street   | Rotherhithe     | London         | Greater London | SE16 5HB | Freehold | EUV-SH   | Flat       | 1        | E64,000  | - |
| 15765 | SQL441942 | FLAT 4 Bryan House                 | Rotherhithe Street   | Rotherhithe     | London         | Greater London | SE16 5HB | Freehold | EUV-SH   | Flat       | 1        | E64,000  | - |
| 15766 | SQL441942 | FLAT 5 Bryan House                 | Rotherhithe Street   | Rotherhithe     | London         | Greater London | SE16 5HB | Freehold | EUV-SH   | Flat       | 1        | E64,000  | - |
| 15767 | SQL441942 | FLAT 6 Bryan House                 | Rotherhithe Street   | Rotherhithe     | London         | Greater London | SE16 5HB | Freehold | EUV-SH   | Flat       | 1        | E64,000  | - |
| 15769 | SQL441942 | FLAT 8 Bryan House                 | Rotherhithe Street   | Rotherhithe     | London         | Greater London | SE16 5HB | Freehold | EUV-SH   | Flat       | 1        | E64,000  | - |
| 15779 | SQL441942 | FLAT 18 Bryan House                | Rotherhithe Street   | Rotherhithe     | London         | Greater London | SE16 5HB | Freehold | EUV-SH   | Flat       | 1        | E64,000  | - |
| 15783 | SQL441942 | FLAT 22 Bryan House                | Rotherhithe Street   | Rotherhithe     | London         | Greater London | SE16 5HB | Freehold | EUV-SH   | Flat       | 1        | E64,000  | - |
| 15785 | SQL441942 | FLAT 24 Bryan House                | Rotherhithe Street   | Rotherhithe     | London         | Greater London | SE16 5HB | Freehold | EUV-SH   | Flat       | 2        | E74,000  | - |
| 15787 | SQL441942 | FLAT 26 Bryan House                | Rotherhithe Street   | Rotherhithe     | London         | Greater London | SE16 5HB | Freehold | EUV-SH   | Maisonette | 2        | E74,000  | - |
| 15789 | SQL441942 | FLAT 28 Bryan House                | Rotherhithe Street   | Rotherhithe     | London         | Greater London | SE16 5HB | Freehold | EUV-SH   | Flat       | 1        | E64,000  | - |
| 15790 | SQL441942 | FLAT 29 Bryan House                | Rotherhithe Street   | Rotherhithe     | London         | Greater London | SE16 5HB | Freehold | EUV-SH   | Flat       | 1        | E64,000  | - |
| 16306 | TGL48308  | FLAT 1 Gabriel House               | Odessa Street        | Rotherhithe     | London         | Greater London | SE16 7HQ | Freehold | EUV-SH   | Flat       | 2        | E159,800 | - |
| 16309 | TGL48308  | FLAT 4 Gabriel House               | Odessa Street        | Rotherhithe     | London         | Greater London | SE16 7HQ | Freehold | EUV-SH   | Flat       | 3        | E217,000 | - |
| 16321 | TGL48308  | FLAT 16 Gabriel House              | Odessa Street        | Rotherhithe     | London         | Greater London | SE16 7HQ | Freehold | EUV-SH   | Flat       | 2        | E166,500 | - |
| 16323 | TGL48308  | FLAT 18 Gabriel House              | Odessa Street        | Rotherhithe     | London         | Greater London | SE16 7HQ | Freehold | EUV-SH   | Flat       | 2        | E166,500 | - |
| 16324 | TGL48308  | FLAT 19 Gabriel House              | Odessa Street        | Rotherhithe     | London         | Greater London | SE16 7HQ | Freehold | EUV-SH   | Flat       | 2        | E158,300 | - |
| 16333 | TGL48308  | FLAT 28 Gabriel House              | Odessa Street        | Rotherhithe     | London         | Greater London | SE16 7HQ | Freehold | EUV-SH   | Flat       | 2        | E160,600 | - |
| 16341 | TGL48308  | FLAT 36 Gabriel House              | Odessa Street        | Rotherhithe     | London         | Greater London | SE16 7HQ | Freehold | EUV-SH   | Flat       | 2        | E129,600 | - |
| 16342 | TGL48308  | FLAT 37 Gabriel House              | Odessa Street        | Rotherhithe     | London         | Greater London | SE16 7HQ | Freehold | EUV-SH   | Flat       | 1        | E132,000 | - |
| 16343 | TGL48308  | FLAT 38 Gabriel House              | Odessa Street        | Rotherhithe     | London         | Greater London | SE16 7HQ | Freehold | EUV-SH   | Flat       | 2        | E157,500 | - |
| 16348 | TGL48308  | FLAT 43 Gabriel House              | Odessa Street        | Rotherhithe     | London         | Greater London | SE16 7HQ | Freehold | EUV-SH   | Flat       | 2        | E166,500 | - |
| 16349 | TGL48308  | FLAT 44 Gabriel House              | Odessa Street        | Rotherhithe     | London         | Greater London | SE16 7HQ | Freehold | EUV-SH   | Flat       | 1        | E120,000 | - |
| 16352 | TGL48308  | FLAT 1 Walker House                | Odessa Street        | Rotherhithe     | London         | Greater London | SE16 7HD | Freehold | EUV-SH   | Flat       | 2        | E111,000 | - |
| 16355 | TGL48308  | FLAT 4 Walker House                | Odessa Street        | Rotherhithe     | London         | Greater London | SE16 7HD | Freehold | EUV-SH   | Flat       | 2        | E139,600 | - |
| 16356 | TGL48308  | FLAT 5 Walker House                | Odessa Street        | Rotherhithe     | London         | Greater London | SE16 7HD | Freehold | EUV-SH   | Flat       | 1        | E111,400 | - |
| 16359 | TGL48308  | FLAT 8 Walker House                | Odessa Street        | Rotherhithe     | London         | Greater London | SE16 7HD | Freehold | EUV-SH   | Flat       | 1        | E111,400 | - |
| 16361 | TGL48308  | FLAT 10 Walker House               | Odessa Street        | Rotherhithe     | London         | Greater London | SE16 7HD | Freehold | EUV-SH   | Flat       | 1        | E144,800 | - |
| 16371 | TGL48308  | FLAT 20 Walker House               | Odessa Street        | Rotherhithe     | London         | Greater London | SE16 7HD | Freehold | EUV-SH   | Flat       | 1        | E120,000 | - |
| 16372 | TGL48308  | 21 Walker House                    | 11 Odessa Street     | Rotherhithe     | London         | Greater London | SE16 7HD | Freehold | EUV-SH   | Flat       | 2        | E148,000 | - |
| 16374 | TGL48308  | FLAT 23 Walker House               | Odessa Street        | Rotherhithe     | London         | Greater London | SE16 7HD | Freehold | EUV-SH   | Flat       | 1        | E132,000 | - |
| 16381 | TGL48308  | FLAT 30 Walker House               | Odessa Street        | Rotherhithe     | London         | Greater London | SE16 7HD | Freehold | EUV-SH   | Flat       | 2        | E157,200 | - |
| 16382 | TGL48308  | FLAT 31 Walker House               | Odessa Street        | Rotherhithe     | London         | Greater London | SE16 7HD | Freehold | EUV-SH   | Flat       | 2        | E139,900 | - |
| 16386 | TGL48308  | FLAT 35 Walker House               | Odessa Street        | Rotherhithe     | London         | Greater London | SE16 7HD | Freehold | EUV-SH   | Flat       | 2        | E153,500 | - |
| 16391 | TGL48308  | FLAT 40 Walker House               | Odessa Street        | Rotherhithe     | London         | Greater London | SE16 7HD | Freehold | EUV-SH   | Flat       | 2        | E166,500 | - |
| 16396 | TGL48308  | FLAT 45 Walker House               | Odessa Street        | Rotherhithe     | London         | Greater London | SE16 7HD | Freehold | EUV-SH   | Flat       | 1        | E129,400 | - |
| 15917 | TGL63577  | FLAT 1 1-17 St Georges Buildings   | St Georges Buildings | St Georges Road | Southwark      | Greater London | SE1 6EP  | Freehold | EUV-SH   | Flat       | 2        | E90,000  | - |
| 15919 | TGL63577  | FLAT 3 1-17 St Georges Buildings   | St Georges Buildings | St Georges Road | Southwark      | Greater London | SE1 6EP  | Freehold | EUV-SH   | Flat       | 1        | E88,800  | - |
| 15925 | TGL63577  | FLAT 9 1-17 St Georges Buildings   | St Georges Buildings | St Georges Road | Southwark      | Greater London | SE1 6EP  | Freehold | EUV-SH   | Flat       | 1        | E74,000  | - |
| 15927 | TGL63577  | FLAT 11 1-17 St Georges Buildings  | St Georges Buildings | St Georges Road | Southwark      | Greater London | SE1 6EP  | Freehold | EUV-SH   | Flat       | 1        | E71,900  | - |
| 15929 | TGL63577  | FLAT 13 1-17 St Georges Buildings  | St Georges Buildings | St Georges Road | Southwark      | Greater London | SE1 6EP  | Freehold | EUV-SH   | Flat       | 1        | E68,300  | - |
| 15930 | TGL63577  | FLAT 14 1-17 St Georges Buildings  | St Georges Buildings | St Georges Road | Southwark      | Greater London | SE1 6EP  | Freehold | EUV-SH   | Flat       | 1        | E67,000  | - |
| 15933 | TGL63577  | FLAT 17 1-17 St Georges Buildings  | St Georges Buildings | St Georges Road | Southwark      | Greater London | SE1 6EP  | Freehold | EUV-SH   | Flat       | 1        | E76,000  | - |
| 15934 | TGL63577  | FLAT 18 18-34 St Georges Buildings | St Georges Buildings | St Georges Road | Southwark      | Greater London | SE1 6EP  | Freehold | EUV-SH   | Flat       | 2        | E90,000  | - |
| 15936 | TGL63577  | FLAT 20 18-34 St Georges Buildings | St Georges Buildings | St Georges Road | Southwark      | Greater London | SE1 6EP  | Freehold | EUV-SH   | Flat       | 1        | E67,000  | - |
| 15941 | TGL63577  | FLAT 25                            | St Georges Buildings | St Georges Road | Southwark      | Greater London | SE1 6EP  | Freehold | EUV-SH   | Flat       | 1        | E76,700  | - |
| 15947 | TGL63577  | FLAT 31 18-34 St Georges Buildings | St Georges Buildings | St Georges Road | Southwark      | Greater London | SE1 6EP  | Freehold | EUV-SH   | Flat       | 1        | E67,000  | - |
| 16702 | TGL112246 | FLAT 1 Jasmin Lodge                | Sherwood Gardens     | Rotherhithe     | London         | Greater London | SE16 3JA | Freehold | EUV-SH   | Flat       | 1        | E55,000  | - |
| 16704 | TGL112246 | FLAT 3 Jasmin Lodge                | Sherwood Gardens     | Rotherhithe     | London         | Greater London | SE16 3JA | Freehold | EUV-SH   | Flat       | 2        | E75,000  | - |
| 16706 | TGL112246 | FLAT 5 Jasmin Lodge                | Sherwood Gardens     | Rotherhithe     | London         | Greater London | SE16 3JA | Freehold | EUV-SH   | Flat       | 2        | E75,000  | - |
| 16708 | TGL112246 | FLAT 7 Jasmin Lodge                | Sherwood Gardens     | Rotherhithe     | London         | Greater London | SE16 3JA | Freehold | EUV-SH   | Flat       | 2        | E75,000  | - |
| 16709 | TGL112246 | FLAT 8 Jasmin Lodge                | Sherwood Gardens     | Rotherhithe     | London         | Greater London | SE16 3JA | Freehold | EUV-SH   | Flat       | 2        | E75,000  | - |
| 16711 | TGL112246 | FLAT 10 Jasmin Lodge               | Sherwood Gardens     | Rotherhithe     | London         | Greater London | SE16 3JA | Freehold | EUV-SH   | Flat       | 2        | E75,000  | - |
| 16713 | TGL112246 | FLAT 12 Jasmin Lodge               | Sherwood Gardens     | Rotherhithe     | London         | Greater London | SE16 3JA | Freehold | EUV-SH   | Flat       | 2        | E75,000  | - |
| 18103 | SGL595982 | FLAT 1 Regent Court                | Crown Dale           | Upper Norwood   | London         | Greater London | SE19 3NQ | Freehold | EUV-SH   | Flat       | 2        | E77,900  | - |
| 18105 | SGL595982 | FLAT 3 Regent Court                | Crown Dale           | Upper Norwood   | London         | Greater London | SE19 3NQ | Freehold | EUV-SH   | Flat       | 2        | E77,900  | - |
| 18108 | SGL59     |                                    |                      |                 |                |                |          |          |          |            |          |          |   |



|       |  |           |                        |                  |            |        |                |         |          |      |      |   |         |          |
|-------|--|-----------|------------------------|------------------|------------|--------|----------------|---------|----------|------|------|---|---------|----------|
|       |  | TGL171409 | FLAT 10 Tebbis House   | Upper Tulse Hill | Tulse Hill | London | Greater London | SW2 2PJ | Freehold | MV-T | Flat | 2 | E69,352 | E177,914 |
| 47547 |  | TGL171409 | FLAT 11 Tebbis House   | Upper Tulse Hill | Tulse Hill | London | Greater London | SW2 2PJ | Freehold | MV-T | Flat | 2 | E69,352 | E177,914 |
| 47548 |  | TGL171409 | FLAT 12 Tebbis House   | Upper Tulse Hill | Tulse Hill | London | Greater London | SW2 2PJ | Freehold | MV-T | Flat | 2 | E69,352 | E177,914 |
| 47549 |  | TGL171409 | FLAT 13 Tebbis House   | Upper Tulse Hill | Tulse Hill | London | Greater London | SW2 2PJ | Freehold | MV-T | Flat | 2 | E69,352 | E177,914 |
| 47550 |  | TGL171409 | FLAT 14 Tebbis House   | Upper Tulse Hill | Tulse Hill | London | Greater London | SW2 2PJ | Freehold | MV-T | Flat | 2 | E69,352 | E177,914 |
| 47551 |  | TGL171409 | FLAT 15 Tebbis House   | Upper Tulse Hill | Tulse Hill | London | Greater London | SW2 2PJ | Freehold | MV-T | Flat | 2 | E69,352 | E177,914 |
| 47552 |  | TGL171409 | FLAT 16 Tebbis House   | Upper Tulse Hill | Tulse Hill | London | Greater London | SW2 2PJ | Freehold | MV-T | Flat | 2 | E69,352 | E177,914 |
| 47553 |  | TGL171409 | FLAT 17 Tebbis House   | Upper Tulse Hill | Tulse Hill | London | Greater London | SW2 2PJ | Freehold | MV-T | Flat | 2 | E69,352 | E177,914 |
| 47362 |  | TGL171409 | FLAT 1 Portland House  | Tulse Hill       | Lambeth    | London | Greater London | SW2 3PD | Freehold | MV-T | Flat | 2 | E68,307 | E175,233 |
| 47363 |  | TGL171409 | FLAT 2 Portland House  | Tulse Hill       | Lambeth    | London | Greater London | SW2 3PD | Freehold | MV-T | Flat | 1 | E59,199 | E151,868 |
| 47364 |  | TGL171409 | FLAT 3 Portland House  | Tulse Hill       | Lambeth    | London | Greater London | SW2 3PD | Freehold | MV-T | Flat | 2 | E68,307 | E175,233 |
| 47365 |  | TGL171409 | FLAT 4 Portland House  | Tulse Hill       | Lambeth    | London | Greater London | SW2 3PD | Freehold | MV-T | Flat | 2 | E68,307 | E175,233 |
| 47366 |  | TGL171409 | FLAT 5 Portland House  | Tulse Hill       | Lambeth    | London | Greater London | SW2 3PD | Freehold | MV-T | Flat | 1 | E59,199 | E151,868 |
| 47367 |  | TGL171409 | FLAT 6 Portland House  | Tulse Hill       | Lambeth    | London | Greater London | SW2 3PD | Freehold | MV-T | Flat | 2 | E68,307 | E175,233 |
| 47368 |  | TGL171409 | FLAT 7 Portland House  | Tulse Hill       | Lambeth    | London | Greater London | SW2 3PD | Freehold | MV-T | Flat | 2 | E68,307 | E175,233 |
| 47369 |  | TGL171409 | FLAT 10 Portland House | Tulse Hill       | Lambeth    | London | Greater London | SW2 3PD | Freehold | MV-T | Flat | 2 | E68,307 | E175,233 |
| 47370 |  | TGL171409 | FLAT 11 Portland House | Tulse Hill       | Lambeth    | London | Greater London | SW2 3PD | Freehold | MV-T | Flat | 1 | E59,199 | E151,868 |
| 47371 |  | TGL171409 | FLAT 12 Portland House | Tulse Hill       | Lambeth    | London | Greater London | SW2 3PD | Freehold | MV-T | Flat | 2 | E68,307 | E175,233 |
| 47372 |  | TGL171409 | FLAT 13 Portland House | Tulse Hill       | Lambeth    | London | Greater London | SW2 3PD | Freehold | MV-T | Flat | 2 | E68,307 | E175,233 |
| 47373 |  | TGL171409 | FLAT 14 Portland House | Tulse Hill       | Lambeth    | London | Greater London | SW2 3PD | Freehold | MV-T | Flat | 1 | E59,199 | E151,868 |
| 47322 |  | TGL171409 | FLAT 1 Morrison House  | Tulse Hill       | Lambeth    | London | Greater London | SW2 3PP | Freehold | MV-T | Flat | 3 | E73,253 | E187,922 |
| 47607 |  | TGL171409 | FLAT 2 Morrison House  | Tulse Hill       | Lambeth    | London | Greater London | SW2 3PP | Freehold | MV-T | Flat | 3 | E73,253 | E187,922 |
| 47323 |  | TGL171409 | FLAT 4 Morrison House  | Tulse Hill       | Lambeth    | London | Greater London | SW2 3PP | Freehold | MV-T | Flat | 3 | E73,253 | E187,922 |
| 47324 |  | TGL171409 | FLAT 5 Morrison House  | Tulse Hill       | Lambeth    | London | Greater London | SW2 3PP | Freehold | MV-T | Flat | 3 | E73,253 | E187,922 |
| 47325 |  | TGL171409 | FLAT 6 Morrison House  | Tulse Hill       | Lambeth    | London | Greater London | SW2 3PP | Freehold | MV-T | Flat | 3 | E73,253 | E187,922 |
| 47326 |  | TGL171409 | FLAT 7 Morrison House  | Tulse Hill       | Lambeth    | London | Greater London | SW2 3PP | Freehold | MV-T | Flat | 3 | E73,253 | E187,922 |
| 47327 |  | TGL171409 | FLAT 8 Morrison House  | Tulse Hill       | Lambeth    | London | Greater London | SW2 3PP | Freehold | MV-T | Flat | 3 | E73,253 | E187,922 |
| 47328 |  | TGL171409 | FLAT 9 Morrison House  | Tulse Hill       | Lambeth    | London | Greater London | SW2 3PP | Freehold | MV-T | Flat | 3 | E73,253 | E187,922 |
| 47329 |  | TGL171409 | FLAT 10 Morrison House | Tulse Hill       | Lambeth    | London | Greater London | SW2 3PP | Freehold | MV-T | Flat | 3 | E73,253 | E187,922 |
| 47330 |  | TGL171409 | FLAT 11 Morrison House | Tulse Hill       | Lambeth    | London | Greater London | SW2 3PP | Freehold | MV-T | Flat | 3 | E73,253 | E187,922 |
| 47331 |  | TGL171409 | FLAT 13 Morrison House | Tulse Hill       | Lambeth    | London | Greater London | SW2 3PP | Freehold | MV-T | Flat | 2 | E68,307 | E175,233 |
| 47332 |  | TGL171409 | FLAT 14 Morrison House | Tulse Hill       | Lambeth    | London | Greater London | SW2 3PP | Freehold | MV-T | Flat | 3 | E77,072 | E197,720 |
| 47608 |  | TGL171409 | FLAT 16 Morrison House | Tulse Hill       | Lambeth    | London | Greater London | SW2 3PP | Freehold | MV-T | Flat | 2 | E68,307 | E175,233 |
| 47334 |  | TGL171409 | FLAT 19 Morrison House | Tulse Hill       | Lambeth    | London | Greater London | SW2 3PP | Freehold | MV-T | Flat | 3 | E72,765 | E186,671 |
| 47335 |  | TGL171409 | FLAT 20 Morrison House | Tulse Hill       | Lambeth    | London | Greater London | SW2 3PP | Freehold | MV-T | Flat | 2 | E68,307 | E175,233 |
| 47336 |  | TGL171409 | FLAT 21 Morrison House | Tulse Hill       | Lambeth    | London | Greater London | SW2 3PP | Freehold | MV-T | Flat | 2 | E68,307 | E175,233 |
| 47337 |  | TGL171409 | FLAT 22 Morrison House | Tulse Hill       | Lambeth    | London | Greater London | SW2 3PP | Freehold | MV-T | Flat | 3 | E72,765 | E186,671 |
| 47339 |  | TGL171409 | FLAT 24 Morrison House | Tulse Hill       | Lambeth    | London | Greater London | SW2 3PP | Freehold | MV-T | Flat | 2 | E68,307 | E175,233 |
| 47340 |  | TGL171409 | FLAT 25 Morrison House | Tulse Hill       | Lambeth    | London | Greater London | SW2 3PP | Freehold | MV-T | Flat | 2 | E68,307 | E175,233 |
| 47342 |  | TGL171409 | FLAT 27 Morrison House | Tulse Hill       | Lambeth    | London | Greater London | SW2 3PP | Freehold | MV-T | Flat | 3 | E70,694 | E181,358 |
| 47343 |  | TGL171409 | FLAT 28 Morrison House | Tulse Hill       | Lambeth    | London | Greater London | SW2 3PP | Freehold | MV-T | Flat | 2 | E68,307 | E175,233 |
| 47344 |  | TGL171409 | FLAT 29 Morrison House | Tulse Hill       | Lambeth    | London | Greater London | SW2 3PP | Freehold | MV-T | Flat | 2 | E68,307 | E175,233 |
| 47345 |  | TGL171409 | FLAT 30 Morrison House | Tulse Hill       | Lambeth    | London | Greater London | SW2 3PP | Freehold | MV-T | Flat | 3 | E72,328 | E185,550 |
| 47347 |  | TGL171409 | FLAT 32 Morrison House | Tulse Hill       | Lambeth    | London | Greater London | SW2 3PP | Freehold | MV-T | Flat | 2 | E66,185 | E169,790 |
| 47348 |  | TGL171409 | FLAT 33 Morrison House | Tulse Hill       | Lambeth    | London | Greater London | SW2 3PP | Freehold | MV-T | Flat | 2 | E68,307 | E175,233 |
| 47349 |  | TGL171409 | FLAT 34 Morrison House | Tulse Hill       | Lambeth    | London | Greater London | SW2 3PP | Freehold | MV-T | Flat | 3 | E72,765 | E186,671 |
| 47609 |  | TGL171409 | FLAT 36 Morrison House | Tulse Hill       | Lambeth    | London | Greater London | SW2 3PP | Freehold | MV-T | Flat | 1 | E59,199 | E151,868 |
| 47350 |  | TGL171409 | FLAT 37 Morrison House | Tulse Hill       | Lambeth    | London | Greater London | SW2 3PP | Freehold | MV-T | Flat | 2 | E68,307 | E175,233 |
| 47351 |  | TGL171409 | FLAT 38 Morrison House | Tulse Hill       | Lambeth    | London | Greater London | SW2 3PP | Freehold | MV-T | Flat | 2 | E68,307 | E175,233 |
| 47353 |  | TGL171409 | FLAT 41 Morrison House | Tulse Hill       | Lambeth    | London | Greater London | SW2 3PP | Freehold | MV-T | Flat | 2 | E68,307 | E175,233 |
| 47354 |  | TGL171409 | FLAT 42 Morrison House | Tulse Hill       | Lambeth    | London | Greater London | SW2 3PP | Freehold | MV-T | Flat | 1 | E59,199 | E151,868 |
| 47356 |  | TGL171409 | FLAT 44 Morrison House | Tulse Hill       | Lambeth    | London | Greater London | SW2 3PP | Freehold | MV-T | Flat | 2 | E68,307 | E175,233 |
| 47357 |  | TGL171409 | FLAT 45 Morrison House | Tulse Hill       | Lambeth    | London | Greater London | SW2 3PP | Freehold | MV-T | Flat | 1 | E59,199 | E151,868 |
| 47358 |  | TGL171409 | FLAT 46 Morrison House | Tulse Hill       | Lambeth    | London | Greater London | SW2 3PP | Freehold | MV-T | Flat | 2 | E68,313 | E175,249 |
| 47359 |  | TGL171409 | FLAT 47 Morrison House | Tulse Hill       | Lambeth    | London | Greater London | SW2 3PP | Freehold | MV-T | Flat | 2 | E68,307 | E175,233 |
| 47360 |  | TGL171409 | FLAT 48 Morrison House | Tulse Hill       | Lambeth    | London | Greater London | SW2 3PP | Freehold | MV-T | Flat | 1 | E59,199 | E151,868 |
| 47361 |  | TGL171409 | FLAT 49 Morrison House | Tulse Hill       | Lambeth    | London | Greater London | SW2 3PP | Freehold | MV-T | Flat | 2 | E68,307 | E175,233 |
| 47261 |  | TGL171409 | FLAT 1 Hart House      | Tulse Hill       | Lambeth    | London | Greater London | SW2 3DA | Freehold | MV-T | Flat | 3 | E77,066 | E197,703 |
| 47262 |  | TGL171409 | FLAT 2 Hart House      | Tulse Hill       | Lambeth    | London | Greater London | SW2 3DA | Freehold | MV-T | Flat | 4 | E72,867 | E186,931 |
| 47263 |  | TGL171409 | FLAT 3 Hart House      | Tulse Hill       | Lambeth    | London | Greater London | SW2 3DA | Freehold | MV-T | Flat | 3 | E72,151 | E185,095 |
| 47264 |  | TGL171409 | FLAT 5 Hart House      | Tulse Hill       | Lambeth    | London | Greater London | SW2 3DA | Freehold | MV-T | Flat | 3 | E77,079 | E197,736 |
| 47265 |  | TGL171409 | FLAT 6 Hart House      | Tulse Hill       | Lambeth    | London | Greater London | SW2 3DA | Freehold | MV-T | Flat | 4 | E68,801 | E185,499 |
| 47267 |  | TGL171409 | FLAT 10 Hart House     | Tulse Hill       | Lambeth    | London | Greater London | SW2 3DA | Freehold | MV-T | Flat | 4 | E80,239 | E205,844 |
| 47268 |  | TGL171409 | FLAT 11 Hart House     | Tulse Hill       | Lambeth    | London | Greater London | SW2 3DA | Freehold | MV-T | Flat | 3 | E72,151 | E185,095 |
| 47270 |  | TGL171409 | FLAT 14 Hart House     | Tulse Hill       | Lambeth    | London | Greater London | SW2 3DA | Freehold | MV-T | Flat | 4 | E72,867 | E186,931 |
| 47272 |  | TGL171409 | FLAT 17 Hart House     | Tulse Hill       | Lambeth    | London | Greater London | SW2 3DA | Freehold | MV-T | Flat | 3 | E77,066 | E197,703 |
| 47273 |  | TGL171409 | FLAT 18 Hart House     | Tulse Hill       | Lambeth    | London | Greater London | SW2 3DA | Freehold | MV-T | Flat | 4 | E85,122 | E218,371 |
| 47274 |  | TGL171409 | FLAT 19 Hart House     | Tulse Hill       | Lambeth    | London | Greater London | SW2 3DA | Freehold | MV-T | Flat | 3 | E77,066 | E197,703 |
| 47275 |  | TGL171409 | FLAT 20 Hart House     | Tulse Hill       | Lambeth    | London | Greater London | SW2 3DA | Freehold | MV-T | Flat | 4 | E72,867 | E186,931 |
| 47207 |  | TGL171409 | FLAT 1 Baldwin House   | Tulse Hill       | Lambeth    | London | Greater London | SW2 3BZ | Freehold | MV-T | Flat | 2 | E68,307 | E175,233 |
| 47208 |  | TGL171409 | FLAT 4 Baldwin House   | Tulse Hill       | Lambeth    | London | Greater London | SW2 3BZ | Freehold | MV-T | Flat | 2 | E68,307 | E175,233 |
| 47209 |  | TGL171409 | FLAT 5 Baldwin House   | Tulse Hill       | Lambeth    | London | Greater London | SW2 3BZ | Freehold | MV-T | Flat | 1 | E59,199 | E151,868 |
| 47210 |  | TGL171409 | FLAT 6 Baldwin House   | Tulse Hill       | Lambeth    | London | Greater London | SW2 3BZ | Freehold | MV-T | Flat | 2 | E68,307 | E175,233 |
| 47211 |  | TGL171409 | FLAT 8 Baldwin House   | Tulse Hill       | Lambeth    | London | Greater London | SW2 3BZ | Freehold | MV-T | Flat | 2 | E68,307 | E175,233 |
| 47212 |  | TGL171409 | FLAT 9 Baldwin House   | Tulse Hill       | Lambeth    | London | Greater London | SW2 3BZ | Freehold | MV-T | Flat | 2 | E68,307 | E175,233 |
| 47213 |  | TGL171409 | FLAT 10 Baldwin House  | Tulse Hill       | Lambeth    | London | Greater London | SW2 3BZ | Freehold | MV-T | Flat | 2 | E68,307 | E175,233 |
| 47214 |  | TGL171409 | FLAT 11 Baldwin House  | Tulse Hill       | Lambeth    | London | Greater London | SW2 3BZ | Freehold | MV-T | Flat | 2 | E68,307 | E175,233 |
| 47215 |  | TGL171409 | FLAT 12 Baldwin House  | Tulse Hill       | Lambeth    | London | Greater London | SW2 3BZ | Freehold | MV-T | Flat | 2 | E68,307 | E175,233 |
| 47216 |  | TGL171409 | FLAT 14 Baldwin House  | Tulse Hill       | Lambeth    | London | Greater London | SW2 3BZ | Freehold | MV-T | Flat | 2 | E63,050 | E161,747 |
| 47217 |  | TGL171409 | FLAT 15 Baldwin House  | Tulse Hill       | Lambeth    | London | Greater London | SW2 3BZ | Freehold | MV-T | Flat | 2 | E68,307 | E175,233 |
| 47218 |  | TGL171409 | FLAT 16 Baldwin House  | Tulse Hill       | Lambeth    | London | Greater London | SW2 3BZ | Freehold | MV-T | Flat | 2 | E68,307 | E175,233 |
| 47219 |  | TGL171409 | FLAT 17 Baldwin House  | Tulse Hill       | Lambeth    | London | Greater London | SW2 3BZ | Freehold | MV-T | Flat | 2 | E68,307 | E175,233 |
| 47220 |  | TGL171409 | FLAT 18 Baldwin House  | Tulse Hill       | Lambeth    | London | Greater London | SW2 3BZ | Freehold | MV-T | Flat | 2 | E68,307 | E175,233 |
| 47221 |  | TGL171409 | FLAT 20 Baldwin House  | Tulse Hill       | Lambeth    | London | Greater London | SW2 3BZ | Freehold | MV-T | Flat | 2 | E68,307 | E175,233 |
| 47222 |  | TGL171409 | FLAT 21 Baldwin House  | Tulse Hill       | Lambeth    | London | Greater London | SW2 3BZ | Freehold | MV-T | Flat | 2 | E68,307 | E175,233 |
| 47223 |  | TGL171409 | FLAT 22 Baldwin House  | Tulse Hill       | Lambeth    | London | Greater London | SW2 3BZ | Freehold | MV-T | Flat | 2 | E68,307 | E175,233 |
| 47224 |  | TGL171409 | FLAT 23 Baldwin House  | Tulse Hill       | Lambeth    | London | Greater London | SW2 3BZ | Freehold | MV-T | Flat | 2 | E68,307 | E175,233 |
| 47225 |  | TGL171409 | FLAT 24 Baldwin House  | Tulse Hill       | Lambeth    | London | Greater London | SW2 3BZ | Freehold | MV-T | Flat | 2 | E68,307 | E175,233 |
| 47226 |  | TGL171409 | FLAT 25 Baldwin House  | Tulse Hill       | Lambeth    | London | Greater London | SW2 3BZ | Freehold | MV-T | Flat | 1 | E59,199 | E151,868 |
| 47227 |  | TGL171409 | FLAT 26 Baldwin House  | Tulse Hill       | Lambeth    | London | Greater London | SW2 3BZ | Freehold | MV-T | Flat | 1 | E59,199 | E151,868 |
| 47228 |  | TGL171409 | FLAT 27 Baldwin House  | Tulse Hill       | Lambeth    | London | Greater London | SW2 3BZ | Freehold | MV-T | Flat | 1 | E59,022 | E151,413 |
| 47229 |  | TGL171409 | FLAT 28 Baldwin House  | Tulse Hill       | Lambeth    | London | Greater London | SW2 3BZ | Freehold | MV-T | Flat | 1 | E59,199 | E151,868 |
| 47230 |  | TGL171409 | FLAT 29 Baldwin House  | Tulse Hill       | Lambeth    | London | Greater London | SW2 3BZ | Freehold | MV-T | Flat | 1 | E59,199 | E151,868 |
| 47231 |  | TGL171409 | FLAT 30 Baldwin House  | Tulse Hill       | Lambeth    | London | Greater London | SW2 3BZ | Freehold | MV-T | Flat | 1 | E59,205 | E151,885 |
| 47232 |  | TGL171409 | FLAT 31 Baldwin House  | Tulse Hill       | Lambeth    | London | Greater London | SW2 3BZ | Freehold | MV-T | Flat | 3 | E77,072 | E197,720 |
| 47233 |  | TGL171409 | FLAT 32 Baldwin House  | Tulse Hill       | Lambeth    | London | Greater London | SW2 3BZ | Freehold | MV-T | Flat | 1 | E59,205 | E151,885 |
| 47234 |  | TGL171409 | FLAT 34 Baldwin House  | Tulse Hill       | Lambeth    | London | Greater London |         |          |      |      |   |         |          |

|       |           |                        |                |            |                |                |          |          |            |             |         |          |          |
|-------|-----------|------------------------|----------------|------------|----------------|----------------|----------|----------|------------|-------------|---------|----------|----------|
| 47402 | TGL171409 | FLAT 30 Roycroft Close | High Trees     | Tulse Hill | London         | Greater London | SW2 3PE  | Freehold | MV-T       | Flat        | 2       | E68,307  | E175,233 |
| 47403 | TGL171409 | FLAT 31 Roycroft Close | High Trees     | Tulse Hill | London         | Greater London | SW2 3PE  | Freehold | MV-T       | Flat        | 2       | E68,307  | E175,233 |
| 47404 | TGL171409 | FLAT 32 Roycroft Close | High Trees     | Tulse Hill | London         | Greater London | SW2 3PE  | Freehold | MV-T       | Flat        | 2       | E68,307  | E175,233 |
| 47405 | TGL171409 | FLAT 33 Roycroft Close | High Trees     | Tulse Hill | London         | Greater London | SW2 3PE  | Freehold | MV-T       | Flat        | 2       | E68,307  | E175,233 |
| 47406 | TGL171409 | FLAT 34 Roycroft Close | High Trees     | Tulse Hill | London         | Greater London | SW2 3PE  | Freehold | MV-T       | Flat        | 2       | E68,307  | E175,233 |
| 47407 | TGL171409 | FLAT 35 Roycroft Close | High Trees     | Tulse Hill | London         | Greater London | SW2 3PE  | Freehold | MV-T       | Flat        | 2       | E68,307  | E175,233 |
| 47408 | TGL171409 | FLAT 36 Roycroft Close | High Trees     | Tulse Hill | London         | Greater London | SW2 3PE  | Freehold | MV-T       | Flat        | 2       | E66,996  | E171,869 |
| 47409 | TGL171409 | FLAT 37 Roycroft Close | High Trees     | Tulse Hill | London         | Greater London | SW2 3PE  | Freehold | MV-T       | Flat        | 3       | E69,035  | E177,101 |
| 47410 | TGL171409 | FLAT 39 Roycroft Close | High Trees     | Tulse Hill | London         | Greater London | SW2 3PE  | Freehold | MV-T       | Flat        | 3       | E74,222  | E190,408 |
| 47411 | TGL171409 | FLAT 40 Roycroft Close | High Trees     | Tulse Hill | London         | Greater London | SW2 3PE  | Freehold | MV-T       | Flat        | 4       | E68,395  | E185,499 |
| 47412 | TGL171409 | FLAT 42 Roycroft Close | High Trees     | Tulse Hill | London         | Greater London | SW2 3PE  | Freehold | MV-T       | Flat        | 4       | E85,122  | E218,371 |
| 47413 | TGL171409 | FLAT 44 Roycroft Close | High Trees     | Tulse Hill | London         | Greater London | SW2 3PE  | Freehold | MV-T       | Flat        | 4       | E75,495  | E193,674 |
| 47414 | TGL171409 | FLAT 45 Roycroft Close | High Trees     | Tulse Hill | London         | Greater London | SW2 3PE  | Freehold | MV-T       | Flat        | 3       | E77,066  | E197,703 |
| 47415 | TGL171409 | FLAT 46 Roycroft Close | High Trees     | Tulse Hill | London         | Greater London | SW2 3PE  | Freehold | MV-T       | Flat        | 4       | E75,495  | E193,674 |
| 47281 | TGL171409 | FLAT 1 Maskall Close   | High Trees     | Tulse Hill | London         | Greater London | SW2 3PH  | Freehold | MV-T       | Flat        | 2       | E68,307  | E175,233 |
| 47282 | TGL171409 | FLAT 2 Maskall Close   | High Trees     | Tulse Hill | London         | Greater London | SW2 3PH  | Freehold | MV-T       | Flat        | 2       | E68,307  | E175,233 |
| 47283 | TGL171409 | FLAT 3 Maskall Close   | High Trees     | Tulse Hill | London         | Greater London | SW2 3PH  | Freehold | MV-T       | Flat        | 1       | E59,199  | E151,868 |
| 47284 | TGL171409 | FLAT 4 Maskall Close   | High Trees     | Tulse Hill | London         | Greater London | SW2 3PH  | Freehold | MV-T       | Studio      | 0       | E59,205  | E151,885 |
| 47285 | TGL171409 | FLAT 5 Maskall Close   | High Trees     | Tulse Hill | London         | Greater London | SW2 3PH  | Freehold | MV-T       | Flat        | 2       | E68,307  | E175,233 |
| 47286 | TGL171409 | FLAT 6 Maskall Close   | High Trees     | Tulse Hill | London         | Greater London | SW2 3PH  | Freehold | MV-T       | Flat        | 2       | E68,307  | E175,233 |
| 47287 | TGL171409 | FLAT 7 Maskall Close   | High Trees     | Tulse Hill | London         | Greater London | SW2 3PH  | Freehold | MV-T       | Flat        | 2       | E68,307  | E175,233 |
| 47288 | TGL171409 | FLAT 8 Maskall Close   | High Trees     | Tulse Hill | London         | Greater London | SW2 3PH  | Freehold | MV-T       | Flat        | 2       | E68,307  | E175,233 |
| 47289 | TGL171409 | FLAT 10 Maskall Close  | High Trees     | Tulse Hill | London         | Greater London | SW2 3PH  | Freehold | MV-T       | Flat        | 2       | E68,313  | E175,249 |
| 47290 | TGL171409 | FLAT 11 Maskall Close  | High Trees     | Tulse Hill | London         | Greater London | SW2 3PH  | Freehold | MV-T       | Flat        | 2       | E68,307  | E175,233 |
| 47291 | TGL171409 | FLAT 12 Maskall Close  | High Trees     | Tulse Hill | London         | Greater London | SW2 3PH  | Freehold | MV-T       | Flat        | 2       | E68,307  | E175,233 |
| 47292 | TGL171409 | FLAT 14 Maskall Close  | High Trees     | Tulse Hill | London         | Greater London | SW2 3PH  | Freehold | MV-T       | Flat        | 2       | E68,307  | E175,233 |
| 47293 | TGL171409 | FLAT 15 Maskall Close  | High Trees     | Tulse Hill | London         | Greater London | SW2 3PH  | Freehold | MV-T       | Flat        | 2       | E68,307  | E175,233 |
| 47294 | TGL171409 | FLAT 16 Maskall Close  | High Trees     | Tulse Hill | London         | Greater London | SW2 3PH  | Freehold | MV-T       | Flat        | 2       | E68,307  | E175,233 |
| 47295 | TGL171409 | FLAT 17 Maskall Close  | High Trees     | Tulse Hill | London         | Greater London | SW2 3PH  | Freehold | MV-T       | Flat        | 2       | E68,307  | E175,233 |
| 47296 | TGL171409 | FLAT 18 Maskall Close  | High Trees     | Tulse Hill | London         | Greater London | SW2 3PH  | Freehold | MV-T       | Flat        | 2       | E68,307  | E175,233 |
| 47297 | TGL171409 | FLAT 20 Maskall Close  | High Trees     | Tulse Hill | London         | Greater London | SW2 3PH  | Freehold | MV-T       | Flat        | 2       | E68,307  | E175,233 |
| 47298 | TGL171409 | FLAT 21 Maskall Close  | High Trees     | Tulse Hill | London         | Greater London | SW2 3PH  | Freehold | MV-T       | Flat        | 2       | E68,307  | E175,233 |
| 47299 | TGL171409 | FLAT 22 Maskall Close  | High Trees     | Tulse Hill | London         | Greater London | SW2 3PH  | Freehold | MV-T       | Flat        | 2       | E68,307  | E175,233 |
| 47300 | TGL171409 | FLAT 23 Maskall Close  | High Trees     | Tulse Hill | London         | Greater London | SW2 3PH  | Freehold | MV-T       | Flat        | 2       | E68,307  | E175,233 |
| 47301 | TGL171409 | FLAT 24 Maskall Close  | High Trees     | Tulse Hill | London         | Greater London | SW2 3PH  | Freehold | MV-T       | Flat        | 2       | E68,307  | E175,233 |
| 47302 | TGL171409 | FLAT 26 Maskall Close  | High Trees     | Tulse Hill | London         | Greater London | SW2 3PH  | Freehold | MV-T       | Flat        | 2       | E68,307  | E175,233 |
| 47303 | TGL171409 | FLAT 27 Maskall Close  | High Trees     | Tulse Hill | London         | Greater London | SW2 3PH  | Freehold | MV-T       | Flat        | 2       | E68,313  | E175,249 |
| 47304 | TGL171409 | FLAT 28 Maskall Close  | High Trees     | Tulse Hill | London         | Greater London | SW2 3PH  | Freehold | MV-T       | Flat        | 2       | E68,307  | E175,233 |
| 47305 | TGL171409 | FLAT 29 Maskall Close  | High Trees     | Tulse Hill | London         | Greater London | SW2 3PH  | Freehold | MV-T       | Flat        | 2       | E68,307  | E175,233 |
| 47306 | TGL171409 | FLAT 30 Maskall Close  | High Trees     | Tulse Hill | London         | Greater London | SW2 3PH  | Freehold | MV-T       | Flat        | 2       | E68,307  | E175,233 |
| 47307 | TGL171409 | FLAT 31 Maskall Close  | High Trees     | Tulse Hill | London         | Greater London | SW2 3PH  | Freehold | MV-T       | Flat        | 3       | E71,074  | E182,333 |
| 47308 | TGL171409 | FLAT 32 Maskall Close  | High Trees     | Tulse Hill | London         | Greater London | SW2 3PH  | Freehold | MV-T       | Flat        | 2       | E67,002  | E171,886 |
| 47309 | TGL171409 | FLAT 33 Maskall Close  | High Trees     | Tulse Hill | London         | Greater London | SW2 3PH  | Freehold | MV-T       | Flat        | 2       | E68,307  | E175,233 |
| 47310 | TGL171409 | FLAT 34 Maskall Close  | High Trees     | Tulse Hill | London         | Greater London | SW2 3PH  | Freehold | MV-T       | Flat        | 2       | E68,307  | E175,233 |
| 47311 | TGL171409 | FLAT 35 Maskall Close  | High Trees     | Tulse Hill | London         | Greater London | SW2 3PH  | Freehold | MV-T       | Flat        | 2       | E68,307  | E175,233 |
| 47312 | TGL171409 | FLAT 36 Maskall Close  | High Trees     | Tulse Hill | London         | Greater London | SW2 3PH  | Freehold | MV-T       | Flat        | 2       | E68,307  | E175,233 |
| 47313 | TGL171409 | FLAT 37 Maskall Close  | High Trees     | Tulse Hill | London         | Greater London | SW2 3PH  | Freehold | MV-T       | Flat        | 3       | E74,228  | E190,424 |
| 47314 | TGL171409 | FLAT 38 Maskall Close  | High Trees     | Tulse Hill | London         | Greater London | SW2 3PH  | Freehold | MV-T       | Flat        | 4       | E74,988  | E192,374 |
| 47316 | TGL171409 | FLAT 40 Maskall Close  | High Trees     | Tulse Hill | London         | Greater London | SW2 3PH  | Freehold | MV-T       | Flat        | 4       | E74,988  | E192,374 |
| 47320 | TGL171409 | FLAT 44 Maskall Close  | High Trees     | Tulse Hill | London         | Greater London | SW2 3PH  | Freehold | MV-T       | Flat        | 4       | E74,988  | E192,374 |
| 47321 | TGL171409 | FLAT 45 Maskall Close  | High Trees     | Tulse Hill | London         | Greater London | SW2 3PH  | Freehold | MV-T       | Flat        | 3       | E74,228  | E190,424 |
| 47509 | TGL171409 | FLAT 3 Kelyway House   | Ewen Crescent  | Tulse Hill | London         | Greater London | SW2 2PD  | Freehold | MV-T       | Maisonnette | 3       | E76,331  | E195,819 |
| 47510 | TGL171409 | FLAT 4 Kelyway House   | Ewen Crescent  | Tulse Hill | London         | Greater London | SW2 2PD  | Freehold | MV-T       | Maisonnette | 3       | E76,331  | E195,819 |
| 47511 | TGL171409 | FLAT 5 Kelyway House   | Ewen Crescent  | Tulse Hill | London         | Greater London | SW2 2PD  | Freehold | MV-T       | Maisonnette | 3       | E78,485  | E201,343 |
| 47512 | TGL171409 | FLAT 6 Kelyway House   | Ewen Crescent  | Tulse Hill | London         | Greater London | SW2 2PD  | Freehold | MV-T       | Maisonnette | 3       | E76,331  | E195,819 |
| 47514 | TGL171409 | FLAT 8 Kelyway House   | Ewen Crescent  | Tulse Hill | London         | Greater London | SW2 2PD  | Freehold | MV-T       | Maisonnette | 3       | E75,717  | E194,243 |
| 47515 | TGL171409 | FLAT 9 Kelyway House   | Ewen Crescent  | Tulse Hill | London         | Greater London | SW2 2PD  | Freehold | MV-T       | Maisonnette | 4       | E76,331  | E195,819 |
| 47518 | TGL171409 | FLAT 12 Kelyway House  | Ewen Crescent  | Tulse Hill | London         | Greater London | SW2 2PD  | Freehold | MV-T       | Maisonnette | 3       | E74,520  | E191,172 |
| 47519 | TGL171409 | FLAT 14 Kelyway House  | Ewen Crescent  | Tulse Hill | London         | Greater London | SW2 2PD  | Freehold | MV-T       | Maisonnette | 3       | E75,717  | E194,243 |
| 47495 | TGL171409 | FLAT 2 Hamers House    | Ewen Crescent  | Tulse Hill | London         | Greater London | SW2 2PE  | Freehold | MV-T       | Maisonnette | 4       | E86,173  | E221,068 |
| 47496 | TGL171409 | FLAT 3 Hamers House    | Ewen Crescent  | Tulse Hill | London         | Greater London | SW2 2PE  | Freehold | MV-T       | Maisonnette | 3       | E76,331  | E195,819 |
| 47498 | TGL171409 | FLAT 5 Hamers House    | Ewen Crescent  | Tulse Hill | London         | Greater London | SW2 2PE  | Freehold | MV-T       | Maisonnette | 3       | E78,472  | E201,310 |
| 47499 | TGL171409 | FLAT 6 Hamers House    | Ewen Crescent  | Tulse Hill | London         | Greater London | SW2 2PE  | Freehold | MV-T       | Maisonnette | 3       | E76,331  | E195,819 |
| 47503 | TGL171409 | FLAT 11 Hamers House   | Ewen Crescent  | Tulse Hill | London         | Greater London | SW2 2PE  | Freehold | MV-T       | Maisonnette | 3       | E75,717  | E194,243 |
| 47504 | TGL171409 | FLAT 12 Hamers House   | Ewen Crescent  | Tulse Hill | London         | Greater London | SW2 2PE  | Freehold | MV-T       | Maisonnette | 3       | E75,717  | E194,243 |
| 47505 | TGL171409 | FLAT 13 Hamers House   | Ewen Crescent  | Tulse Hill | London         | Greater London | SW2 2PE  | Freehold | MV-T       | Maisonnette | 3       | E75,717  | E194,243 |
| 47506 | TGL171409 | FLAT 14 Hamers House   | Ewen Crescent  | Tulse Hill | London         | Greater London | SW2 2PE  | Freehold | MV-T       | Maisonnette | 3       | E71,866  | E184,364 |
| 47473 | TGL171409 | FLAT 2 Courier House   | Ewen Crescent  | Tulse Hill | London         | Greater London | SW2 2PN  | Freehold | MV-T       | Maisonnette | 4       | E82,595  | E211,888 |
| 47474 | TGL171409 | FLAT 3 Courier House   | Ewen Crescent  | Tulse Hill | London         | Greater London | SW2 2PN  | Freehold | MV-T       | Maisonnette | 3       | E76,331  | E195,819 |
| 47475 | TGL171409 | FLAT 4 Courier House   | Ewen Crescent  | Tulse Hill | London         | Greater London | SW2 2PN  | Freehold | MV-T       | Maisonnette | 3       | E76,331  | E195,819 |
| 47478 | TGL171409 | FLAT 8 Courier House   | Ewen Crescent  | Tulse Hill | London         | Greater London | SW2 2PN  | Freehold | MV-T       | Maisonnette | 3       | E78,485  | E201,343 |
| 47479 | TGL171409 | FLAT 9 Courier House   | Ewen Crescent  | Tulse Hill | London         | Greater London | SW2 2PN  | Freehold | MV-T       | Maisonnette | 4       | E76,331  | E195,819 |
| 47481 | TGL171409 | FLAT 11 Courier House  | Ewen Crescent  | Tulse Hill | London         | Greater London | SW2 2PN  | Freehold | MV-T       | Maisonnette | 3       | E71,651  | E183,812 |
| 47482 | TGL171409 | FLAT 12 Courier House  | Ewen Crescent  | Tulse Hill | London         | Greater London | SW2 2PN  | Freehold | MV-T       | Maisonnette | 3       | E75,717  | E194,243 |
| 47483 | TGL171409 | FLAT 13 Courier House  | Ewen Crescent  | Tulse Hill | London         | Greater London | SW2 2PN  | Freehold | MV-T       | Maisonnette | 3       | E75,717  | E194,243 |
| 47484 | TGL171409 | FLAT 14 Courier House  | Ewen Crescent  | Tulse Hill | London         | Greater London | SW2 2PN  | Freehold | MV-T       | Maisonnette | 3       | E75,717  | E194,243 |
| 47455 | TGL171409 | FLAT 1 Bell House      | Ewen Crescent  | Tulse Hill | London         | Greater London | SW2 2PW  | Freehold | MV-T       | Flat        | 2       | E68,307  | E175,233 |
| 47456 | TGL171409 | FLAT 2 Bell House      | Ewen Crescent  | Tulse Hill | London         | Greater London | SW2 2PW  | Freehold | MV-T       | Flat        | 1       | E59,199  | E151,868 |
| 47457 | TGL171409 | FLAT 3 Bell House      | Ewen Crescent  | Tulse Hill | London         | Greater London | SW2 2PW  | Freehold | MV-T       | Flat        | 2       | E68,307  | E175,233 |
| 47458 | TGL171409 | FLAT 4 Bell House      | Ewen Crescent  | Tulse Hill | London         | Greater London | SW2 2PW  | Freehold | MV-T       | Flat        | 2       | E68,307  | E175,233 |
| 47459 | TGL171409 | FLAT 6 Bell House      | Ewen Crescent  | Tulse Hill | London         | Greater London | SW2 2PW  | Freehold | MV-T       | Flat        | 2       | E68,307  | E175,233 |
| 47462 | TGL171409 | FLAT 9 Bell House      | Ewen Crescent  | Tulse Hill | London         | Greater London | SW2 2PW  | Freehold | MV-T       | Flat        | 1       | E59,199  | E151,868 |
| 47465 | TGL171409 | FLAT 13 Bell House     | Ewen Crescent  | Tulse Hill | London         | Greater London | SW2 2PW  | Freehold | MV-T       | Flat        | 1       | E59,199  | E151,868 |
| 47466 | TGL171409 | FLAT 14 Bell House     | Ewen Crescent  | Tulse Hill | London         | Greater London | SW2 2PW  | Freehold | MV-T       | Flat        | 2       | E68,307  | E175,233 |
| 47467 | TGL171409 | FLAT 15 Bell House     | Ewen Crescent  | Tulse Hill | London         | Greater London | SW2 2PW  | Freehold | MV-T       | Flat        | 3       | E77,066  | E197,703 |
| 47468 | TGL171409 | FLAT 16 Bell House     | Ewen Crescent  | Tulse Hill | London         | Greater London | SW2 2PW  | Freehold | MV-T       | Flat        | 2       | E68,307  | E175,233 |
| 47469 | TGL171409 | FLAT 17 Bell House     | Ewen Crescent  | Tulse Hill | London         | Greater London | SW2 2PW  | Freehold | MV-T       | Flat        | 1       | E59,199  | E151,868 |
| 47470 | TGL171409 | FLAT 18 Bell House     | Ewen Crescent  | Tulse Hill | London         | Greater London | SW2 2PW  | Freehold | MV-T       | Flat        | 2       | E68,307  | E175,233 |
| 47471 | TGL171409 | FLAT 19 Bell House     | Ewen Crescent  | Tulse Hill | London         | Greater London | SW2 2PW  | Freehold | MV-T       | Flat        | 3       | E77,066  | E197,703 |
| 47204 | TGL171409 | FLAT 20 Bell House     | Ewen Crescent  | Tulse Hill | London         | Greater London | SW2 2PW  | Freehold | MV-T       | Flat        | 3       | E77,066  | E197,703 |
| 50916 | LN57986   | First Floor Flat       | 59 Kings Grove | Peckham    | London         | Greater London | SE15 2NA | Freehold | MV-T       | Flat        | 2       | E87,717  | E205,653 |
| 50917 | LN57986   | Basement Flat          | 59 Kings Grove | Peckham    | London         | Greater London | SE15 2NA | Freehold | MV-T       | Flat        | 1       | E69,089  | E161,978 |
| 47416 | TGL171409 | 1 Alwater Close        | Tulse Hill     | London     | Greater London | SW2 2PG        | Freehold | MV-T     | Maisonette | 3           | E76,084 | E195,185 |          |
| 47421 | TGL171409 | 9 Alwater Close        | Tulse Hill     | London     | Greater London | SW2 2PG        | Freehold | MV-T     | Maisonette | 3           | E74,051 | E189,969 |          |
| 47423 | TGL171409 | 11 Alwater Close       | Tulse Hill     | London     | Greater London | SW2 2PG        | Freehold | MV-T     | Maisonette | 3           | E76,084 | E195,185 |          |
| 47425 | TGL171409 | 13 Alwater Close       | Tulse Hill     | London     | Greater London | SW2 2PG        | Freehold | MV-T     | Maisonette | 3           | E78,472 | E201,310 |          |
| 47431 | TGL171409 | 19 Alwater Close       | Tulse Hill     | London     | Greater London | SW2 2PG        | Freehold | MV-T     | Maisonette | 3           | E75,483 | E193,641 |          |
| 47435 | TGL171409 | 23 Alwater Close       | Tulse Hill     | London     | Greater London | SW2 2PG        | Freehold | MV-T     | Maisonette | 3           | E78,472 | E201,310 |          |
| 47438 | TGL171409 | 27 Alwater Close       | Tulse Hill     | London     | Greater London | SW2 2PG        | Freehold | MV-T     | Maisonette | 3           | E78,472 | E201,310 |          |
| 47440 | TGL171409 | 29 Alwater Close       | Tulse Hill     | London     | Greater London | SW2 2PG        | Freehold | MV-T     | Maisonette | 3           | E78     |          |          |

Valuation Schedule  
Housing Association:  
Valuer:  
Valuation Date:  
Valuation:

Optivo  
JLL  
03 April 2020  
Optivo Bond Issue 2020

Nil Value

| Property Reference Number | Address 1          | Address 2                  | Address 3          | Address 4        | County        | Postcode |
|---------------------------|--------------------|----------------------------|--------------------|------------------|---------------|----------|
| 17218                     | 1- 2 Arcadia Close | 1 Arcadia Close            | Carshalton         | Surrey           |               | SM5 2AE  |
| 17304                     | Kestrel Court      | FLAT 2 Kestrel Court 1-12  | Kestrel Court      | Haling Park Road | South Croydon | CR2 6NJ  |
| 17308                     | Kestrel Court      | FLAT 6 Kestrel Court 1-12  | Kestrel Court      | Haling Park Road | South Croydon | CR2 6NJ  |
| 17311                     | Kestrel Court      | FLAT 9 Kestrel Court 1-12  | Kestrel Court      | Haling Park Road | South Croydon | CR2 6NJ  |
| 17313                     | Kestrel Court      | FLAT 11 Kestrel Court 1-12 | Kestrel Court      | Haling Park Road | South Croydon | CR2 6NJ  |
| 17314                     | Kestrel Court      | FLAT 12 Kestrel Court 1-12 | Kestrel Court      | Haling Park Road | South Croydon | CR2 6NJ  |
| 17318                     | Kestrel Court      | FLAT 16 Kestrel Court      | Haling Park Road   | South Croydon    | Surrey        | CR2 6NJ  |
| 17320                     | Kestrel Court      | FLAT 18 Kestrel Court      | Haling Park Road   | South Croydon    | Surrey        | CR2 6NJ  |
| 17322                     | Kestrel Court      | FLAT 20 Kestrel Court      | Haling Park Road   | South Croydon    | Surrey        | CR2 6NJ  |
| 17323                     | Kestrel Court      | FLAT 21 Kestrel Court      | Haling Park Road   | South Croydon    | Surrey        | CR2 6NJ  |
| 17324                     | Kestrel Court      | FLAT 22 Kestrel Court      | Haling Park Road   | South Croydon    | Surrey        | CR2 6NJ  |
| 17330                     | Kestrel Court      | FLAT 28 Kestrel Court      | Haling Park Road   | South Croydon    | Surrey        | CR2 6NJ  |
| 17332                     | Kestrel Court      | FLAT 30 Kestrel Court      | Haling Park Road   | South Croydon    | Surrey        | CR2 6NJ  |
| 17333                     | Kestrel Court      | FLAT 31 Kestrel Court      | Haling Park Road   | South Croydon    | Surrey        | CR2 6NJ  |
| 17334                     | Kestrel Court      | FLAT 32 Kestrel Court      | Haling Park Road   | South Croydon    | Surrey        | CR2 6NJ  |
| 19228                     | Old Market Court   | FLAT 7 Old Market Court    | Crown Road         | Sutton           | Surrey        | SM1 1SD  |
| 19229                     | Old Market Court   | FLAT 8 Old Market Court    | Crown Road         | Sutton           | Surrey        | SM1 1SD  |
| 28910                     | Robinson Court     | 1 Robinson Court           | 5 Campbell Road    | Croydon          | Surrey        | CR0 2SP  |
| 28926                     | Robinson Court     | 7 Robinson Court           | 5 Campbell Road    | Croydon          | Surrey        | CR0 2SP  |
| 28938                     | Robinson Court     | 19 Robinson Court          | 5 Campbell Road    | Croydon          | Surrey        | CR0 2SP  |
| 41541                     | Cygnus Court       | FLAT 5 Cygnus Court        | 850 Brighton Road  | Purley           | Surrey        | CR8 2FB  |
| 41552                     | Cygnus Court       | FLAT 15 Cygnus Court       | 850 Brighton Road  | Purley           | Surrey        | CR8 2FB  |
| 41555                     | Cygnus Court       | FLAT 18 Cygnus Court       | 850 Brighton Road  | Purley           | Surrey        | CR8 2FB  |
| 41558                     | Cygnus Court       | FLAT 21 Cygnus Court       | 850 Brighton Road  | Purley           | Surrey        | CR8 2FB  |
| 41569                     | Cygnus Court       | FLAT 32 Cygnus Court       | 850 Brighton Road  | Purley           | Surrey        | CR8 2FB  |
| 15762                     | Bryan House        | FLAT 1 Bryan House         | Rotherhithe Street | Rotherhithe      | London        | SE16 5HB |
| 15763                     | Bryan House        | FLAT 2 Bryan House         | Rotherhithe Street | Rotherhithe      | London        | SE16 5HB |
| 15768                     | Bryan House        | FLAT 7 Bryan House         | Rotherhithe Street | Rotherhithe      | London        | SE16 5HB |
| 15770                     | Bryan House        | FLAT 9 Bryan House         | Rotherhithe Street | Rotherhithe      | London        | SE16 5HB |
| 15771                     | Bryan House        | FLAT 10 Bryan House        | Rotherhithe Street | Rotherhithe      | London        | SE16 5HB |
| 15772                     | Bryan House        | FLAT 11 Bryan House        | Rotherhithe Street | Rotherhithe      | London        | SE16 5HB |
| 15773                     | Bryan House        | FLAT 12 Bryan House        | Rotherhithe Street | Rotherhithe      | London        | SE16 5HB |
| 15774                     | Bryan House        | FLAT 13 Bryan House        | Rotherhithe Street | Rotherhithe      | London        | SE16 5HB |
| 15775                     | Bryan House        | FLAT 14 Bryan House        | Rotherhithe Street | Rotherhithe      | London        | SE16 5HB |
| 15776                     | Bryan House        | FLAT 15 Bryan House        | Rotherhithe Street | Rotherhithe      | London        | SE16 5HB |
| 15777                     | Bryan House        | FLAT 16 Bryan House        | Rotherhithe Street | Rotherhithe      | London        | SE16 5HB |
| 15778                     | Bryan House        | FLAT 17 Bryan House        | Rotherhithe Street | Rotherhithe      | London        | SE16 5HB |
| 15780                     | Bryan House        | FLAT 19 Bryan House        | Rotherhithe Street | Rotherhithe      | London        | SE16 5HB |
| 15781                     | Bryan House        | FLAT 20 Bryan House        | Rotherhithe Street | Rotherhithe      | London        | SE16 5HB |
| 15782                     | Bryan House        | FLAT 21 Bryan House        | Rotherhithe Street | Rotherhithe      | London        | SE16 5HB |
| 15784                     | Bryan House        | FLAT 23 Bryan House        | Rotherhithe Street | Rotherhithe      | London        | SE16 5HB |
| 15786                     | Bryan House        | FLAT 25 Bryan House        | Rotherhithe Street | Rotherhithe      | London        | SE16 5HB |
| 15788                     | Bryan House        | FLAT 27 Bryan House        | Rotherhithe Street | Rotherhithe      | London        | SE16 5HB |
| 15791                     | Bryan House        | FLAT 30 Bryan House        | Rotherhithe Street | Rotherhithe      | London        | SE16 5HB |
| 15792                     | Bryan House        | FLAT 31 Bryan House        | Rotherhithe Street | Rotherhithe      | London        | SE16 5HB |
| 16307                     | Gabriel House      | FLAT 2 Gabriel House       | Odessa Street      | Rotherhithe      | London        | SE16 7HQ |
| 16308                     | Gabriel House      | FLAT 3 Gabriel House       | Odessa Street      | Rotherhithe      | London        | SE16 7HQ |
| 16310                     | Gabriel House      | FLAT 5 Gabriel House       | Odessa Street      | Rotherhithe      | London        | SE16 7HQ |
| 16311                     | Gabriel House      | FLAT 6 Gabriel House       | Odessa Street      | Rotherhithe      | London        | SE16 7HQ |
| 16312                     | Gabriel House      | FLAT 7 Gabriel House       | Odessa Street      | Rotherhithe      | London        | SE16 7HQ |
| 16313                     | Gabriel House      | FLAT 8 Gabriel House       | Odessa Street      | Rotherhithe      | London        | SE16 7HQ |
| 16314                     | Gabriel House      | FLAT 9 Gabriel House       | Odessa Street      | Rotherhithe      | London        | SE16 7HQ |
| 16315                     | Gabriel House      | FLAT 10 Gabriel House      | Odessa Street      | Rotherhithe      | London        | SE16 7HQ |
| 16316                     | Gabriel House      | FLAT 11 Gabriel House      | Odessa Street      | Rotherhithe      | London        | SE16 7HQ |
| 16317                     | Gabriel House      | FLAT 12 Gabriel House      | Odessa Street      | Rotherhithe      | London        | SE16 7HQ |
| 16318                     | Gabriel House      | FLAT 13 Gabriel House      | Odessa Street      | Rotherhithe      | London        | SE16 7HQ |
| 16409                     | Gabriel House      | FLAT 14 Gabriel House      | Odessa Street      | Rotherhithe      | London        | SE16 7HQ |
| 16320                     | Gabriel House      | FLAT 15 Gabriel House      | Odessa Street      | Rotherhithe      | London        | SE16 7HQ |
| 16322                     | Gabriel House      | FLAT 17 Gabriel House      | Odessa Street      | Rotherhithe      | London        | SE16 7HQ |
| 16325                     | Gabriel House      | FLAT 20 Gabriel House      | Odessa Street      | Rotherhithe      | London        | SE16 7HQ |
| 16326                     | Gabriel House      | FLAT 21 Gabriel House      | Odessa Street      | Rotherhithe      | London        | SE16 7HQ |
| 16327                     | Gabriel House      | FLAT 22 Gabriel House      | Odessa Street      | Rotherhithe      | London        | SE16 7HQ |
| 16328                     | Gabriel House      | FLAT 23 Gabriel House      | Odessa Street      | Rotherhithe      | London        | SE16 7HQ |
| 16329                     | Gabriel House      | FLAT 24 Gabriel House      | Odessa Street      | Rotherhithe      | London        | SE16 7HQ |
| 16330                     | Gabriel House      | FLAT 25 Gabriel House      | Odessa Street      | Rotherhithe      | London        | SE16 7HQ |
| 16331                     | Gabriel House      | FLAT 26 Gabriel House      | Odessa Street      | Rotherhithe      | London        | SE16 7HQ |
| 16332                     | Gabriel House      | FLAT 27 Gabriel House      | Odessa Street      | Rotherhithe      | London        | SE16 7HQ |
| 16334                     | Gabriel House      | FLAT 29 Gabriel House      | Odessa Street      | Rotherhithe      | London        | SE16 7HQ |
| 16335                     | Gabriel House      | FLAT 30 Gabriel House      | Odessa Street      | Rotherhithe      | London        | SE16 7HQ |
| 16336                     | Gabriel House      | FLAT 31 Gabriel House      | Odessa Street      | Rotherhithe      | London        | SE16 7HQ |
| 16337                     | Gabriel House      | FLAT 32 Gabriel House      | Odessa Street      | Rotherhithe      | London        | SE16 7HQ |
| 16338                     | Gabriel House      | FLAT 33 Gabriel House      | Odessa Street      | Rotherhithe      | London        | SE16 7HQ |
| 16339                     | Gabriel House      | FLAT 34 Gabriel House      | Odessa Street      | Rotherhithe      | London        | SE16 7HQ |
| 16340                     | Gabriel House      | FLAT 35 Gabriel House      | Odessa Street      | Rotherhithe      | London        | SE16 7HQ |
| 16344                     | Gabriel House      | FLAT 39 Gabriel House      | Odessa Street      | Rotherhithe      | London        | SE16 7HQ |
| 16345                     | Gabriel House      | FLAT 40 Gabriel House      | Odessa Street      | Rotherhithe      | London        | SE16 7HQ |
| 16346                     | Gabriel House      | FLAT 41 Gabriel House      | Odessa Street      | Rotherhithe      | London        | SE16 7HQ |
| 16347                     | Gabriel House      | FLAT 42 Gabriel House      | Odessa Street      | Rotherhithe      | London        | SE16 7HQ |
| 16350                     | Gabriel House      | FLAT 45 Gabriel House      | Odessa Street      | Rotherhithe      | London        | SE16 7HQ |
| 16351                     | Gabriel House      | FLAT 46 Gabriel House      | Odessa Street      | Rotherhithe      | London        | SE16 7HQ |
| 16353                     | Walker House       | FLAT 2 Walker House        | Odessa Street      | Rotherhithe      | London        | SE16 7HD |
| 16354                     | Walker House       | FLAT 3 Walker House        | Odessa Street      | Rotherhithe      | London        | SE16 7HD |
| 16357                     | Walker House       | FLAT 6 Walker House        | Odessa Street      | Rotherhithe      | London        | SE16 7HD |
| 16358                     | Walker House       | FLAT 7 Walker House        | Odessa Street      | Rotherhithe      | London        | SE16 7HD |
| 16360                     | Walker House       | FLAT 9 Walker House        | Odessa Street      | Rotherhithe      | London        | SE16 7HD |
| 16362                     | Walker House       | FLAT 11 Walker House       | Odessa Street      | Rotherhithe      | London        | SE16 7HD |
| 16363                     | Walker House       | FLAT 12 Walker House       | Odessa Street      | Rotherhithe      | London        | SE16 7HD |

[illegible]

|            |       |                |                        |                  |            |        |         |
|------------|-------|----------------|------------------------|------------------|------------|--------|---------|
|            | 47589 | Valens House   | FLAT 10 Valens House   | Upper Tulse Hill | Tulse Hill | London | SW2 2RX |
|            | 47173 | Valens House   | FLAT 12 Valens House   | Upper Tulse Hill | Tulse Hill | London | SW2 2RX |
|            | 47183 | Valens House   | FLAT 14 Valens House   | Upper Tulse Hill | Tulse Hill | London | SW2 2RX |
|            | 47601 | Valens House   | FLAT 24 Valens House   | Upper Tulse Hill | Tulse Hill | London | SW2 2RX |
|            | 47604 | Valens House   | FLAT 27 Valens House   | Upper Tulse Hill | Tulse Hill | London | SW2 2RX |
|            | 47198 | Strode House   | FLAT 2 Strode House    | Upper Tulse Hill | Tulse Hill | London | SW2 3PH |
|            | 47170 | Strode House   | FLAT 6 Strode House    | Upper Tulse Hill | Tulse Hill | London | SW2 2PH |
|            | 47533 | Strode House   | FLAT 7 Strode House    | Upper Tulse Hill | Tulse Hill | London | SW2 2PH |
|            | 47535 | Strode House   | FLAT 9 Strode House    | Upper Tulse Hill | Tulse Hill | London | SW2 2PH |
|            | 47145 | Tebbs House    | FLAT 3 Tebbs House     | Upper Tulse Hill | Tulse Hill | London | SW2 2PJ |
|            | 47192 | Tebbs House    | FLAT 5 Tebbs House     | Upper Tulse Hill | Tulse Hill | London | SW2 2PJ |
|            | 47542 | Tebbs House    | FLAT 6 Tebbs House     | Upper Tulse Hill | Tulse Hill | London | SW2 2PJ |
|            | 47544 | Tebbs House    | FLAT 8 Tebbs House     | Upper Tulse Hill | Tulse Hill | London | SW2 2PJ |
|            | 47545 | Tebbs House    | FLAT 9 Tebbs House     | Upper Tulse Hill | Tulse Hill | London | SW2 2PJ |
|            | 47554 | Tebbs House    | FLAT 18 Tebbs House    | Upper Tulse Hill | Tulse Hill | London | SW2 2PJ |
|            | 47182 | Portland House | FLAT 8 Portland House  | Tulse Hill       | Lambeth    | London | SW2 3PD |
|            | 47154 | Portland House | FLAT 9 Portland House  | Tulse Hill       | Lambeth    | London | SW2 3PD |
|            | 47374 | Portland House | FLAT 15 Portland House | Tulse Hill       | Lambeth    | London | SW2 3PD |
|            | 47191 | Morrison House | FLAT 3 Morrison House  | Tulse Hill       | Lambeth    | London | SW2 3PP |
|            | 47174 | Morrison House | FLAT 12 Morrison House | Tulse Hill       | Lambeth    | London | SW2 3PP |
|            | 47333 | Morrison House | FLAT 15 Morrison House | Tulse Hill       | Lambeth    | London | SW2 3PP |
|            | 47157 | Morrison House | FLAT 17 Morrison House | Tulse Hill       | Lambeth    | London | SW2 3PP |
|            | 47169 | Morrison House | FLAT 18 Morrison House | Tulse Hill       | Lambeth    | London | SW2 3PP |
|            | 47338 | Morrison House | FLAT 23 Morrison House | Tulse Hill       | Lambeth    | London | SW2 3PP |
|            | 47341 | Morrison House | FLAT 26 Morrison House | Tulse Hill       | Lambeth    | London | SW2 3PP |
|            | 47346 | Morrison House | FLAT 31 Morrison House | Tulse Hill       | Lambeth    | London | SW2 3PP |
|            | 47171 | Morrison House | FLAT 35 Morrison House | Tulse Hill       | Lambeth    | London | SW2 3PP |
|            | 47187 | Morrison House | FLAT 39 Morrison House | Tulse Hill       | Lambeth    | London | SW2 3PP |
|            | 47352 | Morrison House | FLAT 40 Morrison House | Tulse Hill       | Lambeth    | London | SW2 3PP |
|            | 47355 | Morrison House | FLAT 43 Morrison House | Tulse Hill       | Lambeth    | London | SW2 3PP |
|            | 47181 | Hart House     | FLAT 4 Hart House      | Tulse Hill       | Lambeth    | London | SW2 3DA |
|            | 47200 | Hart House     | FLAT 7 Hart House      | Tulse Hill       | Lambeth    | London | SW2 3DA |
|            | 47195 | Hart House     | FLAT 8 Hart House      | Tulse Hill       | Lambeth    | London | SW2 3DA |
|            | 47266 | Hart House     | FLAT 9 Hart House      | Tulse Hill       | Lambeth    | London | SW2 3DA |
|            | 47155 | Hart House     | FLAT 12 Hart House     | Tulse Hill       | Lambeth    | London | SW2 3DA |
|            | 47269 | Hart House     | FLAT 13 Hart House     | Tulse Hill       | Lambeth    | London | SW2 3DA |
|            | 47202 | Hart House     | FLAT 15 Hart House     | Tulse Hill       | Lambeth    | London | SW2 3DA |
|            | 47271 | Hart House     | FLAT 16 Hart House     | Tulse Hill       | Lambeth    | London | SW2 3DA |
|            | 47172 | Baldwin House  | FLAT 2 Baldwin House   | Tulse Hill       | Lambeth    | London | SW2 3BZ |
|            | 47193 | Baldwin House  | FLAT 3 Baldwin House   | Tulse Hill       | Lambeth    | London | SW2 3BZ |
|            | 47161 | Baldwin House  | FLAT 7 Baldwin House   | Tulse Hill       | Lambeth    | London | SW2 3BZ |
|            | 47149 | Baldwin House  | FLAT 13 Baldwin House  | Tulse Hill       | Lambeth    | London | SW2 3BZ |
|            | 47177 | Baldwin House  | FLAT 19 Baldwin House  | Tulse Hill       | Lambeth    | London | SW2 3BZ |
|            | 47151 | Baldwin House  | FLAT 33 Baldwin House  | Tulse Hill       | Lambeth    | London | SW2 3BZ |
|            | 47194 | Baldwin House  | FLAT 36 Baldwin House  | Tulse Hill       | Lambeth    | London | SW2 3BZ |
|            | 47175 | Baldwin House  | FLAT 38 Baldwin House  | Tulse Hill       | Lambeth    | London | SW2 3BZ |
|            | 47184 | Baldwin House  | FLAT 40 Baldwin House  | Tulse Hill       | Lambeth    | London | SW2 3BZ |
|            | 47239 | Baldwin House  | FLAT 42 Baldwin House  | Tulse Hill       | Lambeth    | London | SW2 3BZ |
|            | 47240 | Baldwin House  | FLAT 43 Baldwin House  | Tulse Hill       | Lambeth    | London | SW2 3BZ |
|            | 47147 | Baldwin House  | FLAT 48 Baldwin House  | Tulse Hill       | Lambeth    | London | SW2 3BZ |
|            | 47246 | Baldwin House  | FLAT 50 Baldwin House  | Tulse Hill       | Lambeth    | London | SW2 3BZ |
| STSMART001 |       | Burnell House  | Basement Burnell House | Tulse Hill       | Lambeth    | London | SW2 3PF |
|            | 47176 | Burnell House  | FLAT 1 Burnell House   | Tulse Hill       | Lambeth    | London | SW2 3PF |
|            | 47257 | Burnell House  | FLAT 12 Burnell House  | Tulse Hill       | Lambeth    | London | SW2 3PF |
|            | 47185 | Loveday House  | FLAT 1 Loveday House   | Bannister Close  | Tulse Hill | London | SW2 2PB |
|            | 47196 | Loveday House  | FLAT 2 Loveday House   | Bannister Close  | Tulse Hill | London | SW2 2PB |
|            | 47197 | Loveday House  | FLAT 3 Loveday House   | Bannister Close  | Tulse Hill | London | SW2 2PB |
|            | 47163 | Loveday House  | FLAT 5 Loveday House   | Bannister Close  | Tulse Hill | London | SW2 2PB |
|            | 47521 | Loveday House  | FLAT 6 Loveday House   | Bannister Close  | Tulse Hill | London | SW2 2PB |
|            | 47189 | Loveday House  | FLAT 8 Loveday House   | Bannister Close  | Tulse Hill | London | SW2 2PB |
|            | 47186 | Loveday House  | FLAT 9 Loveday House   | Bannister Close  | Tulse Hill | London | SW2 2PB |
|            | 47526 | Loveday House  | FLAT 13 Loveday House  | Bannister Close  | Tulse Hill | London | SW2 2PB |
|            | 47190 | Roycroft Close | FLAT 6 Roycroft Close  | High Trees       | Tulse Hill | London | SW2 3PE |
|            | 47203 | Roycroft Close | FLAT 9 Roycroft Close  | High Trees       | Tulse Hill | London | SW2 3PE |
|            | 47389 | Roycroft Close | FLAT 17 Roycroft Close | High Trees       | Tulse Hill | London | SW2 3PE |
|            | 47395 | Roycroft Close | FLAT 23 Roycroft Close | High Trees       | Tulse Hill | London | SW2 3PE |
|            | 47201 | Roycroft Close | FLAT 38 Roycroft Close | High Trees       | Tulse Hill | London | SW2 3PE |
|            | 47164 | Roycroft Close | FLAT 41 Roycroft Close | High Trees       | Tulse Hill | London | SW2 3PE |
|            | 47160 | Roycroft Close | FLAT 43 Roycroft Close | High Trees       | Tulse Hill | London | SW2 3PE |
|            | 47162 | Maskall Close  | FLAT 9 Maskall Close   | High Trees       | Tulse Hill | London | SW2 3PH |
|            | 47205 | Maskall Close  | FLAT 13 Maskall Close  | High Trees       | Tulse Hill | London | SW2 3PH |
|            | 51886 | Maskall Close  | FLAT 19 Maskall Close  | High Trees       | Tulse Hill | London | SW2 3PH |
|            | 47206 | Maskall Close  | FLAT 25 Maskall Close  | High Trees       | Tulse Hill | London | SW2 3PH |
|            | 47315 | Maskall Close  | FLAT 39 Maskall Close  | High Trees       | Tulse Hill | London | SW2 3PH |
|            | 47317 | Maskall Close  | FLAT 41 Maskall Close  | High Trees       | Tulse Hill | London | SW2 3PH |
|            | 47318 | Maskall Close  | FLAT 42 Maskall Close  | High Trees       | Tulse Hill | London | SW2 3PH |
|            | 47319 | Maskall Close  | FLAT 43 Maskall Close  | High Trees       | Tulse Hill | London | SW2 3PH |
|            | 47178 | Maskall Close  | FLAT 46 Maskall Close  | High Trees       | Tulse Hill | London | SW2 3PH |
|            | 47507 | Kelyway House  | FLAT 1 Kelyway House   | Ewen Crescent    | Tulse Hill | London | SW2 2PD |
|            | 47508 | Kelyway House  | FLAT 2 Kelyway House   | Ewen Crescent    | Tulse Hill | London | SW2 2PD |
|            | 47513 | Kelyway House  | FLAT 7 Kelyway House   | Ewen Crescent    | Tulse Hill | London | SW2 2PD |
|            | 47516 | Kelyway House  | FLAT 10 Kelyway House  | Ewen Crescent    | Tulse Hill | London | SW2 2PD |
|            | 47517 | Kelyway House  | FLAT 11 Kelyway House  | Ewen Crescent    | Tulse Hill | London | SW2 2PD |
|            | 50845 | Kelyway House  | FLAT 13 Kelyway House  | Ewen Crescent    | Tulse Hill | London | SW2 2PD |
|            | 47494 | Hamers House   | FLAT 1 Hamers House    | Ewen Crescent    | Tulse Hill | London | SW2 2PE |
|            | 47497 | Hamers House   | FLAT 4 Hamers House    | Ewen Crescent    | Tulse Hill | London | SW2 2PE |
|            | 47500 | Hamers House   | FLAT 7 Hamers House    | Ewen Crescent    | Tulse Hill | London | SW2 2PE |
|            | 47501 | Hamers House   | FLAT 8 Hamers House    | Ewen Crescent    | Tulse Hill | London | SW2 2PE |
|            | 47167 | Hamers House   | FLAT 9 Hamers House    | Ewen Crescent    | Tulse Hill | London | SW2 2PE |
|            | 47502 | Hamers House   | FLAT 10 Hamers House   | Ewen Crescent    | Tulse Hill | London | SW2 2PE |
|            | 47472 | Courier House  | FLAT 1 Courier House   | Ewen Crescent    | Tulse Hill | London | SW2 2PN |
|            | 47476 | Courier House  | FLAT 5 Courier House   | Ewen Crescent    | Tulse Hill | London | SW2 2PN |
|            | 47477 | Courier House  | FLAT 6 Courier House   | Ewen Crescent    | Tulse Hill | London | SW2 2PN |
|            | 47168 | Courier House  | FLAT 7 Courier House   | Ewen Crescent    | Tulse Hill | London | SW2 2PN |
|            | 47480 | Courier House  | FLAT 10 Courier House  | Ewen Crescent    | Tulse Hill | London | SW2 2PN |

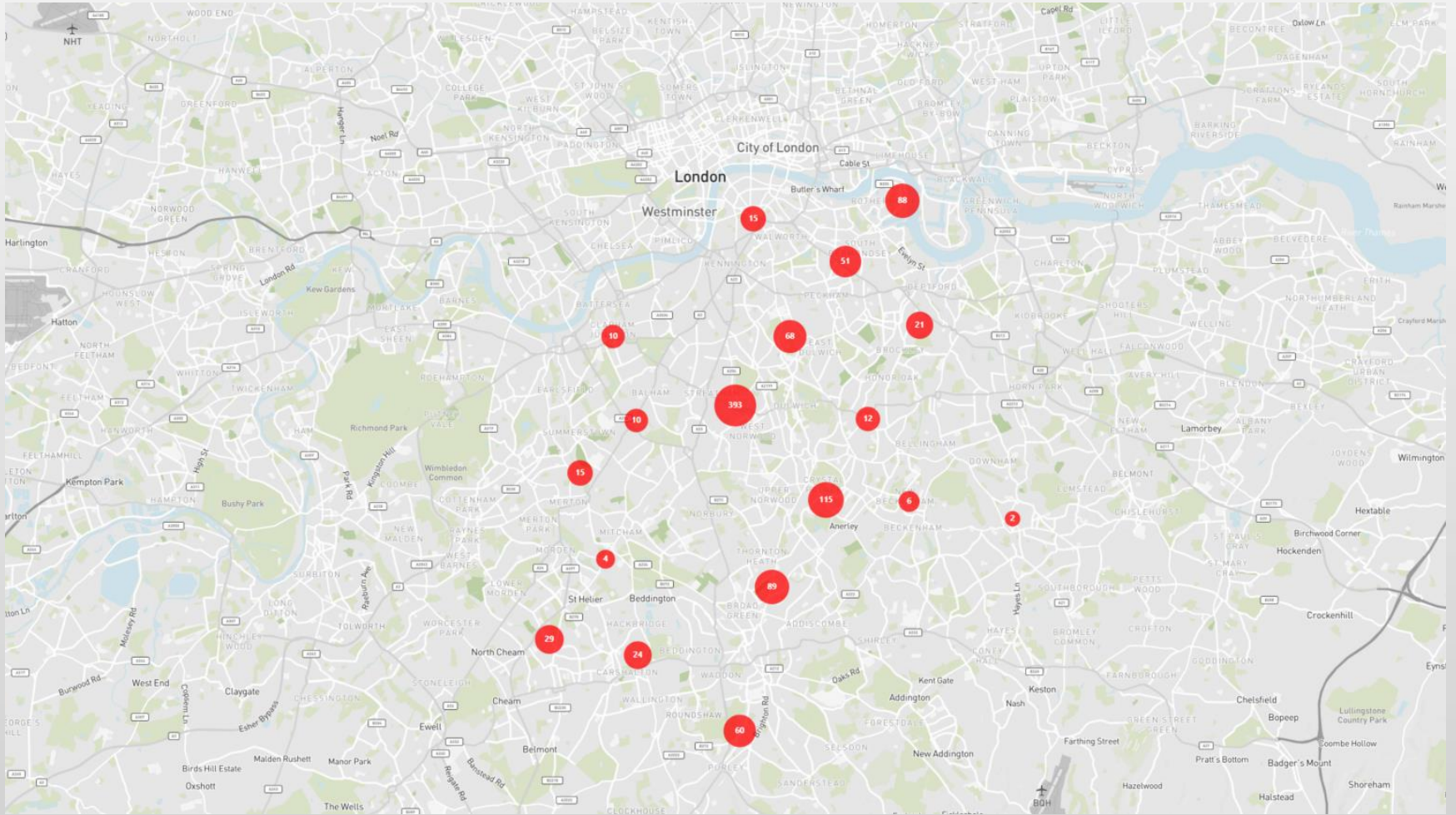
|       |                             |                             |                    |                       |            |          |
|-------|-----------------------------|-----------------------------|--------------------|-----------------------|------------|----------|
| 47188 | Bell House                  | FLAT 5 Bell House           | Ewen Crescent      | Tulse Hill            | London     | SW2 2PW  |
| 47199 | Bell House                  | FLAT 7 Bell House           | Ewen Crescent      | Tulse Hill            | London     | SW2 2PW  |
| 47461 | Bell House                  | FLAT 8 Bell House           | Ewen Crescent      | Tulse Hill            | London     | SW2 2PW  |
| 47150 | Bell House                  | FLAT 10 Bell House          | Ewen Crescent      | Tulse Hill            | London     | SW2 2PW  |
| 47463 | Bell House                  | FLAT 11 Bell House          | Ewen Crescent      | Tulse Hill            | London     | SW2 2PW  |
| 47464 | Bell House                  | FLAT 12 Bell House          | Ewen Crescent      | Tulse Hill            | London     | SW2 2PW  |
| 47418 | 1-43 Atwater Close (Odd)    | 3 Atwater Close             | Tulse Hill         | London                |            | SW2 2PG  |
| 47614 | 1-43 Atwater Close (Odd)    | 5 Atwater Close             | Tulse Hill         | London                |            | SW2 2PG  |
| 47159 | 1-43 Atwater Close (Odd)    | 7 Atwater Close             | Tulse Hill         | London                |            | SW2 2PG  |
| 47427 | 1-43 Atwater Close (Odd)    | 15 Atwater Close            | Tulse Hill         | London                |            | SW2 2PG  |
| 47429 | 1-43 Atwater Close (Odd)    | 17 Atwater Close            | Tulse Hill         | London                |            | SW2 2PG  |
| 47433 | 1-43 Atwater Close (Odd)    | 21 Atwater Close            | Tulse Hill         | London                |            | SW2 2PG  |
| 47143 | 1-43 Atwater Close (Odd)    | 25 Atwater Close            | Tulse Hill         | London                |            | SW2 2PG  |
| 47442 | 1-43 Atwater Close (Odd)    | 31 Atwater Close            | Tulse Hill         | London                |            | SW2 2PG  |
| 47446 | 1-43 Atwater Close (Odd)    | 35 Atwater Close            | Tulse Hill         | London                |            | SW2 2PG  |
| 47611 | 1-43 Atwater Close (Odd)    | 37 Atwater Close            | Tulse Hill         | London                |            | SW2 3PG  |
| 47450 | 1-43 Atwater Close (Odd)    | 43 Atwater Close            | Tulse Hill         | London                |            | SW2 2PG  |
| 51893 | 2-12 Atwater Close (Even)   | 4 Atwater Close             | Tulse Hill         | London                |            | SW2 2PQ  |
| 47419 | 2-12 Atwater Close (Even)   | 6 Atwater Close             | Tulse Hill         | London                |            | SW2 2PQ  |
| 47424 | 2-12 Atwater Close (Even)   | 12 Atwater Close            | Tulse Hill         | London                |            | SW2 2PQ  |
| 47432 | 14-36 Atwater Close (Evens) | 20 Atwater Close            | Tulse Hill         | London                |            | SW2 2PQ  |
| 47434 | 14-36 Atwater Close (Evens) | 22 Atwater Close            | Tulse Hill         | London                |            | SW2 2PQ  |
| 47436 | 14-36 Atwater Close (Evens) | 24 Atwater Close            | Tulse Hill         | London                |            | SW2 2PQ  |
| 47445 | 14-36 Atwater Close (Evens) | 34 Atwater Close            | Tulse Hill         | London                |            | SW2 2PQ  |
| 47166 | 18-28 High Trees            | 22 High Trees               | Tulse Hill         | London                |            | SW2 3PX  |
| 47280 | 18-28 High Trees            | 28 High Trees               | Tulse Hill         | London                |            | SW2 3PX  |
| 51884 |                             | St Martins Community Centre | Abbots Park        | Tulse Hill            | London     | SW2 3PW  |
| 51904 |                             | Commercial Yard             | Rickard Close      | Tulse Hill            | London     | SW2 2RU  |
| 48509 |                             | 42A Sydenham Road           | Croydon            | Surrey                |            | CR0 2EF  |
| 40744 | 2 Bedwardine Road           | 2A Bedwardine Road          | Upper Norwood      | London                |            | SE19 3AY |
| 23510 | 25-27 Gillett Road          | FLAT 27                     | 25-27 Gillett Road | Thornton Heath        | Surrey     | CR7 8RL  |
| 41643 | 29-31 Gillett Road          | 29 Gillett Road             | Thornton Heath     | Surrey                |            | CR7 8RL  |
| 51885 | Valens House                | Happy Days Nursery          | Valens House       | 132A Upper Tulse Hill | Tulse Hill | SW2 3PX  |
| 51946 | Morrison House              | Cell Mast                   | Morrison House     | Tulse Hill            | Lambeth    | SW2 3PP  |
| 49741 | Pumping Station             | Windall Close               |                    | Upper Norwood         | London     | SE19 2JR |
| 51915 | Play Area                   | Bell House                  | Ewen Crescent      | Tulse Hill            | London     | SW2 2PW  |
| 51922 | Play Area                   | Loveday House               | Bannister Close    | Tulse Hill            | London     | SW2 2PB  |
| 51923 | Play Area                   | Courier House               | Ewen Crescent      | Tulse Hill            | London     | SW2 2PN  |
| 51924 | Play Area                   | Rickard Close               |                    | Tulse Hill            | London     | SW2 2RU  |
| 51925 | Play Area                   | Burnell House               |                    | Tulse Hill            | London     | SW2 3PF  |
| 74064 | FLAT 41 Baldwin House       |                             |                    | Tulse Hill            | London     | SW2 3BZ  |
| 41546 | FLAT 9 Cygnus Court         | 850 Brighton Road           | Purley             |                       | Surrey     | CR8 2FB  |

## Appendix 3

### Location Plan



Optivo  
Bond Issue  
JLL Location Plan  
2020





## Appendix 4

### Photosheet



CR0 2BF, Basement Flat, 93 Lansdowne Road, Croydon



CR0 2SP, 2 Robinson Court, 5 Campbell Road, Croydon





CR0 4HB, 18A The Waldrons, Croydon, Surrey



CR8 2FB, Flat 9 Cygnus Court, 850 Brighton Road, Purley





SE1 6EP, Flat 1 1-17 St Georges Buildings, St Georges Road



SE4 1QD, FLAT 3, 27 Tyrwhitt Road, Brockley





SE5 8EW, 4 Porchester Close, Denmark Hill, London



SE16 5EA, Flat 15 Lavender House, Rotherhithe Street, Rotherhithe





SW11 1EA, FLAT 1, 133 Lavender Sweep, Battersea



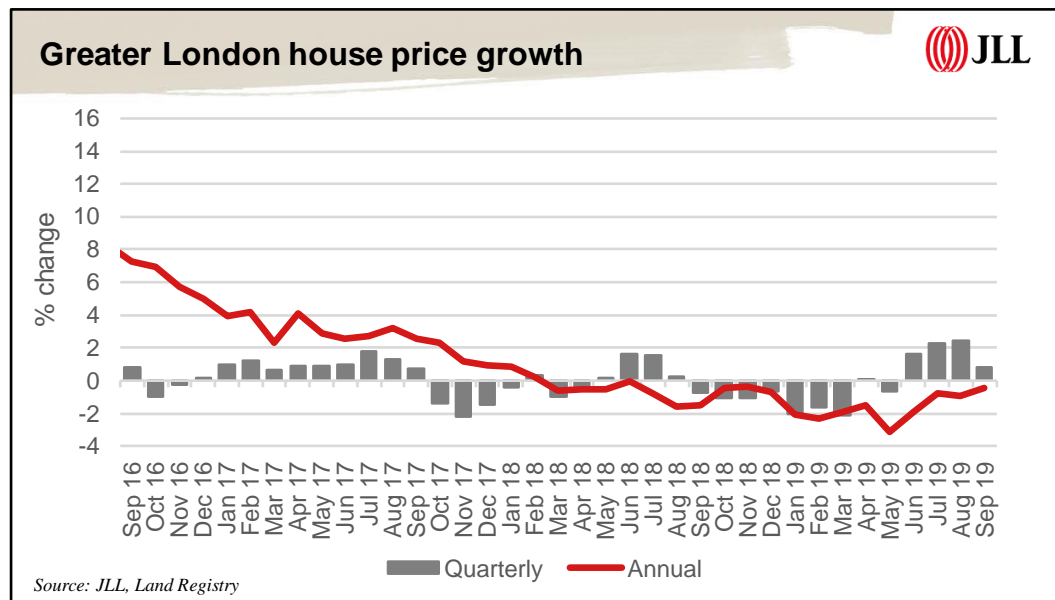
SW19 7AR, 3A Woodside, Wimbledon, London

## Appendix 5

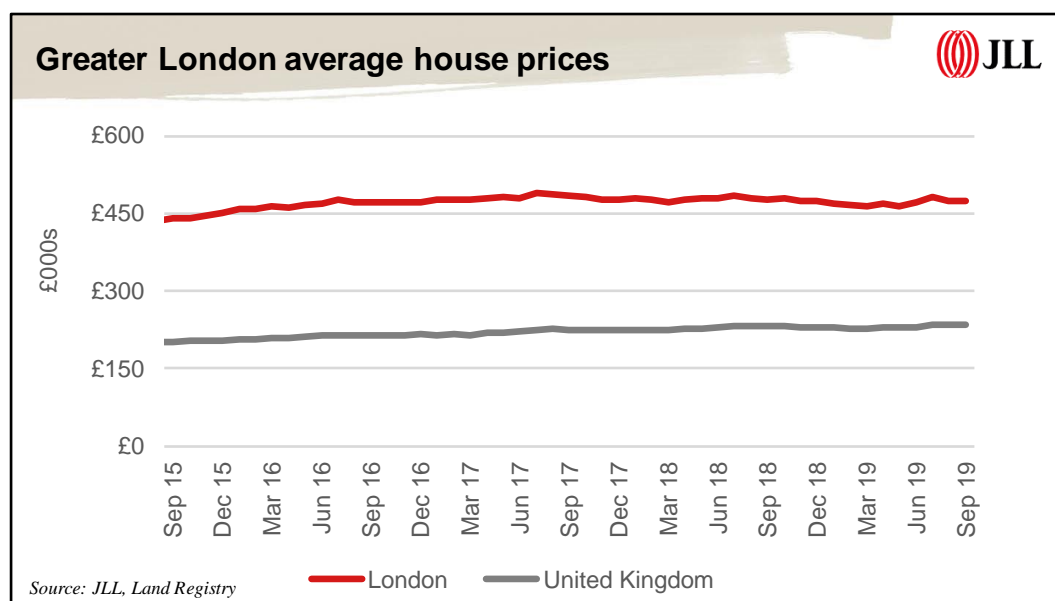
### Market Commentary

## Greater London housing market

House prices in Greater London increased by 0.8% during the three months to end-September 2019. This is below the UK average of a 1.6% increase. The 0.8% rise follows an increase of 1.6% in the three months to end-June 2019 and a decrease of 2.1% three months earlier. In the year to end-September 2019 house prices in Greater London decreased by 0.4%, below the 1.3% average rise across the UK. (Source: Land Registry).



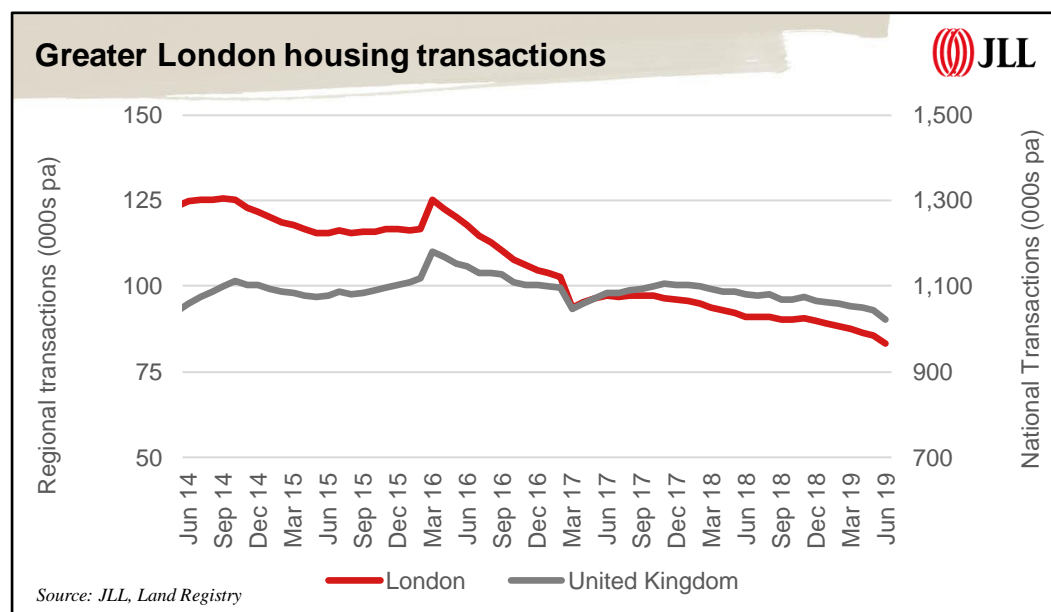
Despite slow quarterly growth since October 2017, house prices in Greater London remain well above the UK average. The average house price in Greater London was £474,600 in September 2019 which compares with £234,370 across the UK. In recent years, house prices in Greater London have accelerated away from prices across the UK, although in recent months the gap has started to close slightly. (Source: Land Registry).





There has been a significant decrease in the annual number of property transactions in London compared with a year earlier. Transaction levels in London in the year to June 2019 have decreased by 8.6%, compared to a decrease of 5.5% across the UK over the same period.

The current level of transactions in London, at circa 83,200 pa, is 46.8% lower than the 2006 average which compares with 29.4% lower than the average across the UK. The annual number of transactions in London is also below the 10-year average by 16.9%. In comparison, housing transactions across the UK over the same period exceeded the 10-year average by 6.3%. (Source: Land Registry).



The number of development starts in Greater London has decreased compared with a year earlier. At 13,610, the number of housing starts in the year to June 2019 was 17.5% lower than a year earlier and 35.7% below peak 2006-2007 levels. Compared with the 10-year average, housing starts in Greater London are now 24.3% below, while housing starts in England are 24.5% above.

The number of annual completions in Greater London has also decreased compared with a year earlier. The number of development completions in the year to Q2 2019, at 20,540 units, was 9.2% below the previous year. It was 4.2% below 2006-2007 levels and 1.6% above the 10-year average. Both starts and completions remain significantly shy of the 66,000 units required each year as defined in the July 2018 Draft London Plan. (Source: MHCLG).





## JLL

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## About JLL

JLL (NYSE: JLL) is a leading professional services firm that specializes in real estate and investment management. A Fortune 500 company, JLL helps real estate owners, occupiers and investors achieve their business ambitions. In 2016, JLL had revenue of \$6.8 billion and fee revenue of \$5.8 billion and, on behalf of clients, managed 4.4 billion square feet, or 409 million square meters, and completed sales acquisitions and finance transactions of approximately \$136 billion. At year-end 2016, JLL had nearly 300 corporate offices, operations in over 80 countries and a global workforce of more than 77,000. As of December 31, 2016, LaSalle Investment Management has \$60.1 billion of real estate under asset management. JLL is the brand name, and a registered trademark, of Jones Lang LaSalle Incorporated.

<https://internetadmin.jll.com/united-kingdom/en-gb>

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## TAXATION

### United Kingdom Taxation

The following applies only to persons who are the beneficial owners of Bonds and is a summary of the Issuer's understanding of current United Kingdom law and HM Revenue & Customs' published practice relating to certain aspects of United Kingdom taxation as at the date of this Prospectus. References to "interest" refer to interest as that term is understood for United Kingdom purposes. Some aspects do not apply to certain classes of person (such as dealers and persons connected with the Issuer) to whom special rules may apply. The United Kingdom tax treatment of prospective Bondholders depends on their individual circumstances and may be subject to change at any time in the future, possibly with retrospective effect. Prospective Bondholders may be subject to tax in a jurisdiction other than the United Kingdom.

This is not intended to constitute a complete analysis of all tax consequences relating to the ownership of the Bonds and it is not intended to be, nor should it be considered to be, legal or tax advice. Prospective Bondholders 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.

#### A. Interest on the Bonds

##### 1 Payment of interest on the Bonds

Payments of interest by the Issuer on the Bonds may be made without deduction of or withholding on account of United Kingdom income tax provided that the Bonds continue to be listed on a "recognised stock exchange" within the meaning of section 1005 of the Income Tax Act 2007 (the **ITA 2007**). The London Stock Exchange is a recognised stock exchange for these purposes. Securities will be treated as listed on the London Stock Exchange if they are included in the Official List (within the meaning of and in accordance with the provisions of Part 6 of the Financial Services and Markets Act 2000) and admitted to trading on the London Stock Exchange. Provided, therefore, that the Bonds remain so listed, interest on the Bonds will be payable without withholding or deduction on account of United Kingdom tax.

In other cases, an amount must generally be withheld from payments of interest on the Bonds 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 Bondholder, HM Revenue & Customs (**HMRC**) can issue a notice to the Issuer to pay interest to the Bondholder without deduction of tax (or for interest to be paid with tax deducted at the rate provided for in the relevant double tax treaty).

##### 2 Further United Kingdom Income Tax Issues

Interest on the Bonds that constitutes United Kingdom source income for tax purposes may, as such, be subject to income tax by direct assessment even where paid without withholding.

However, interest with a United Kingdom source received without deduction or withholding on account of United Kingdom tax will not be chargeable to United Kingdom tax in the hands of a Bondholder (other than certain trustees) who is not resident for tax purposes in the United Kingdom unless that Bondholder carries on a trade, profession or vocation in the United Kingdom through a United Kingdom branch or agency in connection with which the interest is

received or to which the Bonds are attributable (and where that Bondholder is a company, unless that Bondholder carries on a trade in the United Kingdom through a permanent establishment in connection with which the interest is received or to which the Bonds are attributable). There are exemptions for interest received by certain categories of agent (such as some brokers and investment managers). The provisions of an applicable double taxation treaty may also be relevant for such Bondholders.

## **B. United Kingdom Corporation Tax Payers**

- 3 In general, Bondholders which are within the charge to United Kingdom corporation tax will be charged to tax as income on all returns, profits or gains on, and fluctuations in value of, the Bonds (whether attributable to currency fluctuations or otherwise) broadly in accordance with their statutory accounting treatment.

## **C. Other United Kingdom Tax Payers**

### **4 Taxation of Chargeable Gains**

A disposal by a Bondholder of a Bond may give rise to a chargeable gain or an allowable loss for the purposes of the UK taxation of chargeable gains.

### **5 Accrued Income Scheme**

On a disposal of Bonds by a Bondholder, any interest which has accrued since the last interest payment date may be chargeable to tax as income under the rules of the accrued income scheme as set out in Part 12 of the ITA 2007, if that Bondholder is resident in the United Kingdom or carries on a trade in the United Kingdom through a branch or agency to which the Bonds are attributable.

## **D. Stamp Duty and Stamp Duty Reserve Tax**

- 6 No United Kingdom stamp duty or stamp duty reserve tax is payable on the issue of the Bonds or on a transfer by delivery of the Bonds.

## **The Proposed Financial Transactions Tax (FTT)**

On 14 February 2013, the European Commission published a proposal (the **Commission's Proposal**) for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the participating Member States). However, Estonia has since stated that it will not participate.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in the Bonds (including secondary market transactions) in certain circumstances. Primary market transactions referred to in Article 5(c) of Regulation (EC) No 1287/2006 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 the Bonds 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 Commission 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 Member States of the European Union may decide to participate.

It is not clear how the FTT would apply to the UK following the UK's withdrawal from the European Union.

Prospective holders of the Bonds are advised to seek their own professional advice in relation to the FTT.

## SUBSCRIPTION AND SALE

The Joint Bookrunners have, in a subscription agreement (the **Subscription Agreement**) dated 3 April 2020, jointly and severally agreed to subscribe or procure subscribers for the Bonds (other than the Retained Bonds) at the issue price of 100 per cent. of the principal amount of the Bonds (other than the Retained Bonds), less a combined selling, management and underwriting commission. The Issuer will also reimburse the Joint Bookrunners in respect of certain of their expenses and has agreed to indemnify each of the Joint Bookrunners against certain liabilities, incurred in connection with the issue and offering of the Bonds. The Subscription Agreement may be terminated in certain circumstances prior to payment to the Issuer.

### United States

The Bonds have not been and will not be registered under the Securities Act or the securities laws of any state 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 the registration requirements of the Securities Act.

The Bonds 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.

Each of the Joint Bookrunners has represented and agreed that, except as permitted by the Subscription Agreement, it will not offer, sell or deliver Bonds (a) as part of its distribution at any time or (b) otherwise until 40 days after the later of the commencement of the offering and the Issue Date within the United States or to, or for the account or benefit of, U.S. persons.

Until 40 days after the commencement of the offering of the Bonds, an offer or sale of Bonds 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.

Terms used above have the meanings given to them by Regulation S under the Securities Act.

### United Kingdom

Each of the Joint Bookrunners has represented and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the **FSMA**)) received by it in connection with the issue or sale of any Bonds in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Bonds in, from or otherwise involving the United Kingdom.

### Prohibition of Sales to EEA Retail Investors

Each of the Joint Bookrunners has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Bonds to any retail investor in

the European Economic Area. For the purposes of this provision the expression retail **investor** means a person who is one (or both) of the following:

- (a) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
- (b) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

#### **General**

Each of the Joint Bookrunners has agreed 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 Bonds or possesses or distributes this Prospectus and will obtain any consent, approval or permission which is, to the best of its knowledge and belief, required by it for the purchase, offer, sale or delivery by it of Bonds 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.

None of the Issuer, the Original Borrower, the Bond Trustee or the Joint Bookrunners represents that Bonds 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 issue of the Bonds has been approved by a resolution of the Board of Directors of the Issuer dated 4 March 2020.

### Listing of the Bonds

It is expected that the official listing of the Bonds will be granted on or about 8 April 2020 subject only to the issue of the Temporary Global Bond. Application has been made to the FCA for the Bonds to be admitted to the Official List and to the London Stock Exchange for the Bonds to be admitted to trading on the London Stock Exchange's regulated market.

The Issuer estimates that the total expenses related to the admission to trading will be £7,515. The Original Borrower shall pay to the Issuer, *inter alia*, an amount equal to such expenses in accordance with Clause 18 (*Expenses*) of the Original Loan Agreement.

### Documents Available

For the period of 12 months following the date of this Prospectus, the following documents will be available for inspection on the Issuer's website at <https://www.optivo.org.uk/investors.aspx>:

- (a) the constitutional documents of the Issuer and each Borrower;
- (b) the Bond Trust Deed and the Security Trust Deed;
- (c) the Valuation Report;
- (d) the Issuer Financial Statements (the Issuer currently prepares audited accounts on an annual basis);
- (e) the Original Borrower Financial Statements (the Original Borrower currently prepares audited accounts on an annual basis); and
- (f) the most recently published audited annual financial statements (if any) of the Issuer and each Borrower and the most recently published unaudited interim financial statements (if any) of the Issuer and each Borrower, in each case, together with any audit or review reports prepared in connection therewith.

For the period of 12 months following the date of this Prospectus, copies of the following documents will, when published, be available for inspection from the registered office of the Issuer and from the specified office of the Paying Agent for the time being in London:

- (a) the Agency Agreement, the Account Agreement, the Custody Agreement, the Retained Bond Custody Agreement, the Loan Agreements and the Legal Mortgages;
- (b) a copy of this Prospectus; and
- (c) any future offering circulars, prospectuses and information memoranda and supplements to this Prospectus and any other documents incorporated therein by reference.



## **Clearing Systems**

The Bonds have been accepted for clearance through Euroclear and Clearstream, Luxembourg.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg.

## **Identification Codes**

The LEI of the Issuer is 213800DU46CL9M2ZRN02.

The LEI of the Original Borrower is 213800VUZGGHUSVPHE4.

The ISIN for the Bonds is XS2133453626.

The Common Code for the Bonds is 213345362.

The CFI for the Bonds is DBFNFB.

The FISN for the Bonds is OPTIVO FINANCE/2.857EUR NT 20351007.

## **Characteristics of underlying assets**

The Original Loan Agreement has, and each Additional Loan Agreement will have, characteristics that demonstrate capacity to produce funds to service any payments due and payable on the Bonds.

## **Material or Significant Change**

There has been no material adverse change in the financial position or prospects of the Issuer since 31 March 2019.

There has been no material adverse change in the prospects of the Original Borrower since 31 March 2019.

There has been no significant change in the financial performance or financial position of the Group since 31 March 2019.

## **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 this Prospectus which may have or have had in the recent past, a significant effect on the Issuer's financial position or profitability.

The Original Borrower 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 Original Borrower is aware) in the 12 months preceding the date of this Prospectus which may have, or have had in the recent past, a significant effect on the Original Borrower's or the Group's financial position or profitability.

## **Auditors**

The auditors of the Issuer and the Original Borrower are BDO LLP of 55 Baker Street, London W1U 7EU. BDO LLP has audited the Issuer's and the Original Borrower's accounts, without qualification, in

accordance with generally accepted accounting standards in the United Kingdom for each of the two financial years ended on 31 March 2018 and 31 March 2019. BDP LLP has no material interest in the Issuer or the Original Borrower.

### **Post-issuance information**

The Issuer does not intend to provide any post-issuance information in relation to the Bonds, the Issuer Security or the Underlying Security, other than as required (and available from the Issuer at the request of any Bondholder) pursuant to Condition 6.2 (*Information Covenants*).

### **Joint Bookrunners transacting with the Issuer, the Borrowers or the Eligible Group Members**

The Joint Bookrunners and each of their respective affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer and/or any Borrower and/or any Eligible Group Member and/or their respective affiliates in the ordinary course of business. Either or both of the Joint Bookrunners and their affiliates may have positions, deal or make markets in the Bonds, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuer, any Borrower and/or any Eligible 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.

In addition, in the ordinary course of their business activities, the Joint Bookrunners 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, the Borrowers, the Eligible Group Members or their respective affiliates. Either or both of the Joint Bookrunners or their affiliates that have a lending relationship with the Issuer, any Borrower or any Eligible Group Member routinely hedge their credit exposure to the Issuer, such Borrower or such Eligible Group Member consistent with their customary risk management policies. Typically, either or both of the Joint Bookrunners 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 Bonds. Any such positions could adversely affect future trading prices of the Bonds. The Joint Bookrunners 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.

### **Potential Conflicts of Interest**

Each of the Transaction Parties (other than the Issuer) and their affiliates in the course of each of their respective businesses may provide services to other Transaction 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 Transaction Parties and their affiliates or between such Transaction Parties and their affiliates and such third parties. Each of the Transaction 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 Transaction Party.

### **Yield**

Indication of the yield on the Bonds: 2.857 per cent. (semi-annual). The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

## **ISSUER**

### **Optivo Finance plc**

Grosvenor House  
125 High Street  
Croydon CR0 9XP

## **BOND TRUSTEE AND SECURITY TRUSTEE**

### **Prudential Trustee Company Limited**

10 Fenchurch Avenue  
London EC3M 5AG

## **PRINCIPAL PAYING AGENT, ACCOUNT BANK, CUSTODIAN AND RETAINED BOND CUSTODIAN**

### **HSBC Bank plc**

8 Canada Square  
London E14 5HQ

## **JOINT BOOKRUNNERS**

### **BNP Paribas**

10 Harewood Avenue  
London NW1 6AA

### **HSBC Bank plc**

8 Canada Square  
London E14 5HQ

## **LEGAL ADVISERS**

*To the Issuer and the Original Borrower as to  
English law*

### **Devonshires Solicitors LLP**

30 Finsbury Circus  
London EC2M 7DT

*To the Joint Bookrunners, the Bond Trustee and  
the Security Trustee as to English law*

### **Addleshaw Goddard LLP**

Milton Gate  
60 Chiswell Street  
London EC1Y 4AG

## **AUDITORS**

*To the Issuer and the Original Borrower*

### **BDO LLP**

55 Baker Street  
London W1U 7EU