

## IMPORTANT NOTICE

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

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

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY THE SECURITIES OF THE ISSUER IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR THE SECURITIES LAWS OR "BLUE SKY" LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE U.S. OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT ("**REGULATION S**") EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND ANY APPLICABLE STATE OR LOCAL SECURITIES LAWS.

THE SELLER, AS SPONSOR UNDER THE U.S. RISK RETENTION RULES, DOES NOT INTEND TO RETAIN AT LEAST 5 PER CENT. OF THE CREDIT RISK OF THE SECURITIZED ASSETS FOR PURPOSES OF COMPLIANCE WITH THE FINAL RULES PROMULGATED UNDER SECTION 15G OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED (THE **U.S. RISK RETENTION RULES**), BUT RATHER INTENDS TO RELY ON AN EXEMPTION PROVIDED FOR IN SECTION 20 OF THE U.S. RISK RETENTION RULES REGARDING NON-U.S. TRANSACTIONS. CONSEQUENTLY, EXCEPT WITH THE PRIOR WRITTEN CONSENT OF THE SELLER (A "**U.S. RISK RETENTION CONSENT**") AND WHERE SUCH SALE FALLS WITHIN THE EXEMPTION PROVIDED BY SECTION 20 OF THE U.S. RISK RETENTION RULES, ON THE CLOSING DATE, THE NOTES OFFERED AND SOLD BY THE ISSUER MAY NOT BE PURCHASED BY, OR FOR THE ACCOUNT OR BENEFIT OF, ANY "U.S. PERSON" AS DEFINED IN THE U.S. RISK RETENTION RULES ("**RISK RETENTION U.S. PERSONS**"). PROSPECTIVE INVESTORS SHOULD NOTE THAT THE DEFINITION OF "U.S. PERSON" IN THE U.S. RISK RETENTION RULES IS SUBSTANTIALLY SIMILAR TO, BUT NOT IDENTICAL TO, THE DEFINITION OF "U.S. PERSON" IN REGULATION S. ON THE CLOSING DATE, THE NOTES MAY ONLY BE PURCHASED BY PERSONS THAT ARE (A) NOT RISK RETENTION U.S. PERSONS OR (B) PERSONS THAT HAVE OBTAINED A U.S. RISK RETENTION CONSENT FROM THE SELLER. EACH PURCHASER OF THE NOTES OR A BENEFICIAL INTEREST THEREIN ACQUIRED IN THE INITIAL SYNDICATION OF THE NOTES BY ITS ACQUISITION OF THE NOTES OR A BENEFICIAL INTEREST THEREIN, WILL BE DEEMED TO HAVE MADE CERTAIN REPRESENTATIONS AND AGREEMENTS, INCLUDING THAT IT (1) EITHER (i) IS NOT A RISK RETENTION U.S. PERSON OR (ii) HAS OBTAINED A U.S. RISK RETENTION CONSENT FROM THE SELLER, (2) IS ACQUIRING SUCH NOTE OR A BENEFICIAL INTEREST THEREIN FOR ITS OWN ACCOUNT AND NOT WITH A VIEW TO DISTRIBUTE SUCH NOTE, AND (3) IS NOT ACQUIRING SUCH NOTE OR A BENEFICIAL INTEREST THEREIN AS PART OF A SCHEME TO EVADE THE REQUIREMENTS OF THE U.S.

RISK RETENTION RULES (INCLUDING ACQUIRING SUCH NOTE THROUGH A NON-RISK RETENTION U.S. PERSON, RATHER THAN A RISK RETENTION U.S. PERSON, AS PART OF A SCHEME TO EVADE THE 10 PER CENT. RISK RETENTION U.S. PERSON LIMITATION IN THE EXEMPTION PROVIDED FOR IN SECTION 20 OF THE U.S. RISK RETENTION RULES). ANY RISK RETENTION U.S. PERSON WISHING TO PURCHASE NOTES MUST INFORM THE SELLER AND THE LEAD MANAGER THAT IT IS A RISK RETENTION U.S. PERSON. CERTAIN INVESTORS MAY BE REQUIRED TO EXECUTE A WRITTEN CERTIFICATION OF REPRESENTATION LETTER BY THE RETENTION HOLDER IN RESPECT OF THEIR STATUS UNDER THE U.S. RISK RETENTION RULES. SEE "*RISK FACTORS – LEGAL AND REGULATORY RISKS – U.S. RISK RETENTION REQUIREMENTS*".

THE FOLLOWING PROSPECTUS MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER, AND IN PARTICULAR, MAY NOT BE FORWARDED TO ANY U.S. PERSON OR TO ANY U.S. ADDRESS. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

THIS PROSPECTUS HAS BEEN DELIVERED TO YOU ON THE BASIS THAT YOU ARE A PERSON INTO WHOSE POSSESSION THIS PROSPECTUS MAY BE LAWFULLY DELIVERED IN ACCORDANCE WITH THE LAWS OF THE JURISDICTION IN WHICH YOU ARE LOCATED. BY ACCESSING THE PROSPECTUS, YOU SHALL BE DEEMED TO HAVE CONFIRMED AND REPRESENTED TO US THAT (A) YOU HAVE UNDERSTOOD AND AGREE TO THE TERMS SET OUT HEREIN, (B) YOU CONSENT TO DELIVERY OF THE PROSPECTUS BY ELECTRONIC TRANSMISSION, (C) YOU ARE NOT A U.S. PERSON (WITHIN THE MEANING OF REGULATION S UNDER THE SECURITIES ACT) OR ACTING FOR THE ACCOUNT OR BENEFIT OF A U.S. PERSON AND THE ELECTRONIC MAIL ADDRESS THAT YOU HAVE GIVEN TO US AND TO WHICH THIS EMAIL HAS BEEN DELIVERED IS NOT LOCATED IN THE UNITED STATES, ITS TERRITORIES AND POSSESSIONS (INCLUDING PUERTO RICO, THE U.S. VIRGIN ISLANDS, GUAM, AMERICAN SAMOA, WAKE ISLAND AND THE NORTHERN MARIANA ISLANDS) OR THE DISTRICT OF COLUMBIA AND (D) IF YOU ARE A PERSON IN THE UNITED KINGDOM, THEN YOU ARE A PERSON WHO (I) HAS PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS OR (II) IS A HIGH NET WORTH ENTITY FALLING WITHIN ARTICLE 49(2)(A) TO (D) OF THE FINANCIAL SERVICES AND MARKETS ACT (FINANCIAL PROMOTION) ORDER 2005 (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS **RELEVANT PERSONS**). ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS PROSPECTUS RELATES IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS.

This preliminary prospectus has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of Together Asset Backed Securitisation 2021–CRE2 PLC, Together Financial Services Limited, Together Commercial Finance Limited, Citigroup Global Markets Limited nor any person who controls any such person nor any director, officer, employee or agent of any such person or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the prospectus distributed to you in electronic format and the hard copy version available to you on request from Citigroup Global Markets Limited.

**This Prospectus is valid for the admission to trading of the Notes on the regulated market of Euronext Dublin until the time when trading on such regulated market begins. The obligation to supplement this Prospectus in the event of a significant new factor, material mistake or material inaccuracy does not apply, once the Notes are admitted to trading on the regulated market of Euronext Dublin.**

## TOGETHER ASSET BACKED SECURITISATION 2021-CRE2 PLC

(Incorporated in England and Wales with limited liability, registered number 13355316)

Issuer legal entity identifier: 635400VCYQSETGD3VB55

TCFL legal entity identifier: 549300M9W6FPNWWKW054

Securitisation transaction unique identifier: 549300M9W6FPNWWKW054N202102

| Class of Debt         | Initial Principal Amount | Issue Price | Reference Rate/ Fixed Rate | Margin (payable up to and including the Optional Redemption Date) | Relevant Step-Up Margin (payable after the Optional Redemption Date) | Expected Ratings (S&P / DBRS) | First Interest Payment Date                      | Final Maturity Date                              |
|-----------------------|--------------------------|-------------|----------------------------|---|--|-------------------------------|--|--|
| Class A Loan Note     | £198,678,000             | 100.00%     | Compounded Daily SONIA     | 1.500% per annum  | 3.000% per annum   | AAA (sf) / AAA (sf)           | The Interest Payment Date falling in August 2021 | The Interest Payment Date falling in August 2052 |
| Class B Notes         | £13,701,000              | 100.00%     | Compounded Daily SONIA     | 2.050% per annum  | 3.075% per annum   | AA (sf) / AA(low) (sf)        | The Interest Payment Date falling in August 2021 | The Interest Payment Date falling in August 2052 |
| Class C Notes         | £10,587,000              | 100.00%     | Compounded Daily SONIA     | 2.450% per annum  | 3.450% per annum   | AA- (sf) / A(low) (sf)        | The Interest Payment Date falling in August 2021 | The Interest Payment Date falling in August 2052 |
| Class D Notes         | £9,715,000               | 100.00%     | Compounded Daily SONIA     | 3.150% per annum  | 4.150% per annum   | A (sf) / BBB(low) (sf)        | The Interest Payment Date falling in August 2021 | The Interest Payment Date falling in August 2052 |
| Class E Notes         | £8,968,000               | 100.00%     | Compounded Daily SONIA     | 4.250% per annum  | 5.250% per annum   | BBB- (sf) / B (sf)            | The Interest Payment Date falling in August 2021 | The Interest Payment Date falling in August 2052 |
| Class X Notes         | £13,701,000              | 100.00%     | Compounded Daily SONIA     | 5.500% per annum  | 5.500% per annum   | B (sf) / BB (sf)              | The Interest Payment Date falling in August 2021 | The Interest Payment Date falling in August 2052 |
| Class Z Notes         | £12,461,000              | 100.00%     | N/A                        | N/A   | N/A  | Not Rated                     | The Interest Payment Date falling in August 2021 | The Interest Payment Date falling in August 2052 |
| Residual Certificates | N/A                      | N/A         | N/A                        | N/A   | N/A  | Not Rated                     | N/A  | N/A  |

The Optional Redemption Date is the Interest Payment Date falling in February 2026.

From the Collection Period Start Date immediately preceding the Optional Redemption Date, the Option Holder has the right to exercise the Call Option in relation to the Portfolio, which would result in an early redemption of the Debt.

The Class B Notes, the Class C Notes, Class D Notes, the Class E Notes, the Class X Notes and the Class Z Notes are collectively the “**Notes**”. The Class A Loan Note and the Notes are collectively the “**Debt**”.

The Class B Notes, the Class C Notes, Class D Notes, the Class E Notes and the Class X Notes are collectively the “**Rated Notes**”. The Class A Loan Note and the Rated Notes are collectively the “**Rated Debt**”.

The Class A Loan Note is not being offered pursuant to this Prospectus and references to the Class A Loan Note are included in this Prospectus for information purposes only.

**ARRANGER**

**CITIGROUP**

**LEAD MANAGER**

**CITIGROUP**

The date of this Prospectus is 10 June 2021

|   |  |
|---|--|
| <b>Issue Date</b>                             | The Issuer will issue the Debt in the classes set out above and the Residual Certificates on or about 11 June 2021 (the " <b>Closing Date</b> ").  |
| <b>Standalone/<br/>programme<br/>issuance</b> | Standalone issuance.   |
| <b>Listing</b>                                | <p>This Prospectus comprises a prospectus for the purposes of Regulation (EU) 2017/1129 (the "<b>EU Prospectus Regulation</b>"). This Prospectus has been approved by the Central Bank of Ireland (the "<b>Central Bank</b>") as the competent authority under the EU Prospectus Regulation. The Central Bank only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the EU Prospectus Regulation. Such approval by the Central Bank should not be considered as an endorsement of the Issuer or of the quality of the Notes. Investors should make their own assessment as to the suitability of investing in the Notes. Such approval relates to the Notes which are to be admitted to trading on a regulated market for the purposes of Directive 2014/65/EU (as amended, "<b>MiFID II</b>") and/or which are to be offered to the public in any Member State of the European Economic Area.</p> <p>Application has been made to the Irish Stock Exchange plc trading as Euronext Dublin (the "<b>Euronext Dublin</b>") for the Notes to be admitted to the official list (the "<b>Official List</b>") and trading on its regulated market (the "<b>Regulated Market</b>"). Euronext Dublin's Regulated Market is a regulated market for the purposes of MiFID II.</p> <p>References in this Prospectus to Notes being listed (and all related references) shall mean that such Notes have been admitted to the Official List and to trading on the Regulated Market.</p> <p>The Class A Loan Note will not be listed or admitted to trading.</p> |
| <b>Underlying<br/>Assets</b>                  | <p>The Issuer will make payments on the Debt from, <i>inter alia</i>, payments of principal and revenue received from a portfolio comprising mortgage loans and their related security originated by the Seller and secured over residential, commercial and mixed-use properties located in England, Wales and Scotland and sold by the Seller (in its capacity as the seller of the portfolio) to the Issuer on the Closing Date.</p> <p>See the sections entitled "<i>Transaction Overview – Portfolio and Servicing</i>", "<i>The Mortgage Loans</i>" and "<i>Characteristics of the Provisional Portfolio</i>" for further details.</p>   |
| <b>Credit<br/>Enhancement</b>                 | <p>Credit enhancement of the Debt is provided in the following manner:</p> <ul style="list-style-type: none"> <li>• in relation to any Class of Debt (other than the Class Z Notes), the relevant overcollateralisation funded by Debt ranking junior to such Class of Debt in the Priority of Payments (if any);</li> <li>• in relation to each Class of Debt, the amount by which Available Revenue Receipts exceed the amounts required to pay interest and all other amounts ranking in priority thereto on the relevant Class of Debt in accordance with the Pre-Enforcement Revenue Priority of Payments; and</li> <li>• the General Reserve Fund Ledger and following service of an Enforcement Notice, all amounts credited to the Class A Liquidity Risk Reserve Fund,</li> </ul>   |

subject to application in accordance with the Post-Enforcement Priority of Payments.

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

## **Liquidity Support**

Liquidity support for the Debt is provided in the following manner:

- the subordination in payment of those Classes of Debt ranking junior in the relevant Priority of Payments and the Residual Certificates;
- in respect of the Most Senior Class of Debt only, the availability of Principal Addition Amounts;
- in respect of items (a) to (e) of the Pre-Enforcement Revenue Priority of Payments, the availability of amounts standing to the credit of the Class A Liquidity Reserve Fund; and
- in respect of any items (a) to (o) of the Pre-Enforcement Revenue Priority of Payments (after having first applied Available Revenue Receipts and amounts standing to the credit of the Class A Liquidity Reserve Fund in respect of items (a) to (e) of the Pre-Enforcement Revenue Priority of Payments), the availability of amounts standing to the credit of the General Reserve Fund.

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

## **Redemption Provisions**

Information on any mandatory redemption of the Debt is summarised in the section entitled "*Transaction Overview – Summary of the Terms and Conditions of the Debt*" and, in respect of the Notes, set out in full in Condition 8 (*Redemption*) of the terms and conditions of the Notes (the "**Conditions**").

## **Credit Rating Agencies**

DBRS Ratings Limited ("**DBRS**") and S&P Global Ratings UK Limited ("**S&P**") (each a "**Rating Agency**" and together, the "**Rating Agencies**").

As of the date of this prospectus (this "**Prospectus**"), each of the Rating Agencies is a credit rating agency established in the United Kingdom and is registered under Regulation (EC) No. 1060/2009 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (as amended) (the "**UK CRA Regulation**").

Each of DBRS and S&P is included on the list of registered and certified credit rating agencies that is maintained by the Financial Conduct Authority (the "**FCA**").

DBRS and S&P are not established in the European Union (the "**EU**") and have not applied for registration under Regulation (EU) No 1060/2009 (as amended) (the "**CRA Regulation**").

The ratings DBRS is expected to give to the Rated Debt are endorsed by DBRS Ratings GmbH, which is a credit rating agency established in the EU. The ratings S&P is expected to give to the Rated Debt is endorsed by S&P Global Ratings Europe Limited,

which is a credit rating agency established in the EU.

Each of DBRS Ratings GmbH and S&P Global Ratings Europe Limited is included in the list of credit rating agencies published by the European Securities and Markets Authority ("ESMA") on its website (at <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>) in accordance with the CRA Regulation.

### **Credit Ratings**

The ratings expected to be assigned to the Rated Debt by each of DBRS and S&P address, *inter alia* the likelihood of (a) full and timely payment to the holders of the Most Senior Class of Debt (other than the Class X Notes) of all payments of interest on each Interest Payment Date and (b) full and ultimate payment to the holders of the Rated Debt of principal and (in relation to the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class X Notes) of interest on or prior to the Final Maturity Date.

Ratings are expected to be assigned to each class of Rated Debt on or before the Closing Date. The assignment of a rating to each class of Rated Debt by any Rating Agency is not a recommendation to invest in the Rated Debt or to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning Rating Agency.

The Class Z Notes and the Residual Certificates will not be rated.

### **Obligations**

The Debt and the Residual Certificates will be obligations of the Issuer alone and will not be guaranteed by, or be the responsibility of, any other entity named in this Prospectus.

### **Risk Retention Undertaking**

Save as described in the paragraph below in respect of the EU Retention Requirement, on the Closing Date, the Seller will, as originator for the purposes of (i) the UK Securitisation Regulation and (ii) the EU Securitisation Regulation as if it were applicable to it, retain on an ongoing basis a material net economic interest of not less than 5 per cent. in the securitisation in accordance with (i) Article 6(1) of the UK Securitisation Regulation (the "**UK Retention Requirement**") and (ii) Article 6(1) of the EU Securitisation Regulation (as required for the purposes of Article 5(1)(d) of the EU Securitisation Regulation) not taking into account any relevant national measures, as if it were applicable to it, but solely as such articles are interpreted and applied on the Closing Date (the "**EU Retention Requirement**" and, together with the UK Retention Requirement, the "**Retention Requirements**").

As at the Closing Date, such interest will be satisfied by the Seller holding the first loss tranche, in this case, an interest in the Class Z Notes in accordance with (i) Article 6(3)(d) of the UK Securitisation Regulation and (ii) Article 6(3)(d) of the EU Securitisation Regulation (as required for the purposes of Article 5(1)(d) of the EU Securitisation Regulation) not taking into account any relevant national measures, as if it were applicable to it, but solely as such articles are interpreted and applied on the Closing Date.

Notwithstanding the above, prospective investors should note that in respect of the EU Retention Requirement:

- the obligation of the Seller to comply with the EU Retention Requirement is strictly contractual pursuant to the terms of the Mortgage Sale Agreement and applies with respect to Article 6 of the EU Securitisation Regulation (as required for the purposes of Article 5(1)(d) of the EU Securitisation Regulation)

not taking into account any relevant national measures, as such articles are interpreted and applied on the Closing Date only, until such time when the Seller is able to certify to the Issuer and the Note Trustee that a competent EU authority has confirmed that the satisfaction of the UK Retention Requirement will also satisfy the EU Retention Requirement due to the application of an equivalency regime or similar analogous concept; and

- the Seller will be under no obligation to comply with any amendments to applicable EU technical standards, guidance or policy statements introduced in relation thereto after the Closing Date.

Although, as at the date of this Prospectus, the UK Retention Requirement largely mirrors the EU Retention Requirement, prospective investors should note that future divergence between the EU and UK regimes cannot be ruled out.

See the section entitled "*Certain Regulatory Requirements*" for further information.

**U.S. Risk Retention Requirements**

The Seller, as sponsor under the U.S. Risk Retention Rules, does not intend to retain at least 5 per cent. of the credit risk of the securitized assets for purposes of compliance with the final rules promulgated under Section 15G of the Securities Exchange Act of 1934, as amended (the "**U.S. Risk Retention Rules**"), but rather intends to rely on an exemption provided for in Section 20 of the U.S. Risk Retention Rules regarding non-U.S. transactions. See the section entitled "*Risk Factors – Legal and regulatory risks – U.S. Risk Retention Requirements*".

**The Volcker Rule**

The Issuer is of the view that it is not now, and immediately after giving effect to the offering and sale of the Notes and the application of the proceeds thereof on the Closing Date will not be, a "covered fund" for purposes of regulations adopted under Section 13 of the Bank Holding Company Act of 1956, as amended (commonly known as the "**Volcker Rule**"). In reaching this conclusion, although other statutory or regulatory exclusions and/or exemptions under the Investment Company Act and under the Volcker Rule and its related regulations may be available, the parties have relied on the determination that the Issuer would satisfy all of the elements of the loan securitization exclusion provided for by section \_\_.10(c)(8) of the Volcker Rule. Any prospective investor in the Notes or the Residual Certificates, including a U.S. or foreign bank or a subsidiary or other affiliate thereof, should consult its own legal advisers regarding the Volcker Rule and its effects. See the section entitled "*Risk Factors – Legal and regulatory risks – Effects of the Volcker Rule on the Issuer*".

**Distribution**

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the **Securities Act**), or the securities laws or "blue sky" laws of any state or other jurisdiction of the United States and, accordingly, the Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any applicable state and federal securities laws. The Notes are being offered and sold outside the United States to persons other than U.S. persons pursuant to Regulation S under the Securities Act (**Regulation S**). The Issuer is not, and will not be, registered as an investment company under the U.S. Investment Company Act of 1940, as amended (the **Investment Company Act**). For a description of certain further restrictions on offers, sales and transfers of Notes in this Prospectus, see "*Transfer Restrictions and Investor Representations*" herein.

**ERISA**

The Notes (and any interest therein) may not be purchased or held by (i) any "employee

|                              |  |
|------------------------------|--|
| <b>Considerations</b>        | benefit plan" as defined in Section 3(3) of the U.S. Employee Retirement Income Security Act of 1974, as amended (" <b>ERISA</b> "), which is subject to Title I of ERISA, (ii) any "plan" as defined in and subject to Section 4975 of the U.S. Internal Revenue Code of 1986, as amended (the " <b>Code</b> "), (iii) any entity whose underlying assets include plan assets by reason of any such employee benefit plan's or plan's investment in the entity under U.S. Department of Labor Regulations at 29 C.F.R. § 2510-101, as modified by Section 3(42) of ERISA, or (iv) any governmental, church or non-U.S. plan which is subject to any federal, state, local or non-U.S. law or regulation that is substantially similar to the prohibited transaction provisions of Section 406 of ERISA or Section 4975 of the Code (" <b>Similar Law</b> ") (each of the foregoing, a " <b>Benefit Plan Investor</b> "), and each purchaser or holder of the Notes (or any interest therein) will be deemed to have represented, warranted and agreed that it is not, and is not using the assets of, and shall not at any time hold such Notes (or any interest therein) for or on behalf of, a Benefit Plan Investor or a governmental, church or non-U.S. plan subject to Similar Law. |
| <b>Class A Loan Note</b>     | On the Closing Date, the Issuer will, pursuant to the Class A Loan Note Agreement, issue a Class A Loan Note to the Original Class A Loan Noteholder. Under the terms of the Class A Loan Note Agreement, the Class A Loan Noteholders will be entitled to receive interest, principal and other amounts from the Issuer. This Prospectus therefore contains information relating to the Class A Loan Note to enable other Debt Holders to understand the liabilities of the Issuer to the Class A Loan Noteholders. All references in this Prospectus to the Class A Loan Note are included for information purposes only and in order to describe the Class A Loan Note insofar as it is relevant to the issue of the other Debt. For the avoidance of doubt, the Class A Loan Note is not being offered under or pursuant to this Prospectus.   |
| <b>Residual Certificates</b> | In addition to the Debt, the Issuer will issue the Residual Certificates on the Closing Date. The Residual Certificates represent the right to receive deferred consideration for the purchase of the Portfolio (consisting of the Residual Payments). See the section entitled " <i>Terms and Conditions of the Residual Certificates</i> " for further details.  |
| <b>Significant Investor</b>  | On the Closing Date: <ul style="list-style-type: none"> <li>• the Original Class A Loan Noteholder will acquire 100 per cent. of the Class A Loan Note;</li> <li>• TFSL will purchase 100 per cent. of the Class X Notes;</li> <li>• the Seller will purchase 100 per cent. of the Class Z Notes; and</li> <li>• the Issuer will issue the Residual Certificates to the Seller.</li> </ul>   |
| <b>Benchmarks Regulation</b> | Amounts payable on the Notes (other than the Class Z Notes) are calculated by reference to the Sterling Overnight Index Average (" <b>SONIA</b> "). As at the date of this Prospectus, the administrator of SONIA is not included in ESMA's register of administrators under Article 36 of the Regulation (EU) No. 2016/1011 (the " <b>Benchmarks Regulation</b> "). The Bank of England, as administrator of SONIA, is exempt under Article 2 of the Benchmarks Regulation but has issued a statement of compliance with the principles for financial benchmarks issued in 2013 by the International Organisation of Securities Commissions.  |

**The Notes have not been approved or disapproved by the United States Securities and Exchange Commission (the SEC), any state securities commission in the United States or any other United States**



regulatory authority, nor have any of the foregoing authorities passed upon the accuracy or adequacy of this Prospectus. Any representation to the contrary is a criminal offence.

**THE "*RISK FACTORS*" SECTION CONTAINS DETAILS OF CERTAIN RISKS AND OTHER FACTORS RELATING TO THE NOTES (AND INCIDENTALLY, THE CLASS A LOAN NOTE) THAT SHOULD BE GIVEN PARTICULAR CONSIDERATION BEFORE INVESTING IN THE NOTES. PROSPECTIVE INVESTORS SHOULD BE AWARE OF THE ISSUES SUMMARISED IN THAT SECTION.**

## IMPORTANT NOTICE

**THE DEBT AND THE RESIDUAL CERTIFICATES WILL BE OBLIGATIONS OF THE ISSUER ONLY. NEITHER THE DEBT NOR THE RESIDUAL CERTIFICATES WILL BE OBLIGATIONS OF, OR THE RESPONSIBILITY OF, OR GUARANTEED BY, ANY PERSON OTHER THAN THE ISSUER. IN PARTICULAR, NEITHER THE DEBT NOR THE RESIDUAL CERTIFICATES WILL BE OBLIGATIONS OF, OR THE RESPONSIBILITY OF, OR GUARANTEED BY, THE SELLER, THE ARRANGER, THE LEAD MANAGER, THE SERVICER, THE CASH ADMINISTRATOR, THE STANDBY SERVICER, THE STANDBY CASH ADMINISTRATOR FACILITATOR, THE ISSUER ACCOUNT BANK, HOLDINGS, THE CORPORATE SERVICES PROVIDER, THE PRINCIPAL PAYING AGENT, THE AGENT BANK, THE REGISTRAR, THE NOTE TRUSTEE, THE SECURITY TRUSTEE (EACH AS DEFINED HEREIN), ANY COMPANY IN THE SAME GROUP OF COMPANIES AS ANY SUCH ENTITIES OR ANY OTHER PARTY TO THE TRANSACTION DOCUMENTS (TOGETHER, THE "RELEVANT PARTIES"). NO LIABILITY WHATSOEVER IN RESPECT OF ANY FAILURE BY THE ISSUER TO PAY ANY AMOUNT DUE UNDER THE DEBT OR THE RESIDUAL CERTIFICATES SHALL BE ACCEPTED BY ANY OF THE RELEVANT PARTIES OR BY ANY PERSON OTHER THAN THE ISSUER.**

The Class A Loan Note will be issued in definitive registered form. The Issuer will maintain a register, to be kept on the Issuer's behalf by the Loan Note Registrar, in which the Class A Loan Note will be registered in the name of the relevant Class A Loan Noteholders. The transfer of all or any portion of the interest in the Class A Loan Note may be effected only through the register maintained by the Issuer.

The Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class X Notes will each be represented on issue by a global note certificate in registered form (a "**Global Note**"). The Class B Notes, the Class C Notes, Class D Notes, the Class E Notes and the Class X Notes may be issued in definitive registered form under certain circumstances.

The Class Z Notes (the "**Non-Rated Notes**") will be issued in dematerialised registered form. The Issuer will maintain a register, to be kept on the Issuer's behalf by the Registrar, in which the Non-Rated Notes will be registered in the name of the relevant Noteholders. The transfer of all or any portion of the interest in the Non-Rated Notes may be effected only through the register maintained by the Issuer.

The Residual Certificates will be issued in dematerialised registered form. The Issuer will maintain a register, to be kept on the Issuer's behalf by the Registrar, in which the Residual Certificates will be registered in the name of the relevant Certificateholders. The transfer of all or any portion of the interest in the Residual Certificates may be effected only through the register maintained by the Issuer.

THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER OF, OR AN INVITATION BY OR ON BEHALF OF, THE ISSUER OR ANY RELEVANT PARTY TO SUBSCRIBE FOR OR PURCHASE ANY OF THE CLASS A LOAN NOTE OR THE RESIDUAL CERTIFICATES, AND NONE OF THE ISSUER OR ANY OF THE RELEVANT PARTIES MAKE ANY REPRESENTATION, WARRANTY OR OTHER ASSURANCE, EXPRESSED OR IMPLIED, TO ANY INVESTOR IN THE CLASS A LOAN NOTE OR THE RESIDUAL CERTIFICATES (AND NOTHING CONTAINED HEREIN IS, OR SHALL BE RELIED UPON AS A REPRESENTATION, WHETHER AS TO THE PAST, THE PRESENT OR THE FUTURE).

THE DISTRIBUTION OF THIS PROSPECTUS AND THE OFFERING OF THE NOTES IN CERTAIN JURISDICTIONS MAY BE RESTRICTED BY LAW. NO REPRESENTATION IS MADE BY THE ISSUER OR BY ANY RELEVANT PARTY THAT THIS PROSPECTUS MAY BE LAWFULLY DISTRIBUTED, OR THAT THE NOTES MAY BE LAWFULLY OFFERED, IN COMPLIANCE WITH ANY APPLICABLE REGISTRATION OR OTHER REQUIREMENTS IN ANY SUCH JURISDICTION, OR PURSUANT TO AN EXEMPTION AVAILABLE THEREUNDER, AND NONE OF THEM

ASSUMES ANY RESPONSIBILITY FOR FACILITATING ANY SUCH DISTRIBUTION OR OFFERING. IN PARTICULAR, SAVE FOR OBTAINING THE APPROVAL OF THIS PROSPECTUS AS A PROSPECTUS FOR THE PURPOSES OF THE EU PROSPECTUS REGULATION BY THE CENTRAL BANK OF IRELAND, NO ACTION HAS BEEN OR WILL BE TAKEN BY THE ISSUER OR BY ANY RELEVANT PARTY WHICH WOULD PERMIT A PUBLIC OFFERING OF THE NOTES OR DISTRIBUTION OF THIS PROSPECTUS IN ANY JURISDICTION WHERE ACTION FOR THAT PURPOSE IS REQUIRED. ACCORDINGLY, THE NOTES MAY NOT BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, AND NEITHER THIS PROSPECTUS NOR ANY ADVERTISEMENT OR OTHER OFFERING MATERIAL MAY BE DISTRIBUTED OR PUBLISHED, IN ANY JURISDICTION, EXCEPT UNDER CIRCUMSTANCES THAT WILL RESULT IN COMPLIANCE WITH ANY APPLICABLE LAWS AND REGULATIONS. PERSONS INTO WHOSE POSSESSION THIS PROSPECTUS COMES ARE REQUIRED BY THE ISSUER, THE ARRANGER AND THE LEAD MANAGER TO INFORM THEMSELVES ABOUT, AND TO OBSERVE, ANY SUCH RESTRICTIONS.

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR THE SECURITIES LAWS "OR BLUE SKY" LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND THEREFORE MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT ("**REGULATION S**")) ("**U.S. PERSONS**") EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND ANY APPLICABLE STATE OR LOCAL SECURITIES LAWS. ACCORDINGLY, THE NOTES ARE BEING OFFERED AND SOLD OUTSIDE THE UNITED STATES TO PERSONS OTHER THAN U.S. PERSONS PURSUANT TO REGULATION S UNDER THE SECURITIES ACT. FOR A DESCRIPTION OF CERTAIN RESTRICTIONS ON REALES OR TRANSFERS, SEE "*TRANSFER RESTRICTIONS AND INVESTOR REPRESENTATIONS*".

THE SELLER, AS SPONSOR UNDER THE U.S. RISK RETENTION RULES, DOES NOT INTEND TO RETAIN AT LEAST 5 PER CENT. OF THE CREDIT RISK OF THE SECURITIZED ASSETS FOR PURPOSES OF COMPLIANCE WITH THE FINAL RULES PROMULGATED UNDER SECTION 15G OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED (THE "**U.S. RISK RETENTION RULES**"), BUT RATHER INTENDS TO RELY ON AN EXEMPTION PROVIDED FOR IN SECTION 20 OF THE U.S. RISK RETENTION RULES REGARDING NON-U.S. TRANSACTIONS. CONSEQUENTLY, EXCEPT WITH THE PRIOR WRITTEN CONSENT OF THE SELLER (A "**U.S. RISK RETENTION CONSENT**") AND WHERE SUCH SALE FALLS WITHIN THE EXEMPTION PROVIDED BY SECTION 20 OF THE U.S. RISK RETENTION RULES, ON THE CLOSING DATE, THE NOTES AND THE RESIDUAL CERTIFICATES OFFERED AND SOLD BY THE ISSUER MAY NOT BE PURCHASED BY, OR FOR THE ACCOUNT OR BENEFIT OF, ANY "U.S. PERSON" AS DEFINED IN THE U.S. RISK RETENTION RULES ("**RISK RETENTION U.S. PERSONS**"). PROSPECTIVE INVESTORS SHOULD NOTE THAT THE DEFINITION OF "U.S. PERSON" IN THE U.S. RISK RETENTION RULES IS SUBSTANTIALLY SIMILAR TO, BUT NOT IDENTICAL TO, THE DEFINITION OF "U.S. PERSON" IN REGULATION S. ON THE CLOSING DATE, THE NOTES MAY ONLY BE PURCHASED BY PERSONS THAT ARE (A) NOT RISK RETENTION U.S. PERSONS OR (B) PERSONS THAT HAVE OBTAINED A U.S. RISK RETENTION CONSENT FROM THE SELLER. EACH PURCHASER OF THE NOTES OR A BENEFICIAL INTEREST THEREIN ACQUIRED IN THE INITIAL SYNDICATION OF THE NOTES, BY ITS ACQUISITION OF THE NOTES OR A BENEFICIAL INTEREST THEREIN WILL BE DEEMED TO HAVE MADE CERTAIN REPRESENTATIONS AND AGREEMENTS, INCLUDING THAT IT (1) EITHER (i) IS NOT A RISK RETENTION U.S. PERSON OR (ii) HAS OBTAINED A U.S. RISK RETENTION CONSENT FROM THE SELLER, (2) IS ACQUIRING SUCH NOTE OR A BENEFICIAL INTEREST THEREIN FOR ITS OWN ACCOUNT AND NOT WITH A VIEW TO DISTRIBUTE SUCH NOTE, AND (3) IS NOT ACQUIRING SUCH NOTE OR A BENEFICIAL INTEREST THEREIN AS PART OF A SCHEME TO

EVADE THE REQUIREMENTS OF THE U.S. RISK RETENTION RULES (INCLUDING ACQUIRING SUCH NOTE THROUGH A NON-RISK RETENTION U.S. PERSON, RATHER THAN A RISK RETENTION U.S. PERSON, AS PART OF A SCHEME TO EVADE THE 10 PER CENT. RISK RETENTION U.S. PERSON LIMITATION IN THE EXEMPTION PROVIDED FOR IN SECTION 20 OF THE U.S. RISK RETENTION RULES). ANY RISK RETENTION U.S. PERSON WISHING TO PURCHASE NOTES MUST INFORM THE SELLER AND THE LEAD MANAGER THAT IT IS A RISK RETENTION U.S. PERSON. CERTAIN INVESTORS MAY BE REQUIRED TO EXECUTE A WRITTEN CERTIFICATION OF REPRESENTATION LETTER BY THE RETENTION HOLDER IN RESPECT OF THEIR STATUS UNDER THE U.S. RISK RETENTION RULES. SEE "*RISK FACTORS – Legal and Regulatory Risks Relating to the Structure and the Debt – U.S. RISK RETENTION REQUIREMENTS*".

There is no undertaking to register the Notes under U.S. state or federal securities laws. Until 40 days after the later of the commencement of the offering of the Notes and the Closing Date, an offer or sale of the Notes within the United States by any dealer (whether or not participating in this offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than pursuant to an exemption from the registration requirements of the Securities Act.

Each initial and subsequent purchaser of the Notes will be deemed by its acceptance of such Notes to have made certain acknowledgements, representations and agreements intended to restrict the resale or other transfer of the Notes as set out in the Subscription Agreement and described in this Prospectus and, in connection therewith, may be required to provide confirmation of its compliance with such resale and other transfer restrictions in certain cases. See "*Transfer Restrictions and Investor Representations*".

None of the Issuer nor any Relevant Party makes any representation to any prospective investor or purchaser of the Debt regarding the legality of investment therein by such prospective investor or purchaser under applicable legal investment or similar laws or regulations.

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

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

This Prospectus has been approved as a prospectus by the Central Bank of Ireland (the “CBI”) as competent authority under the EU Prospectus Regulation. The CBI only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the EU Prospectus Regulation. Approval by the CBI should not be considered as an endorsement of the Issuer or of the quality of the Notes. Investors should make their own assessment as to the suitability of investing in the Notes.

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

**UK MIFIR PRODUCT GOVERNANCE** - Solely for the purposes of each manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (“**COBS**”), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“**UK MiFIR**”); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the manufacturers’ target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the “**UK MiFIR Product Governance Rules**”) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers’ target market assessment) and determining appropriate distribution channels.

The Issuer accepts responsibility for the information contained in this Prospectus. To the best of its knowledge (having taken all reasonable care to ensure that such is the case), the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information. Any information sourced from third parties contained in this Prospectus has been accurately reproduced (and is clearly sourced where it appears in this Prospectus) and, as far as the Issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

TCFL (as Seller and Servicer) accepts responsibility for the information set out in the sections headed "*The Cash Administrator, the Seller and the Servicer*" as it specifically relates to the Seller and Servicer only, "*The Mortgage Loans*", "*Characteristics of the Provisional Portfolio*" and the information under the heading “Risk Retention” in the section entitled "*Certain Regulatory Requirements*". To the best of the knowledge and belief of TCFL as Seller and the Servicer (having taken all reasonable care to ensure that such is the case), the information contained in the sections referred to in this paragraph is in accordance with the facts and does not omit anything likely to affect the import of such information. No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by TCFL as Seller or Servicer as to the accuracy or completeness of any information contained in this Prospectus (other than in the sections referred to above and not specifically excluded therein) or any other information supplied in connection with the Debt or the distribution of the Notes.

The Standby Servicer accepts responsibility for the information set out in the section headed "*The Standby Servicer*". To the best of the knowledge and belief of the Standby Servicer (having taken all reasonable care to ensure that such is the case), the information contained in the section referred to in this paragraph is in accordance with the facts and does not omit anything likely to affect the import of such information. No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Standby Servicer as to the accuracy or completeness of any information contained in this

Prospectus (other than in the section referred to above) or any other information supplied in connection with the Debt or the distribution of the Notes.

The Cash Administrator accepts responsibility for the information set out in the section headed "*The Cash Administrator, the Seller and the Servicer*" as it specifically relates to the Cash Administrator only. To the best of the knowledge and belief of the Cash Administrator (having taken all reasonable care to ensure that such is the case), the information contained in the section referred to in this paragraph is in accordance with the facts and does not omit anything likely to affect the import of such information. No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Cash Administrator as to the accuracy or completeness of any information contained in this Prospectus (other than in the section referred to above) or any other information supplied in connection with the Debt or the distribution of the Notes.

The Issuer Account Bank accepts responsibility for the information set out in the section headed "*Issuer Account Bank*". To the best of the knowledge and belief of the Issuer Account Bank (having taken all reasonable care to ensure that such is the case), the information contained in the section referred to in this paragraph is in accordance with the facts and does not omit anything likely to affect the import of such information. No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Issuer Account Bank as to the accuracy or completeness of any information contained in this Prospectus (other than in the section referred to above) or any other information supplied in connection with the Debt or the distribution of the Notes.

Each of the Note Trustee and the Security Trustee accepts responsibility for the information set out in the section headed "*The Note Trustee and Security Trustee*". To the best of the knowledge and belief of the Note Trustee and the Security Trustee (having taken all reasonable care to ensure that such is the case), the information contained in the section referred to in this paragraph is in accordance with the facts and does not omit anything likely to affect the import of such information. No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Note Trustee or the Security Trustee as to the accuracy or completeness of any information contained in this Prospectus (other than in the section referred to above) or any other information supplied in connection with the Debt or the distribution of the Notes.

The Corporate Services Provider accepts responsibility for the information set out in the section headed "*The Corporate Services Provider*". To the best of the knowledge and belief of the Corporate Services Provider (having taken all reasonable care to ensure that such is the case), the information contained in the section referred to in this paragraph is in accordance with the facts and does not omit anything likely to affect the import of such information. No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Corporate Services Provider as to the accuracy or completeness of any information contained in this Prospectus (other than in the section referred to above) or any other information supplied in connection with the Debt or the distribution of the Notes.

No person is authorised to give any information or to make any representation in connection with the offering or sale of the Notes other than those contained in this Prospectus and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Seller, TFSL, the Note Trustee or the Security Trustee, the Arranger, the Lead Manager, the Standby Servicer or any of their respective affiliates or advisers. Neither the delivery of this Prospectus nor any sale or allotment made in connection with the offering of the Notes shall, under any circumstances, create any implication or constitute a representation that there has been no change in the affairs of the Issuer, the Seller or TFSL or in the other information contained herein since the date hereof. The information contained or incorporated by reference in this Prospectus was obtained from the Issuer and the other sources identified herein, but no assurance can be given by the Note Trustee, the Security Trustee, the Seller, TFSL, the Standby Servicer, the Lead Manager or the Arranger as to the accuracy or completeness of such information. None of the Arranger, the Lead Manager, the Seller, TFSL, the Standby Servicer, the Note Trustee or the Security Trustee have separately verified the information contained or incorporated by reference herein. Accordingly,

none of the Arranger, the Lead Manager, the Seller, TFSL, the Standby Servicer, the Note Trustee or the Security Trustee makes any representation, express or implied, or (other than as set out above) accepts any responsibility, with respect to the accuracy or completeness of any of the information contained or incorporated by reference in this Prospectus. In making an investment decision, investors must rely on their own examination of the terms of this offering, including the merits and risks involved. The contents of this Prospectus should not be construed as providing legal, business, accounting or tax advice. Each prospective investor should consult its own legal, business, accounting and tax advisers prior to making a decision to invest in the Debt.

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

Payments of interest and principal in respect of the Debt will be subject to any applicable withholding taxes without the Issuer or any other person being obliged to pay additional amounts to compensate Debt Holders for any lesser amounts the Debt Holders may receive as a result of such withholding.

In this Prospectus all references to "**pounds**", "**sterling**", "**GBP**" and "**£**" are references to the lawful currency for the time being of the United Kingdom of Great Britain and Northern Ireland. References in this Prospectus to "**€**", "**eur**" and "**euro**" are references to the single currency introduced at the third stage of European Economic and Monetary Union pursuant to the Treaty Establishing the European Communities as amended from time to time.

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

In this Prospectus, words denoting the singular number only shall include the plural number and vice versa and words denoting one gender shall include the other genders, as the context may require. A defined term in the plural which refers to a number of different items or matters may be used in the singular or plural to refer to any (or any set) of those items or matters.

None of the Arranger nor the Lead Manager has independently verified (i) the information contained herein (ii) any statement, representation, or warranty, or compliance with any covenant, of the Issuer contained in the Transaction Documents or any other agreement or document relating to the Debt or (iii) the execution, legality, effectiveness, adequacy, genuineness, validity, enforceability or admissibility in evidence of the Debt, the Transaction Documents or any other document relating to the Debt. No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Arranger or the Lead Manager as to (a) the accuracy or completeness of the information contained or incorporated by reference in this Prospectus or any other information provided by the Issuer in connection with this Prospectus or (b) the execution, legality, effectiveness, adequacy, genuineness, validity, enforceability or admissibility in evidence of the Debt, the Transaction Documents or any other document relating to the Debt.

Neither the Arranger nor the Lead Manager is responsible for any obligation of the Seller or the Issuer for compliance with the requirements (including existing or ongoing reporting requirements) of the UK Securitisation Regulation (or, if applicable, the EU Securitisation Regulation) or any corresponding national measures which may be relevant.

Each prospective investor in the Notes or the Residual Certificates must determine the suitability of that investment in light of its own circumstances. In particular, each prospective investor should:

- (a) have sufficient knowledge and experience to make a meaningful evaluation of the Debt or Residual Certificates, the merits and risks of investing in the Notes or Residual Certificates and the information contained in this Prospectus;
- (b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes or Residual Certificates and the impact the Notes or Residual Certificates will have on its overall investment portfolio;
- (c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes or Residual Certificates, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the prospective investor's currency;
- (d) understand thoroughly the terms of the Debt or Residual Certificates and be familiar with the behaviour of any relevant indices and financial markets; and
- (e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The Debt and the Residual Certificates are complex financial instruments. A prospective investor should not invest in the Notes or Residual Certificates unless it has the expertise (either alone or with a financial adviser) to evaluate how the Debt or Residual Certificates will perform under changing conditions, the resulting effects on the value of the Debt or Residual Certificates and the impact this investment will have on the prospective investor's overall investment portfolio.

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

### **Forward-Looking Statements**

Certain matters contained herein are forward-looking statements. Such statements appear in a number of places in this Prospectus, including with respect to assumptions on prepayment and certain other characteristics of the Mortgage Loans, and reflect significant assumptions and subjective judgements by the Issuer that may not prove to be correct. Such statements may be identified by reference to a future period or periods and the use of forward-looking terminology such as "may", "will", "could", "believes", "expects", "anticipates", "continues", "intends", "plans" or similar terms. Forward-looking statements are necessarily speculative in nature, and it can be expected that some or all of the assumptions underlying the forward-looking statements will not materialise or will vary significantly from actual results. Accordingly, the forward-looking statements are only an estimate. Actual results may vary from the forward-looking statements, and the variations may be material. Consequently, future results may differ from the Issuer's expectations due to a variety of factors, including (but not limited to) the economic environment and regulatory changes in the mortgage industry in the United Kingdom. Some important factors that could cause actual results to differ materially from those in any forward-looking statements include changes in interest rates, prospective losses experienced, market, financial or legal uncertainties and mismatches between the timing of accrual and receipt of interest and principal from the Mortgage Loans. Moreover, past financial performance should not be considered a reliable indicator of future performance and prospective purchasers of the Debt are cautioned that any such statements are not guarantees of performance and involve risks and uncertainties, many of which are beyond the control of the Issuer. None of the Note Trustee, the Security Trustee, the Arranger or the Lead Manager has attempted to verify any such statements, nor does it make any representations, express or implied, with respect thereto. Prospective purchasers should therefore not place undue reliance on any of these forward-looking statements. None of the Issuer, the Note Trustee, the Security Trustee, the Arranger or the Lead Manager assumes any obligation to update these forward-looking



statements or to update the reasons for which actual results could differ materially from those anticipated in the forward-looking statements.

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## RISK FACTORS

The following is a description of the principal risks associated with an investment in the Notes. These risk factors are material to an investment in the Notes and in the Issuer. Most of these factors are contingencies which may or may not occur. Prospective Noteholders should carefully read and consider all the information contained in this Prospectus, including the risk factors set out in this section, prior to making any investment decision.

For the avoidance of doubt, the Class A Loan Note is not being offered under this Prospectus and, accordingly, the following risk factors are not intended to address risks relevant to any prospective holder of the Class A Loan Note. Any risks set out herein which refer or apply to the Class A Loan Note are incidental and have been included for the benefit of prospective investors insofar as such risks may be relevant to any investment decision in respect of the Notes.

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

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

The purchase of the Notes involves substantial risks and is suitable only for sophisticated investors who have the knowledge and experience in financial and business matters necessary to enable them to evaluate the risks and the merits of an investment in the Notes. Before making an investment decision, prospective purchasers of the Notes should (i) ensure that they understand the nature of the Notes and the extent of their exposure to risk, (ii) consider carefully, in the light of their own financial circumstances and investment objectives (and those of any accounts for which they are acting) and in consultation with such legal, financial, regulatory and tax advisers as it deems appropriate, all the information set out in this Prospectus so as to arrive at their own independent evaluation of the investment and (iii) confirm that an investment in the Notes is fully consistent with their respective financial needs, objectives and any applicable investment restrictions and is suitable for them. The Notes are not a conventional investment and carry various unique investment risks, which prospective investors should understand clearly before investing in the Notes. In particular, an investment in the Notes involves the risk of a partial or total loss of investment.

### 1. RISKS RELATED TO THE AVAILABILITY OF FUNDS TO PAY THE DEBT

#### ***The Issuer has a limited set of resources available to make payments on the Debt and the Residual Certificates***

The ability of the Issuer to meet its obligations under the Debt and the Residual Certificates will be dependent upon the receipt by it in full of (a) principal and interest from the Borrowers under the Mortgage Loans and their Collateral Security in the Portfolio, (b) interest income on the Issuer Accounts and any Authorised Investments, and (c) funds available in the General Reserve Fund and Class A Liquidity Reserve Fund (subject to application in accordance with the relevant Priority of Payments and please see the sections entitled "*Credit Structure – General Reserve Fund and General Reserve Fund Ledger*" and "*Credit Structure – Class A Liquidity Reserve Fund and Class A Liquidity Reserve Fund Ledger*"). Other than the foregoing, the Issuer is not expected to have any other funds available to it to meet its obligations under the Debt or the Residual Certificates and/or any other payment obligation ranking in priority to, or *pari passu* with, the Debt

or the Residual Certificates under the applicable Priority of Payments. As of the Optional Redemption Date, the margin applicable to the Rated Debt will be increased, except as to the margin applicable to the Class X Notes, which will not be increased. There will, however, be no additional receipts or other sources of funds available to the Issuer as of the Optional Redemption Date, nor is it expected that any of the sources of income available to the Issuer prior to the Optional Redemption Date will be increased. If such funds are insufficient, any such insufficiency will be borne by the Debt Holders and the other Secured Creditors, subject to the applicable Priority of Payments.

***The Debt and the Residual Certificates will be limited recourse obligations of the Issuer***

The Debt and the Residual Certificates will be limited recourse obligations of the Issuer. Other than the source of funds referred to in the foregoing paragraph, the Issuer is not expected to have any other funds available to it to meet its obligations under the Debt and the Residual Certificates. Upon enforcement of the Security by the Security Trustee, if:

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

then the Secured Creditors (which include, but are not limited to, the Debt Holders and the Certificateholders) shall have no further claim against the Issuer in respect of any amounts owing to them which remain unpaid (including, for the avoidance of doubt, payments of principal and interest in respect of the Debt and Residual Payments in respect of the Residual Certificates). As such, amounts available to the Issuer in such circumstances may be insufficient to pay Debt Holders and Certificateholders in full and any unpaid amounts shall be deemed to be discharged in full and any relevant payment rights shall be deemed to cease.

Each Secured Creditor agrees that if any amount is received by it (including by way of set-off) in respect of any secured obligation owed to it other than in accordance with the provisions of the Deed of Charge, then an amount equal to the difference between the amount so received by it and the amount that it would have received had it been paid in accordance with the provisions of the Deed of Charge shall be received and held by it as trustee for the Security Trustee and shall be paid over to the Security Trustee immediately upon receipt so that such amount can be applied in accordance with the provisions of the Deed of Charge.

***The timing and amount of payments in respect of the Mortgage Loans could be affected by various factors which may adversely affect payments on the Debt***

Borrowers may default on their obligations under the Mortgage Loans in the Portfolio. Defaults may occur for a variety of reasons. The Mortgage Loans are affected by credit, liquidity and interest rate risks. Various factors influence mortgage delinquency rates, prepayment rates, repossession frequency and the ultimate payment of interest and principal, such as changes in the national or international economic climate, regional economic or housing conditions, changes in tax laws, interest rates, inflation, the availability of financing, yields on alternative investments, political developments and government policies. To the extent the Seller's customers have outstanding indebtedness at variable rates, in the context of a tightening of monetary policy, their interest payments on such debts could go up and impact their ability to meet their obligations under their loans. Other factors in Borrowers' individual, personal or financial circumstances may affect the ability of Borrowers to repay the Mortgage Loans.

Poor business performance of Borrowers' businesses or, if relevant, Borrowers' tenant's businesses may lead to an increase in delinquencies by Borrowers and could ultimately have an adverse impact on the ability of Borrowers to repay the Mortgage Loans. The impact of Brexit and the coronavirus pandemic on general economic conditions in the UK is currently uncertain and therefore it is not possible to determine whether or the extent to which it will have an adverse effect on Borrowers' businesses, their performance and their financial condition. Borrowers who are self-employed or who operate as independent contractors may have an income stream which is susceptible to change (including the reduction or loss of future earnings due to illness, loss of business, tax laws or deterioration in general economic conditions). In certain exceptional circumstances (including as a result of illness, a loss of earnings arising from or in connection with an epidemic or a pandemic) following or in anticipation of payment shortfalls on the Mortgage Loan of a relevant Borrower, the relevant Borrower may be offered some degree of forbearance arrangement on the Mortgage Loan for a period of time (including, without limitation, a payment deferral) in accordance with the Seller's forbearance policy, industry guidance and where appropriate the FCA's rules and guidance. As a result of any such arrangement, the overall receipts on the Mortgage Loans could be adversely affected which could in turn lead to an adverse effect on the timing of payments on the Debt and/or a reduction in the amounts paid on the Debt.

Investors should note in particular in this regard, the FCA Payment Deferral and Tailored Support Guidance described in the section entitled "*Information Relating to the Regulation of Mortgages in the UK – Mortgages and coronavirus: FCA guidance for firms*" and the payment deferral and repossession forbearance measures outlined therein.

In addition, the ability of a Borrower to sell a property given as security for a Mortgage Loan at a price sufficient to repay the amounts outstanding under that Mortgage Loan will depend upon a number of factors, including the availability of buyers for that property, the value of that property, property values in general at the time and in certain exceptional circumstances (including as a result of government restriction or guidance arising from or in connection with an epidemic or a pandemic) the practical ability to complete a sale.

The Issuer is also subject to the risk of failure by the Servicer, on behalf of the Issuer, to realise or recover sufficient funds under the arrears and default procedures in respect of a relevant Mortgage Loan and Collateral Security in order to discharge all amounts due and owing by the relevant Borrower under such Mortgage Loan.

In order to enforce a power of sale in respect of a mortgaged property, the relevant mortgagee or (in Scotland) heritable creditor must first obtain possession of the relevant property. Possession is usually obtained by way of a court order or decree. This can be a lengthy and costly process and will involve the mortgagee or heritable creditor (as applicable) assuming certain risks. In addition, once possession has been obtained, a reasonable period must be allowed for marketing the property, to discharge obligations and to take reasonable care to obtain a proper and fair price. If obtaining possession of properties and arranging a sale in such circumstances is lengthy or costly, the Issuer's ability to make payments on the Debt may be reduced. The Issuer's ability to make such payments may be reduced further if the powers of a mortgagee or heritable creditor (as applicable) in relation to obtaining possession of properties permitted by law, are restricted in the future.

Investors should note that pursuant to the FCA Tailored Support Guidance (as described in the section entitled "*Information Relating to the Regulation of Mortgages in the UK – Mortgages and coronavirus: FCA guidance for firms*") mortgage lenders/administrators may enforce repossession proceedings as long as they act in accordance with the FCA Tailored Support Guidance and, where applicable, MCOB 13 and applicable pre-action protocols, however action to seek possession should be a last resort and not be started unless all other reasonable attempts to resolve the position have failed.

In addition, the Issuer is subject to the risk of insufficiency of funds on any Interest Payment Date as a result of payments being made late by Borrowers (for example, where such funds relate to a preceding Collection Period but are received after the Servicer has calculated the amounts due from relevant Borrowers under the

Mortgage Loans and their related Mortgages and other Collateral Security relating to such Collection Period).

The above risks could adversely affect the Issuer's ability to make payments on the Debt but is mitigated to some extent by certain liquidity and credit enhancement features of the transaction, including those described in the section entitled "*Credit Structure*". However, no assurance can be made as to the effectiveness or sufficiency of such liquidity and credit enhancement features, or that such features will protect the Debt Holders from any or all risks of loss.

***Yield to maturity and the Issuer's ability to redeem the Debt on its scheduled redemption dates or its final maturity dates may be affected by the rate of prepayment on the Mortgage Loans***

The yield to maturity of the Debt will depend on, inter alia, the amount and timing of payment of principal and interest on the Mortgage Loans and the price paid by the holders of the Debt. Prepayments on the Mortgage Loans may result from refinancing, sales of Properties by Borrowers voluntarily or as a result of enforcement proceedings under the relevant Mortgages, as well as the receipt of proceeds under the insurance policies.

The yield to maturity of the Debt may be adversely affected by, amongst other things, a higher or lower than anticipated rate of prepayments on the Mortgage Loans. The rate of prepayment of Mortgage Loans is influenced by a wide variety of economic, social and other factors, including prevailing mortgage market interest rates, the availability of alternative financing programmes and local, national and macro economic conditions. Generally, when market interest rates increase, borrowers are less likely to prepay their mortgage loans, while conversely, when market interest rates decrease, borrowers are generally more likely to prepay their mortgage loans. Borrowers may also prepay mortgage loans when they refinance their mortgage loans or sell their properties (either voluntarily or as a result of enforcement action taken). Subject to the terms and conditions of the Mortgage Loans, a Borrower may also "overpay" principal at any time. In addition, if the Seller is required, per the terms of the Mortgage Sale Agreement, to repurchase a Mortgage Loan or Mortgage Loans under a Mortgage Account and its Collateral Security from the Issuer because, for example, one of the Mortgage Loans does not comply in all material respects with the Loan Warranties, then the payment received by the Issuer for such repurchase will have the same effect as a prepayment of a Mortgage Loan or all the Mortgage Loans under that Mortgage Account as appropriate. Further, if the Seller consents to a Further Mortgage Advance or a Product Switch in respect of a Mortgage Loan, then the Seller will be required to repurchase such Mortgage Loan which may result in Principal Receipts in the form of repurchase proceeds payable by the Seller being used prematurely to repay the Debt. Because these and other relevant factors are not within the control of the Issuer, no assurance can be given as to the level of prepayments that the Portfolio will experience. Accelerated pre-payments will generally lead to a reduction in the weighted average life of the Debt.

Payments and prepayments of principal on the Mortgage Loans will be applied to reduce the Principal Amount Outstanding of the Debt on a pass-through basis on each Interest Payment Date in accordance with the Pre-Enforcement Principal Priority of Payments (see "*Cashflows*") or used to fund a Senior Expenses Deficit.

At any time on or after the Optional Redemption Date, the Issuer may, subject to certain conditions, redeem all of the Debt. In addition, the Issuer may, subject to the Conditions, redeem all of the Debt if a change in tax law results in the Issuer being required to make a deduction or withholding for or on account of tax in respect of the Notes. Pursuant to the Call Option, Together Commercial Finance Limited (the "**Option Holder**") has the option, at any time after the Optional Purchase Commencement Date, to effect a third party sale of the Mortgage Loans in consideration for the Optional Purchase Price as detailed in the section "*Early Redemption of the Notes*". This may adversely affect the yield to maturity on the Debt.

Following the occurrence of an Event of Default, service of an Enforcement Notice and enforcement of the Security, there is no assurance that the Issuer will have sufficient funds to redeem the Debt in full.

## 2. RISKS RELATING TO THE UNDERLYING ASSETS

### *Decline in property prices may adversely affect the performance and market value of the Notes*

If the residential and/or commercial property market in the United Kingdom should experience an overall decline in property values, such a decline could in certain circumstances result in the value of the Collateral Security being significantly reduced and, in the event that the Collateral Security is required to be enforced, may result in an adverse effect on payments on the Debt.

The Issuer cannot guarantee that the value of a property will remain at the same level as on the date of origination of the related Mortgage Loan. Downturns in the United Kingdom economy generally have a negative effect on the property market. The London property market has been particularly affected by recent macro-political uncertainty, including the United Kingdom's vote to leave the EU pursuant to a referendum held in June 2016 and, as a result, transaction levels in the London property market are below historical averages and average prices have been stagnant or decreasing. The temporary reduction in the effective rate of stamp duty land tax that has been introduced by the UK Government (as to which see "*Risks relating to the underlying assets – The COVID-19 pandemic may have negative effects on the Portfolio*" below) has stimulated additional property activity in the short term, including an increase in property prices in some areas of the United Kingdom but this could result in lower property activity towards the end of 2021 and may therefore negatively affect property prices following the end of the scheme. Approximately 30.67% of the Mortgage Loans in the Portfolio are secured against properties located in Greater London and the South East. The Scottish Government introduced a similar policy in respect of land and buildings transaction tax ("**LBTT**") (broadly speaking, the equivalent in Scotland to stamp duty land tax) which ended in March 2021.

The full impact of COVID-19 on UK property prices is also yet to be seen. Current government measures (including the recent moratorium on mortgage lenders initiating court action to repossess properties of borrowers in default) may be impacting current property prices because forced sale prices following repossession (which would generally be lower than non-forced sale prices) may not be reflected in the market overall.

In addition, any natural disasters, or widespread health crises (such as a pandemic or epidemic), governmental policies and actions or inactions in response to such crises or such potential crises (including but not limited to COVID-19) and/or the fear of such crises, whether in the United Kingdom or in any other jurisdictions, may lead to a deterioration of the economic conditions in the United Kingdom and also globally and may reduce the value of properties secured on Mortgage Loans in the Portfolio.

As at the date of this Prospectus, it is impossible to determine the impact that Brexit, the Trade and Cooperation Agreement and the nature and extent of UK Government responses in the formulation of fiscal and monetary policies, the regulatory landscape and/or any related matters may have on general economic conditions in the UK and whether such impact will have a materially adverse effect on the performance of the UK housing market and/or result in a decline in overall property values in the UK.

A fall in property prices resulting from a deterioration in the property market could result in losses being incurred by lenders where the net recovery proceeds are insufficient to redeem the outstanding mortgage loan. If the value of the Collateral Security backing the Mortgage Loans is reduced this may ultimately result in losses to Debt Holders if the Collateral Security is required to be enforced and the resulting proceeds are insufficient to make payments on all Debt.

Borrowers may have insufficient equity to refinance their Mortgage Loans with lenders other than the Seller and may have insufficient resources to pay amounts in respect of their Mortgage Loans as and when they fall due. The ability of a Borrower to refinance the relevant Property will be affected by a number of factors as to which see the section entitled "*Refinancing capacity of Borrowers*" below. This could lead to higher delinquency rates and losses which in turn may adversely affect payments on the Debt.

***There is no guarantee that the Provisional Portfolio will be the Portfolio as at the Closing Date***

The information in the section headed "*Characteristics of the Provisional Portfolio*" has been extracted from the systems of the Seller as at 2 April 2021 (the "**Portfolio Reference Date**"), reflecting the Principal Balance of the Mortgage Loans on 31 March 2021 and comprises the Preliminary Portfolio less any mortgage loans that are no longer eligible or have been redeemed in full as at the Portfolio Reference Date (the "**Provisional Portfolio**"). For the avoidance of doubt, all statistical and other information contained in this Prospectus with respect to the Portfolio Reference Date refer to such statistical and other information in respect of the Mortgage Loans as at 31 March 2021.

As at the Portfolio Reference Date, the Provisional Portfolio comprised 1,061 Mortgage Loans with an aggregate Principal Balance of £250,060,106. Having removed any mortgage loans that are no longer eligible or have been redeemed in full as at the Closing Date, the Seller will then randomly select a pool from the Provisional Portfolio that will comprise the Portfolio to be sold to the Issuer on the Closing Date.

The characteristics of the Portfolio as at the Closing Date will vary from those set out in the tables in this Prospectus as a result of, amongst other things, repayments and redemptions of mortgage loans prior to the Closing Date. There is therefore a risk that there could be a material difference between the characteristics of the Provisional Portfolio and those of the Portfolio, or a material change in the characteristics of the Provisional Portfolio between the Portfolio Reference Date and the Closing Date.

***Deterioration in Economic Conditions***

The Seller operates solely in the United Kingdom and any deterioration in economic conditions, including as a result of Brexit or the ongoing uncertainty surrounding Covid-19, resulting in increased unemployment rates, loss of earnings, increased short or long-term interest rates, increased consumer and commercial bankruptcy filings, a decline in the strength of national or local economies, the associated implications of a local or national lockdown due to an epidemic or a pandemic, increased inflation or other outcomes which negatively impact household and business incomes, could have an adverse effect on the ability of Borrowers to make payments on their Mortgage Loans, decrease loan redemption levels, increase loan delinquency rates and increase loan losses, which may also result in losses on the Debt.

There are still a number of areas of uncertainty in connection with the future of the UK and its relationship with the EU and the application and interpretation of the Trade and Cooperation Agreement, and Brexit-related matters may take several years to be clarified and resolved. In particular, the Trade and Cooperation Agreement only covers the trade of goods and, therefore, uncertainly remains over the UK's long-term trading of services relationship with the EU. The UK may still face barriers to trade and commerce (including the provision of financial and other services) with the Member States of the EU and may still lose its present rights to the global trade deals negotiated by the EU on behalf of its members, which may in turn diminish overall economic activity between the UK and the EU and the UK and its global trade partners. Given this uncertainty and the range of possible outcomes, it is currently impossible to determine the impact that Brexit, the Trade and Cooperation Agreement and the nature and extent of UK Government responses in the formulation of fiscal and monetary policies, the regulatory landscape and/or any related matters may have on general economic conditions in the UK, including any implications for the UK sovereign ratings, ratings of the relevant Transaction Parties or the performance of the UK housing market. It is not possible to determine the impact that these matters will have on Borrowers and their financial condition.

In response to a deterioration in economic conditions: the government may take austerity measures (for example cuts in public benefits or public sector employment); private businesses may freeze or reduce hiring, make redundancies or reduce hours of work; and self-employed workers may see a reduction in their volume of work and/or income, each of which may reduce the personal income, business income or rental income received by Borrowers.



A reduction in the income received by Borrowers could impact their ability to make payments under the Mortgage Loans when due and result in losses on the Debt.

### ***Geographic Concentration Risks***

Mortgage Loans in the Portfolio may also be subject to geographic concentration risks within certain regions of Great Britain. To the extent that specific geographic regions in Great Britain have experienced, or may experience in the future, weaker regional economic conditions (due to local, national and/or global macroeconomic factors) and weaker property markets than other regions in Great Britain, a concentration of the Mortgage Loans in such a region may exacerbate the risks relating to the Mortgage Loans described in this section. Certain geographic regions in Great Britain rely on different types of industries. Any downturn in a local economy or particular industry may adversely affect the regional employment levels and consequently the repayment ability of the Borrowers in that region or the region that relies most heavily on that industry. Government actions taken in response to a downturn may include cuts in public benefits or public sector employment, or other austerity measures that may directly affect Borrowers by reducing or eliminating their income, which could impact their ability to pay their debts. Private businesses may also reduce hiring or implement layoffs or reduce hours of work, which would potentially affect Borrowers. In addition, self-employed Borrowers may see a reduction in volume of work and/or income. Different geographic areas of the United Kingdom might be impacted differently by any economic downturn and by any government action taken in relation to it.

In addition, any natural disasters or widespread health crises or the fear of such crises (including, but not limited to, coronavirus/COVID-19, measles, SARS, Ebola, H1N1, Zika, avian influenza, swine flu (or any strain of the foregoing), or other epidemic and/or pandemic diseases) in a particular region may weaken economic conditions and reduce the value of affected Properties and/or negatively impact the ability of affected Borrowers to make timely payments on the Mortgage Loans.

In addition, governmental action or inaction in respect of, or responses to, any widespread health crises or such potential crises (such as those mentioned previously), whether in the United Kingdom or in any other jurisdiction, may lead to a deterioration of economic conditions both globally and also within the United Kingdom. Further, any localised "lockdowns" in any given region of the United Kingdom (whether covering England or a given devolved administrative region in its totality or a more specific geographic part of England or such devolved administrative region) which has the effect of temporarily closing businesses categorised by the UK Government as "non-essential" in a bid to reduce the impact of any epidemic or pandemic may have an adverse impact on Borrowers within those regions which may in turn affect their ability to make timely payments of interest and/or principal on the Mortgage Loans. This may result in a loss being incurred upon sale of the Property and/or otherwise affect receipts on the Mortgage Loans.

The longer term impact of COVID-19 on property prices has also yet to be seen in light of government measures and the recent moratorium on mortgage lenders initiating court action to repossess the properties of borrowers in default impacts current property prices, as forced sale prices (which would be lower) are not reflected in the market overall.

For an overview of the geographical distribution of the Mortgage Loans as at the Portfolio Reference Date, see "*Characteristics of the Provisional Portfolio – Geographical distribution*". Given the unpredictable effect such factors may have on the local, national or global economy, no assurance can be given as to the impact of any of the matters described in this risk factor and, in particular, no assurance can be given that such matters would not adversely affect the ability of the Issuer to satisfy its obligations under the Debt.

### ***The COVID-19 pandemic may have negative effects on the Portfolio***

The world is currently experiencing an outbreak of a novel coronavirus (known as COVID-19) which is having severe health, as well as unpredictable economic, effects across the world. On 11 March 2020, the Chief Medical Officer of the UK Government announced that the current outbreak of COVID-19 had

reached epidemic proportion in the United Kingdom and the World Health Organisation also declared the current global outbreak of COVID-19 as a “global pandemic”.

COVID-19 has resulted in authorities worldwide, including those in the United Kingdom, implementing numerous measures and on multiple occasions to try to contain the virus, such as travel bans and restrictions, curfews, lockdowns, quarantines and shutdowns of businesses and workplaces. There is no certainty that such measures will be sufficient to mitigate the risks posed by COVID-19.

Many businesses (which may include those operated by Borrowers and their tenants) have experienced significant disruption to their ability to operate as a result of the restrictions put in place by the UK Government in response to COVID-19, including multiple national lockdowns.

Both COVID-19 and the related countermeasures have led to materially increased volatility in financial markets, declines in financial markets and significant worsening of the macroeconomic environment and its outlook (although there have been certain indications of a limited recovery in the UK over recent months). Given the unprecedented nature of the actions taken by governments following the onset of COVID-19, it is difficult to assess or predict the ultimate impact of COVID-19 and these countermeasures on the economy. There is a risk that economic measures taken in response to COVID-19 (including the introduction of (i) the Coronavirus Job Retention Scheme, enabling employers to furlough their staff; (ii) the Coronavirus Business Interruption Loan Scheme, providing financial support to small businesses; (iii) government grants to businesses, such as the Local Restrictions Support Grants; and (iv) the FCA Payment Deferral Guidance and Tailored Support Guidance), may be concealing a more serious underlying deterioration in both the economy and the circumstances of Borrowers. There can be no assurance that any such economic measures providing financial support for Borrowers will continue and once such economic measures are withdrawn, there may be an increased risk of default by both the Borrowers’ tenants and the Borrowers. The UK Government’s decision in July 2020 to increase the stamp duty land tax nil rate threshold to £500,000 on the purchase of residential properties in England and Wales between July 2020 and March 2021 (which was subsequently extended to June 2021) and the decision in March 2021 to reduce the stamp duty land tax nil rate threshold to £250,000 on the purchase of residential properties between 1 July 2021 to 30 September 2021 has stimulated additional property activity in the short term, but this could result in lower property activity after June 2021 and further after September 2021 and may therefore negatively affect property prices, following the end of the scheme. The Scottish Government introduced a similar policy in respect of land and buildings transaction tax (“**LBT**”) (broadly speaking, the equivalent in Scotland to stamp duty land tax) which ended in March 2021.

Widespread health crises, or the fear of such crises developing at such time or in the future (such as COVID-19 or other epidemic infectious diseases) in a particular region or nationwide may weaken economic conditions and reduce the market value of affected properties in such regions, the ability to sell a property in a timely manner and/or negatively impact the ability of a Borrower to make timely payments on the Mortgage Loans. In addition, governmental action or inaction in respect of, or responses to, any widespread health crises, whether in the United Kingdom or in any other jurisdiction, may lead to a further deterioration of economic conditions both globally and also within the United Kingdom. This may have an adverse impact on the ability of Borrowers to make timely payment of interest and repayments of principal on their Mortgage Loans. Further, any localised “lockdowns” in any given region of the United Kingdom (whether covering England or a given devolved administrative region in its totality or a more specific geographic part of England or such devolved administrative region) which has the effect of temporarily closing businesses categorised by the UK Government or its devolved governments as “non-essential” in a bid to reduce the impact of any epidemic or pandemic may have an adverse impact on Borrowers within those regions which may in turn affect their ability to make timely payments of interest and/or principal on the Mortgage Loans.

As a result of such factors, a mortgage lender may offer, or be required or encouraged through government regulation or guidance to offer, a range of forbearance options (which in themselves may be temporary or permanent in nature and may include, without limitation, the suspension of monthly payments due under

mortgage loans) to support borrowers who are facing financial difficulty or may potentially face financial difficulties.

It is not possible to predict the total number of Borrowers who may request a mortgage payment deferral or other forbearance measures as a result of COVID-19. See further the section “*Characteristics of the Provisional Portfolio*”. There can be no assurance that upon completion or withdrawal of such forbearance schemes, Borrowers will return to their historic payment behaviours or make timely payments of interest and/or principal on their Mortgage Loans.

The impact of COVID-19 on the UK economy is currently difficult to measure. However, certain industries and sectors have been more severely affected than others. Industries and sectors such as the high street retail, travel and hospitality sectors have been particularly severely affected by restrictions imposed in response to COVID-19 as well as the economic downturn. To the extent that the Portfolio consists of Borrowers who rely on these industries and sectors to generate their income, such Borrowers may not be able to make timely payments of interest and/or principal on their Mortgage Loans which may have an adverse effect on the ability of the Issuer to make payments due on the Debt.

The degree to which COVID-19 may impact the financial condition of Borrowers and have a negative impact on the Portfolio is uncertain and will be impacted by future developments (including, but not limited to, the duration and spread of COVID-19; any mutation of the virus and how contagious such mutation might be, the demographic of the population which may be affected by any mutation of the virus and whether existing vaccinations remain effective against such mutations; actions taken to contain COVID-19 (including further lockdowns or restrictions) or minimise its impact; the timeliness and success of vaccination programmes; and the timeliness, extent and effectiveness of economic stimulus taken to mitigate the economic impact of COVID-19), all of which remain uncertain and unpredictable. Moreover, once the immediate impact of COVID-19 subsides, the economic impact of COVID-19 (including any recession, economic slowdown, increase in unemployment levels, increase in interest rates and increase in taxes (including in response to increased UK government debt)) that have occurred or may occur in the future, may continue to adversely affect Borrowers and their ability to make timely payments of interest and/or principal on their Mortgage Loans and have an adverse effect on the ability of the Issuer to make payments due on the Debt. Such factors would equally apply if the UK were to experience other health crises, epidemics or pandemics similar in nature to COVID-19.

### ***COVID-19 and Residential Tenancy Repossessions***

The Coronavirus Act 2020 put measures in place in England for the period from 26 March 2020 until 30 September 2020 that provide that where landlords issued notices seeking possession, in the period from 26 March 2020 to 28 August 2020, the notice period had to be for three months. The Coronavirus Act 2020 (Residential Tenancies: Protection from Eviction) (Amendment) (England) Regulations 2020, made in exercise of powers conferred by the Coronavirus Act 2020, came into force on 29 August 2020 (the “**English Regulations**”). The English Regulations apply in England only. The English Regulations modify certain provisions of the Coronavirus Act 2020 to give tenants in England greater protection from eviction over the winter by requiring landlords to provide tenants with six months' notice in all bar those cases raising other serious issues such as, but not limited to, those involving, (in certain circumstances): anti-social behaviour (including rioting), domestic abuse, fraud and rent arrears to the value of over six months' rent. The English Regulations provide that this six month notice period will be required starting from 29 August 2020 until 31 March 2021. The Coronavirus Act 2020 (Residential Tenancies: Protection from Eviction) (Amendment) (England) Regulations 2021 came into force on 31 March 2021 and extended this period to 31 May 2021.

Further, from 27 March 2020, any possession claims in the system or about to go into the system were affected by a 90 day suspension of possession hearings and orders, such suspension of possession hearings and orders was extended until 23 August 2020 on 25 June 2020 and was extended by a further four weeks until 20 September 2020 on 21 August 2020. New CPR Practice Direction 55C (“**PD 55C**”) is in force from 20 September 2020 until 30 July 2021. PD 55C sets out the steps required to reactivate stayed possession

claims, as well as procedural changes applying both to existing possession claims and the issue of new claims. Different requirements apply under PD 55C depending on when the relevant possession claim was first issued.

In Wales, new regulations have been made under Schedule 29 to the Coronavirus Act 2020, that temporarily extend the minimum notice periods landlords must give to tenants with assured and assured shorthold tenancies. A six month notice period applied to notices issued between 24 July 2020 and 28 September 2020 under section 8 of the Housing Act 1988, except those that specified grounds 7A or 14 (relating to anti-social behaviour). A three month notice period continued to apply to notices that specified grounds 7A or 14. A six month notice period applied to notices issued on or after 24 July 2020 under section 21 of the Housing Act 1988. Schedule 29 is temporarily amended so that a landlord serving a notice on or after 24 July 2020 will be required to provide extended notice during the remainder of relevant period, which, in accordance with the Public Health (Protection From Eviction) (No.2) (Wales) (Coronavirus) Regulations 2021, currently ends on 30 June 2021.

The Coronavirus (Scotland) Act 2020 put measures in place until 30 September 2020 (now extended to 31 September 2021) to extend notice periods for evictions in Scotland to three or six months, depending on the grounds for eviction and, further, to provide that repossession cases are to be considered on a discretionary basis.

Delays to Borrowers being able to seek possession of Properties may result in less rental income being available to meet the Borrower's repayment obligations in respect of the Non-Borrower Occupied Mortgage Loans and Partially Borrower Business Occupied Mortgage Loans. In such situations, amounts received in rent or in respect of any sale of the relevant Properties may not be sufficient to cover all amounts due in respect of the relevant Mortgage Loans and may have an adverse effect on the ability of the Issuer to make payments due on the Debt.

### ***COVID-19 and Forfeiture of Commercial Leases***

Section 82 of the Coronavirus Act 2020 contains protections for business tenancies that restrict the landlord's ability to forfeit a lease during the relevant period for non-payment of rent. The relevant period began on 26 March 2020 and was due to end on 30 June 2020, but regulations have been made which have extended this period to 30 June 2021 in both England and Wales.

In Scotland, the notice period for irritancy (the Scottish equivalent of forfeiture) of commercial leases for monetary breach has been extended from 14 days to 14 weeks pursuant to the Coronavirus (Scotland) Act 2020. The extension began in April 2020 and was due to automatically expire after 6 months, but these provisions were extended to 30 September 2021 by the Coronavirus (Scotland) Acts (Amendment of Expiry Dates) Regulations 2021.

Delays to Borrowers being able to forfeit commercial leases may result in less rental income being available to meet the Borrower's repayment obligations in respect of the Non-Borrower Occupied Mortgage Loans and Partially Borrower Business Occupied Mortgage Loans and may have an adverse effect on the ability of the Issuer to make payments due on the Debt.

### ***Searches, Investigations and Warranties in Relation to the Mortgage Loans***

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

Neither the Note Trustee, the Security Trustee, the Arranger, the Lead Manager nor the Issuer has undertaken, or will undertake, any investigations, searches or other actions of any nature whatsoever in respect of any Mortgage Loan or its Collateral Security in the Portfolio and each relies instead on the

warranties given in the Mortgage Sale Agreement by the Seller. The primary remedy of the Issuer against the Seller if any of the warranties made by the Seller is materially breached or proves to be materially untrue as at the Closing Date and is not capable of being remedied or is not remedied by the Seller within 45 calendar days of receipt by the Seller of a notice from the Issuer that such conditions are not satisfied in accordance with the Mortgage Sale Agreement, is that the Seller shall be required to repurchase the relevant Mortgage Loan and its Collateral Security in accordance with the repurchase provisions in the Mortgage Sale Agreement. However, there can be no assurance that the Seller will have the financial resources to honour such obligations under the Mortgage Sale Agreement. Furthermore, although TCFL (as Seller and Servicer) has undertaken, pursuant to the Mortgage Sale Agreement and Servicing Deed, to notify the Issuer upon becoming aware of a material breach of any Loan Warranty, there shall be no obligation on the part of TCFL as Seller or Servicer to monitor compliance of the Mortgage Loans with the Loan Warranties following the Closing Date. This may affect the quality of the Mortgage Loans and their Collateral Security in the Portfolio and accordingly the ability of the Issuer to make payments due on the Debt.

***The Seller to initially retain legal title to the Mortgage Loans and risks relating to set-off***

The sale by the Seller to the Issuer of the English Mortgage Loans and their Collateral Security (until legal title is conveyed) takes effect in equity only.

The sale by the Seller to the Issuer of the Scottish Mortgage Loans and their Collateral Security is given effect to by a Scots law governed declaration of trust by the Seller for the benefit of the Issuer (the "**Scottish Declaration of Trust**"). The holding of a beneficial interest under a Scottish trust has (broadly) equivalent legal consequences in Scotland to the holding of an equitable interest in England and Wales. In each case, this means that legal title to the Mortgage Loans and their Collateral Security in the Portfolio will remain with the Seller until certain trigger events occur under the terms of the Mortgage Sale Agreement (see "*Summary of the Key Transaction Documents – Mortgage Sale Agreement*"). Until such time, the assignment by the Seller to the Issuer of the English Mortgage Loans and their Collateral Security takes effect in equity only and the Scottish Mortgage Loans in the Portfolio and their Collateral Security are accordingly held on trust for the Issuer. The Issuer has not and will not apply to the Land Registry to register or record its equitable interest in the English Mortgages and will not apply to the General Register of Sasines or Land Register of Scotland (as appropriate) (together the "**Registers of Scotland**") to register or record its beneficial interest in the Scottish Mortgages pursuant to a Scottish Declaration of Trust.

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

Further, prior to the insolvency of the Seller, unless (i) notice of the assignment was given to a Borrower who is a debtor of the Seller in respect of an English Mortgage Loan and its Collateral Security, and (ii) an assignation of a Scottish Mortgage Loan and its Collateral Security is effected by the Seller to the Issuer and notice thereof is then given to the relevant Borrower who is a debtor of the Seller in respect of the Scottish Mortgage Loan and its Collateral Security, equitable or independent set-off rights may accrue in favour of the Borrower against his or her obligation to make payments to the Seller under the relevant Mortgage Loan. These rights may result in the Issuer receiving reduced payments on the Mortgage Loans. The transfer of the benefit of any Mortgage Loans to the Issuer will continue to be subject to any prior rights the Borrower may become entitled to after the transfer. Where notice of the assignment or assignation is given to the Borrower, however, some rights of set-off (being those rights that are not connected with or related to the relevant

Mortgage Loan) may not arise after the date notice is given. For the purposes of this Prospectus, references herein to "set-off" shall be construed to include analogous rights in Scotland.

Until notice of the assignment or assignation is given to Borrowers, the Issuer would not be able to enforce any Borrower's obligations under a Mortgage Loan or Collateral Security itself but would have to join the Seller as a party to any legal proceedings. Borrowers will also have the right to redeem their Mortgages by repaying the relevant Mortgage Loan directly to the Seller. However, the Seller will undertake, pursuant to the Mortgage Sale Agreement, to hold any money repaid to it in respect of relevant Mortgage Loans to the order of the Issuer.

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

Once notice has been given to the Borrowers of the assignment or assignation of the Mortgage Loans and their Collateral Security to the Issuer, independent set-off rights which a Borrower has against the Seller (such as set-off rights not associated with or connected to the relevant Mortgage Loan) will crystallise and further rights of independent set-off would cease to accrue from that date and no new rights of independent set-off could be asserted following that notice. Set-off rights arising under "transaction set-off" (which are set-off claims arising out of a transaction connected with the Mortgage Loan) will not be affected by that notice and will continue to exist.

For so long as the Issuer does not have legal title, the Seller will undertake for the benefit of the Issuer that it will lend its name to, and take such other steps as may reasonably be required by the Issuer in relation to, any legal proceedings in respect of the relevant Mortgage Loans and their Collateral Security.

#### ***Repurchase of Mortgage Loans subject to Further Mortgage Advances and Product Switches and Mortgage Loans in breach of Loan Warranty***

While there is no obligation on the Seller to make Further Mortgage Advances or Product Switches, a Borrower may request, or the Seller (or, for so long as the relevant Mortgage Loan is serviced by a member of the Together Group, the Servicer on behalf of the Seller) may in its discretion offer a Borrower, a Further Mortgage Advance or Product Switch from time to time. Should a Further Mortgage Advance or a Product Switch be agreed in relation to any Mortgage Loan, following an application by the Borrower or an offer by the Seller (or the Servicer on its behalf), the relevant Mortgage Loan (the "**Refinanced Mortgage Loan**") will be repurchased by the Seller on the Interest Payment Date following such Further Mortgage Advance or Product Switch being made (see further "*Summary of the Key Transaction Documents – Mortgage Sale Agreement – Further Mortgage Advances and Product Switches*").

Where the Seller is required to repurchase a Mortgage Loan because the Loan Warranties are not true in any material respect, there can be no assurance that the Seller will have the financial resources to honour its repurchase obligations under the Mortgage Sale Agreement.

Either of these circumstances may affect the quality of the Mortgage Loans and their Collateral Security in the Portfolio and accordingly the ability of the Issuer to make payments on the Debt.

#### ***Non-Conforming Borrowers***

7.99 per cent. of the Provisional Portfolio by aggregate Principal Balance comprises Mortgage Loans made to Borrowers who have a county court judgment (or a Sheriff Court decree, being the Scottish equivalent of a county court judgment) entered or made against them within six years prior to origination of the relevant Mortgage Loan. 39.58 per cent. of the Provisional Portfolio by aggregate Principal Balance comprises Mortgage Loans made to Borrowers who are self-employed. For the purposes of this risk factor, "**Non-Conforming Borrowers**" means Borrowers who have a county court judgment (or a Sheriff Court decree, being the Scottish equivalent of a county court judgment) entered or made against them within six years prior

to origination of the relevant Mortgage Loan and/or Borrowers who are self-employed or operate as independent contractors. See further the section entitled "*Characteristics of the Provisional Portfolio*". Mortgage Loans made to Non-Conforming Borrowers may experience higher rates of delinquency, write-offs and enforcement than have historically been experienced by mortgage loans made to prime borrowers and therefore carry a higher degree of risk.

The Issuer has been informed by the Seller that the Mortgage Loans have been underwritten in accordance with the underwriting standards described in the section entitled "*The Mortgage Loans*" subject to any variations as may be acceptable to a Prudent Mortgage Lender. Those underwriting standards consider, among other things, a borrower's credit history, employment history and status, repayment ability (including income coverage ratio assessments and total secured debt service-to-income ratio as appropriate) as well as the value of the underlying security. Those underwriting standards are used with a view, in part, to mitigating the risks in lending to all Borrowers of the Seller, including Non-Conforming Borrowers. In addition, the Seller has represented and warranted in the Mortgage Sale Agreement that prior to the granting of each Mortgage Loan, the Lending Criteria and all other conditions precedent to making the Mortgage Loan were satisfied in all material respects (subject to such exceptions as would be acceptable to a Prudent Mortgage Lender). For more information relating to the Lending Criteria, please see the section set out in this Prospectus headed "*The Mortgage Loans – Lending Criteria*".

Non-Conforming Borrowers are generally considered more vulnerable to an economic downturn and may also be more prone to insolvency and less likely than prime borrowers to make payments on a timely basis or in full under the relevant Mortgage Loans. Borrowers who are self-employed or who operate as independent contractors may have an income stream which is more susceptible to change (including the reduction or loss of future earnings due to illness, loss of business, tax laws or general economic conditions) than Borrowers who are in full time employment. Any failure by the Borrowers (whether as a result of their status as Non-Conforming Borrowers or otherwise) to make payments under their relevant Mortgage Loans could have an adverse effect on the ability of the Issuer to make payments of interest and/or principal in respect of the Debt.

### ***Interest-only Mortgage Loans***

38.63 per cent. of the Provisional Portfolio by aggregate Principal Balance comprises Mortgage Loans that are Repayment Mortgage Loans and 61.37 per cent. of the Provisional Portfolio by aggregate Principal Balance comprises Mortgage Loans that are Interest-only Mortgage Loans (see "*The Mortgage Loans – Characteristics of the Mortgage Loans – Repayment Terms*"). With Interest-only Mortgage Loans, where the Borrower is only required to pay interest during the term of such Interest-only Mortgage Loan with the capital being repaid in a lump sum at the end of the term, it is generally recommended that borrowers ensure that some repayment mechanism such as an investment policy is put in place to ensure that funds will be available to repay the capital at the end of the term. The Seller does not have, and the Issuer shall not have the benefit of, any investment policies taken out by Borrowers.

The ability of such Borrower to repay an Interest-only Mortgage Loan at maturity will often depend on such Borrower's ability to refinance or sell the Property or to obtain funds from another source such as pension policies, personal equity plans ("**PEPs**"), new individual savings accounts ("**NISAs**") or endowment policies.

Borrowers of Interest-only Mortgage Loans may not make payment of the premiums due on any relevant investment or life policy taken out in relation to repayment of the relevant Interest-only Mortgage Loans in full or on time, which policies may therefore lapse, and/or no further benefits may accrue thereunder. In certain cases, the policy may be surrendered but not necessarily in return for a cash payment and any cash received by the Borrower may not be applied in paying amounts due under the Interest-only Mortgage Loan. The value of such investments at any point in time may also be subject to the performance of the underlying assets and may fluctuate based on market conditions. Thus the ability of such a Borrower to repay an Interest-only Mortgage Loan at maturity without resorting to the sale of the underlying property depends on such Borrower's responsibility in ensuring that sufficient funds are available from a given source such as

pension policies, PEPs, NISAs or endowment policies, as well as the financial condition of the Borrower, tax laws and general economic conditions at the time. If a Borrower cannot repay an Interest-only Mortgage Loan either through the proceeds of an investment policy, from the sale of the property or any other means and a loss occurs, this may affect repayments on the Debt if the resulting Principal Deficiency Ledger entry cannot be cured from Available Revenue Receipts being first applied for such purpose and thereafter from amounts standing to the credit of the General Reserve Fund being applied in respect of the Rated Debt (other than the Class X Notes), in each case in accordance with the Pre-Enforcement Revenue Priority of Payments.

Should a Borrower elect, subject to the consent of TCFL as Seller and Servicer, to amend the terms of its Mortgage Loan from an Interest-only Mortgage Loan to a Repayment Mortgage Loan, the relevant Mortgage Loan would remain with the Issuer as part of the Portfolio, resulting in the Issuer and Debt Holders receiving principal payments on the relevant Mortgage Loan and the relevant Debt respectively, earlier than would otherwise be the case. See further "*Risks related to the availability of funds to pay the Debt – The timing and amount of payments in respect of the Mortgage Loans could be affected by various factors which may adversely affect payments on the Debt*" above.

### ***Refinancing capacity of Borrowers***

The only security that exists in relation to a Mortgage Loan in the Portfolio will be the Mortgage in respect of the Property. The ability of a Borrower to refinance the Property will be affected by a number of factors, including the value of the Property, the Borrower's equity in the Property, the Borrower's age and employment status, the financial condition and payment history of the Borrower, tax laws and prevailing general economic conditions. In recent times and in response to increases in regulation, mortgage lenders have maintained stricter conditions to the advancing of mortgage loans which are secured by mortgages or (in Scotland) standard securities. In addition, in periods of economic downturns mortgage lenders usually apply further more restrictive conditions to advancing mortgage loans leading to Borrowers being less likely to meet lending criteria for refinancing. The inability of the Borrowers to refinance their respective Properties may ultimately result in a reduction of amounts available to the Issuer and adversely affect its ability to make payments under the Debt.

### ***Commercial Property Market***

The Borrower's ability to service the Non-Borrower Occupied Mortgage Loans and Partially Borrower Business Occupied Mortgage Loans, is likely to depend (at least in part) on the Borrower's ability to lease the relevant Properties (or the part of the relevant Properties which are not occupied by the Borrower) on appropriate terms and on rent being paid by the tenants of those Properties.

There can be no assurance that each Property will be the subject of an existing tenancy when the relevant Non-Borrower Occupied Loan or Partially Borrower Business Occupied Mortgage Loan is acquired by the Issuer; or that any tenancy which is granted will subsist throughout the life of the relevant Mortgage Loan. There can be no assurance that the rental income from the tenancies of those Properties will be sufficient (whether or not there is any default of payment in rent) to provide the Borrower with sufficient income to meet the Borrower's interest obligations or capital repayments in respect of the relevant Mortgage Loan, particularly where the interest rate applicable to the Mortgage Loan is variable.

Rental incomes and market values are likely to be affected by factors which are specific to the commercial property market, such as competition from other commercial or residential property owners; the perceptions of prospective tenants as to the attractiveness, convenience and safety of properties; the presence or absence of anchor tenants; and the cost of maintenance, insurance and operating costs of properties. In addition, certain significant expenditures, including operating expenses, must be met by the Borrower even when the property is vacant, which may affect the ability of the Borrower to make payments under the Mortgage Loans and result in a reduction of amounts available to the Issuer to make payments under the Debt.



The performance of each business operated by a tenant or the income of a tenant is likely to affect the tenant's ability to pay rent to the Borrower. The performance of such tenant's businesses or their income may be affected by, amongst other things, (i) national, regional or local economic conditions (including any local or national lockdown as a result of an epidemic or pandemic, including but not limited to COVID-19); (ii) demographic factors; (iii) customer confidence, tastes and preferences; (iv) changes in applicable law or regulation (including in relation to taxes); (v) availability of financing; and (vi) changes in interest rates. For a tenant operating a business from the Borrower's property, poor performance of the businesses operated by the Borrower's tenants may lead to increases in delinquencies by Borrowers and could have an adverse impact on the ability of such Borrowers to repay the Mortgage Loans. Similarly, for a residential tenant, unemployment resulting in loss of earnings of the Borrower's tenants may lead to increases in delinquencies by Borrowers which could have an adverse impact on the ability of such Borrowers to repay the Mortgage Loans.

The Borrower's ability to service the Borrower Occupied Mortgage Loans (as well as to cover any difference between (i) the rental income from the tenancies of the Properties relating to the Non-Borrower Occupied Mortgage Loans and Partially Borrower Business Occupied Mortgage Loans; and (ii) the amounts due under the relevant Mortgage Loans) is likely also to depend on the performance of the Borrower's own business.

Poor performance of the Borrowers' businesses may lead to increased delinquencies by Borrowers and could have an adverse impact on the ability of Borrowers to repay the Mortgage Loans. Borrowers who are self-employed, run a business through a limited company or who operate as independent contractors may have an income stream which is susceptible to change (including but not limited to the reduction or loss of future earnings due to illness, loss of business, tax laws or general economic conditions).

In certain exceptional circumstances (including as a result of illness, a loss of earnings arising from or in connection with an epidemic or a pandemic) following or in anticipation of payment shortfalls on the Mortgage Loan of a relevant Borrower, the relevant Borrower may be offered some degree of forbearance arrangement on the Mortgage Loan for a period of time (including, without limitation, a payment deferral) in accordance with the Seller's forbearance policy, industry guidance and where appropriate the FCA's rules and guidance. As a result of any such arrangement, the overall receipts on the Mortgage Loans could be adversely affected which could in turn lead to an adverse effect on the timing of payments on the Debt and/or a reduction in the amounts paid on the Debt.

Upon enforcement of a Mortgage in respect of a Property which is the subject of an existing tenancy, the Servicer may not be able to obtain vacant possession of the Property, in which case the Servicer will only be able to sell the Property as an investment property with one or more sitting tenants. This may affect the amount which the Servicer could realise upon enforcement of the Mortgage and the sale of the Property.

### ***Income Tax Relief and Land Transaction Taxes***

The UK Government passed legislation restricting the amount of income tax relief that individual landlords can claim for residential property finance costs (such as mortgage interest) to the basic rate of income tax (20 per cent.). With effect from 6 April 2020 there has been no deduction available for finance costs from rental income and instead all rental income is only eligible for a tax credit at the basic rate of income tax (20 per cent.).

A higher rate of stamp duty land tax ("**SDLT**") (and Welsh land transactions tax ("**WLTT**")) applies to the purchase of additional residential properties. The current additional rate is 3 per cent. above the current SDLT and WLTT rates. The Scottish Government has also implemented a similar additional dwelling supplement tax in respect of LBTT. The current additional rate in Scotland is 4 per cent above the current LBTT rate but does not include a surcharge on non-UK residents purchasing residential property in Scotland.

The UK Government has announced that from 1 April 2021 an additional SDLT surcharge of 2 per cent. will apply to purchases of residential property (including buy-to-let property) in England and Northern Ireland by

non-UK resident buyers. This applies in addition to the 3 per cent. additional rate that applies to the purchase of additional residential properties described above.

The introduction of these measures may adversely affect the private residential rental market in England, Wales and Scotland in general, or (in the case of the restriction of income tax relief) the ability of individual Borrowers of Non-Borrower Occupied Mortgage Loans or Partially Borrower Business Occupied Mortgage Loans to meet their obligations under those Mortgage Loans.

### ***Second Mortgage Loans***

2.68 per cent. of the Provisional Portfolio by aggregate Principal Balance comprises Mortgage Loans that are secured by a second-ranking charge or second-ranking legal mortgages (or, in Scotland, second-ranking standard securities). Where the Seller is also a provider of a prior ranking mortgage loan to the Borrower it may also be the first-ranking charge or first-ranking legal mortgage holder on the first mortgage loan.

The prior existing mortgage or Standard Security may secure all monies owed to the beneficiary of the first ranking mortgage or Standard Security including in some instances, in England and Wales only, and only where pre-registered, further advances. Even if the first ranking mortgage or Standard Security does not secure all monies, where the second charge holder or heritable creditor wishes to exercise its power of sale upon an enforcement (or the borrower wishes to sell the property), the first ranking mortgage holder or heritable creditor may have the right to require that any other mortgage the same borrower has with that first ranking mortgage holder or heritable creditor is redeemed before it releases its security over the property (this is the right to consolidate). This has a similar effect as an all monies charge or security in the sense that the monies payable under that other mortgage or Standard Security would have to be paid in full before the first charge holder or heritable creditor released its security over the property.

When originating a Second Mortgage Loan, the Seller takes into account amounts outstanding under any prior ranking mortgage or Standard Security (including the ability to include any further advances and to consolidate) and lending assessments are made at that time, including a combined loan to value assessment of the amounts outstanding under the prior ranking mortgage or Standard Security (including any potential for further advances or consolidation) and monies to be advanced under the Second Mortgage Loan along with an affordability assessment including the payments to be made against the prior ranking mortgage or Standard Security. The Seller also takes into account the ability of the prior ranking lender to make further advances (in the Seller's experience borrowers will not seek a loan from the Seller if the prior ranking lender is willing to make a further advance on terms satisfactory to the borrower) and other terms of the prior ranking mortgage or Standard Security. Where a prior mortgage contains an obligation on the part of the prior mortgagee or heritable creditor to make further advances, such further advances will have priority whenever they are made. The nature and the extent of the obligation to make further advances is ascertainable only on inspection of the relevant mortgage documents. Additionally, a Borrower may request from the prior mortgagee or heritable creditor a discretionary further advance. Discretionary further advances made by a prior mortgagee or heritable creditor before it receives notice of the later mortgage or Standard Security will have priority over advances made under any later mortgage or Standard Security. A notice given by the second or subsequent mortgagee or heritable creditor to a prior mortgagee or heritable creditor on completion of its mortgage or Standard Security will prevent the "tacking" of both discretionary further advances and obligatory further advances (where the relevant obligation has not been noted on the register) under prior mortgages of registered land in England and Wales or the priority of any such discretionary further advance in Scotland. The Seller further takes account of the requirement for consent under any restrictions protecting that prior ranking mortgage at the Land Registry.

Any proceeds from the enforcement of a Mortgage over the relevant Property securing a Second Mortgage Loan will (in all cases) be applied first in satisfying any prior existing mortgages or standard securities; only once these have been paid in full will proceeds be applied in discharging the Mortgage. If there are insufficient proceeds, following the satisfaction of prior existing mortgages or standard securities, this may reduce the funds available to the Issuer to meet its obligations under the Debt.

### ***Proposed Regulation of Small and Medium Enterprise (SME) Finance***

On October 26, 2018, the Treasury Select Committee published a report on SME Finance which supported including SME lending within the regulatory perimeter, as well as recommending the establishment of a tribunal to deal with disputes arising from SME lending. In October 2019, then Chief Executive of the FCA, Andrew Bailey, spoke publicly about the strength of the case for including SME lending within the regulatory perimeter. There have also been various statements of support from Members of Parliament for the regulation of commercial lending. In September 2020, the FCA published its 2019/20 Perimeter Report. The Perimeter Report noted that while only loans of £25,000 and under to sole traders and relevant recipients of credits are regulated by the FCA, the FCA still expects banks that lend to SMEs to treat borrowers fairly. Additionally, the Perimeter Report acknowledged that SME lending has been a long-standing perimeter issue. These factors, taken together, demonstrate that there is a risk that SME lending may be brought within the regulatory perimeter in the future which is likely to involve additional costs associated with compliance, the possibility of regulatory sanctions and the denial, or subsequent limitation or withdrawal, of future regulatory permissions associated with SME lending, each of which may potentially result in a reduction of amounts available to the Issuer and adversely affect its ability to make payments under the Debt.

### ***Mixed use Property***

Residential tenants within mixed use properties in England and Wales benefit from a number of statutory rights where certain conditions are satisfied, including: (i) a right of first refusal when the landlord disposes of the premises; (ii) a collective enfranchisement claim (giving qualifying tenants with long leases the right to purchase the freehold of the property where a sufficient number of them act together); and (iii) the right collectively to take over the management of the property without having to acquire the freehold. In addition (i) residential tenants under long leases may claim a new long lease of their property (or in some cases a right to acquire the freehold), for a premium, once they have held their lease for at least 2 years; and (ii) where a property is mixed residential and commercial use, a landlord can only forfeit a lease by taking legal proceedings.

The additional protections afforded to residential tenants may affect the Borrower's ability to manage mixed use assets freely, to develop the relevant Property and to repossess the relevant Property. However these matters should have been taken into account by the Valuer in the Valuation.

### ***Accuracy of property valuations***

Property valuations are conducted for all Mortgage Loans in the Portfolio as part of the underwriting process. All of the Mortgage Loans in the Portfolio have full property valuations at the time of origination. Property valuations are only an estimate of the value of a property at the time the valuation is completed. The Seller relies on property valuations in determining loan to value ratios, which inform its underwriting and servicing decisions.

Following the onset of COVID-19, the Royal Institute of Chartered Valuer's ("RICS") released an update (most recently updated on 10 July 2020) stating that valuations will be subject to 'material valuation uncertainty' (as set out in VPS3 and VPGA of the RICS Valuation – Global Standards) where there is a shortage of market evidence for comparison purposes, and that consequently less certainty and a higher degree of caution should be attached to valuations more generally. To the extent that the Seller is exposed to 'material valuation uncertainty', it may not be able to accurately value assets and properties. It should also be noted that a material reduction in the volume of property transactions (including as a result of the recent moratorium on mortgage lenders initiating court action to repossess the properties of borrowers in default) and/or dated information may hinder the Seller's ability to accurately estimate the value of the Properties.

A Valuation has been conducted in respect of each Property securing the Mortgage Loans in the Portfolio. If such valuations carried out by the Valuer overvalue the properties securing the Mortgage Loans in the Portfolio, the loan to value ratios of the Mortgage Loans in the Portfolio may actually be higher than what

the Seller's records reflect, which could materially adversely affect the amounts received by the Issuer from the sale of the Property which could, in turn, have an adverse effect on the Issuer's ability to make payments in respect of the Debt.

### ***Accuracy and completeness of information about customers and their properties***

In deciding whether to extend credit to mortgage loan applicants, the Seller relies on information furnished to it by customers and other third parties, such as credit reference agencies, solicitors, valuers and accountants, including employment, income and other financial information. The Seller also relies on representations of customers as to the accuracy and completeness of, and explanations for, that information. While the Seller has a practice of independently verifying certain information about customers (such as identity and income information) that it uses in making lending decisions and upon agreeing to loan modifications, it is not possible to verify all the information furnished. There is also the risk that the information on Borrowers, their properties and/or their Mortgage Loans is not accurately captured or complete in the systems of the Seller and/or the status is not appropriately updated during the course of their Mortgage Loan, either due to system deficiencies or human error. The Seller also relies partly on manual processing and input from its personnel. Whilst the Seller has certain controls in place (including the introduction of a data governance framework) and is in the process of assessing further enhancements related to data quality, it may not always be able to identify input or classification errors. Input or classification errors may result in improper monitoring of certain metrics, including in respect of the Mortgage Loans in the Portfolio. If any of the information provided is unintentionally, intentionally or negligently misrepresented and such misrepresentation is not detected prior to the funding, modification or servicing of a Mortgage Loan or such information is not accurately captured in the Seller's systems, the future recoverability of the Mortgage Loan and its related Collateral Security may be adversely impacted, which could materially adversely affect the amounts received by the Issuer which could, in turn, have an adverse effect on the ability of the Issuer to make payments in respect of the Debt.

Although the Seller reviews and tests the implementation of system updates and amendments, the speed and scale of challenges presented by COVID-19 has required the Seller to make such changes at pace and as such there may be a higher risk of errors in collecting, recording and reporting data and compliance with laws, regulation and contractual requirements. For example, as a result of COVID-19, the Seller has had to rapidly adapt its systems to react to the introduction of mortgage-payment deferrals. Such systems were not designed to accommodate the introduction of mortgage-payment deferrals and related consequences such as non-recording of arrears during the mortgage-payment deferral period (in line with UK Government guidance). The shift to working from home has also presented the Seller with new challenges and operating risks, such as a potentially weakened control environment, making it more difficult to ensure colleagues are following correct processes and procedures, are treating customers consistently and are following security protocols and protecting data correctly. Whilst the Seller expects a portion of its workforce to gradually move back to working from the office, the above risks will continue to exist for so long as certain employees work from home (including as a result of another "lockdown").

Financial crime in the financial services sector is an ongoing threat for lenders and borrowers that is increasing and becoming increasingly more sophisticated and the Seller's procedures may not be sufficient to prevent more sophisticated cases of fraud, money laundering or terrorism related activities. As the scale of the Seller's operations has grown, from time to time, the Seller has encountered instances of customer, broker or intermediaries fraud. Given the size and scale of the Seller's operations, it could be the specific target of financial crime and fraudulent activity. In addition, regulators are increasingly focused on financial crime prevention. Additionally, on 6 May 2020 the FCA noted that criminals have been taking advantage of the COVID-19 pandemic to carry out fraud and money-laundering and reminded firms to remain vigilant and to carefully risk-assess any changes to their financial crime controls that are necessitated by the COVID-19 pandemic (for example, those related to the increased prevalence of remote working) and to report material concerns about the effectiveness of their financial crime controls to the FCA. The FCA also provided guidance to firms on the nature of know-your-customer ("KYC") measures they may consider in the current circumstances.

Although the Seller has controls and processes designed to help it identify misrepresented or incorrect information in its loan origination and servicing processes, including KYC checks, financial crime checks, underwriting checks and, for all non-direct loan applications, generally requiring all applicants to participate in a “Speak With,” (being a conversation it has with applicants before loans are funded), no assurance can be given that the Seller’s controls and processes will identify all misrepresented or incorrect information. The Seller’s controls aimed at detecting and preventing financial crime (such as the use of their services for money laundering or terrorism-related activities) may not perform accurately or eliminate all instances where the Seller’s services could be used for fraud or other financial crime by their customers or by their employees. Financial crime in the financial services sector is an ongoing threat for lenders and borrowers that is growing and becoming increasingly more sophisticated.

The procedures of the Seller may not be sufficient to prevent more sophisticated attempts of fraud. For example, as the Seller continues to grow its business it has encountered an increased number and a higher sophistication of financial crime attempts. As such, there have been some instances of a failure to detect fraud attempts at the time such attempts occur. Notwithstanding that the Seller continues to invest in technology to help support its financial crime protection architecture, implement new data governance frameworks and has first and second lines of defence functions dedicated to financial crime, there can be no assurance that significant weaknesses in the Seller’s controls and processes used to detect financial crime, do not exist or will not exist in the future.

Regulators are increasingly focused on financial crime prevention and the impact of non-compliance is becoming increasingly severe. In a worst case scenario, this could result in the removal of the Seller’s operating licenses, criminal charges, significant fines, reputational damage and individual loss of the authorised status for members of their management.

Failure of the Seller’s financial crime prevention controls and other information processes could result in a breach of applicable regulation and harm the Seller’s reputation, which in turn could have a material adverse effect on the Seller’s business, results of operations and financial condition.

The Seller also uses a number of third-party data providers to help it assess the credit quality of the customer (for instance, credit performance history, the income and secured debt expenses of the customer (to assess affordability) and the nature and value of the underlying property (to assess the security supporting the relevant mortgage loan). Such data is used both in the Seller’s underwriting assessment and for the purposes of the Seller’s portfolio analysis. The Seller does not independently review the accuracy of the third-party data which, if inaccurate, could have affected its underwriting decisions in relation to the Mortgage Loans or could affect its servicing decisions in relation to the Mortgage Loans and how it report its loan information.

### ***Insurance Policies***

The policies of the Seller in relation to buildings insurance are described under "*The Mortgage Loans – Insurance Contracts*". No assurance can be given that the insurance provider will accept any claims made or that the Issuer will always receive the benefit of any claims made under any applicable buildings insurance contracts. This could adversely affect the Issuer's ability to redeem the Debt.

### ***Financial Services Compensation Scheme not applicable***

Any investment in the Debt does not have the status of a bank deposit in England and Wales and is not within the scope of the UK Financial Services Compensation Scheme and accordingly, the Debt will not confer any entitlement to compensation under that scheme. As such, each of the Classes of the Debt is an obligation of the Issuer only and any potential investors should be aware that they will not be able to have recourse to the UK Financial Services Compensation Scheme in relation to an investment in the Debt.

### ***Limitations on enforcement***

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

Prospective investors should therefore be aware that there are limitations on enforcement against the Issuer and that the proceeds of enforcement may not be enough to make all the payments due on the Debt and the Residual Certificates.

## **3. OTHER RISKS RELATING TO THE DEBT AND THE STRUCTURE**

### ***Subordination***

The Class A Loan Note ranks senior to all Classes of Notes in relation to payment of interest and principal at all times, as provided in the Conditions and the Transaction Documents.

The Class B Notes rank *pro rata* and *pari passu* without preference or priority among themselves in relation to payment of interest and principal at all times, but subordinate to the Class A Loan Note, as provided in the Conditions and the Transaction Documents.

The Class C Notes rank *pro rata* and *pari passu* without preference or priority among themselves in relation to payment of interest and principal at all times, but subordinate to the Class A Loan Note and the Class B Notes, as provided in the Conditions and the Transaction Documents.

The Class D Notes rank *pro rata* and *pari passu* without preference or priority among themselves in relation to payment of interest and principal at all times, but subordinate to the Class A Loan Note, the Class B Notes and the Class C Notes, as provided in the Conditions and the Transaction Documents.

The Class E Notes rank *pro rata* and *pari passu* without preference or priority among themselves in relation to payment of interest and principal at all times, but subordinate to the Class A Loan Note, the Class B Notes, the Class C Notes and the Class D Notes, as provided in the Conditions and the Transaction Documents.

The Class X Notes rank *pro rata* and *pari passu* without preference or priority among themselves in relation to payment of interest and principal, but subordinate to the Class A Loan Note, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes, as provided in the Conditions and the Transaction Documents **provided however, that**, on each Interest Payment Date prior to the Optional Redemption Date, Available Revenue Receipts will be applied towards repayment of principal amounts outstanding on the Class X Notes pursuant to the Pre-Enforcement Revenue Priority of Payments.

The Class Z Notes rank *pro rata* and *pari passu* without preference or priority among themselves in relation to payment of interest and principal at all times, but subordinate to all payments due in respect of the Rated Debt, as provided in the Conditions and the Transaction Documents.

The Residual Certificates rank *pro rata* and *pari passu* without preference or priority among themselves in relation to Residual Payments at all times, and are subordinate to all rights of payment in respect of the Debt, as provided in the terms and conditions of the Residual Certificates (the "**Residual Certificates Conditions**") and the Transaction Documents.

In addition to the above, payments on the Debt and the Residual Certificates are subordinate to payments of certain fees, costs and expenses payable to the other Secured Creditors (including, amongst others, the Note Trustee, the Security Trustee, the Issuer Account Bank, the Servicer, the Standby Servicer, the Cash Administrator, the Paying Agents, the Registrar, the Corporate Services Provider and the Agent Bank) and certain third parties. For further information on the likely costs payable to such Secured Creditors, please see "*Transaction Overview – Fees*".

To the extent that the Issuer does not have sufficient funds to satisfy its obligations to all its creditors, the holders of the lower ranking Debt and the Residual Certificates will be the first to see their claims against the Issuer unfulfilled. However, there is no assurance that these subordination provisions will protect the holders of the more senior Classes of Debt (including the Most Senior Class of Debt) from all or any risk of loss.

The priority of the Debt and the Residual Certificates are further set out in "*Cashflows – Application of Available Revenue Receipts prior to the service of an Enforcement Notice on the Issuer*" and "*Cashflows – Distributions following the service of an Enforcement Notice on the Issuer*".

There is no assurance that these subordination rules will protect the holders of Debt from all risk of loss.

### ***Deferral of Interest Payments on the Debt***

If, on any Interest Payment Date, the Issuer has insufficient funds to make payment in full of all amounts of interest (including any accrued interest thereon) that would otherwise be payable absent the deferral provisions applicable in respect of any Class of Debt after having paid or provided for items of higher priority in the Pre-Enforcement Revenue Priority of Payments, or by means of the application of any Class A Liquidity Reserve Fund Release Amounts, General Reserve Fund Release Amounts or Principal Addition Amounts, then the Issuer will, unless such Class of Debt is the then Most Senior Class of Debt (except for Class X Notes, in respect of which interest deferral shall always apply), be entitled under Condition 17 (*Subordination by Deferral*) to defer payment of that amount (to the extent of the insufficiency) until the following Interest Payment Date or such earlier date on which the relevant Class of Debt becomes due and payable in full in accordance with the Conditions. Any such deferral in accordance with the Conditions will not constitute a Potential Event of Default or an Event of Default.

For the avoidance of doubt, no such deferral of interest shall be permitted in relation to the then Most Senior Class of Debt (except for Class X Notes, in respect of which interest deferral shall always apply), and failure to pay timely interest on the Most Senior Class of Debt (except for Class X Notes, in respect of which interest deferral shall always apply) shall constitute an Event of Default under the Debt which may result in the Security Trustee enforcing the Security.

### ***Weighted average life of the Debt***

The weighted average lives of the Debt refer to the average amount of time that elapses from the date of issuance of the Debt to the Debt Holders to the date of distribution to such Debt Holders of payments in net reduction of principal under the Debt (assuming no losses on the Mortgage Loans and weighted by the principal amortisation of the Debt on each Interest Payment Date).

The weighted average lives of the Debt will be directly influenced by, amongst other things, the actual rate of redemption of the Mortgage Loans, which, in turn, is influenced by the Borrowers' ability to redeem the Mortgage Loans. Where certain Borrowers are able to redeem the Mortgage Loans only through refinancing, the actual rate of redemption may actually be reduced if such Borrowers experience difficulties in refinancing the relevant Mortgage Loans. Any failure to make timely redemption of the Mortgage Loans will reduce the CPR (as defined in "*Weighted Average Lives of the Debt*") and increase the average weighted lives of the Debt.

In addition, the weighted average lives of the Debt, should they not be called on or after the Optional Redemption Date, will be influenced by, *inter alia*, the amount of Available Revenue Receipts used as Enhanced Amortisation Amounts in accordance with item (t) of the Pre-Enforcement Revenue Priority of Payments.

For other factors and assumptions which may affect the weighted average lives of the Debt, see "*Weighted Average Lives of the Debt*". For a discussion on prepayments affecting the weighted average lives of the Debt, see risk factor "*Risks related to the availability of funds to pay the Debt – Yield to maturity and the Issuer's ability to redeem the Debt on its scheduled redemption dates or its final maturity dates may be affected by the rate of prepayment on the Mortgage Loans*" above.

#### **4. RISKS RELATED TO CHANGES TO THE STRUCTURE AND DOCUMENTS**

##### ***Meetings of Noteholders and Certificateholders, Modifications and Waivers***

The Conditions, the Residual Certificates Conditions and the Transaction Documents contain provisions for calling meetings of (or other means of seeking consent from) Debt Holders and Certificateholders to consider matters affecting their interests generally. These provisions permit decisions of defined majorities to bind all Debt Holders and Certificateholders, including Debt Holders and Certificateholders who did not attend and vote at the relevant meeting (or who did not otherwise give their consent in the prescribed manner) and Debt Holders and Certificateholders who voted in a manner contrary to the majority. Such binding decisions of defined majorities may also occur by way of a sufficient number of Debt Holders and Certificateholders providing their consent either in writing or, in the case of the holders of the Rated Notes, by way of electronic consents submitted through the electronic communications systems of the clearing system(s).

It is expected that on the Closing Date, the Original Class A Loan Noteholder will acquire all of the Class A Loan Note (see "*Significant Investor*" above), which, for so long as it holds all (or a significant majority) of the Class A Loan Note, and for so long as the Class A Loan Note is the Most Senior Class of Debt, will give it the ability to pass or block Ordinary Resolutions and Extraordinary Resolutions (other than Basic Terms Modifications). Therefore, no assurance can be given that any Noteholder will at any time have the power to block or pass Ordinary Resolutions or Extraordinary Resolutions. See further "*Conflict between Debt Holders*" below.

The Conditions and the Residual Certificates Conditions also provide that the Note Trustee or, as the case may be, the Security Trustee (acting on the instructions of the Note Trustee), may agree, without the consent of the Debt Holders, the Certificateholders or the other Secured Creditors (but, in the case of the Security Trustee only, with the written consent of the Secured Creditors which are a party to the relevant Transaction Document), to (i) (other than in respect of a Basic Terms Modification) any modification of the Conditions, the Residual Certificates Conditions or any of the Transaction Documents which is not, in the opinion of the Note Trustee, or, as the case may be, the Security Trustee (acting on the directions of the Note Trustee), materially prejudicial to the interests of the Debt Holders or, if there is no Debt outstanding, the Certificateholders or (ii) any modification which, in the Note Trustee's or, as the case may be, the Security Trustee's opinion (acting on the directions of the Note Trustee), is of a formal, minor or technical nature or to correct a manifest error. The Note Trustee may also, without the consent of the Debt Holders or the Certificateholders, if it is of the opinion that such determination, waiver or authorisation will not be materially prejudicial to the interests of the Most Senior Class of Debt or if no Debt is outstanding, the Certificateholders, or if there is no Debt then outstanding and no Residual Certificates then in issue, the Secured Creditors, determine that a Potential Event of Default or an Event of Default shall not, or shall not subject to any specified conditions, be treated as such or waive or authorise any breach or proposed breach of the Conditions, the Residual Certificates Conditions or any of the Transaction Documents. See Condition 13 (*Meetings of Noteholders, Modification, Waiver and Substitution*) and Residual Certificates Condition 12 (*Meetings of Certificateholders, Modification, Waiver and Substitution*).



There is no guarantee that any changes made to the Transaction Documents, the Conditions and/or the Residual Certificates Conditions pursuant to the obligations imposed on the Note Trustee and the Security Trustee, as described above, would not be prejudicial to the Debt Holders or the Certificateholders

The Conditions and the Residual Certificates Conditions also specify that certain categories of amendments (including changes to majorities required to pass resolutions or quorum requirements) would be classified as Basic Terms Modifications. Investors should note that a Basic Terms Modification is required to be sanctioned by an Extraordinary Resolution of the holders of the relevant affected Class or Classes of Debt and/or Residual Certificates then in issue, as applicable which are affected by such Basic Terms Modifications.

Further, the Note Trustee and/or the Security Trustee (as the case may be) may also be obliged, in certain circumstances, to agree to amendments to the Conditions, the Residual Certificates Conditions and/or the Transaction Documents for the purpose of (i) complying with, or implementing or reflecting, any change in the criteria of one or more of the Rating Agencies which may be applicable from time to time, (ii) complying with any changes in the requirements of, and/or enabling the Issuer and/or the Seller to comply with any obligation in respect of, the UK Securitisation Regulation or the EU Securitisation Regulation (including, but not limited to (i) risk retention, transparency and/or investor due diligence requirements and/or (ii) such other requirement which the Issuer and/or the Seller has in its discretion elected to comply with under the EU Securitisation Regulation), (iii) enabling the Notes to be (or to remain) listed on Euronext Dublin, (iv) enabling the Issuer or any of the other Transaction Parties to comply with sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto ("**FATCA**"), (v) complying with any changes in the requirements of the CRA Regulation (including any requirements imposed by the STS Regulation) after the Closing Date or (vi) changing the base rate on the Debt from SONIA to an Alternative Base Rate (and such other amendments as are necessary or advisable in the reasonable judgment of the Issuer (or the Cash Administrator on its behalf) to facilitate such change) to the extent there has been or there is reasonably expected to be a material disruption or cessation to SONIA in accordance with the detailed provisions of Condition 13.6(a)(vi) (*Additional Right of Modification*) (each a "**Proposed Amendment**"), without the consent of Debt Holders or Certificateholders, as applicable, pursuant to and in accordance with the detailed provisions of Condition 13.6 (*Additional Right of Modification*) and Residual Certificates Condition 12.6 (*Additional Right of Modification*).

In relation to any such Proposed Amendment, the Issuer is required to give at least 30 calendar days' notice to the Debt Holders of each Class and the Certificateholders of the proposed modification in accordance with the Class A Loan Note Agreement, Condition 16 (*Notice to Noteholders*) and Residual Certificates Condition 14 (*Notice to Certificateholders*) (as applicable) and (in the case of the Notes) by publication on Bloomberg on the "Company News" screen relating to the Notes. However, Debt Holders should be aware that, in relation to each Proposed Amendment, unless Debt Holders representing (where the Class A Loan Note is the Most Senior Class of Debt) at least 66<sup>2/3</sup> per cent. of the aggregate Principal Amount Outstanding of the Class A Loan Note or (where the Class A Loan Note is not the Most Senior Class of Debt) at least 10 per cent. of the aggregate Principal Amount Outstanding of the Most Senior Class of Debt then outstanding have contacted the Issuer and the Note Trustee in writing (or, in the case of the Notes only, otherwise in accordance with the then current practice of any applicable clearing system through which such Notes may be held) within such notification period notifying the Issuer that such Debt Holders do not consent to the modification, the modification will be passed without Debt Holder consent.

If Debt Holders representing (where the Class A Loan Note is the Most Senior Class of Debt) at least 66<sup>2/3</sup> per cent. of the aggregate Principal Amount Outstanding of the Class A Loan Note or (where the Class A Loan Note is not the Most Senior Class of Debt) at least 10 per cent. of the aggregate Principal Amount Outstanding of the Most Senior Class of Debt then outstanding have notified the Issuer and the Note Trustee in writing (or, in the case of the Notes only, otherwise in accordance with the then current practice of any applicable clearing system through which such Notes may be held) within the notification period referred to above that they do not consent to the modification, then such modification will not be made unless an

Extraordinary Resolution of the holders of the Most Senior Class of Debt then outstanding is passed in favour of such modification in accordance with Condition 13 (*Meetings of Noteholders, Modification, Waiver and Substitution*).

There can be no assurance that the effect of such modifications to the Transaction Documents will not adversely affect the interests of the holders of one or more or all Classes of Debt or the Residual Certificates.

The full requirements in relation to the modifications discussed above are set out in Condition 13.6 (*Additional Right of Modification*) and Residual Certificates Condition 12.6 (*Additional Right of Modification*).

***The Note Trustee and the Security Trustee are not obliged to act in certain circumstances***

Upon the occurrence of an Event of Default, the Note Trustee in its absolute discretion may, and if so directed in writing by the holders of (where the Class A Loan Note is the Most Senior Class of Debt) not less than 66<sup>2/3</sup> per cent. of the aggregate Principal Amount Outstanding of the Class A Loan Note or (where the Class A Loan Note is not the Most Senior Class of Debt) not less than 25 per cent. in aggregate Principal Amount Outstanding of the Most Senior Class of Debt (or if no Debt remains outstanding, the Residual Certificates then in issue) or if so directed by an Extraordinary Resolution of the holders of the Most Senior Class of Debt (or if no Debt remains outstanding, the Residual Certificates then in issue) shall (subject, in each case, to being indemnified and/or secured and/or prefunded to its satisfaction), give an Enforcement Notice to the Issuer that all Classes of the Debt are immediately due and payable at their respective Principal Amount Outstanding, together with Accrued Interest or (in the case of Certificateholders) all Residual Payments pursuant to the Residual Certificates shall immediately become due and payable, as applicable, as provided in the Trust Deed.

Each of the Note Trustee and the Security Trustee may, at any time, at their discretion and without notice, take such proceedings, actions or steps against the Issuer or any other party to any of the Transaction Documents as it may think fit to enforce the provisions of (in the case of the Note Trustee) the Debt, the Residual Certificates or the Trust Deed (including the Conditions and the Residual Certificates Conditions) or (in the case of the Security Trustee) the Deed of Charge or (in either case) of the other Transaction Documents to which it is a party and at any time after the service of an Enforcement Notice, the Security Trustee may, at its discretion and without notice, take such steps, actions or proceedings as it may think fit to enforce the Security. However, neither the Note Trustee nor the Security Trustee shall be bound to take any such proceedings, actions or steps (including, but not limited to, the giving of an Enforcement Notice by the Note Trustee in accordance with the Trust Deed, Condition 11 (*Events of Default*) or Residual Certificates Condition 10 (*Events of Default*) unless:

- (a) it shall have been directed to do so by an Extraordinary Resolution of the holders of the Most Senior Class of Debt then outstanding (or if there is no Debt outstanding, the Residual Certificates, in issue) or directed in writing by the holders of (where the Class A Loan Note is the Most Senior Class of Debt) at least 66<sup>2/3</sup> per cent. of the aggregate Principal Amount Outstanding of the Class A Loan Note or (where the Class A Loan Note is not the Most Senior Class of Debt) at least 25 per cent. in aggregate Principal Amount Outstanding of the Most Senior Class of Debt then outstanding (or if no Debt remains outstanding, at least 25 per cent. of the number of the Residual Certificates then in issue); and
- (b) it shall have been indemnified and/or secured and/or prefunded to its satisfaction.

If neither the Note Trustee nor the Security Trustee use their discretion where they have not been directed as described above, it may adversely affect the ability of the Issuer to make payments on the Debt following the service of an Enforcement Notice.

See further Condition 12 (*Enforcement*) and Condition 11 (*Enforcement*).

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

### ***Conflict between Debt Holders, Certificateholders and other Secured Creditors***

So long as any of the Debt is outstanding, neither the Security Trustee nor the Note Trustee shall have regard to the interests of the other Secured Creditors, subject to the provisions of the Trust Deed and Condition 13 (*Meetings of Noteholders, Modification, Waiver and Substitution*) and Residual Certificates Condition 12 (*Meetings of Certificateholders, Modification, Waiver and Substitution*). Debt Holders should be aware that the interests of Secured Creditors (and amounts payable to such Secured Creditors) ranking higher in the Post-Enforcement Priority of Payments than the relevant Class of Debt shall prevail (and rank in priority to it).

In respect of the interests of the Certificateholders, the Trust Deed contains provisions requiring the Note Trustee and the Security Trustee not to have regard to the interests of the Certificateholders as regards all powers, trusts, authorities, duties and discretions of the Note Trustee and the Security Trustee, respectively, and requiring the Note Trustee and the Security Trustee except where expressly provided otherwise to have regard only to the interests of the Debt Holders for so long as there is any Class of Debt outstanding.

### ***Conflict between Debt Holders***

The Trust Deed and the Deed of Charge contain provisions requiring the Note Trustee and the Security Trustee to have regard to the interests of all Classes of Debt Holders as regards all powers, trusts, authorities, duties and discretions of the Note Trustee and the Security Trustee (except where expressly provided otherwise).

If, in the Note Trustee's or, as the case may be, the Security Trustee's opinion, however, there is or may be a conflict between the interests of the holders of one or more Classes of Debt, on the one hand, and the interests of the holders of one or more Classes of Debt, on the other hand, then the Note Trustee or, as the case may be, the Security Trustee will be required to have regard only to the interests of the holders of the relevant affected Class of Debt ranking in priority to the other relevant Classes of Debt in the Post-Enforcement Priority of Payments.

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

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

### ***Certain material interests***

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

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

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

On the Closing Date, the Original Class A Loan Noteholder is a Lead Manager Related Person.

Prospective investors should be aware that:

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

Certificate, the Issuer or a Transaction Party, may affect the value of any Debt or a Residual Certificate.

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

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

## **5. COUNTERPARTY RISK**

### ***The Servicer***

TCFL has been appointed by the Issuer as the Servicer to service the Mortgage Loans. If the Servicer breaches the terms of the Servicing Deed, subject to any relevant grace period thereunder, then (prior to the delivery of an Enforcement Notice and with the prior written consent of the Security Trustee (acting on the instructions of the Note Trustee)) the Issuer or (after delivery of an Enforcement Notice) the Security Trustee (acting on the instructions of the Note Trustee) will be entitled to terminate the appointment of the Servicer and, if an Invocation Notice is issued to the Standby Servicer, the Standby Servicer shall (to the extent it is still appointed) assume the role of the Servicer pursuant to the terms of the Replacement Servicing Agreement.

There can be no assurance that a substitute servicer with sufficient experience of servicing the Mortgage Loans would be found who would be willing and able to service the Mortgage Loans on the terms of the Servicing Deed. In addition, as described below, any substitute servicer will be required, inter alia, to be authorised under the Financial Services and Markets Act 2000 (the "FSMA") in order to service the Mortgage Loans. The ability of a substitute servicer to fully perform the required services would depend, among other things, on the information, software and records available at the time of the appointment. Any delay or inability to appoint a substitute servicer may affect payments on the Mortgage Loans and hence the Issuer's ability to make payments when due on the Debt.

The Servicer has no obligation itself to advance payments that Borrowers fail to make in a timely fashion.

The Servicer has the ability under the Servicing Deed to delegate its obligations. Notwithstanding any such delegation to any party of its obligations under the Servicing Deed, the Servicer will remain ultimately responsible for the performance of such obligations under the Servicing Deed.

### ***Change of Counterparties***

The parties to the Transaction Documents who receive and hold monies or provide support to the transaction pursuant to the terms of such documents (such as the Issuer Account Bank) are required to satisfy certain criteria in order that they can continue to be a counterparty to the Issuer.

These criteria include requirements imposed under the FSMA and requirements in relation to the counterparty risk assessment short-term and long-term unguaranteed and unsecured ratings ascribed to such party by the Rating Agencies. If the party concerned ceases to satisfy the applicable criteria, including the

ratings criteria set out in the relevant Transaction Documents and described in this Prospectus, then the rights and obligations of that party (including the right or obligation to receive monies on behalf of the Issuer) may be required to be transferred to another entity which does satisfy the applicable criteria. In these circumstances, the terms agreed with the replacement entity may not be as favourable as those agreed with the original party pursuant to the relevant Transaction Document and the cost to the Issuer may therefore increase. This may reduce amounts available to the Issuer to make payments of interest on the Debt.

In addition, should the applicable criteria cease to be satisfied, then the parties to the relevant Transaction Document may agree to amend or waive certain of the terms of such document, including the applicable criteria, in order to avoid the need for a replacement entity to be appointed. The consent of Debt Holders and/or Certificateholders may not be required in relation to such amendments and/or waivers.

### ***Claims against third parties***

The Seller has assigned its causes and rights of actions against solicitors and valuers to the Issuer pursuant to the Mortgage Sale Agreement, to the extent they are assignable. The Seller has, pursuant to the Mortgage Sale Agreement, undertaken, where appropriate, to participate or join in any action against such solicitor or valuer, provided that the Issuer first indemnifies the Seller, as applicable, for the costs of taking such action, and subject to any limitations or conditions contained in the relevant documentation under which the Seller acquired title to the related Mortgage Loan. Any failure by, or inability of, the Seller to take action against third parties may have an adverse effect on the Issuer's ability to make payments of interest and/or principal in respect of the Debt.

### ***Issuer Reliance on Other Third Parties***

The Issuer is also party to contracts with a number of other third parties who have agreed to perform services in relation to the Issuer and/or the Debt and/or the Residual Certificates. In particular, but without limitation, the Corporate Services Provider has agreed to provide certain corporate services to the Issuer pursuant to the Corporate Services Agreement, the Issuer Account Bank has agreed to provide the Deposit Account to the Issuer pursuant to the Bank Account Agreement, the Servicer has agreed to service the Portfolio pursuant to the Servicing Deed, the Cash Administrator has agreed to provide cash management services pursuant to the Cash Administration Agreement, the Standby Cash Administrator Facilitator has agreed to provide standby cash administration facilitation services in relation to the transaction pursuant to the Cash Administration Agreement, the Standby Servicer has agreed to provide certain services pursuant to the Standby Servicing Agreement and the Paying Agents, the Registrar and the Agent Bank have all agreed to provide services with respect to the Debt and the Residual Certificates pursuant to the Agency Agreement.

### ***COVID-19: Impact on Third Parties***

As a result of the COVID-19 outbreak and government policies in relation to minimising the spread of COVID-19 (which policies may be subject to sudden and frequent change), many organisations (including courts, other government agencies and service providers) have either closed or implemented policies requiring their employees to work at home. Such remote working policies are dependent upon a number of factors to be successful, including communications, internet connectivity and the proper functioning of information technology systems, all of which can vary from organisation to organisation. As a result, such new arrangements may lead to delays or disruptions in otherwise routine functions. In addition, to the extent that courts and other government agencies are closed or operate on a limited basis, registration, enforcement and similar activities may not be processed in a timely manner, and may be further delayed as such offices and courts address any backlogs of such actions that accumulated during the period of closure, and the duration of such backlogs is impossible to predict at this time. This may impact the Servicer's ability to recover on Mortgage Loans through repossession or obtain court orders in respect of Mortgage Loan enforcement, which may ultimately impair the ability to recover on such Mortgage Loans and may adversely impact payments on the Debt.

Prospective investors should note that a third party may not be able to perform its obligations under the agreements to which it is a party as a result of factors outside its control, including disruptions as a result of technical difficulties and local, national and/or global macroeconomic factors such as epidemics (for example, COVID-19 has led many financial institutions and other business organisations to either close or implement new policies requiring their employees to work remotely from home) and there is a risk that this can generally result in delays or difficulties in performing otherwise routine functions.

In the event that any of the third parties described above were to fail to perform their obligations under the respective agreements to which they are a party (including any failure arising from circumstances beyond their control, such as epidemics and/or pandemics), Debt Holders may be adversely affected.

### ***Interest Rate Risk***

1.03 per cent. of the Provisional Portfolio by aggregate Principal Balance comprises fixed rate Mortgage Loans.

The Issuer has not entered into any interest rate swap or other hedging transaction in relation to the Mortgage Loans (where the interest rates charged on the Mortgage Loans are variable and are determined by the Seller), and as a result there is no hedge in respect of the risk of any variances in interest charged on any Mortgage Loans in the Portfolio and interest charged on the Rated Debt (which is set by reference to Compounded Daily SONIA). As such, the Issuer is subject to the risk of a mismatch between the rate of interest payable in respect of the Mortgage Loans with a variable interest rate and the rate of interest payable in respect of the Debt, which in turn may result in insufficient funds being made available to the Issuer for the Issuer to meet its obligations to the Debt Holders and the Secured Creditors.

## **6. ORIGINATOR RISKS**

### ***Adverse legal or regulatory developments or exposure to legal or regulatory risk could have a material adverse effect on the Seller's ability to perform its roles under the securitisation***

United Kingdom firms are subject to on-going regulation and to legal and regulatory risks, including the effects of changes in the laws, regulations, policies, voluntary codes of practice and interpretations thereof in the United Kingdom and the European Union. The legal and regulatory environment is uncertain and rapidly evolving.

The response of the UK Government, HM Treasury and UK regulators to the on-going COVID-19 pandemic (see "*Information Relating to the Regulation of Mortgages in the UK – Mortgages and coronavirus: FCA guidance for firms*") has resulted in a number of rapid changes to the regulatory environment. These modifications have been implemented at short notice with limited consultation. The measures are also subject to revision as the pandemic and the severity of its impact on the UK develops. Other factors such as Brexit, as noted below, will lead to a period of regulatory change, the full scope and implications of which have not yet been determined. In addition, the FCA periodically reviews certain market sectors to assess compliance against its statutory objectives: if it deems certain practices to be contrary to its objectives, it may introduce regulatory reforms.

In recent years, the UK Government, the FCA (including its predecessors) and other regulators in the UK, the European Union or overseas have become more interventionist in application, monitoring and supervision and may intervene further in relation to areas of industry risk already identified, or in new areas in which the Seller operates (which may involve a focus on a principles-based approach or prescriptive rules, or a mix of both). Additional costs associated with such requirements could affect the business of the Seller and increase its costs. Implementation of legal and regulatory developments and/or increased regulatory oversight (for example in respect of conduct issues) could result in additional costs or limit, restrict or change the way that the Seller conducts its business, including reducing the amounts that can be collected on the Mortgage Loans. For example, regulators are increasingly guiding mortgage lenders to exercise greater

“forbearance” in relation to arrears, including accepting repayment plan offers based around lower periodic repayments or no payments for a period of time, reducing interest rates, extending maturity and refraining from placing customers under undue pressure in relation to the repayment of their loans, among other forbearance measures.

Future changes in laws, regulations, policy and guidance and the impact of increased oversight by regulators are difficult to predict but such matters could materially adversely affect the Seller and its businesses (for example its operations, systems and controls) and this could in turn have a material adverse effect on the Debt.

The Seller is exposed to various forms of legal and regulatory risk in its current, past and future operations, including the risk of acting in breach of legal or regulatory principles or requirements, or other claims of alleged misconduct on the part of the Seller, any of which could have a material adverse effect on its results, its relations with its customers and its ability to perform its obligations under the Transaction and this could in turn have a material adverse effect on the Debt.

Many of the regulatory obligations to which the Seller is subject are based on, or are derived from, UK and/or EU measures. Depending on the outcome of negotiations with the EU regarding equivalence determinations and the extent to which UK law and regulation now diverges from EU measures, some or all of the regulatory framework applicable to the Seller may be amended or modified – see “*Macro-economic and market risks – The relationship of the United Kingdom with the EEA may affect the market value and/or liquidity of the Debt in the secondary market*” below.

There can be no assurance that future changes will not be made to the regulatory regime to which the Seller is subject and such changes in laws and regulations (including the pace and complexity of such changes) and the impact of increased oversight by regulators are difficult to predict and could materially adversely affect the business of the Seller and its ability to perform its obligations under the Transaction. These factors may be material and result in adverse consequences for Debt Holders’ investment in the Debt.

## **7. MACRO-ECONOMIC AND MARKET RISKS**

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

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

The secondary market for mortgage-backed securities has experienced disruptions as a result of economic conditions in the Eurozone (please see further below under “*The relationship of the United Kingdom with the EEA may affect the market value and/or liquidity of the Debt in the secondary market*”) and the COVID-19 pandemic (see “*Risks relating to the underlying assets – The COVID-19 pandemic may have negative effects on the Portfolio*” above and “*Information Relating to the Regulation of Mortgages in the UK – Mortgages and coronavirus: FCA guidance for firms*”). This has had a material impact on the market value of mortgage-backed securities and resulted in the secondary market for mortgage-backed securities similar to the Notes experiencing limited liquidity at certain points in time. In the future, limited liquidity in the secondary market may have an adverse effect on the market value of mortgage-backed securities, especially those securities that are more sensitive to prepayment, credit or interest rate risk and those securities that have been structured to meet the requirements of limited categories of investors. It is not known whether such disruptions to the market will reoccur and the potential impact of any such re-occurrence.



### ***Central Bank Eligibility***

While central bank schemes (such as the Bank of England's Discount Window Facility and the Sterling Monetary Framework and the European Central Bank liquidity scheme), including emergency liquidity operations introduced by central banks in response to a financial, economic or wide-spread health crisis (such as the COVID-19 pandemic), provide an important source of liquidity in respect of eligible securities, the relevant eligibility criteria for eligible collateral which apply and which will apply in the future under such facilities could adversely impact secondary market liquidity for mortgage-backed securities in general, regardless of whether the Notes are an eligible security for the purpose of such facilities. Investors should make their own conclusions and seek their own advice with respect to whether or not the Notes constitute eligible collateral for the purposes of any of the central bank liquidity schemes including whether and how such eligibility may be impacted by the withdrawal of the UK from the EU and the UK no longer being part of the EEA (see also "*The relationship of the United Kingdom with the EEA may affect the market value and/or liquidity of the Debt in the secondary market*" below). No assurance is given that any Class of Debt will be eligible for any specific central bank liquidity schemes in any jurisdiction.

### ***Bank of England funding scheme eligibility***

Certain investors in the Notes may wish to consider the use of the Notes as eligible securities for the purposes of schemes such as the Bank of England's Discount Window Facility or Sterling Monetary Framework. Recognition of the Notes as eligible securities for the purposes of these schemes will depend upon satisfaction of the eligibility criteria as specified by the Bank of England and at the discretion of the Bank of England. If the Notes do not satisfy such criteria, there is a risk that the Notes will not be eligible collateral under such schemes.

While this may change in the future, as of the Closing Date, the Notes will not qualify as eligible securities and no assurance can be given that the Notes will, in the future, become eligible securities for the purposes of the Discount Window Facility or Funding for Lending Scheme.

None of the Issuer, the Arranger, the Lead Manager, the Seller, the Servicer, the Cash Administrator, the Issuer Account Bank, the Security Trustee, the Note Trustee, the Principal Paying Agent, the Agent Bank or the Registrar gives any representation, warranty, confirmation or guarantee to any investor in the Notes that the Notes will, either upon issue, or at any time during their life, satisfy all or any requirements for eligibility and be recognised as eligible collateral for such schemes. Any potential investor in the Notes should make its own determinations and seek its own advice with respect to whether or not the Notes constitute eligible collateral for such schemes. No assurance can be given that the Notes will be eligible securities for the purposes of these schemes and no assurance can be given that any of the relevant parties have taken any steps to register such collateral.

### ***Increases in prevailing market interest rates may adversely affect the performance and market value of the Debt***

Although interest rates are currently close to historical lows, this may change in the future and an increase in interest rates may adversely affect the ability of Borrowers to pay interest or repay principal on their Mortgages. If the costs of servicing a Mortgage Loan exceeds what a Borrower can afford, it may result in the Borrower being unable to meet their obligations under the Mortgage Loan and result in losses on such Mortgage Loan. This could be exacerbated if, for example, interest rates increase faster than expected by Borrowers (particularly following periods of low interest rates, which initially make borrowing more affordable and may lead to increases in property prices). Borrowers with a Mortgage Loan subject to a variable rate of interest or a Mortgage Loan for which the related interest rate adjusts following an initial fixed rate, or low introductory rate, as applicable, may be exposed to increased monthly payments if the related mortgage interest rate adjusts upward (or, in the case of a Mortgage Loan with an initial fixed rate or low introductory rate, at the end of the relevant fixed or introductory period). This increase in Borrowers' monthly payments, which (in the case of a Mortgage Loan with an initial fixed rate or low introductory rate)

may be compounded by any further increase in the related mortgage interest rate during the relevant fixed or introductory period, may ultimately result in higher delinquency rates and losses in the future.

Borrowers seeking to avoid increased monthly payments (caused by, for example, the expiry of an initial fixed rate or low introductory rate, or a rise in the related mortgage interest rates) by refinancing their mortgage loans may no longer be able to find available replacement loans at comparably low interest rates. Any decline in property prices may also leave borrowers with insufficient equity in their property (which is the amount by which the market value of a house or property exceeds the balance of the outstanding mortgage or mortgages on such property), resulting in a reduced ability to refinance their loans or to use the sale of their property as an exit strategy for their Mortgage Loan. Moreover, if the amount of equity that a Borrower holds in their property decreases such Borrowers may be less likely or able to redeem their Mortgage Loan and may also, where equity is minimal, have an increased incentive to default on their Mortgage Loans. These events, alone or in combination, may contribute to higher delinquency rates, slower prepayment speeds and higher losses which could have an adverse effect on the Issuer's ability to make payments under the Debt.

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

Investors should be aware that the market continues to develop in relation to the Sterling Overnight Index Average (“SONIA”) as a reference rate in the capital markets and its adoption as an alternative to LIBOR. In particular, market participants and relevant working groups are exploring alternative reference rates based on SONIA, including term SONIA reference rates (which seek to measure the market’s forward expectation of an average SONIA rate over a designated term). As a result, the market or a significant part thereof may adopt an application of SONIA that differs significantly from that set out in the Conditions and used in relation to Debt that references a SONIA rate issued under this Prospectus. Interest on Debt which references a SONIA rate is only capable of being determined at the end of the relevant Observation Period and shortly prior to the relevant Interest Payment Date. It may be difficult for investors in the Debt which references a SONIA rate to reliably estimate the amount of interest which will be payable on such Debt suitably in advance of the relevant Interest Payment Date.

It may be difficult for investors in the Debt which references a SONIA rate to reliably estimate the amount of interest which will be payable on such Debt suitably in advance of the relevant Interest Payment Date, and some investors may be unable or unwilling to trade such Debt without changes to their IT systems, both of which factors could adversely impact the liquidity of such Debt. Further, if the Debt becomes due and payable under the Conditions or the Class A Loan Note Agreement (as the case may be), the Rate of Interest payable shall be determined on the date the Debt became due and payable and shall not be reset thereafter.

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

### ***Changes or uncertainty in respect of SONIA may affect the value of Mortgage Loans and the Debt and the liquidity of the Debt or the payment of interest thereunder***

Interest rates and indices which are deemed to be benchmarks (including SONIA) are the subject of national and international regulatory guidance and proposals for reform. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Debt referencing such a benchmark.

Under Regulation (EU) 2016/1011 (the "EU Benchmarks Regulation"), which came into force from 1 January 2018 in general, subject to certain transitional provisions, certain requirements apply with respect to

the provision of a wide range of benchmarks (including SONIA), the contribution of input data to a benchmark and the use of a benchmark within the European Union. In particular, the EU Benchmarks Regulation, among other things, (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and to comply with extensive requirements in relation to the administration of benchmarks and (ii) prevents certain uses by EU-supervised entities of benchmarks of administrators that are not authorised or registered (or, if non-EU-based, deemed equivalent or recognised or endorsed). Regulation (EU) 2016/1011 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “**UK Benchmarks Regulation**”) among other things, applies to the provision of benchmarks and the use of a benchmark in the UK. Similarly, it prohibits the use in the UK by UK supervised entities of benchmarks of administrators that are not authorised by the FCA or registered on the FCA register (or, if non-UK based, not deemed equivalent or recognised or endorsed).

Continuing benchmark reform and other pressures may cause such benchmarks to disappear entirely or to perform differently than in the past (as a result of a change in methodology or otherwise), create disincentives for market participants to continue to administer or participate in certain benchmarks or have other consequences which cannot be predicted.

In particular, prospective investors should be aware that:

- (a) any of these reforms or pressures described above or any other changes to a relevant interest rate benchmark (including SONIA) could affect the level of the published rate, including to cause it to be lower and/or more volatile than it would otherwise be, potentially reducing the amount of interest which would be paid to investors; and
- (b) while an amendment may be made under Condition 13.6(a)(vi) (*Additional Right of Modification*) and/or the corresponding provision in the Trust Deed to change the SONIA rate on the Debt to an alternative base rate under certain circumstances broadly related to SONIA disruption or discontinuation and subject to certain conditions, there can be no assurance that any such amendment will be made or, if made, that it will (i) fully or effectively mitigate interest rate risks or result in an equivalent methodology for determining the interest rates on the Debt or (ii) be made prior to any date on which any of the risks described in this risk factor may become relevant.

An Extraordinary Resolution or Ordinary Resolution relating to any changes to the reference rate may be passed by the negative consent of the relevant Debt Holders.

In addition, it should be noted that broadly divergent interest rate calculation methodologies may develop and apply as between the Mortgage Loans and/or the Debt due to applicable fall back provisions or other matters and the effects of this are uncertain but could include a reduction in the amounts available to the Issuer to meet its payment obligations in respect of the Debt.

When implementing any Base Rate Modification, the Note Trustee shall not consider the interests of the Debt Holders, any other Secured Creditor or any other person, and shall act and rely solely and without further investigation on any certificate (including, but not limited to, a Base Rate Modification Certificate) or other evidence (including, but not limited to, a Rating Agency Confirmation) provided to them by the Issuer or the Cash Administrator, as the case may be, pursuant to Condition 13.6 (*Additional Right of Modification*) and shall not be liable to the Debt Holders, any other Secured Creditor or any other person for so acting or relying, irrespective of whether any such modification is or may be materially prejudicial to the interests of any such person.

More generally, any of the above matters (including an amendment to change the SONIA rate as described in paragraph (b) above) or any other significant change to the setting or existence of SONIA could affect the ability of the Issuer to meet its obligations under the Debt and/or could have a material adverse effect on the value or liquidity of, and the amount payable under, the Debt.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable, or any of the international or national reforms in making any investment decision with respect to the Debt.

Changes in the manner of administration of SONIA could result in adjustment to the Conditions, the Class A Loan Note Agreement, early redemption, delisting of the Notes or other consequences in relation to the Debt. No assurance may be provided that relevant changes will be made to SONIA or any other relevant benchmark rate and/or that such benchmarks will continue to exist. Investors should consider these matters when making their investment decision with respect to the Notes.

***The relationship of the United Kingdom with the EEA may affect the market value and/or liquidity of the Debt in the secondary market***

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

The EU-UK Trade and Cooperation Agreement (the “**Trade and Cooperation Agreement**”) which governs the relations between the EU and the UK following the end of the transition period and which had provisional application pending completion of ratification procedures, entered into force on 1 May 2021. The Trade and Cooperation Agreement does not create a detailed framework to govern the cross-border provision of regulated financial services from the UK into the EU and from the EU into the UK.

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

Prospective investors should also note that the regulatory treatment, including the availability of any preferential regulatory treatment, of the Debt may be affected.

No assurance can be given that any of the matters outlined above would not adversely affect the ability of the Issuer to satisfy its obligations under the Debt and/or the market value and/or liquidity of the Debt in the secondary market.

***Break-up of the United Kingdom***

The decision of the UK to withdraw from the EU has also caused increased constitutional tension within the UK. Majorities of voters in both Scotland and Northern Ireland voted to remain in the EU. Leading political figures in both Scotland and Northern Ireland suggested that they had a mandate from their voters to remain in the EU and might seek to leave the UK in order to achieve that outcome. It is not possible to predict the outcome of this continuing constitutional tension or how a potential departure of Scotland and/or Northern Ireland from the UK in the future would affect Transaction Parties or the ability of the Issuer to make payments of interest and/or principal in respect of the Debt.

In addition, as at the Portfolio Reference Date approximately 4.56 per cent. of the Mortgage Loans in the Provisional Portfolio are Scottish Mortgage Loans. A potential departure of Scotland from the UK could, among other things, impact the fiscal, monetary and regulatory landscape to which the Seller, the Servicer

and the Cash Administrator are subject. While the operational consequences of any independence of Scotland from the UK remain uncertain, it could (i) result in changes to the economic climate in Scotland and political and policy developments which could adversely affect the ability of Borrowers to pay amounts when due on the Mortgage Loans and which, in turn, may adversely affect the ability of the Issuer to make payments of interest and/or principal in respect of the Debt, (ii) have an impact on Scots law, regulation, accounting or administrative practice in Scotland, and/or (iii) result in Scotland not continuing to use Sterling as its base currency, which may result in part of the Portfolio being redenominated and therefore the Debt potentially being subject to currency risk.

In the event of a departure of Scotland from the UK, certain risks and uncertainties associated with such departure could materialise both (i) before any referendum for independence takes place and (ii) in the case of a referendum on independence of Scotland from the UK, after any such referendum but before such independence takes place. Any final negotiated terms of any such independence, as well as the risks and uncertainty created, could have an adverse impact on the business and, more generally, the financial performance of the Seller, Servicer and/or Cash Administrator.

No assurance can be given that any of these factors would not adversely affect the ability of the Issuer to satisfy its obligations under the Debt and/or the market value or liquidity of the Debt in the secondary market.

#### ***Ratings of the Rated Debt and confirmation of ratings***

The ratings assigned to the Rated Debt by each Rating Agency are based, amongst other things, on the terms of the Transaction Documents and other relevant structural features of this transaction, including (but not limited to) the short-term deposit rating, senior unsecured debt rating and/or long-term counterparty risk assessment of the Issuer Account Bank and the Collection Account Bank. The ratings address, *inter alia*, the likelihood of (a) full and timely payment to the holders of the Most Senior Class of Debt (other than the Class X Notes) of all payments of interest on each Interest Payment Date; and (b) full and ultimate payment to the holders of the Rated Debt of principal and (in relation to the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class X Notes) of interest on or prior to the Final Maturity Date.

The Class Z Notes and the Residual Certificates will not be rated by the Rating Agencies.

The expected ratings of the Rated Debt assigned on the Closing Date are set out under "*Ratings*". A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation if, in its judgement, circumstances (including without limitation, a reduction in the perceived creditworthiness of parties, include a reduction in the credit rating of the Issuer Account Bank) in the future so warrant. A Rating Agency may also change its criteria and/or methodology at any time and the application of its revised criteria and/or methodology may lead it to lower, withdraw or qualify its rating of the Rated Debt. See also "*Risks relating to the underlying assets – Non-Conforming Borrowers*" above.

There is no assurance that any such ratings assigned to the Rated Debt will continue for any period of time or that they will not be reviewed, revised, suspended or withdrawn entirely by the Rating Agencies as a result of changes in or unavailability of information or if, in the judgement of the Rating Agencies, circumstances so warrant. A qualification, downgrade or withdrawal of any of the ratings mentioned above may impact upon the value of the Rated Debt.

Agencies other than the Rating Agencies could seek to rate the Rated Debt and, if such unsolicited ratings are lower than the comparable ratings assigned to the Rated Debt by the Rating Agencies, those shadow ratings could have an adverse effect on the value of the Rated Debt. For the avoidance of doubt and unless the context otherwise requires, any references to "**ratings**" or "**rating**" in this Prospectus are to ratings assigned by the specified Rating Agency to the Rated Debt only.

### ***Rating Agencies' confirmations***

The Conditions provide that if a Ratings Confirmation or other response by a Rating Agency is a condition to any action or step under any Transaction Document and a written request for such Ratings Confirmation or response is delivered to each Rating Agency by or on behalf of the Issuer and (i) (A) one Rating Agency (such Rating Agency, a "**Non-Responsive Rating Agency**") indicates that it does not consider such Ratings Confirmation or response necessary in the circumstances or that it does not, as a matter of practice or policy, provide such Ratings Confirmation or response or (B) within 30 calendar days of delivery of such request, no Ratings Confirmation or response is received and/or such request elicits no statement by such Rating Agency that such Ratings Confirmation or response could not be given; and (ii) one Rating Agency gives such Ratings Confirmation or response based on the same facts, then such condition to receive a Ratings Confirmation or response from each Rating Agency shall be modified so that there shall be no requirement for the Ratings Confirmation or response from the Non-Responsive Rating Agency if the Cash Administrator on behalf of the Issuer provides to the Note Trustee and the Security Trustee a certificate signed by two directors certifying and confirming that each of the events in sub-paragraphs (i)(A) or (B) and (ii) has occurred following the delivery by or on behalf of the Issuer of a written request to each Rating Agency. Where a Ratings Confirmation is a condition to any action or step under any Transaction Document and it is deemed to be modified as a result of a Non-Responsive Rating Agency either (i) having indicated that it does not consider such Ratings Confirmations or response necessary or, as a matter of policy, does not provide such Rating Confirmations or (ii) not having responded to the relevant request from the Issuer within 30 calendar days, there remains a risk that such Non-Responsive Rating Agency may subsequently downgrade, qualify or withdraw the then current ratings of the Rated Debt as a result of the action or step. Such a downgrade, qualification or withdrawal to the then current ratings of the Rated Debt may have an adverse effect on the value of the Rated Debt.

The Note Trustee and the Security Trustee shall be entitled to rely without liability to any person on any certificate delivered to it in connection with a Non-Responsive Rating Agency pursuant to Condition 18 (*Non-Responsive Rating Agency*). The Note Trustee and the Security Trustee shall not be required to investigate any action taken by the Issuer or such Non-Responsive Rating Agency and shall treat the applicable condition or requirement to receive a Ratings Confirmation or response from each Rating Agency as having been modified with the consent of all Debt Holders and all parties to the relevant Transaction Documents so that there shall be no requirement for such Ratings Confirmation or response from the Non-Responsive Rating Agency.

### ***Credit ratings assigned to the Debt may not reflect all the risks associated with an investment in the Debt***

One or more independent credit rating agencies may assign credit ratings to the Debt. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Debt. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the rating agency at any time. See section "*Certain Regulatory Requirements – CRA Regulation*" for further details.

The rating DBRS is expected give to the Rated Debt is endorsed by DBRS Ratings GmbH, which is a credit rating agency established in the EU. The rating S&P is expected to give to the Rated Debt is endorsed by S&P Global Ratings Europe Limited, which is a credit rating agency established in the EU.

Each of DBRS Ratings GmbH and S&P Global Ratings Europe Limited is included in the list of credit rating agencies published by the European Securities and Markets Authority ("**ESMA**") on its website (at <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>) in accordance with the CRA Regulation.

If the status of the rating agency rating the Debt changes for the purposes of the CRA Regulation or the UK CRA Regulation, relevant regulated investors may no longer be able to use the rating for regulatory purposes

in the EEA or the UK, as applicable, and the Debt may have a different regulatory treatment, which may impact the value of the Debt and their liquidity in the secondary market.

### ***Limited Secondary Market for Mortgage Loans***

The ability of the Issuer to redeem all of the Debt in full, including following the occurrence of an Event of Default (as defined in the Conditions) in relation to the Debt while any of the Mortgage Loans are still outstanding, may depend upon whether the Mortgage Loans can be realised to obtain an amount sufficient to redeem the Debt. There is not, at present, an active and liquid secondary market for mortgage loans of this type in the United Kingdom. There can be no assurance that a secondary market for the Mortgage Loans will develop or, if a secondary market does develop, that it will provide sufficient liquidity of investment for the Mortgage Loans to be realised or that if it does develop it will continue for the life of the Debt. The Issuer, and following the occurrence of an Event of Default, the Security Trustee, may not, therefore, be able to sell the Mortgage Loans for an amount sufficient to discharge amounts due to the Secured Creditors (including the Debt Holders) in full should they be required to do so.

## **8. LEGAL AND REGULATORY RISKS RELATING TO THE STRUCTURE AND THE DEBT**

### ***Debt Holders' interests may be adversely affected by a change of law***

The transactions described in this Prospectus (including the issue of the Debt) and the ratings which are to be assigned to the Rated Debt are based on the relevant law and administrative practice in effect as at the date hereof, and having regard to the expected tax treatment of all relevant entities under such law and practice. No assurance can be given as to the impact of any possible change to such law (including any change in regulation which may occur without a change in primary legislation), administrative practice or tax treatment after the date of this document. In addition, it should be noted that regulatory requirements (including any applicable retention, due diligence or disclosure obligations) may be amended.

A change in law or regulatory requirements could affect the compliance position of the transaction as described in this Prospectus or of any party under any applicable law or regulation and/or could affect the ability of the Issuer to make payments under the Debt.

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

In Europe, the U.S. and elsewhere there is increased political and regulatory scrutiny of the asset-backed securities industry. This has resulted in multiple measures for increased regulation which are at various stages of implementation and which may have an adverse impact on the regulatory position of certain investors in securitisation exposures and/or on the incentives for certain investors to hold asset-backed securities, and may thereby affect the liquidity of such securities. None of the Issuer, the Arranger, the Lead Manager, the Seller, any other member of the Together Group, the Issuer Account Bank, the Security Trustee, the Note Trustee, the Principal Paying Agent, the Agent Bank or the Registrar makes any representation to any prospective investor or purchaser of the Debt regarding the regulatory treatment of their investment on the Closing Date, or at any time in the future.

Such regulatory initiatives could adversely impact the regulatory position of Debt Holders and the market value and/or liquidity of the Debt in the secondary market.

Investors in the Debt are responsible for analysing their own regulatory position and should consult their own advisers in this respect.

***Prudential regulation reforms under Basel or other frameworks may have an adverse impact on the regulatory capital treatment of the Debt***

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

Such reforms could adversely affect the regulatory treatment of the Debt and the market value and/or liquidity of the Debt in the secondary market.

Investors in the Debt are responsible for analysing their own regulatory position and prudential regulation treatment applicable to the Debt and should consult their own advisers in this respect.

***Non-compliance with the securitisation regulation regimes in the UK and/or the EU, as applicable, may have an adverse impact on the regulatory treatment of the Debt and/or decrease liquidity of the Debt***

The EU Securitisation Regulation applies in general (subject to certain grandfathering) from 1 January 2019 and, from 9 April 2021, the EU Securitisation Regulation applies as amended by Regulation (EU) 2021/557. However, some legislative measures necessary for the full implementation of the EU Securitisation Regulation regime have not yet been finalised and compliance with certain requirements is subject to the application of transitional provisions. In addition, further amendments are expected to be introduced to the EU Securitisation Regulation regime as a result of its wider review on which the European Commission is required to report (with legislative proposals) by 1 January 2022.

The EU Securitisation Regulation establishes certain common rules for all securitisations that fall within its scope (including recast of pre-1 January 2019 risk retention and investor due diligence regimes). The EU Securitisation Regulation has direct effect in member states of the EU and is to be implemented in due course in other countries in the EEA.

The UK Securitisation Regulation (which largely mirrors, with some adjustments, the EU Securitisation Regulation) applies in the UK (subject to the temporary transitional relief being available in certain areas) from the start of 2021.

The EU Securitisation Regulation and/or the UK Securitisation Regulation requirements will apply to the Debt. As such, certain European-regulated institutional investors or UK-regulated institutional investors, which include relevant credit institutions, investment firms, authorised alternative investment fund managers, insurance and reinsurance undertakings, certain undertakings for the collective investment of transferable securities and certain regulated pension funds (institutions for occupational retirement provision), are required to comply, pursuant to Article 5 of the EU Securitisation Regulation or Article 5 of the UK Securitisation Regulation (as applicable), with certain due diligence requirements prior to holding a securitisation position and on an ongoing basis while holding the position. Among other things, prior to holding a securitisation position, such institutional investors are required to verify under either the EU or UK regime (as is applicable to such investor) certain matters with respect to compliance of the relevant transaction parties with requirements as to credit granting standards, risk retention and transparency. If the relevant European- or UK-regulated institutional investor elects to acquire or holds the Debt having failed to comply with one or more of these requirements, as is applicable to such investor under either the EU or UK regime, this may result in the imposition of a penal capital charge on the Debt for institutional investors



subject to regulatory capital requirements or a requirement to take a corrective action, as in the case of a certain type of regulated fund investors. Aspects of the requirements of the EU Securitisation Regulation and the UK Securitisation Regulation and what is or will be required to demonstrate compliance to national regulators remain unclear and, it should be noted, that under the UK Securitisation Regulation regime certain temporary transitional relief may be available until 31 March 2022 for the purposes of compliance with the UK institutional investor due diligence requirements. Prospective investors should therefore make themselves aware of the requirements applicable to them in their respective jurisdiction(s) and are required to independently assess and determine the sufficiency of the information described in this Prospectus generally for the purposes of complying with such due diligence requirements under the EU Securitisation Regulation or the UK Securitisation Regulation and any corresponding national measures which may be relevant.

Various parties to the securitisation transaction described in this Prospectus (including the Seller and the Issuer) are also subject to the requirements of the UK Securitisation Regulation. However, some uncertainty remains in relation to the interpretation of some of these requirements and what is or will be required to demonstrate compliance to the relevant UK regulators. In addition, various parties to the securitisation transaction described in this Prospectus (including the Seller) have agreed to contractually comply with certain requirements of the EU Securitisation Regulation as such requirements exist solely on the Closing Date. Prospective investors are referred to the sections entitled "*Certain Regulatory Requirements*" and "*General Information*" for further details and should note that there can be no assurance that the information in this Prospectus or information which will be made available to investors in accordance with Article 7 of the UK Securitisation Regulation (or, where applicable, Article 7 of the EU Securitisation Regulation) will be adequate for any prospective institutional investors to comply with their due diligence obligations under the EU Securitisation Regulation or the UK Securitisation Regulation.

In the event that the Seller does not comply with its obligations under Article 7 of the UK Securitisation Regulation, it could face certain regulatory issues, including fines, which may impact on the Seller's ability to perform its functions under the Transaction Documents. Similarly, in the event that the Issuer does not comply with its obligations under the UK Securitisation Regulation, it could also face regulatory issues (including fines). Any fines imposed on the Issuer will rank ahead of amounts payable to Debt Holders and may therefore adversely affect the ability of the Issuer to make payments under the Debt.

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

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

***Investors to assess compliance with the securitisation regulation regimes in the UK and/or the EU, as applicable***

Each prospective investor is required to independently assess and determine the sufficiency of the information described above and in this Prospectus generally for the purposes of complying with Article 5 of the UK Securitisation Regulation or Article 5 of the EU Securitisation Regulation. None of the Issuer, the Seller, the Arranger, the Lead Manager, the Note Trustee, the Security Trustee or any of the other Transaction Parties makes any representation that the information described above or elsewhere in this Prospectus is sufficient in all circumstances for such purposes.

Prospective investors should note that the obligation of the Seller to comply with the EU Retention Requirement is strictly contractual pursuant to the terms of the Mortgage Sale Agreement and solely applies with respect to Article 6 of the EU Securitisation Regulation (as required for the purposes of Article 5(1)(d) of the EU Securitisation Regulation) not taking into account any relevant national measures, as such articles are interpreted and applied solely on the Closing Date. Although, as at the date of this Prospectus, the UK Retention Requirement largely mirrors the EU Retention Requirement, prospective investors should note that

future divergence between the EU and UK regimes cannot be ruled out. Prospective investors should note that there can be no assurance that the UK Retained Interest and the EU Retained Interest (in each case, as described in this Prospectus) will be adequate for any prospective institutional investors to comply with due diligence obligations applicable under the EU Securitisation Regulation.

Further, prospective investors should note that the obligation of the Seller to provide or procure the provision of certain information and reports in accordance with Article 7 of the EU Securitisation Regulation is strictly contractual pursuant to the terms of the Mortgage Sale Agreement and/or the Cash Administration Agreement and solely applies with respect to Article 7 of the EU Securitisation Regulation (as required for the purposes of Article 5(1)(e) of the EU Securitisation Regulation) not taking into account any relevant national measures, as such articles are interpreted and applied solely on the Closing Date. Although, as at the date of this Prospectus, the UK Article 7 Technical Standards largely mirror the EU Article 7 Technical Standards, prospective investors should note that future divergence between the EU and UK regimes cannot be ruled out. Prospective investors should note that there can be no assurance that the information in this Prospectus or to be made available to investors in accordance with the UK Securitisation Regulation (or, where applicable, the EU Securitisation Regulation) will be adequate for any prospective institutional investors to comply with due diligence obligations applicable under the EU Securitisation Regulation.

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

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

#### ***Potential effects of any additional regulatory changes***

No assurance can be given that action and rules and regulations, additional to those discussed above, from any regulatory authority will not be implemented with regard to the mortgage market in the United Kingdom generally, the particular sector in that market in which the Seller operates or specifically in relation to the Seller. Any such action or developments, in particular, but not limited to, the cost of compliance, may have a material adverse effect on the Mortgage Loans, the Seller and the Issuer and their respective businesses and operations. This may adversely affect the Issuer's ability to make payments to the Debt Holders and Certificateholders.

#### ***English law security and insolvency considerations***

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

through regulation, modify the exceptions. For the purposes of the Restructuring Plan, it should also be noted that there are currently no exemptions, but the Secretary of State may, through regulation, provide for the exclusion of certain companies providing financial services and the UK Government has expressly provided for changes to the Restructuring Plan to be effected through secondary legislation, particularly in relation to the cross-class cram-down procedure. It is therefore possible that aspects of the legislation may change. While the transaction structure is designed to minimise the likelihood of the Issuer becoming insolvent and/or subject to pre-insolvency restructuring proceedings, no assurance can be given that any modification of the exceptions from the application of the new insolvency reforms referred to above will not be detrimental to the interests of the Debt Holders and, there can be no assurance that (i) the Issuer will not become insolvent and/or the subject of insolvency or pre-insolvency restructuring proceedings; and/or (ii) the Debt Holders would not be adversely affected by the application of insolvency laws (including English and, if applicable, Scottish insolvency laws or the laws affecting the rights of creditors generally).

In addition, it should be noted that, to the extent that the assets of the Issuer are subject only to a floating charge (including any fixed charge recharacterised by the courts as a floating charge – see the section entitled “*Fixed charges may take effect under English law as floating charges*” below), in certain circumstances under the provisions of Sections 174A, 176ZA and 176A of the Insolvency Act 1986, certain floating charge realisations which would otherwise be available to satisfy the claims of secured creditors under the Deed of Charge may be used to satisfy any expenses of the insolvency proceeding, claims of unsecured creditors or creditors who otherwise take priority over floating charge recoveries. While certain of the covenants given by the Issuer in the Transaction Documents are intended to ensure it has no significant creditors other than the secured creditors under the Deed of Charge, it will be a matter of fact as to whether the Issuer has any other such creditors at any time.

Any such reduction in floating charge realisations upon the enforcement of the Security could adversely affect Debt Holders.

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

The law in England and Wales relating to the characterisation of fixed charges is unsettled. There is a risk that a court could determine that the fixed charges purported to be granted by the Issuer take effect under English law as floating charges only, if, for example, it is determined that the Security Trustee does not exert sufficient control over the charged property for the security to be said to constitute fixed charges. If the charges take effect as floating charges instead of fixed charges (although it should be noted that there is no equivalent concept of recharacterisation of fixed security as floating charges under Scots law), then, as a matter of law, certain claims would have priority over the claims of the Security Trustee in respect of the floating charge assets.

The interest of the Secured Creditors in property and assets over which there is a floating charge will rank behind the expenses of any administration or liquidator and the claims of certain preferential creditors on enforcement of the Security. Section 250 of the Enterprise Act 2002 abolishes Crown Preference in relation to all insolvencies (and thus reduces the categories of preferential debts that are to be paid in priority to debts due to the holder of a floating charge) but section 176A of the Insolvency Act 1986 requires a prescribed part (up to a maximum amount of £600,000) of the floating charge realisations available for distribution to be set aside to satisfy the claims of unsecured creditors. This means that the expenses of any administration, the claims of preferential creditors and the beneficiaries of the prescribed part will be paid out of the proceeds of enforcement of the floating charge ahead of amounts due to Debt Holders. The prescribed part will not be relevant to property subject to a valid fixed security interest or to a situation in which there are no unsecured creditors.

If any claims have priority over the claims of the Security Trustee in respect of the floating charge assets, this could adversely affect Debt Holders.

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

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

As a result of the changes described above, upon the enforcement of the floating charge security granted by the Issuer, floating charge realisations which would otherwise be available to satisfy the claims of the Secured Creditors under the Deed of Charge will be reduced by at least a significant proportion of any liquidation expenses.

Any such reduction in floating charge realisations could adversely affect Debt Holders.

***Banking Act 2009***

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

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

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

If an instrument or order were to be made under the provisions of the Banking Act currently in force in respect of a relevant entity as described above, such as the Issuer Account Bank or the Collection Account Bank, such instrument or order may (amongst other things) affect the ability of such entity to satisfy its obligations under the Transaction Documents and/or result in the cancellation, modification or conversion of certain unsecured liabilities of such entity under the Transaction Documents or in other modifications to such documents. In particular, modifications may be made pursuant to powers permitting (i) certain trust arrangements to be removed or modified, (ii) contractual arrangements between relevant entities and other parties to be removed, modified or created where considered necessary to enable a transferee in the context of a property or share transfer to operate the transferred business effectively and (iii) in connection with the modification of an unsecured liability through use of the bail-in tool, the discharge of a relevant entity from

further performance of its obligations under a contract. In addition, powers may apply to require a relevant instrument or order (and related events) to be disregarded in determining whether certain widely defined "default events" have occurred. As a result, the making of an instrument or order in respect of a relevant entity as described above may affect the ability of the Issuer to meet its obligations in respect of the Debt.

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

Lastly, as a result of the EU's Bank Recovery and Resolution Directive 2014/59/EU, which provides for the establishment of an EEA-wide framework for the recovery and resolution of credit institutions and investment firms and any other relevant national implementing measures, it is possible that an institution with its head office located in an EEA state and/or certain banking group companies could be subject to certain resolution actions in that other state. Once again, any such action may affect the ability of any relevant entity to satisfy its obligations under the Transaction Documents and there can be no assurance that Debt Holders will not be adversely affected as a result.

### ***Withholding Tax under the Debt***

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

In the event that any withholding or deduction for or on account of any tax is imposed in respect of payments on the Notes, or in respect of payment on the Class A Loan Note, neither the Issuer nor any other person is obliged to gross up or otherwise compensate the Debt Holders for such withholding or deduction. However, in such circumstances with respect to the Notes, the Issuer will, in accordance with Condition 8.4 (*Mandatory Redemption of the Debt for Taxation or Other Reasons*), either appoint a Paying Agent in another jurisdiction or use its reasonable endeavours to arrange the substitution of a company incorporated and/or tax resident in another jurisdiction, in each case, in order to prevent such an imposition with respect to the Notes.

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

In the event that any withholding or deduction for or on account of any tax is imposed in respect of payments on the Debt, this could result in investors receiving less interest and/or principal than expected.

### ***UK Taxation Position of the Issuer***

The Issuer has been advised that it should fall within the permanent regime for the taxation of securitisation companies (as set out in the Taxation of Securitisation Companies Regulations 2006 (SI 2006/3296) (as amended) (the "**Tax Regulations**")), and as such should be taxed only on the amount of its "retained profit" (as that term is defined in the Tax Regulations) for so long as it satisfies the conditions of the Tax Regulations. However, if the Issuer does not in fact satisfy the conditions to be taxed in accordance with the Tax Regulations (or subsequently ceases to satisfy those conditions), then the Issuer may be subject to tax liabilities not contemplated in the cashflows for the transaction described in this Prospectus. Any such tax liabilities may reduce amounts available to the Issuer to meet its obligations under the Debt and may result in investors receiving less interest and/or principal than expected.

### ***Effects of the Volcker Rule on the Issuer***

The enactment of the Dodd-Frank Act, which was signed into law on 21 July 2010, imposed a new regulatory framework over the U.S. financial services industry and the U.S. consumer credit markets in general. Section 619 of the Dodd-Frank Act added a new Section 13 to the Bank Holding Company Act of 1956 (the "**Volcker Rule**"). The Volcker Rule generally prohibits "banking entities" (which are broadly defined to include U.S. banks and bank holding companies and many non-U.S. banking entities, together with their respective subsidiaries and other affiliates) from (i) engaging in proprietary trading, (ii) acquiring or retaining an ownership interest in or sponsoring a "covered fund" and (iii) entering into certain relationships with a "covered fund", subject to certain exceptions and exclusions.

The Issuer has been structured so as not to constitute a "covered fund" for the purposes of the Volcker Rule. In reaching this conclusion, although other statutory or regulatory exclusions and/or exemptions may be available, the parties have relied on the determination that the Issuer may rely on the loan securitisation exclusion provided for by section \_\_.10(c)(8) of the Volcker Rule. Any prospective investor in the Notes, including a U.S. or foreign bank or a subsidiary or other affiliate thereof, should consult its own legal advisers regarding such matters and other effects of the Volcker Rule in respect of any investment in the Notes and should conduct its own analysis to determine whether the Issuer is a "covered fund" for its purposes.

The general effects of the Volcker Rule remain uncertain. There is limited interpretive guidance regarding the Volcker Rule, and implementation of the regulatory framework for the Volcker Rule is still evolving. Regulators in the United States may promulgate further regulatory changes. No assurance can be given as to the impact of such changes on the Notes and/or the Residual Certificates and prospective investors should be aware that the Volcker Rule's prohibitions and lack of interpretive guidance could negatively impact the liquidity and value of the Notes.

### ***U.S. Risk Retention Requirements***

Section 941 of the Dodd-Frank Act amended the Exchange Act to generally require the "securitizer" of a "securitization transaction" to retain at least 5 per cent. of the "credit risk" of "securitized assets", as such terms are defined for the purposes of that statute, and generally prohibit a securitizer from directly or indirectly eliminating or reducing its credit exposure by hedging or otherwise transferring the credit risk that the securitizer is required to retain. The U.S. Risk Retention Rules came into effect on 24 December 2016 with respect to all classes of asset-backed securitizations. The U.S. Risk Retention Rules provide that the securitizer of an asset backed securitization is its sponsor. The U.S. Risk Retention Rules also provide for certain exemptions from the risk retention obligation that they generally impose.

The Seller, as sponsor under the U.S. Risk Retention Rules, does not intend to retain at least 5 per cent. of the credit risk of the securitized assets for the purposes of compliance with the U.S. Risk Retention Rules, but rather intends to rely on an exemption provided for in Section 20 of the U.S. Risk Retention Rules regarding non-U.S. transactions. Such non-U.S. transactions must meet certain requirements, including that:

- (1) the transaction is not required to be and is not registered under the Securities Act;
- (2) no more than 10 per cent. of the dollar value (or equivalent amount in the currency in which the "ABS interests" (as defined in Section 2 of the U.S. Risk Retention Rules) (being in this case, collectively, the Debt and the Residual Certificates) are issued) of all classes of ABS interests in the securitization transaction are sold or transferred to, or for the account or benefit of, U.S. persons (as defined in the U.S. Risk Retention Rules, "**Risk Retention U.S. Persons**");
- (3) neither the sponsor nor the issuer of the securitization transaction is organised under U.S. law or is a branch located in the United States of a non-U.S. entity; and

- (4) no more than 25 per cent. of the underlying collateral was acquired from a majority-owned affiliate or branch of the sponsor or issuer organised or located in the United States.

The Portfolio will be comprised of mortgage loans and their related security, all of which are originated by the Seller, a company incorporated in England. See the section entitled "*The Cash Administrator, the Seller and the Servicer*".

Prior to any Debt offered and sold by the Issuer being purchased by, or for the account or benefit of, any Risk Retention U.S. Person, the purchaser of such Debt must first disclose to the Seller and the Lead Manager that it is a Risk Retention U.S. Person and obtain the written consent of the Seller in the form of a U.S. Risk Retention Consent. The terms of the Debt provide that, except with the prior written consent of the Seller and where such sale falls within the exemption provided by section 20 of the U.S. Risk Retention Rules, on the Closing Date, the Debt offered and sold by the Issuer may not be purchased by, or for the account or benefit of, any "U.S. Person". Prospective investors should note that the definition of U.S. person in the U.S. Risk Retention Rules is substantially similar to, but not identical to, the definition of U.S. person under Regulation S, and that persons who are not "U.S. persons" under Regulation S may be U.S. persons under the U.S. Risk Retention Rules. The definition of U.S. person in the U.S. Risk Retention Rules is excerpted below. Particular attention should be paid to clauses (b) and(h)(ii), which are different than comparable provisions from Regulation S.

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

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

Each holder of a Note or a beneficial interest therein acquired on the Closing Date, by its acquisition of a Note or a beneficial interest therein, will be deemed to represent to the Issuer, the Seller, the Arranger and the Lead Manager that it (1) either (i) is not a Risk Retention U.S. Person or (ii) has obtained a U.S. Risk Retention Consent, (2) is acquiring such Note or a beneficial interest therein for its own account and not with a view to distribute such Note and (3) is not acquiring such Note or a beneficial interest therein as part of a

scheme to evade the requirements of the U.S. Risk Retention Rules (including acquiring such Note through a non-Risk Retention U.S. Person, rather than a Risk Retention U.S. Person, as part of a scheme to evade the 10 per cent. Risk Retention U.S. Person limitation in the exemption provided for in Section 20 of the U.S. Risk Retention Rules described herein). Non-compliance with the U.S. Risk Retention Rules (regardless of the reason for such failure to comply) could give rise to regulatory action which may adversely affect the Debt and the ability of the Seller to perform its obligations under the Debt. Furthermore, such non-compliance could negatively affect the value and secondary market liquidity of the Debt.

The Seller has advised the Issuer that it will not provide a U.S. Risk Retention Consent to any investor if such investor's purchase would result in more than 10 per cent. of the dollar value (or equivalent amount in the currency in which the securities are issued) (as determined by fair value under U.S. GAAP) of all Classes of Debt to be sold or transferred to Risk Retention U.S. Persons on the Closing Date. Consequently, on the Closing Date, the Notes may only be purchased by persons that (a) are not Risk Retention U.S. Persons or (b) have obtained a U.S. Risk Retention Consent from the Seller.

Each of the Seller, the Issuer, the Arranger and the Lead Manager have agreed that none of the Arranger or the Lead Manager or any person who controls any of them or any director, officer, employee, agent or affiliate of the Arranger or the Lead Manager shall have any responsibility for determining the proper characterisation of potential investors for such restriction or for determining the availability of the exemption provided for in Section 20 of the U.S. Risk Retention Rules, and none of the Arranger or the Lead Manager or any person who controls it or any director, officer, employee, agent or affiliate of the Arranger or the Lead Manager accepts any liability or responsibility whatsoever for any such determination.

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

There can be no assurance that the exemption provided to the U.S. Risk Retention Rules regarding non-U.S. transactions will be available or, if such exemption is available, that it shall remain available until the Final Maturity Date of the Debt. No assurance can be given as to whether a failure by the Seller to comply with the U.S. Risk Retention Rules (regardless of the reason for such failure to comply) may give rise to regulatory action which may adversely affect the Debt, the Residual Certificates or the market value of the Debt and the Residual Certificates. Furthermore, the impact of the U.S. Risk Retention Rules on the securitization market generally is uncertain, and a failure by the Seller to comply with the U.S. Risk Retention Rules could therefore materially adversely affect the market value and secondary market liquidity of the Debt and the Residual Certificates.

None of the Issuer, the Seller, the Arranger, the Lead Manager, the Issuer Account Bank, the Security Trustee, the Note Trustee, the Principal Paying Agent, the Agent Bank, the Registrar or any of their respective affiliates makes any representation to any prospective investor or purchaser of the Notes as to whether the transactions described in this Prospectus comply as a matter of fact with the U.S. Risk Retention Rules on the Closing Date or at any time in the future. Investors should consult their own advisors as to the U.S. Risk Retention Rules.

Such matters could adversely affect Debt Holders and/or the Certificateholders and no predictions can be made as to the precise effects of such matters on any investor or otherwise.



## 9. RISKS RELATING TO THE CHARACTERISTICS OF THE DEBT

### *The minimum denomination of the Notes may adversely affect payments on the Notes if issued in definitive form*

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

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

### *Book-Entry Interests*

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

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

Except as noted in the previous paragraph, payments of principal and interest on, and other amounts due in respect of, the Global Note in respect of the Rated Notes will be made by the Principal Paying Agent to a nominee of the Common Safekeeper. Upon receipt of any payment from the Principal Paying Agent, Euroclear and Clearstream, Luxembourg, as applicable, will promptly credit participants' accounts with payment in amounts proportionate to their respective ownership of Book-Entry Interests as shown on their records. The Issuer expects that payments by participants or indirect payments to owners of Book-Entry Interests held through such participants or indirect participants will be governed by standing customer instructions and customary practices, as is now the case with the securities held for the accounts of customers registered in "street name", and will be the responsibility of such participants or indirect participants. None of the Issuer, the Note Trustee, the Security Trustee, any Paying Agent nor the Registrar will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, the Book-Entry Interests or for maintaining, supervising or reviewing any records relating to such Book-Entry Interests.

Unlike Noteholders, holders of the Book-Entry Interests will not have the right under the Trust Deed to act upon solicitations by or on behalf of the Issuer for consents or requests by or on behalf of the Issuer for waivers or other actions from Noteholders. Instead, a holder of Book-Entry Interests will be permitted to act only to the extent it has received appropriate proxies to do so from Euroclear or Clearstream, Luxembourg (as the case may be) and, if applicable, their participants. There can be no assurance that procedures implemented for the granting of such proxies will be sufficient to enable holders of Book-Entry Interests to

vote on any requested actions on a timely basis. Similarly, upon the occurrence of an Event of Default under the Debt, holders of Book-Entry Interests will be restricted to acting through Euroclear and Clearstream, Luxembourg unless and until Registered Definitive Notes are issued in accordance with the relevant provisions described herein under "*Terms and Conditions of the Notes*". There can be no assurance that the procedures to be implemented by Euroclear and Clearstream, Luxembourg under such circumstances will be adequate to ensure the timely exercise of remedies under the Trust Deed.

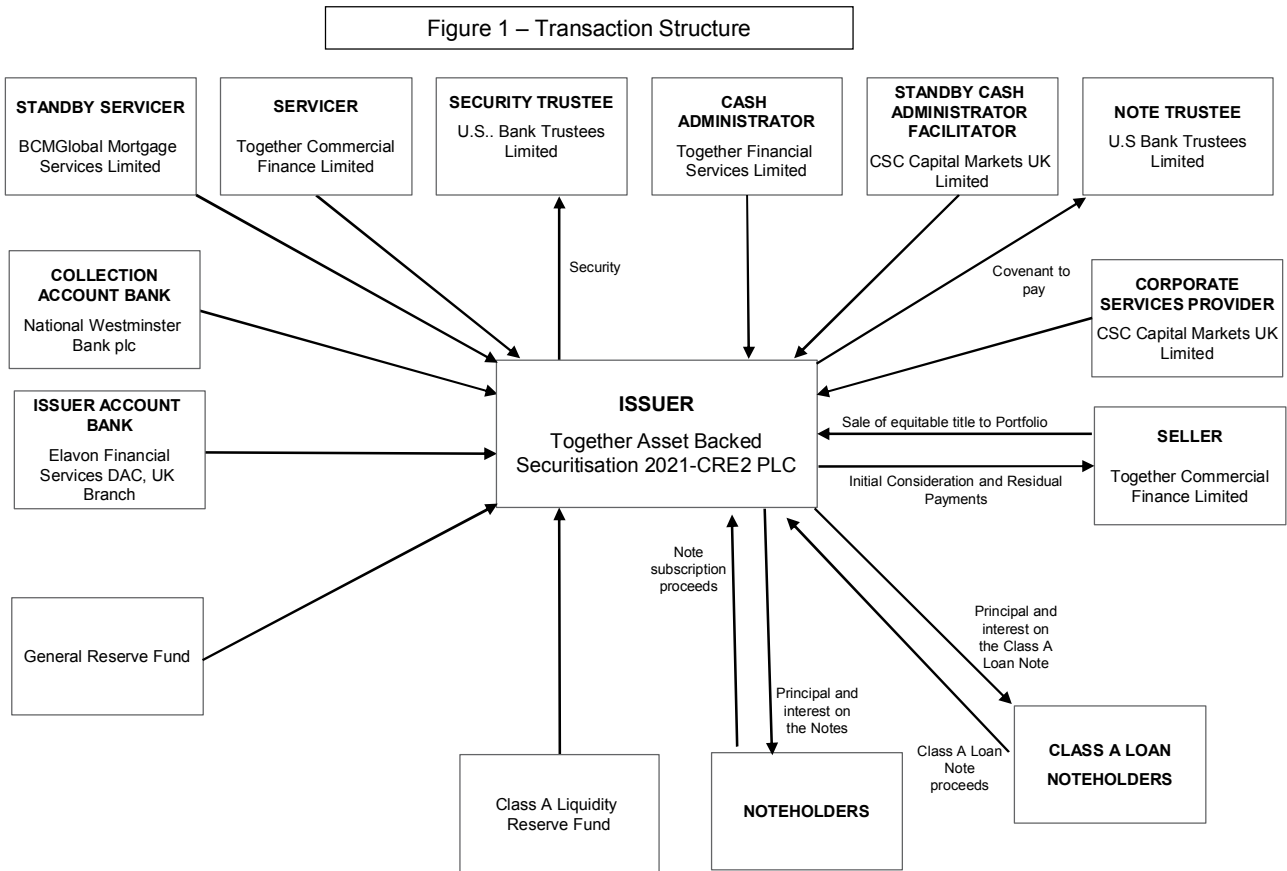
Although Euroclear and Clearstream, Luxembourg have agreed to certain procedures to facilitate transfers of Book-Entry Interests among account holders of Euroclear and Clearstream, Luxembourg, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, the Note Trustee, the Security Trustee, any Paying Agent, the Registrar nor any of their agents will have any responsibility for the performance by Euroclear or Clearstream, Luxembourg or their respective participants or account holders of their respective obligations under the rules and procedures governing their operations.

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

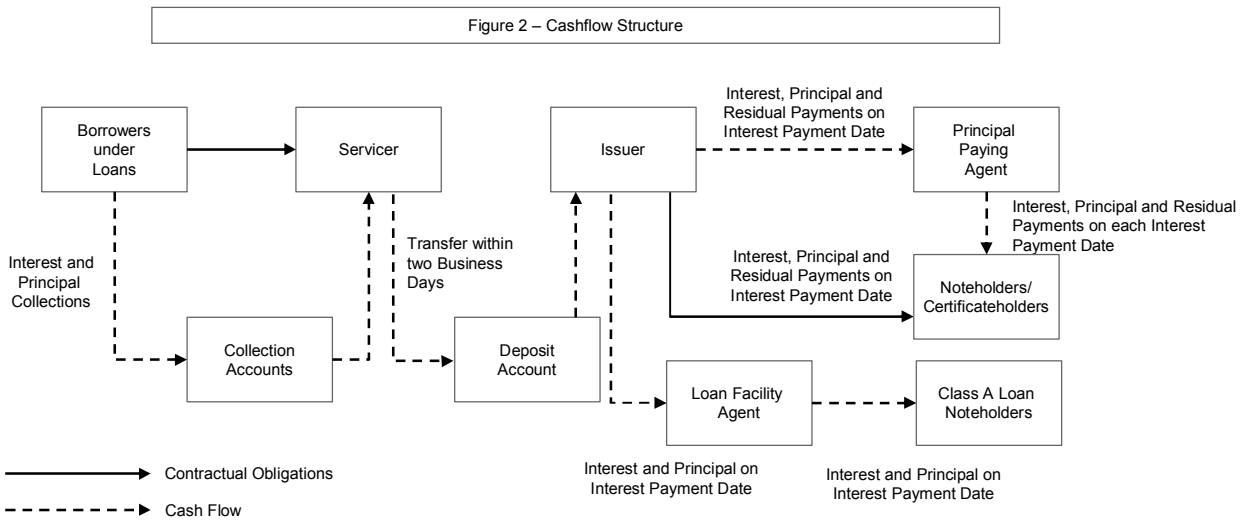
Certain transfers of Notes or interests therein may only be effected in accordance with, and subject to, certain transfer restrictions and certification requirements.

## STRUCTURE DIAGRAMS

### DIAGRAMMATIC OVERVIEW OF THE TRANSACTION



## DIAGRAMMATIC OVERVIEW OF ONGOING CASH FLOWS



The Issuer will purchase the Portfolio on the Closing Date.

## OWNERSHIP STRUCTURE DIAGRAM OF THE ISSUER

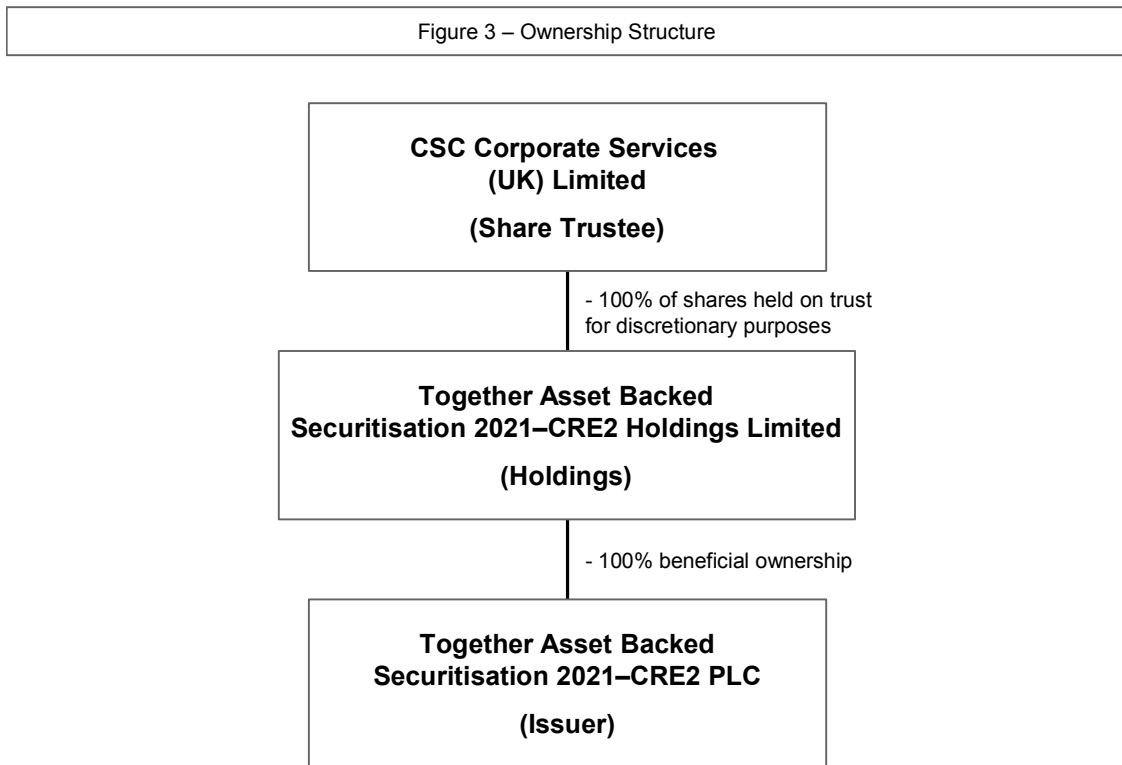


Figure 3 illustrates the ownership structure of the special purpose companies that are parties to the Transaction Documents, as follows:

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

## TRANSACTION OVERVIEW – TRANSACTION PARTIES

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

**You should read the entire Prospectus carefully, especially the risks of investing in the Notes discussed under "Risk Factors".**

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

| <b>Party</b>                | <b>Name</b>   | <b>Address</b>                                 | <b>Document under which appointed/Further Information</b>  |
|-----------------------------|---|--|--|
| <b>"Issuer"</b>             | Together Asset Backed Securitisation 2021–CRE2 PLC              | 10th Floor 5 Churchill Place, London E14 5HU   | See the section entitled " <i>The Issuer</i> " for further information.  |
| <b>"Holdings"</b>           | Together Asset Backed Securitisation 2021–CRE2 Holdings Limited | 10th Floor 5 Churchill Place, London E14 5HU   | See the section entitled " <i>Holdings</i> " for further information.  |
| <b>"Seller"</b>             | Together Commercial Finance Limited ("TCFL")                    | Lake View, Lakeside, Cheadle, Cheshire SK8 3GW | See the sections entitled " <i>Summary of the Key Transaction Documents – Mortgage Sale Agreement</i> " and " <i>The Cash Administrator, the Seller and the Servicer</i> " for further information.  |
| <b>"Servicer"</b>           | Together Commercial Finance Limited                             | Lake View, Lakeside, Cheadle, Cheshire SK8 3GW | Appointed pursuant to the Servicing Deed by the Issuer. See the sections entitled " <i>Summary of the Key Transaction Documents – Servicing Deed</i> " and " <i>The Cash Administrator, the Seller and the Servicer</i> " for further information. |
| <b>"Cash Administrator"</b> | Together Financial Services Limited                             | Lake View, Lakeside, Cheadle, Cheshire SK8 3GW | Appointed pursuant to the Cash Administration Agreement by the Issuer. See the sections entitled " <i>Summary of the Key Transaction Documents – Cash Administration Agreement</i> " and " <i>The Cash Administrator, the</i>                      |

| <b>Party</b>                                     | <b>Name</b>                              | <b>Address</b>   | <b>Document under which appointed/Further Information</b><br><i>Seller and the Servicer</i> " for further information.  |
|--|--|--|---|
| <b>"Standby Servicer"</b>                        | BCMGlobal Mortgage Services Limited      | 6th Floor 65 Gresham Street, London EC2V 7NQ   | Appointed pursuant to the Standby Servicing Agreement by the Issuer. See the sections entitled " <i>Summary of the Key Transaction Documents – Standby Servicing Agreement</i> " and " <i>The Standby Servicer</i> " for further information. |
| <b>"Issuer Account Bank"</b>                     | Elavon Financial Services DAC, UK Branch | 125 Old Broad Street, Fifth Floor, London EC2N 1AR                                   | Appointed pursuant to the Bank Account Agreement by the Issuer. See the sections entitled " <i>Summary of the Key Transaction Documents – The Bank Account Agreement</i> " and " <i>Issuer Account Bank</i> " for further information.        |
| <b>"Security Trustee"</b>                        | U.S. Bank Trustees Limited               | 125 Old Broad Street, Fifth Floor, London EC2N 1AR                                   | Appointed pursuant to the Deed of Charge. See the sections entitled " <i>Terms and Conditions of the Notes</i> " and " <i>The Note Trustee and Security Trustee</i> " for further information.  |
| <b>"Note Trustee"</b>                            | U.S. Bank Trustees Limited               | 125 Old Broad Street, Fifth Floor, London EC2N 1AR                                   | Appointed pursuant to the Trust Deed. See the sections entitled " <i>Terms and Conditions of the Notes</i> " and " <i>The Note Trustee and Security Trustee</i> " for further information.  |
| <b>"Principal Paying Agent" and "Agent Bank"</b> | Elavon Financial Services DAC, UK Branch | 125 Old Broad Street, Fifth Floor, London EC2N 1AR                                   | Appointed pursuant to the Agency Agreement by the Issuer. See the section entitled " <i>Terms and Conditions of the Notes</i> " for further information.  |
| <b>"Registrar"</b>                               | Elavon Financial Services DAC            | Block E, Cherrywood Science & Technology Park, Loughlinstown, Co. Dublin 16, Ireland | In respect of the Notes and Residual Certificates, appointed pursuant to the Agency Agreement, by the Issuer. See the section entitled " <i>Terms and Conditions of the Notes</i> " for further information.                                  |

| <b>Party</b>                                    | <b>Name</b>                         | <b>Address</b>  | <b>Document under which appointed/Further Information</b>   |
|---|-------------------------------------|---|---|
| <b>"Corporate Services Provider"</b>            | CSC Capital Markets UK Limited      | 10th Floor 5 Churchill Place, London E14 5HU                  | Appointed pursuant to the Corporate Services Agreement by the Issuer and Holdings. See the section entitled " <i>The Corporate Services Provider</i> " for further information.   |
| <b>"Standby Cash Administrator Facilitator"</b> | CSC Capital Markets UK Limited      | 10th Floor 5 Churchill Place, London E14 5HU                  | Appointed pursuant to the Cash Administration Agreement by the Issuer. See the section entitled " <i>Summary of the Key Transaction Documents – Cash Administration Agreement</i> " for further information.  |
| <b>"Share Trustee"</b>                          | CSC Corporate Services (UK) Limited | 10th Floor 5 Churchill Place, London E14 5HU                  | Appointed pursuant to the Share Trust Deed by the Share Trustee.  |
| <b>"Arranger"</b>                               | Citigroup Global Markets Limited    | Citigroup Centre, 25 Canada Square, London E14 5LB            | Appointed pursuant to the Subscription Agreement. See the section entitled " <i>Subscription and Sale</i> " for further information.  |
| <b>"Lead Manager"</b>                           | Citigroup Global Markets Limited    | Citigroup Centre, 25 Canada Square, London E14 5LB            | Appointed pursuant to the Subscription Agreement. See the section entitled " <i>Subscription and Sale</i> " for further information.  |
| <b>"Original Class A Loan Noteholder"</b>       | Citibank, N.A., London Branch       | Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB | See the section entitled " <i>Summary of the Key Transaction Documents – Class A Loan Note Agreement</i> " for further information.   |
| <b>"Loan Note Registrar"</b>                    | CSC Capital Markets UK Limited      | 10th Floor 5 Churchill Place, London E14 5HU                  | In respect of the Class A Loan Note, appointed pursuant to the Class A Loan Note Agreement and the Corporate Services Agreement by the Issuer. See the section entitled " <i>Summary of the Key Transaction Documents – Class A Loan Note Agreement</i> " for further |



**Party**

**Name**

**Address**

**Document under which  
appointed/Further  
Information**  
information.

## TRANSACTION OVERVIEW – PORTFOLIO AND SERVICING

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

### **Sale of Portfolio:**

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

The English Mortgage Loans and their Collateral Security are governed by English law and the Scottish Mortgage Loans and their Collateral Security are governed by Scots law.

The Mortgage Loans have been originated by the Seller.

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

The sale by the Seller to the Issuer of each Scottish Mortgage Loan and its Collateral Security in the Portfolio will be given effect to by a declaration of trust by the Seller in favour of the Issuer granted on the Closing Date (a "**Scottish Declaration of Trust**").

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

Prior to the occurrence of a Perfection Event, as set out below, notice of the sale of the Mortgage Loans and their Collateral Security comprising the Portfolio will not be given to the relevant individual or individuals or UK incorporated limited companies specified as borrowers in respect of a Mortgage Loan or the individual or individuals or UK incorporated limited companies (if any) from time to time assuming an obligation to repay (under a guarantee or otherwise) such Mortgage Loan or any part of it (collectively, the "**Borrowers**" and each a "**Borrower**") and the Issuer will not apply to the Land Registry or the Registers of Scotland to register or record its equitable or beneficial interest in the English Mortgages or take

any steps to complete or perfect its title to the Scottish Mortgages. Prior to the occurrence of a Perfection Event, the legal title to each Mortgage Loan and its Collateral Security in the Portfolio will be held by the Seller on bare trust for the Issuer (including, in respect of a Scottish Mortgage Loan, under the Scottish Declaration of Trust).

Following a Perfection Event and notice of the transfer of the Mortgage Loans and their Collateral Security to the Issuer being sent to the relevant Borrowers, legal title to the Mortgage Loans and their Collateral Security (subject to appropriate registration or recording at the Land Registry or the Registers of Scotland (as appropriate)) will pass to the Issuer.

**Features of the Mortgage Loans:**

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

|   |  |
|---|--|
| <b>"Portfolio Reference Date"</b>   | 2 April 2021<br><i>(reflecting the Principal Balance of the Mortgage Loans on 31 March 2021)</i> |
| Type of mortgage loan   | Small balance commercial term mortgages  |
| Type of mortgage  | First and second ranking charges   |
| Security  | Residential, commercial and mixed-use properties   |
| Borrower Business Occupied Mortgage Loans (as % of Principal Balance)           | 30.4%  |
| Partially Borrower Business Occupied Mortgage Loans (as % of Principal Balance) | 13.1%  |
| Non-Borrower Occupied Mortgage Loans (as % of Principal Balance)                | 56.5%  |
| Fully Commercial properties (as % of Property Value)                            | 62.0%  |
| Non-Commercial properties (as % of Property Value)                              | 5.0%   |
| Mixed-use properties (as % of   | 33.0%  |

Property Value)

|  |        |
|--|--------|
| Full Property Valuation (as % of Property Value)   | 100.0% |
| Fixed rate Mortgage Loans (as % of Principal Balance)  | 1.0%   |
| Variable rate Mortgage Loans (as % of Principal Balance)   | 99.0%  |
| First ranking charges (as % of Principal Balance)  | 97.3%  |
| Second ranking charges (as % of Principal Balance)   | 2.7%   |
| Number of loans in the Provisional Portfolio   | 1,061  |
| Mortgage Loans with arrears <sup>1</sup> greater than one month  | 2.6%   |
| Mortgage Loans with arrears <sup>2</sup> greater or equal to three months  | 0.0%   |
| Mortgage Loans that are currently COVID-19 Payment Deferral Mortgage Loans (as % of Principal Balance of the Provisional Portfolio as at the Portfolio Reference Date) | 0.6%   |

|                        | <b>Average/Weighted Average</b> | <b>Minimum</b> | <b>Maximum</b> |
|------------------------|---------------------------------|----------------|----------------|
| Principal Balance      | £235,683                        | £4,361         | £3,718,799     |
| Original LTV           | 57.3%                           | 12.2%          | 80.0%          |
| Current LTV            | 56.4%                           | 4.8%           | 78.4%          |
| Interest Rate          | 7.5%                            | 5.0%           | 14.9%          |
| Seasoning (months)     | 22.9                            | 0.5            | 50.9           |
| Remaining Term (years) | 12.8                            | 1.1            | 29.8           |

1 For the avoidance of doubt, COVID-19 Payment Deferral Mortgage Loans are not treated as “in arrears” (or further “in arrears”) or subject to a debt restructuring process

2 For the avoidance of doubt, COVID-19 Payment Deferral Mortgage Loans are not treated as “in arrears” (or further “in arrears”) or subject to a debt restructuring process

**Consideration:**

The consideration from the Issuer to the Seller in respect of the sale of the Portfolio shall comprise: (a) the Initial Purchase Price, which is due and payable on the Closing Date and (b) deferred consideration consisting of the Residual Payments in respect of the Portfolio payable pursuant to the applicable Priority of Payments, the right to such Residual Payments being represented by the Residual Certificates to be issued by the Issuer and delivered to, or at the direction of, of the Seller on the Closing Date.

**"Initial Purchase Price"** means the aggregate Principal Balance of the Mortgage Loans (excluding Collection Costs) as at the Cut-Off Date.

**"Cut-Off Date"** means 30 April 2021.

Any Residual Payment will be paid to the Certificateholders in accordance with the Pre-Enforcement Revenue Priority of Payments or the Post-Enforcement Priority of Payments (as applicable).

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

**Representations and Warranties:**

The Seller will make certain Loan Warranties regarding the Mortgage Loans and Collateral Security to the Issuer and the Security Trustee in relation to the Mortgage Loans and their Collateral Security comprised in the Portfolio on the Closing Date.

In addition to representations and warranties in respect of the legal nature of the Mortgage Loans and their Collateral Security, there are also asset Loan Warranties which include the following:

- (a) Each Mortgage Loan and the related Collateral Security and Assigned Rights are originated in the name of the Seller in its ordinary course of business who is the holder of legal and beneficial title to the same, subject in each case only to the Mortgage Sale Agreement, the Borrowers' equity of redemption and subject to registration or recording at the Land Registry or the Registers of Scotland (as the case may be) of the Seller as proprietor or heritable creditor of the relevant Mortgage.
- (b) Each English Mortgage Loan is secured by either:
  - (i) (in the case of First Mortgage Loans) a valid and subsisting first ranking legal mortgage; or
  - (ii) (in the case of Second Mortgage Loans) a valid and subsisting second ranking legal mortgage,

subject to completion of any registration or recording with the Land Registry and there is nothing to prevent that registration or recording from being effected over the Property to which such English Mortgage Loan relates.

- (c) Each Scottish Mortgage Loan is secured by a valid and subsisting first ranking Standard Security or a second ranking Standard Security over the Property to which such Scottish Mortgage Loan relates (subject to completion of any registration or recording with the Registers of Scotland and (in those cases) there is nothing to prevent that registration or recording from being effected);
- (d) Each Property is either a (i) residential, (ii) commercial (including land), or (iii) mixed-use property situated in England, Wales or Scotland and each Mortgage Loan is secured by one or more Properties.
- (e) Each Mortgage Loan and its related Mortgage and Collateral Security constitutes legal, valid, binding and enforceable obligations of the Borrower in accordance with its terms, except that:
  - (i) no warranty is given that any Mortgage Loan or its related Mortgage is legal, valid, binding or enforceable to the extent legality, validity, the binding effect or enforceability may be limited by:
    - (A) bankruptcy, insolvency or other similar laws of general applicability affecting the enforcement of creditors' rights generally and the courts' discretion in relation to equitable remedies; or
    - (B) the Unfair Terms in Consumer Contracts Regulations 1994, the UTCCR, the Unfair Contract Terms Act 1977, the Consumer Rights Act 2015 and the CCA insofar as they relate to any obligation in the Mortgage Loan other than the obligation to pay interest and principal; and
  - (ii) this warranty only applies in relation to interest and principal payable by the Borrower and no warranty is given that any early repayment charges, administration fees, exit fees or other fees or charges are legal, valid, binding or enforceable.
- (f) No Borrower is an employee of the Seller or any Affiliate.
- (g) In the case of each Mortgage Loan secured over registered land in England or Wales:
  - (i) the relevant Property is registered in the name of the Borrower with title absolute in the case of freehold property or absolute or good leasehold title in the case of leasehold property or possessory title in the case of freehold or leasehold title where such possessory title has been taken into account by the Valuer in the Valuation; or
  - (ii) the relevant Property is in the course of registration in the

name of the Borrower with title absolute in the case of freehold property or absolute or good leasehold title in the case of leasehold property or possessory title in the case of freehold or leasehold title where such possessory title has been taken into account by the Valuer in the Valuation; and

- (iii) there is no caution, notice or other entry which would prevent the registration of each:
  - (A) First Mortgage Loan as a first legal mortgage; and
  - (B) Second Mortgage Loan as a second legal mortgage,

and an application for registration has been delivered to the Land Registry within the priority period conferred by an official search against the relevant title at the Land Registry.

- (h) In the case of each Mortgage Loan secured over any Property situated in Scotland:
  - (i) the Borrower has a valid and marketable heritable or long lease title to the relevant Property duly registered or recorded or in the course of registration or recording (as applicable) in the Registers of Scotland with absolute warrandice, free from any encumbrance, notice or adverse entry which would affect such title and (in the case of Properties registered or in the course of registration in the Land Register of Scotland) without exclusion or qualification of indemnity in terms of Section 12(2) of the Land Registration (Scotland) Act 1979 and/or exclusion or qualification of warranty in terms of the Land Registration etc. (Scotland) Act 2012;
  - (ii) there is no encumbrance, notice or other adverse entry which would prevent the registration or recording (as applicable) of the relevant Scottish Mortgage in the Registers of Scotland as a first (in relation to First Mortgage Loans) or second (in relation to Second Mortgage Loans) ranking Standard Security; and
  - (iii) all MH/CP Documentation evidencing that the Borrower has acquired title to the Property free of any occupancy rights of any "non-entitled spouse" or "non-entitled civil partner" and that the Standard Security by the relevant Borrower in favour of the Seller is likewise unaffected by any such occupancy rights, all in terms of Section 8 of the Matrimonial Homes (Family Protection) (Scotland) Act 1981 or Section 101 of the Civil Partnership Act 2004 (as applicable), has been obtained and is held by or to the order of the Seller.
- (i) Each Mortgage Loan has a maximum term of no longer than 30

years.

- (j) So far as the Seller is aware, no Bankruptcy Event or Insolvency Event is continuing in relation to a Borrower and no Borrower is subject to Bankruptcy Proceedings or Insolvency Proceedings.
- (k) The Seller has not supplied or brokered PPI in respect of any Borrower's payment obligations under any Mortgage Loan.
- (l) No agreement for any Mortgage Loan is or at any time has been in whole or in part:
  - (i) a “regulated credit agreement” under article 60B of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001;
  - (ii) a “regulated mortgage contract” under article 61 of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001;
  - (iii) a “consumer credit back book mortgage contract” as defined in the Mortgage Credit Directive Order 2015; or
  - (iv) a “consumer buy-to-let mortgage contract” as defined in the Mortgage Credit Directive Order 2015.

See the section entitled "*Summary of the Key Transaction Documents – Mortgage Sale Agreement – Representations and Warranties*" for further details.

**Repurchase of the Mortgage Loans and Collateral Security:**

The Seller is liable for the repurchase of the relevant Mortgage Loans and their Collateral Security in the following circumstances:

- upon a material breach of any Loan Warranties (which the Seller fails to remedy within the agreed grace period); or
- where the Seller has determined that it will consent to a Further Mortgage Advance or Product Switch.

In all such cases the repurchase of the relevant Mortgage Loan shall occur on the Interest Payment Date immediately following the date of the Further Mortgage Advance or Product Switch, as applicable.

See "*Summary of the Key Transaction Documents – Mortgage Sale Agreement – Representations and Warranties*".

**Consideration for repurchase:**

The consideration payable by the Seller in respect of the repurchase of an affected Mortgage Loan and its Collateral Security shall be a cash payment equal to the Principal Balance of the relevant Mortgage Loans (excluding Collection Costs) as per the last calendar day of the month (the “**Determination Date**”) immediately prior to the relevant repurchase date, but increased with accrued but unpaid interest from such Determination Date up to the repurchase date, together with an amount equal to all other non-interest amounts due and unpaid (but not capitalised) under such



Mortgage Loans.

See the section entitled "*Summary of the Key Transaction Documents – Mortgage Sale Agreement – Repurchase price*" for further information.

**Title and Perfection Events:** Prior to the completion of the transfer of legal title of the Mortgage Loans and their Collateral Security to the Issuer, legal title of the Mortgage Loans and their Collateral Security will remain with the Seller and the Issuer will hold only the equitable title or, in relation to any Scottish Mortgage Loans and their Collateral Security, the beneficial interest in those Mortgage Loans and their Collateral Security pursuant to the Scottish Declaration of Trust and the Debt will therefore be subject to certain risks as set out in the risk factor entitled "*Risk Factors – Risks relating to the underlying assets – The Seller to initially retain legal title to the Mortgage Loans and risks relating to set-off*".

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

**Servicing of the Portfolio:** The Servicer agrees to service the Mortgage Loans to be sold to the Issuer and their Collateral Security on behalf of the Issuer and, where applicable, the Seller. Following the service of an Enforcement Notice, the Servicer shall act at the direction of the Security Trustee.

The appointment of the Servicer may be terminated by the Issuer and/or the Security Trustee if the Servicer Termination Event occurs and is continuing in relation to the Servicer (see "*Servicer Termination Events*" in the section entitled "*Transaction Overview – Triggers Tables – Non-Rating Triggers Table*").

The Servicer may also resign by giving not less than three months' notice to the Issuer and the Security Trustee and subject to, *inter alia*, a replacement servicer having been appointed. See the section entitled "*Summary of the Key Transaction Documents – Servicing Deed*".

**Option Holder may exercise the Call Option:** Pursuant to the Call Option, the Option Holder may, pursuant to and subject to the terms of the Mortgage Sale Agreement, require the Issuer to:

- (a) sell and transfer the beneficial title to all (but not some) of the Mortgage Loans and their Collateral Security comprising the Portfolio in consideration for the Optional Purchase Price to one or more Beneficial Title Transferee(s); and
- (b) (if applicable) transfer the legal title to all (but not some) of the Mortgage Loans and their Collateral Security comprising the Portfolio, or if, at the time the Call Option is exercised, the Issuer does not hold legal title, the right to require the Issuer to procure that the Seller transfers legal title, to one or more Legal Title Transferee(s),

on any Interest Payment Date falling on or after (i) the Optional Redemption Date, (ii) any Collection Period Start Date on which the aggregate Principal Balance of the Mortgage Loans was equal to or less than 10 per cent. of the aggregate Principal Amount Outstanding of the

Debt on the Closing Date or (iii) a change in tax law that results in the Issuer being required to make a deduction or withholding for or on account of tax, or the occurrence of certain illegality events.

See the section entitled "*Early Redemption of the Notes*".

## TRANSACTION OVERVIEW – SUMMARY OF THE TERMS AND CONDITIONS OF THE DEBT

Please refer to the section entitled "Terms and Conditions of the Notes" for further detail in respect of the terms of the Notes and "Summary of the Key Transaction Documents – Class A Loan Note Agreement" for further details in respect of the terms of the Class A Loan Note.

### FULL CAPITAL STRUCTURE OF THE DEBT

|                              | Class A Loan Note   | Class B Notes  | Class C Notes   | Class D Notes  | Class E Notes  | Class X Notes   | Class Z Notes  | Residual Certificates |
|------------------------------|---|--|---|--|--|---|--|-----------------------|
| Principal Amount:            | £198,678,000  | £13,701,000  | £10,587,000   | £9,715,000   | £8,968,000   | £13,701,000   | £12,461,000  | N/A                   |
| Credit enhancement features: | Overcollateralisation funded by other Debt, Revenue Receipts and the General Reserve Fund Ledger and following service of an Enforcement Notice, all amounts credited to the Class A Liquidity Reserve Fund Ledger        | Overcollateralisation funded by other Debt (other than the Class A Loan Note), Revenue Receipts and the General Reserve Fund Ledger and, following service of an Enforcement Notice, all amounts credited to the Class A Liquidity Reserve Fund Ledger | Overcollateralisation funded by the Class D Notes, the Class E Notes and the Class Z Notes, Revenue Receipts and the General Reserve Fund Ledger and, following service of an Enforcement Notice, all amounts credited to the Class A Liquidity Reserve Fund Ledger | Overcollateralisation funded by the Class E Notes and the Class Z Notes, Revenue Receipts and the General Reserve Fund Ledger and, following service of an Enforcement Notice, all amounts credited to the Class A Liquidity Reserve Fund Ledger | Overcollateralisation funded by the Class Z Notes, Revenue Receipts and the General Reserve Fund Ledger and, following service of an Enforcement Notice, all amounts credited to the Class A Liquidity Reserve Fund Ledger                                     | Overcollateralisation funded by the Class Z Notes, Revenue Receipts, and, following service of an Enforcement Notice, all amounts credited to the General Reserve Fund Ledger and the Class A Liquidity Reserve Fund Ledger | Revenue Receipts and following service of an Enforcement Notice, all amounts credited to the General Reserve Fund Ledger and Class A Liquidity Reserve Fund Ledger | N/A                   |
| Liquidity support features   | Subordination in payment of the other Debt, Available Principal Receipts applied as Principal Addition Amounts to provide for any Senior Expenses Deficit and the amounts credited to the General Reserve Fund Ledger and | Subordination in payment of the other Debt (other than the Class A Loan Note), Available Principal Receipts applied as Principal Addition Amounts to provide for any Senior Expenses Deficit (if the Class B Notes are the Most Senior                 | Subordination in payment of the Class D Notes, the Class E Notes and the Class Z Notes, Available Principal Receipts applied as Principal Addition Amounts to provide for any Senior Expenses Deficit (if the Class C Notes are the Most Senior                     | Subordination in payment of the Class E Notes and the Class Z Notes, Available Principal Receipts applied as Principal Addition Amounts to provide for any Senior Expenses Deficit (if the Class D Notes are the Most Senior Class of Debt at    | Subordination in payment of the Class Z Notes, Available Principal Receipts applied as Principal Addition Amounts to provide for any Senior Expenses Deficit (if the Class E Notes are the Most Senior Class of Debt at such time) and the amounts credited to | Subordination in payment of the Class Z Notes   | None   | N/A                   |

|   | <u>Class A Loan Note</u>                         | <u>Class B Notes</u>  | <u>Class C Notes</u>  | <u>Class D Notes</u>   | <u>Class E Notes</u>                             | <u>Class X Notes</u>                             | <u>Class Z Notes</u>                             | <u>Residual Certificates</u> |
|---|--|---|---|--|--|--|--|------------------------------|
|   | Class A Liquidity Reserve Fund Ledger            | Class of Debt at such time) and the amounts credited to the General Reserve Fund Ledger | Class of Debt at such time) and the amounts credited to the General Reserve Fund Ledger | such time) and the amounts credited to the General Reserve Fund Ledger | the General Reserve Fund Ledger                  |  |  |                              |
| Issue Price:  | 100.00%  | 100.00%   | 100.00%   | 100.00%  | 100.00%  | 100.00%  | 100.00%  | N/A                          |
| Reference Rate/ Fixed Rate:                                       | Compounded Daily SONIA                           | Compounded Daily SONIA  | Compounded Daily SONIA  | Compounded Daily SONIA   | Compounded Daily SONIA                           | Compounded Daily SONIA                           | N/A  | N/A                          |
| Margin (payable up to and including the Optional Redemption Date) | 1.500% p.a.                                      | 2.050% p.a.   | 2.450% p.a.   | 3.150% p.a.  | 4.250% p.a.                                      | 5.500% p.a.                                      | N/A  | N/A                          |
| Interest Accrual Method:  | Actual/365 (Fixed)                               | Actual/365 (Fixed)  | Actual/365 (Fixed)  | Actual/365 (Fixed)   | Actual/365 (Fixed)                               | Actual/365 (Fixed)                               | 30/360   | N/A                          |
| Interest Payment Dates:   | 20th day of each calendar month                  | 20th day of each calendar month   | 20th day of each calendar month   | 20th day of each calendar month  | 20th day of each calendar month                  | 20th day of each calendar month                  | 20th day of each calendar month                  | N/A                          |
| First Interest Payment Date:                                      | The Interest Payment Date falling in August 2021 | The Interest Payment Date falling in August 2021  | The Interest Payment Date falling in August 2021  | The Interest Payment Date falling in August 2021                       | The Interest Payment Date falling in August 2021 | The Interest Payment Date falling in August 2021 | The Interest Payment Date falling in August 2021 | N/A                          |
| Final Maturity Date:  | The Interest Payment Date falling in August 2052 | The Interest Payment Date falling in August 2052  | The Interest Payment Date falling in August 2052  | The Interest Payment Date falling in August 2052                       | The Interest Payment Date falling in August 2052 | The Interest Payment Date falling in August 2052 | The Interest Payment Date falling in August 2052 | N/A                          |
| Relevant Step-Up Margin (payable after the Optional Redemption    | 3.000% p.a.                                      | 3.075% p.a.   | 3.450% p.a.   | 4.150% p.a.  | 5.250% p.a.                                      | 5.500% p.a.                                      | N/A  | N/A                          |

|                                   | <u>Class A Loan Note</u>                           | <u>Class B Notes</u>  | <u>Class C Notes</u>  | <u>Class D Notes</u>  | <u>Class E Notes</u>  | <u>Class X Notes</u>  | <u>Class Z Notes</u>  | <u>Residual Certificates</u>                 |
|-----------------------------------|--|---|---|---|---|---|---|--|
| Date)                             |  |   |   |   |   |   |   |  |
| Optional Redemption Date:         | The Interest Payment Date falling in February 2026 | The Interest Payment Date falling in February 2026          | The Interest Payment Date falling in February 2026          | The Interest Payment Date falling in February 2026          | The Interest Payment Date falling in February 2026          | The Interest Payment Date falling in February 2026          | The Interest Payment Date falling in February 2026          | N/A  |
| Application for Exchange Listing: | N/A  | Euronext Dublin   | Euronext Dublin   | Euronext Dublin   | Euronext Dublin   | Euronext Dublin   | Euronext Dublin   | N/A  |
| ISIN:                             | N/A  | XS2344464446  | XS2344464792  | XS2344465096  | XS2344465419  | XS2344465682  | GB00BNVDP84   | GB00BNVVDQ91                                 |
| Common Code:                      | N/A  | 234446444   | 234446479   | 234446509   | 234446541   | 234446568   | N/A   | N/A  |
| CFI:                              | N/A  | DAVXFR  | DAVXFR  | DAVXFR  | DAVXFR  | DAVXFR  | DAZUFR  | RMXXXX                                       |
| FISN:                             | N/A  | TOGETHER<br>ASSET/VARASST<br>BKD 22001231                   | TOGETHER<br>ASSET/VARASST<br>BKD 22001231                   | TOGETHER<br>ASSET/VARASST<br>BKD 22001231                   | TOGETHER<br>ASSET/VARASST<br>BKD 22001231                   | TOGETHER<br>ASSET/VARASST<br>BKD 22001231                   | TOGR AST/MTG<br>BD 20520808 Z<br>UNSEC/UN                   | CERTS<br>08/08/52(RESI<br>DUAL<br>PYMTS)GBP1 |
| Expected Ratings (S&P/DBRS):      | AAA (sf) / AAA (sf)                                | AA (sf) / AA (low) (sf)                                     | AA- (sf) / A (low) (sf)                                     | A (sf) / BBB (low) (sf)                                     | BBB- (sf) / B (sf)  | B (sf) / BB (sf)  | NR / NR   | NR / NR                                      |
| Clearing/Settlement               | N/A  | Euroclear/Clearstream, Luxembourg                           | Euroclear/Clearstream, Luxembourg                           | Euroclear/Clearstream, Luxembourg                           | Euroclear/Clearstream, Luxembourg                           | Euroclear/Clearstream, Luxembourg                           | N/A   | N/A  |
| Minimum Denomination              | N/A  | £100,000 and integral multiples of £1,000 in excess thereof | £100,000 and integral multiples of £1,000 in excess thereof | £100,000 and integral multiples of £1,000 in excess thereof | £100,000 and integral multiples of £1,000 in excess thereof | £100,000 and integral multiples of £1,000 in excess thereof | £100,000 and integral multiples of £1,000 in excess thereof | N/A  |
| Governing law of the Debt         | English  | English   | English   | English   | English   | English   | English   | English                                      |

As of the date of this Prospectus, each of the Rating Agencies is a credit rating agency established in the UK and is registered under the UK CRA Regulation.

The rating DBRS is expected to give to the Rated Debt is endorsed by DBRS Ratings GmbH, which is a credit rating agency established in the EU. The rating S&P is expected to give to the Rated Debt is endorsed by S&P Global Ratings Europe Limited, which is a credit rating agency established in the EU. Each of DBRS Ratings GmbH and S&P Global Ratings Europe Limited is included in the list of credit rating agencies published by the European Securities and Markets Authority (“ESMA”) on its website (at <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>) in accordance with the CRA Regulation.

## TRANSACTION OVERVIEW – OVERVIEW OF THE CHARACTERISTICS OF THE DEBT AND THE RESIDUAL CERTIFICATES

**Ranking and Form of the Debt:** On the Closing Date, the Issuer will issue a Class A Mortgage Backed Floating Rate Loan Note pursuant to the Class A Loan Note Agreement (the “**Class A Loan Note**” and the holders thereof, the “**Class A Loan Noteholders**”).

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

- (a) Class B Mortgage Backed Floating Rate Notes due August 2052 (the “**Class B Notes**”);
- (b) Class C Mortgage Backed Floating Rate Notes due August 2052 (the “**Class C Notes**”);
- (c) Class D Mortgage Backed Floating Rate Notes due August 2052 (the “**Class D Notes**”);
- (d) Class E Mortgage Backed Floating Rate Notes due August 2052 (the “**Class E Notes**”);
- (e) Class X Floating Rate Notes due August 2052 (the “**Class X Notes**”); and
- (f) Class Z Mortgage Backed Fixed Rate Notes due August 2052 (the “**Class Z Notes**”),

the “**Notes**” and the holders thereof, the “**Noteholders**”.

The Class B Notes, the Class C Notes, Class D Notes, the Class E Notes and the Class X Notes are the “**Rated Notes**”.

The Rated Notes together with the Class A Loan Note are the “**Rated Debt**”.

The Notes together with the Class A Loan Note are the “**Debt**” and the holders thereof, the “**Debt Holders**”.

The Class A Loan Note will be issued in definitive, registered form.

The Rated Notes will be issued in registered form.

The Non-Rated Notes (being the Class Z Notes) will be issued in dematerialised registered form.

Each Class of Notes will be issued pursuant to Regulation S and, in the case of the Rated Notes, will be cleared through Euroclear and/or Clearstream, Luxembourg, as set out in “*Description of the Global Notes and the Non-Rated Notes*”.

**Residual Certificates:** On the Closing Date, the Issuer will also issue the residual certificates to the Seller under the Trust Deed (the “**Residual Certificates**” and the holders thereof, the “**Certificateholders**”) representing the right to receive the Residual Payments by way of deferred consideration for the Issuer's purchase of the Portfolio.

**Sequential Order:** The Class A Loan Note ranks senior to all Classes of Notes in relation to payment

of interest and principal at all times.

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

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

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

The Class E Notes rank *pro rata* and *pari passu* without preference or priority among themselves in relation to payment of interest and principal at all times, but subordinate to the Class A Loan Note, the Class B Notes, the Class C Notes and the Class D Notes.

The Class X Notes rank *pro rata* and *pari passu* without preference or priority among themselves in relation to payment of interest and principal at all times, but subordinate to the Class A Loan Note, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes **provided however, that**, on each Interest Payment Date prior to the Optional Redemption Date, Available Revenue Receipts will be applied towards repayment of principal amounts outstanding on the Class X Notes pursuant to the Pre-Enforcement Revenue Priority of Payments.

The Class Z Notes rank *pro rata* and *pari passu* without preference or priority among themselves in relation to payment of interest and principal at all times, but subordinate to the Rated Debt.

The Residual Certificates rank *pro rata* and *pari passu* without preference or priority among themselves in relation to Residual Payments at all times, and are subordinate to all payments due in respect of the Debt.

Certain amounts due by the Issuer to its other Secured Creditors (and, prior to the service of an Enforcement Notice only, certain unsecured creditors) will rank in priority to all Classes of the Debt and the Residual Certificates.

**Security:**

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

Pursuant to and as more fully described in the Deed of Charge on the Closing Date, the Debt and Residual Certificates will have the benefit of the proceeds of enforcement of, amongst other things, the following security (the "**Security**"):

- (a) an assignment by way of security of (and, to the extent not assigned, a charge by way of first fixed charge over) the Issuer's rights, title, interest and benefit in and to the Transaction Documents (other than the Trust Deed, the Deed of Charge, any Scottish Trust Security and any Scottish Declaration of Trust) and any sums derived therefrom;



- (b) an assignment by way of security of (and, to the extent not assigned, a charge by way of first fixed charge over) the Issuer's rights, title, interest and benefit in the English Mortgage Loans and their Collateral Security and other related rights comprised in the Portfolio (other than in respect of Scottish Mortgage Loans) and any sums derived therefrom;
- (c) an assignment by way of security of (and, to the extent not assigned, a charge by way of first fixed charge over) the Issuer's rights, title, interest and benefit to and under Insurance Policies assigned to the Issuer pursuant to the Mortgage Sale Agreement;
- (d) an assignation in security of the Issuer's beneficial interest in the Scottish Mortgage Loans and their Collateral Security (comprising the Issuer's beneficial interest under the trusts declared by the Seller over such Scottish Mortgage Loans and their Collateral Security for the benefit of the Issuer pursuant to any Scottish Declaration of Trust);
- (e) a charge by way of first fixed charge over the Issuer's interest in its bank and/or securities accounts (including the Deposit Account) maintained with the Issuer Account Bank and any other bank or custodian and any sums or securities standing to the credit thereof;
- (f) an assignment by way of first fixed security of (and, to the extent not assigned, a charge by way of first fixed charge over) (but subject to the right of reassignment) the benefit of the Issuer's rights, title, interest and benefit under the Collection Accounts Trust (created pursuant to the Collection Accounts Declaration of Trust);
- (g) a charge by way of first fixed charge over the Issuer's interest in all Authorised Investments permitted to be made by the Issuer or the Cash Administrator on its behalf; and
- (h) a floating charge over all assets of the Issuer not otherwise subject to the charges referred to above or otherwise effectively assigned by way of security, including over all of the Issuer's property, assets, rights and revenues as are situated in Scotland or governed by Scots law (whether or not the subject of the charges referred to above).

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

**Interest Provisions:**

Please refer to the "*Full Capital Structure Of The Debt*" table in the section entitled "*Transaction Overview – Summary of the Terms and Conditions of the Debt*" and as fully set out in Condition 6 (*Interest*) in respect of the Notes.

**Deferral:**

Interest due and payable on the Most Senior Class of Debt may not be deferred (except for the Class X Notes, in respect of which interest deferral shall always apply). Interest due and payable on the Debt (other than the Most Senior Class of Debt, excluding the Class X Notes) may be deferred in accordance with Condition 17 (*Subordination by Deferral*). The non-payment of any deferred interest on any Debt will not, if the Issuer has insufficient funds to make payment in full of such deferred interest, be an Event of Default unless such Debt is the Most Senior Class of Debt at the time of non-payment (except for the Class X Notes, in respect of which interest deferral shall always apply).

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

**Redemption:** All Classes of Debt are subject to the following redemption events:

- mandatory redemption in whole on the Interest Payment Date falling in August 2052 (the "**Final Maturity Date**"), as fully set out in Condition 8.1 (*Redemption at Maturity*);
- mandatory redemption in part on any Interest Payment Date commencing on the first Interest Payment Date but prior to the service of an Enforcement Notice subject to availability of Available Principal Receipts (to the extent not applied to cover any Senior Expenses Deficit) which shall be applied:
  - (a) first, on a *pari passu* and *pro rata* basis to repay the Class A Loan Note until it is repaid in full;
  - (b) second, on a *pari passu* and *pro rata* basis to repay the Class B Notes until they are repaid in full;
  - (c) third, on a *pari passu* and *pro rata* basis to repay the Class C Notes until they are repaid in full;
  - (d) fourth, on a *pari passu* and *pro rata* basis to repay the Class D Notes until they are repaid in full;
  - (e) fifth, on a *pari passu* and *pro rata* basis to repay the Class E Notes until they are repaid in full;
  - (f) sixth, on a *pari passu* and *pro rata* basis to repay the Class X Notes until they are repaid in full; and
  - (g) seventh, on a *pari passu* and *pro rata* basis to repay the Class Z Notes until they are repaid in full; and
- mandatory redemption of the Debt in full and the cancellation of the Residual Certificates following the exercise by the Option Holder of the Call Option, as fully set out in Condition 8.3 (*Mandatory Redemption of the Debt in Full*), or mandatory redemption of the Debt in full as set out in Condition 8.4 (*Mandatory Redemption of the Debt for Taxation or Other Reasons*).

Any Class of Debt redeemed pursuant to the above redemption provisions will be redeemed at an amount equal to its Principal Amount Outstanding together with accrued (and unpaid) interest on its Principal Amount Outstanding up to (but excluding) the date of redemption.

**Expected Average Lives of the Debt:**

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

described under the section entitled "*Weighted Average Lives of the Debt*".

**Event of Default:**

As fully set out in Condition 11 (*Events of Default*) and Residual Certificates Condition 10 (*Events of Default*), which includes, amongst other events (where relevant, subject to the applicable grace period):

- in respect of the Debt only, subject to the deferral provisions in Condition 17 (*Subordination by Deferral*), non-payment of interest and/or principal and such non-payment continues for a period of three Business Days in the case of interest and five Business Days in the case of principal;
- in respect of the Residual Certificates only, failure to pay any amount due and the default continues for more than 14 Business Days from the due date for payment (provided that all of the Debt has been redeemed in full);
- breach of any other contractual obligations by the Issuer under the Transaction Documents if such breach is incapable of remedy or, if it is capable of remedy, has not been remedied within the applicable grace period;
- in respect of the Debt only, any material representation or warranty made by the Issuer (i) is incorrect on the date on which such material representation or warranty was given, where the matter giving rise to such misrepresentation is incapable of remedy or, (ii) where the matter is capable of remedy, is incorrect and has not been remedied within the applicable grace period;
- the Issuer ceasing or threatening to cease to carry on the whole or a substantial part of its business; and
- the occurrence of certain insolvency related events in relation to the Issuer.

Following the occurrence of an Event of Default, the Note Trustee may (or if so directed in writing by the holders of (where the Class A Loan Note is the Most Senior Class of Debt) at least 66<sup>2/3</sup> per cent. of the aggregate Principal Amount Outstanding of the Class A Loan Note or (where the Class A Loan Note is not the Most Senior Class of Debt) at least 25 per cent. in aggregate Principal Amount Outstanding of the Most Senior Class of Debt or, if the Debt has been redeemed in full, by the Certificateholders, shall) serve an Enforcement Notice on the Issuer that all Classes of Debt are immediately due and payable provided that the Note Trustee is indemnified and/or prefunded and/or secured to its satisfaction. Following service of an Enforcement Notice to the Issuer, the Security Trustee may enforce the Security.

Any condition, event, act or circumstance which would or could, with the giving of notice, lapse of time, the issuing of a certificate and/or fulfilment of any other requirement provided for in Condition 11 (*Events of Default*) or Residual Certificates Condition 10 (*Events of Default*), become an Event of Default shall be a "**Potential Event of Default**".

**Limited Recourse and Non-Petition:**

The Debt constitutes limited recourse obligations of the Issuer, and, if not repaid in full, amounts outstanding are subject to a final write-off, which is described in more detail in Condition 12.4 (*Limited Recourse*). In accordance with Condition

12.3 (*Limitations on Enforcement*), no Debt Holder may proceed directly against the Issuer unless the Note Trustee or the Security Trustee, having become bound to do so, fails to do so within a reasonable period of time and such failure is continuing.

The Certificateholders are only entitled to funds which are available to the Issuer in accordance with the applicable Priority of Payments and therefore the Residual Certificates are limited recourse obligations of the Issuer.

**Governing Law:**

English law (other than any terms of the Transaction Documents which are particular to Scots law which will be construed in accordance with Scots law and each Scottish Declaration of Trust and each Scottish Trust Security which will be governed by Scots law).

## TRANSACTION OVERVIEW – RIGHTS OF DEBT HOLDERS AND CERTIFICATEHOLDERS AND RELATIONSHIP WITH OTHER SECURED CREDITORS

*Please refer to the sections entitled "Terms and Conditions of the Notes", "Terms and Conditions of the Residual Certificates", "Summary of the Key Transaction Documents – Class A Loan Note Agreement" and "Risk Factors" for further detail in respect of the rights of Debt Holders and Certificateholders, conditions for exercising such rights and relationship with other Secured Creditors.*

### **Prior to an Event of Default:**

Prior to the occurrence of an Event of Default, Debt Holders holding not less than 10 per cent. of the Principal Amount Outstanding of the Debt then outstanding or, as applicable, Certificateholders holding not less than 10 per cent. of the number of Residual Certificates then in issue, are entitled to convene a Noteholders' meeting (or, in respect of the Class A Loan Noteholders, initiate a request for any consent or direction from the Class A Loan Noteholders pursuant to the Class A Loan Note Agreement) or a Certificateholders' meeting, respectively.

However, so long as no Event of Default has occurred and is continuing, neither the Debt Holders nor the Certificateholders are entitled to instruct or direct the Issuer to take any actions, either directly or through the Note Trustee, without the consent of the Issuer and, if applicable, certain other Transaction Parties, unless the Issuer has an obligation to take such actions under the relevant Transaction Documents.

### **Following an Event of Default:**

Following the occurrence of an Event of Default, Debt Holders may, if they hold (where the Class A Loan Note is the Most Senior Class of Debt) not less than 66<sup>2/3</sup> per cent. of the aggregate Principal Amount Outstanding of the Class A Loan Note or (where the Class A Loan Note is not the Most Senior Class of Debt) not less than 25 per cent. of the Principal Amount Outstanding of the Most Senior Class of Debt, or if an Extraordinary Resolution of the holders of the Most Senior Class of Debt is passed (or, if the Debt has been redeemed in full, the Certificateholders may, if they hold not less than 25 per cent. of the number of Residual Certificates then in issue or if an Extraordinary Resolution of the Certificateholders is passed), direct the Note Trustee to give an Enforcement Notice to the Issuer that all classes of the Debt are immediately due and payable at their respective Principal Amount Outstanding together with accrued (but unpaid) interest or that all Residual Payments pursuant to the Residual Certificates are immediately due and payable, as applicable. The Note Trustee shall not be bound to take any such action unless first indemnified and/or prefunded and/or secured to its satisfaction.

### **Class A Loan Noteholder consent provisions:**

The Class A Loan Noteholders will not be required to convene or attend meetings or form or count in a quorum at any meeting of Debt Holders but may provide consent and/or direction (including by passing Extraordinary Resolutions and Ordinary Resolutions) in writing to the Note Trustee in respect of the relevant matter in accordance with the Class A Loan Note Agreement. The Note Trustee or the Security Trustee (on behalf of the Note Trustee) shall be entitled to request and rely on a written consent or direction from the Class A Loan Noteholders (or by the Loan Facility Agent on their behalf) on any matter that requires the consent or direction of the Class A Loan Noteholders without further enquiry or liability to any person.

Notice Period for initial At least 21 Clear Days' notice shall be given to the

request for consent or direction: Class A Loan Noteholders prior to the date on which they are requested to consent or give direction in respect of any matter, in the manner provided in the Class A Loan Note Agreement.

Notice Period for subsequent request (if any) for consent or direction: In the event that the requisite Class A Loan Noteholders do not respond to such request, any subsequent request for consent or direction in respect of the same matter may be made by the Issuer, the Note Trustee or the Class A Loan Noteholders by giving at least 10 Clear Days' notice to each other (or such shorter period may be agreed with the Note Trustee).

Required majority for Ordinary Resolution: Consent given to the Note Trustee (in a form satisfactory to it) by or on behalf of the Class A Loan Noteholders representing at least 66<sup>2/3</sup> per cent. of the aggregate Principal Amount Outstanding of the Class A Loan Note.

Required majority for an Extraordinary Resolution (other than a Basic Terms Modification): Consent given to the Note Trustee (in a form satisfactory to it) by or on behalf of the Class A Loan Noteholders representing at least 66<sup>2/3</sup> per cent. of the aggregate Principal Amount Outstanding of the Class A Loan Note.

Required majority for an Extraordinary Resolution to approve a Basic Terms Modification: Consent given to the Note Trustee (in a form satisfactory to it) by or on behalf of the Class A Loan Noteholders representing 100 per cent. of the aggregate Principal Amount Outstanding of the Class A Loan Note.

**Noteholders and Certificateholders Meeting provisions:**

|   | <i>Initial meeting</i>   | <i>Adjourned meeting</i>   |
|---|--|--|
| Notice period:  | At least 21 Clear Days   | At least 10 Clear Days   |
| Quorum for Ordinary Resolution:   | One or more persons present and representing in aggregate not less than 25 per cent. of the Principal Amount Outstanding of the relevant Class or Classes of Notes then outstanding or holding or representing not less than 25 per cent. of the Residual Certificates then in issue, as applicable. | One or more persons present and representing in aggregate not less than 10 per cent. of the Principal Amount Outstanding of the relevant Class or Classes of Notes then outstanding or holding or representing not less than 10 per cent. of the Residual Certificates then in issue, as applicable. |
| Quorum for Extraordinary Resolution (other than a Basic Terms Modification) | One or more persons present and representing in aggregate not less than 50 per cent. of the aggregate Principal Amount Outstanding of the relevant   | One or more persons present and representing in aggregate not less than 25 per cent. of the aggregate Principal Amount Outstanding of the relevant   |

|   |   |   |
|---|---|---|
|   | Class or Classes of Notes then outstanding or holding or representing not less than 50 per cent. of the Residual Certificates then in issue, as applicable.   | Class or Classes of Notes then outstanding or holding or representing not less than 25 per cent. of the Residual Certificates then in issue, as applicable.   |
| Quorum for Extraordinary Resolution to approve a Basic Terms Modification | At a meeting of any affected Class or Classes of Notes or (if affected) of the Residual Certificates shall be one or more persons eligible to attend and vote at such meeting holding or representing in aggregate not less than 75 per cent. of the aggregate Principal Amount Outstanding of such Class of Notes and, in the case of the Residual Certificates, holding or representing not less than 75 per cent. of the Residual Certificates then in issue, as applicable. | At a meeting of any affected Class or Classes of Notes or (if affected) of the Residual Certificates shall be one or more persons eligible to attend and vote at such meeting holding or representing in aggregate not less than 50 per cent. of the aggregate Principal Amount Outstanding of such Class of Notes and, in the case of the Residual Certificates, holding or representing not less than 50 per cent. of the Residual Certificates then in issue, as applicable. |
| Required majority for Ordinary Resolution:                                | A clear majority of persons eligible to attend and vote at such meeting and voting at that meeting upon a show of hands or, if a poll is duly demanded, by a clear majority of the votes cast on such poll (an " <b>Ordinary Resolution</b> ").   |   |
| Required majority for Extraordinary Resolution:                           | Majority consisting of not less than three-quarters of persons eligible to attend and vote at such meeting and voting at such meeting upon a show of hands or, if a poll is duly demanded, by a majority consisting of not less than three-quarters of the votes cast on such poll (an " <b>Extraordinary Resolution</b> ").  |   |
| Required majority for a written resolution:                               | Not less than 75 per cent. in aggregate Principal Amount Outstanding of the relevant Class of Notes or not less than 75 per cent. in number of the holders of the Residual Certificates then in issue. A written resolution has the same effect as an Extraordinary Resolution.   |   |

For the purposes of calculating a period of “**Clear Days**” in relation to a meeting (or any notice to request consent or direction from the Class A Loan Noteholders), no account shall be taken of the day on which the notice of such meeting or request is given or the day on which (i) other than in respect of the Class A Loan Note, such meeting is held (or, in the case of an adjourned meeting, the day on which the meeting to be adjourned is held) or (ii) in respect of the Class A Loan Note, the date on which any consent or direction from the Class A Loan Noteholders is requested to be given.

**Matters requiring  
Extraordinary  
Resolution:**

The following matters require an Extraordinary Resolution of the Debt Holders (and, in the case of a Basic Terms Modification, an Extraordinary Resolution of the Certificateholders), as set out in the Trust Deed:

- (a) to sanction or to approve a Basic Terms Modification;
- (b) to sanction any compromise or arrangement proposed to be made between, among others, the Issuer or any other party to any Transaction Document;
- (c) to sanction any abrogation, modification, compromise or arrangement in respect of the rights of, among others, the Note Trustee or any other party to any Transaction Document against any other or others of them or against any of their property whether such rights arise under the Trust Deed, any other Transaction Document or otherwise;
- (d) to approve the substitution of any person for the Issuer as principal debtor under the Debt or the Residual Certificates other than in accordance with Condition 8.4 (*Mandatory Redemption of the Debt for Taxation or Other Reasons*), Condition 13.10 (*Issuer Substitution Condition*) or Residual Certificates Condition 12.9 (*Issuer Substitution Condition*);
- (e) to assent to any modification of the Trust Deed or any other Transaction Document which is proposed by the Issuer or any other party to any Transaction Document or any Debt Holder or Certificateholder, other than those modifications which are sanctioned by the Note Trustee without the consent or sanction of the Debt Holders in accordance with the terms of the Trust Deed;
- (f) to direct the Note Trustee to serve an Enforcement Notice;
- (g) to remove the Note Trustee and/or the Security Trustee;
- (h) to approve the appointment of a new Note Trustee and/or Security Trustee;
- (i) to approve the appointment of a substitute servicer in circumstances where the Servicer has resigned and the appointment of the substitute servicer in the opinion of the Security Trustee could have an adverse effect on the rating of the Rated Debt or if it is not clear to the Security Trustee whether the rating for the Rated Debt will be maintained as the rating before the termination of the Servicer;
- (j) to authorise the Note Trustee, the Security Trustee and/or any Appointee to execute all documents and do all things necessary to give effect to any Extraordinary Resolution;
- (k) to discharge or exonerate the Note Trustee, Security Trustee and/or any Appointee from all Liability in respect of any act or omission for which it may become responsible under the Trust Deed or the Debt;
- (l) to appoint any persons as a committee to represent the interests of the Debt Holders or the Certificateholders and to confer upon such committee



any powers which the Debt Holders or the Certificateholders could themselves exercise by Extraordinary Resolution; and

- (m) to sanction any scheme or proposal for the exchange, sale, conversion or cancellation of the Debt or the Residual Certificates for or partly or wholly in consideration of shares, stock, notes, bonds, debentures, debenture stock and/or other obligations and/or securities of the Issuer or any other company or partly or wholly in consideration of cash; or
- (n) to give any other authorisation or sanction which under the Trust Deed or any other Transaction Document is required to be given by Extraordinary Resolution.

**Relationship between  
Classes of Debt  
Holders and  
Certificateholders:**

Subject to the provisions governing a Basic Terms Modification, an Extraordinary Resolution of a relevant Class of Debt shall be binding on all other Classes of Debt which are subordinate to such Class of Debt in the Post-Enforcement Priority of Payments and on the Residual Certificates, irrespective of the effect upon them. No Extraordinary Resolution of any other Class of Debt Holders or of the Certificateholders shall take effect for any purpose while the Most Senior Class of Debt remains outstanding unless it shall have been sanctioned by an Extraordinary Resolution of the holders of the Most Senior Class of Debt and, in the case of Residual Certificates, the holders of all Debt ranking in priority to the Residual Certificates in the applicable Priority of Payments, or the Note Trustee is of the opinion it would not be materially prejudicial to the interests of the holders of the Most Senior Class of Debt or, in the case of Residual Certificates, the holders of all Debt ranking in priority to the Residual Certificates in the applicable Priority of Payments.

The voting rights of the Certificateholders are limited to the extent that any Ordinary Resolution or Extraordinary Resolution of the Certificateholders is only effective if, while any Class of Debt remains outstanding, such resolution has been sanctioned by an Ordinary Resolution or Extraordinary Resolution, respectively, of the Most Senior Class of Debt and all other Classes of Debt then outstanding, or the Note Trustee is of the opinion it would not be materially prejudicial to the interests of the holders of the Most Senior Class of Debt and all other Classes of Debt then outstanding.

A Basic Terms Modification requires an Extraordinary Resolution of the holders of the relevant affected Class or Classes of Debt and/or the Residual Certificates then in issue, as applicable.

Subject to the provisions governing a Basic Terms Modification and the foregoing paragraphs, a resolution which, in the opinion of the Note Trustee, affects the interests of the holders of:

- (a) (i) any Class of Debt of one class only or (ii) the Residual Certificates shall be deemed to have been duly passed if passed at a meeting (or by a resolution in writing (or in the case of the Class A Loan Note, consent in writing) or, in respect of the Rated Notes only, by a resolution passed by way of consents received through the relevant Clearing System(s)) of the holders of (x) that Class of Debt so affected or (y) the Residual Certificates;
- (b) any two or more Classes of Debt, but does not give rise to an actual or

potential conflict of interest between the holders of such Classes of Debt, shall be deemed to have been duly passed if passed at a single meeting (or by a single resolution in writing (or in the case of the Class A Loan Note, consent in writing) or, in respect of the Rated Notes, by a single resolution passed by way of electronic consents received through the relevant Clearing System(s)) of the holders of each such Class of Notes; and

- (c) one or more Classes of Debt and/or the Residual Certificates, but does not give rise to an actual or potential conflict of interest between the holders of such Classes of Debt and/or the Residual Certificates, shall be deemed to have been duly passed if passed at a single meeting (or by a single resolution in writing (or in the case of the Class A Loan Note, consent in writing) or, in respect of the Rated Notes only, by a single resolution passed by way of consents received through the relevant Clearing System(s)) of the holders of such Classes of Notes so affected and/or the Residual Certificates.

Where such a resolution gives, or may give, rise to an actual or potential conflict of interest between the holders of such Classes of Debt and/or the Residual Certificates, it shall be deemed to have been duly passed only if passed at separate meetings (or by separate resolutions in writing (or in the case of the Class A Loan Note, consent in writing) or, in respect of the Rated Notes only, by separate resolutions passed by way of electronic consents received through the relevant Clearing System(s)) of the holders of each such Class of Debt so affected and/or Residual Certificates.

**"Clearing System"** means Euroclear and/or Clearstream, Luxembourg and includes in respect of any Rated Note any clearing system on behalf of which such Note is held or which is the holder or (directly or through a nominee) registered owner of a Rated Note, in either case whether alone or jointly with any other Clearing System(s).

**Relationship between Debt Holders and other Secured Creditors:**

So long as any of the Debt is outstanding, neither the Security Trustee nor the Note Trustee shall have regard to the interests of the other Secured Creditors.

So long as any of the Debt is outstanding, the Note Trustee will have regard to the interests of each class of the Debt Holders but, if in the Note Trustee's sole opinion, there is a conflict between the interests of any Classes of Debt it will have regard solely to the interests of the holders of the relevant affected Class of Debt ranking in priority to the other relevant Classes of Debt in the Post-Enforcement Priority of Payments and the holders of such subordinated Classes of Debt shall have no claim against the Note Trustee for so doing.

Where any Class of Debt is outstanding and there is a conflict between the interests of the Debt Holders, the Certificateholders and the other Secured Creditors, the Security Trustee will take into account the interests of the Debt Holders only in the exercise of its discretion. Where the Debt has been redeemed in full but Secured Obligations remain outstanding and there is a conflict between Certificateholders and the Secured Creditors (other than the Debt Holders and the Certificateholders), the Security Trustee will take into account the interests of the Certificateholders (and not the other Secured Creditors) only in the exercise of its discretion.

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

**Relevant Person as Debt Holder or Certificateholder:**

For certain purposes, including the determination as to whether Debt is deemed outstanding or Residual Certificates are deemed in issue, for the purposes of convening a meeting of Debt Holders or Certificateholders, the Debt or Residual Certificates (if any) which are for the time being held by or on behalf of or for the benefit of any member of the Together Group (each such entity a "**Relevant Person**"), in each case as beneficial owner, shall (unless and until ceasing to be so held) be deemed not to remain outstanding or in issue, except where all of the Debt of any Classes or all of the Residual Certificates are held by, or on behalf of, or for the benefit of, one or more Relevant Persons, in which case such Classes of Debt (the "**Relevant Class of Debt**") and such Residual Certificates shall be deemed to remain outstanding or in issue (as the case may be), except that, if there is any other Class of Debt ranking *pari passu* with, or junior to, the Relevant Class of Debt and one or more Relevant Persons are not the beneficial owners of all the Debt of such Class, then the Relevant Class of Debt shall be deemed not to remain outstanding and *provided that* in relation to a matter relating to a Basic Terms Modification any Debt or the Residual Certificates which are for the time being held by or on behalf of or for the benefit of a Relevant Person, in each case as beneficial owner, shall be deemed to remain outstanding or in issue, as applicable.

**Provision of Information to the Debt Holders and Certificateholders:**

The Cash Administrator on behalf of the Issuer will publish a monthly investor report detailing, among other things, certain aggregated loan file data and loan level information in relation to the Portfolio in respect of the relevant Collection Period, information in relation to the Debt including, but not limited to, the ratings of the Rated Debt, amounts paid by the Issuer pursuant to the relevant Priority of Payments, and confirmation of the Seller's compliance with (i) Article 6 of the UK Securitisation Regulation and (ii) Article 6 of the EU Securitisation Regulation (as required for the purposes of Article 5(1)(d) of the EU Securitisation Regulation) not taking into account any relevant national measures, as if it were applicable to it, but solely as such articles are interpreted and applied on the Closing Date (the "**Monthly Investor Report**"). Monthly Investor Reports will be published on the website of EuroABS at [www.euroabs.com](http://www.euroabs.com) on or around the Calculation Date.

In addition, the Seller (i) (as designated reporting entity for the purposes of Article 7 of the UK Securitisation Regulation) will provide (or will procure the provision of) certain information and reports required pursuant to the UK Securitisation Regulation and (ii) subject to certain conditions, has contractually agreed to provide (or to procure the provision of) certain information and reports required pursuant to the EU Securitisation Regulation as such requirements exist on the Closing Date, as more fully set out under "*Summary of the Key Transaction Documents – Cash Administration Agreement – Reporting under the UK Securitisation Regulation*" and "*General Information – UK Securitisation Regulation reporting*".

**Communication with Class A Loan Noteholders:**

Any notice to be given by the Issuer or the Note Trustee to Class A Loan Noteholders shall be given to them in the manner prescribed in the Class A Loan Note Agreement.

The Note Trustee shall be at liberty to sanction any method of giving notice to the

holders of the Class A Loan Note if, in its opinion, such method is reasonable having regard to market practice then prevailing and provided that advance notice of such other method is given to the holders of the Class A Loan Note in such manner as the Note Trustee shall deem appropriate

**Communication with Noteholders:**

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

- (a) Subject to paragraph (d) below, any notice to Noteholders shall be validly given if published in the *Financial Times*, or, if such newspaper shall cease to be published or, if timely publication therein is not practicable, in such other English newspaper or newspapers as the Note Trustee shall approve in advance having a general circulation in the United Kingdom, provided that if, at any time, (i) the Issuer procures that the information concerned in such notice shall appear on a page of the Reuters screen, the Bloomberg screen or any other medium for electronic display of data as may be previously approved in writing by the Note Trustee and notified to Noteholders (in each case a "**Relevant Screen**"), or (ii) paragraph (c) below applies and the Issuer has so elected, publication in the newspaper set out above or such other newspaper or newspapers shall not be required with respect to such notice.
- (b) In respect of Notes in definitive form, notices to Noteholders will be sent to them by first class post (or its equivalent) or (if posted to an address outside the United Kingdom) by airmail at the respective addresses on the Register. Any such notice will be deemed to have been given on the fourth day after the date of posting.
- (c) Whilst the Rated Notes are represented by Global Notes, notices to holders of the Rated Notes will be valid if published as described above, or, at the option of the Issuer, if submitted to Euroclear and/or Clearstream, Luxembourg for communication by them to holders of the Rated Notes. Any notice delivered to Euroclear and/or Clearstream, Luxembourg, as aforesaid shall be deemed to have been given on the day of such delivery.
- (d) So long as the relevant Notes are admitted to trading on, and listed on the official list of Euronext Dublin all notices to the Noteholders will be valid if published in a manner which complies with the rules and regulations of Euronext Dublin (which includes delivering a copy of such notice to Euronext Dublin) and any such notice will be deemed to have been given on the date sent to Euronext Dublin.

The Note Trustee shall be at liberty to sanction some other method where, in its sole opinion, the use of such other method would be reasonable having regard to market practice then prevailing and to the requirements of the stock exchanges, competent listing authorities and/or the quotation systems on or by which the Notes are then listed, quoted and/or traded and provided that advance notice of such other method is given to Noteholders in such manner as the Note Trustee shall require.

**Communication with Certificateholders:**

Any notice to a Certificateholder shall be validly given if sent to the email address of such Certificateholder as notified in writing to the Issuer from time to time.

The Note Trustee shall be at liberty to sanction some other method of giving notice to the Certificateholders if, in its sole opinion, such other method is reasonable having regard to market practice then prevailing and to the requirements of the stock exchanges, competent listing authorities and/or quotation systems on or by which the Residual Certificates are then listed, quoted and/or traded and provided that advance notice of such other method is given to the Certificateholders in such manner as the Note Trustee shall require.

## TRANSACTION OVERVIEW – CREDIT STRUCTURE AND CASHFLOW

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

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

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

- (a) all Revenue Receipts or, if in a Determination Period, any Calculated Revenue Receipts, in each case excluding any Reconciliation Amounts to be applied as Available Principal Receipts on that Interest Payment Date, received by the Issuer:
  - (i) during the immediately preceding Collection Period; or
  - (ii) if representing amounts received in respect of any repurchases of Mortgage Loans and their Collateral Security by the Seller pursuant to the Mortgage Sale Agreement, from but excluding the Collection Period Start Date immediately preceding the immediately preceding Interest Payment Date (or, in the case of the first Interest Payment Date, from and including the Closing Date) to and including the immediately preceding Collection Period Start Date;
- (b) interest payable to the Issuer on the Issuer Accounts and received in the immediately preceding Collection Period and income from any Authorised Investments to be received on or prior to the Interest Payment Date;
- (c) on each Interest Payment Date up to but excluding the Class A Redemption Date, the Class A Liquidity Reserve Fund Excess Amount (after first having applied such Class A Liquidity Reserve Fund Excess Amount to replenish (if required) the General Reserve Fund Ledger up to the General Reserve Fund Required Amount);
- (d) on the Class A Redemption Date, all amounts standing to the credit of the Class A Liquidity Reserve Fund Ledger (after first having applied any Class A Liquidity Reserve Fund Release Amount *firstly*, in meeting any Class A Liquidity Deficit against the relevant items in the Pre-Enforcement Revenue Priority of Payments in the order they appear in the Pre-Enforcement Revenue Priority of Payments and debiting such amount from the Class A Liquidity Reserve Fund Ledger and *secondly*, to replenish (if required) the General Reserve Fund Ledger up to

the General Reserve Fund Required Amount);

- (e) on each Interest Payment Date following a Determination Period, any Reconciliation Amounts deemed to be Available Revenue Receipts in accordance with Condition 6.8(c) (*Determinations and Reconciliation*);
- (f) amounts credited to the Deposit Account on the previous Interest Payment Date in accordance with item (v) of the Pre-Enforcement Revenue Priority of Payments;
- (g) amounts representing the Optional Purchase Price received by the Issuer upon sale of the Mortgage Loans and their Collateral Security comprising the Portfolio further to exercise of the Call Option;
- (h) other net income of the Issuer received during the immediately preceding Collection Period, excluding any Principal Receipts;
- (i) amounts (which would otherwise constitute Available Principal Receipts) determined to be applied as Available Revenue Receipts on the immediately succeeding Interest Payment Date in accordance with item (j) of the Pre-Enforcement Principal Priority of Payments; and
- (j) on the Final Redemption Date only, all amounts standing to the credit of the General Reserve Fund Ledger (after first having applied, without double counting, any Class A Liquidity Reserve Fund Release Amount in meeting any Class A Liquidity Deficit and then any General Reserve Fund Release Amount in meeting any Revenue Deficit against the relevant items in the Pre-Enforcement Revenue Priority of Payments in the order they appear in the Pre-Enforcement Revenue Priority of Payments and debiting such amounts from the Class A Liquidity Reserve Fund Ledger and/or the General Reserve Fund Ledger in accordance with the Pre-Enforcement Revenue Priority of Payments, in each case on such Final Redemption Date);

*less:*

- (k) amounts (which would otherwise constitute Revenue Receipts) applied from time to time during the immediately preceding Collection Period in making payment of certain monies which properly belong to third parties (including the Seller) such as (but not limited to):
  - (i) certain costs and expenses charged by the Servicer or the Replacement Servicer in respect of its servicing of the Mortgage Loans, other than the Servicing Fee and not otherwise covered by the items below;
  - (ii) payments of certain insurance premiums in

respect of the Insurance Policies (to the extent referable to the Mortgage Loans);

- (iii) amounts under a Direct Debit which are repaid to the bank making the payment if such bank is unable to recoup or recall such amount itself from its customer's account or is required to refund an amount previously debited; and
- (iv) any amount received from a Borrower for the express purpose of payment being made to a third party for the provision of a service to that Borrower,

(items within this item (k) being collectively referred to herein as "**Third Party Amounts**");

*less*

- (l) any tax payments paid or payable by the Issuer during the immediately preceding Collection Period to the extent not funded from amounts standing to the credit of the Issuer Profit Ledger.

**"Revenue Receipts"** means the net sum of all monies received in respect of any Mortgage Loan (excluding Principal Receipts), all interest on credit balances in the Issuer Accounts, all insurance monies received or recovered in respect of the Mortgage Loans and/or their related Collateral Security to which the Issuer is beneficially entitled (but only to the extent that such amounts are paid by way of compensation for amounts which would otherwise have constituted a Revenue Receipt) and all other revenues derived from the Issuer's business to which the Issuer is beneficially entitled (including, without limitation, the costs, fees and expenses payable by a Mortgagor to the extent the Issuer is reimbursed by such Borrower for and is beneficially entitled to, the same), any early repayment charges, any Application Fees (excluding, for the avoidance of doubt, any Collection Costs) and all other amounts in the nature of fees deposited in the Deposit Account in respect of any Mortgage Loan.

**"Available Principal Receipts"** means for any Interest Payment Date an amount equal to the aggregate of (without double counting):

- (a) all Principal Receipts or, if in a Determination Period, any Calculated Principal Receipts, in each case excluding an amount equal to any Reconciliation Amounts to be applied as Available Revenue Receipts on that Interest Payment Date, received by the Issuer during the immediately preceding Collection Period;
- (b) the amounts (if any) calculated on the Calculation Date preceding that Interest Payment Date pursuant to the Pre-Enforcement Revenue Priority of Payments, to be the amount by which the debit balance of each of the Class A



Principal Deficiency Sub-Ledger and/or the Class B Principal Deficiency Sub-Ledger and/or the Class C Principal Deficiency Sub-Ledger and/or the Class D Principal Deficiency Sub-Ledger and/or the Class E Principal Deficiency Sub-Ledger and/or the Class Z Principal Deficiency Sub-Ledger is to be reduced on that Interest Payment Date;

- (c) any amounts deemed to be Available Principal Receipts in accordance with item (t) of the Pre-Enforcement Revenue Priority of Payments (the "**Enhanced Amortisation Amounts**");
- (d) on each Interest Payment Date following a Determination Period, any Reconciliation Amounts deemed to be Available Principal Receipts in accordance with Condition 6.8(c) (*Determinations and Reconciliation*); and
- (e) (in respect of the first Interest Payment Date only) the amount paid into the Deposit Account on the Closing Date from the excess of the proceeds of the Rated Debt (other than the Class X Notes) over the Initial Purchase Price.

"**Principal Receipts**" means all principal received or recovered in respect of the Mortgage Loans and their related Collateral Security principal recovered upon enforcement of the related Collateral Security and the principal element of the purchase price or repurchase price paid to the Issuer on the disposal by it of one or more Mortgage Loans, and all insurance monies received or recovered in respect of the Mortgage Loans and their related Collateral Security to which the Issuer is beneficially entitled (but only to the extent that such amounts are paid by way of compensation for amounts which would otherwise have constituted Principal Receipts), other than any principal repayments comprising Optional Purchase Collections and the Optional Purchase Price received by the Issuer pursuant to the exercise of the Call Option.

"**Collection Period**" means the period commencing on (and including) a Collection Period Start Date and ending on (but excluding) the immediately following Collection Period Start Date except that the first Collection Period will commence on (and exclude) the Cut-Off Date and end on (and exclude) the Collection Period Start Date falling in August 2021.

"**Collection Period Start Date**" means the first calendar day of each calendar month, and the first Collection Period Start Date will be 1 May 2021.

**Summary of Payment Priorities:**

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

Pre-Enforcement Revenue  
Priority of Payments:

- (a) *Pro rata* and *pari passu* to amounts due to the Note Trustee and the

Pre-Enforcement Principal  
Priority of Payments:

- (a) Principal Addition to be applied to meet any

Post-Enforcement Priority of Payments:

- (a) *Pro rata* and *pari passu* to amounts due in respect of the Receiver, the Note Trustee and

|     |   |     |   |     |  |
|-----|---|-----|---|-----|--|
|     | Security Trustee and any Appointee thereof including charges, liabilities, fees, costs and expenses   |     | Senior Expenses Deficit   |     | the Security Trustee and any Appointee thereof including charges, liabilities, fees, costs and expenses  |
| (b) | <i>Pro rata and pari passu</i> to amounts due to the Agent Bank, the Registrar, the Paying Agents, the Cash Administrator, the Servicer, the Corporate Services Provider, the Standby Servicer, the Replacement Servicer, the Standby Cash Administrator Facilitator and the Issuer Account Bank, in each case including all fees and costs | (b) | <i>Pro rata and pari passu</i> to the principal amounts due on the Class A Loan Note until redeemed in full                                       | (b) | <i>Pro rata and pari passu</i> to amounts due in respect of the fees and costs of the Agent Bank, the Registrar, the Paying Agents, the Cash Administrator, the Servicer, the Corporate Services Provider, the Standby Servicer, the Replacement Servicer, the Standby Cash Administrator Facilitator and the Issuer Account Bank, in each case including all fees and costs |
|     |   | (c) | <i>Pro rata and pari passu</i> to the principal amounts due on the Class B Notes until redeemed in full   |     |  |
|     |   | (d) | <i>Pro rata and pari passu</i> to the principal amounts due on the Class C Notes until redeemed in full   | (c) | <i>Pro rata and pari passu</i> to the amounts of interest and principal due on the Class A Loan Note until redeemed in full  |
| (c) | <i>Pro rata and pari passu</i> to pay third party expenses (if any)   | (e) | <i>Pro rata and pari passu</i> to the principal amounts due on the Class D Notes until redeemed in full   | (d) | <i>Pro rata and pari passu</i> to the amounts of interest and principal due on the Class B Notes until redeemed in full  |
| (d) | Issuer Profit Amount  | (f) | <i>Pro rata and pari passu</i> to the principal amounts due on the Class E Notes until redeemed in full   | (e) | <i>Pro rata and pari passu</i> to the amounts of interest and principal due on the Class C Notes until redeemed in full  |
| (e) | <i>Pro rata and pari passu</i> to the interest due on the Class A Loan Note   |     |   | (f) | <i>Pro rata and pari passu</i> to the amounts of interest and principal due on the Class D Notes until redeemed in full  |
| (f) | Amounts to be credited to the Class A Liquidity Reserve Fund Ledger up to the Class A Liquidity Reserve Fund Required Amount  | (g) | Following the Optional Redemption Date, <i>pro rata and pari passu</i> to the principal amounts due on the Class X Notes until redeemed in full   | (g) | <i>Pro rata and pari passu</i> to the amounts of interest and principal due on the Class E Notes   |
| (g) | Amounts to be credited to the Class A Principal Deficiency Sub-Ledger   | (h) | On or after the Optional Redemption Date or on the Final Redemption Date, <i>pro rata and pari passu</i> to the interest due on the Class Z Notes | (h) | <i>Pro rata and pari passu</i> to the amounts of interest and principal due on the Class X Notes until redeemed in full  |
| (h) | <i>Pro rata and pari passu</i> to the interest due on the Class B Notes   |     |   | (i) | <i>Pro rata and pari passu</i> to the amounts of interest and principal due on the Class Z Notes until redeemed in full  |
| (i) | Amounts to be credited to the Class B Principal Deficiency Sub-Ledger   |     |   |     |  |
| (j) | <i>Pro rata and pari passu</i> to the interest due on the   | (i) | <i>Pro rata and pari passu</i> to the principal amounts due on the  |     |  |

|     |   |     |   |     |   |
|-----|---|-----|---|-----|---|
|     | Class C Notes   |     | Class Z Notes until redeemed in full                              | (j) | Issuer Profit Amount  |
| (k) | Amounts to be credited to the Class C Principal Deficiency Sub-Ledger   | (j) | All remaining amounts to be applied as Available Revenue Receipts | (k) | All remaining amounts to be applied as Residual Payments to the Certificateholders on a <i>pari passu</i> basis.  |
| (l) | <i>Pro rata</i> and <i>pari passu</i> to the interest due on the Class D Notes  |     |   |     | Notwithstanding the above, the Deed of Charge contains additional provisions in respect of the rights of the Original Class A Loan Noteholder under the Post-Enforcement Priority of Payments. See " <i>Cashflows – Distributions following the service of an Enforcement Notice on the Issuer</i> ". |
| (m) | Amounts to be credited to the Class D Principal Deficiency Sub-Ledger   |     |   |     |   |
| (n) | <i>Pro rata</i> and <i>pari passu</i> to the interest due on the Class E Notes  |     |   |     |   |
| (o) | Amounts to be credited to the Class E Principal Deficiency Sub-Ledger   |     |   |     |   |
| (p) | Amounts to be credited to the General Reserve Fund Ledger up to the General Reserve Fund Required Amount  |     |   |     |   |
| (q) | Amounts to be credited to the Class Z Principal Deficiency Sub-Ledger   |     |   |     |   |
| (r) | <i>Pro rata</i> and <i>pari passu</i> to the interest due on the Class X Notes  |     |   |     |   |
| (s) | Prior to the Optional Redemption Date, <i>pro rata</i> and <i>pari passu</i> to the principal amounts due on the Class X Notes until redeemed in full   |     |   |     |   |
| (t) | On the Final Redemption Date or on or after the Optional Redemption Date, an amount equal to the lesser of (i) all remaining amounts (if any) and (ii) the amount required by the Issuer to redeem the Debt in full less any other Available Principal Receipts |     |   |     |   |

otherwise available to the Issuer, to be applied as Available Principal Receipts

- (u) *Pro rata* and *pari passu* to the interest due on the Class Z Notes
- (v) On any Interest Payment Date falling within a Determination Period, all remaining amounts to be credited to the Deposit Account to be applied on the next Interest Payment Date as Available Revenue Receipts
- (w) All remaining amounts to be applied as Residual Payments to the Certificateholders on a *pari passu* basis

**General Credit Structure:**

The credit structure of the transaction includes the following elements:

- the availability of the General Reserve Fund to cover any shortfall of Available Revenue Receipts to pay senior expenses and interest on the Rated Debt (other than the Class X Notes) and to reduce any debit balance of the Principal Deficiency Sub-Ledgers relating to the Rated Debt. On each Interest Payment Date, an amount (if any) equal to the Reserve Fund Excess Amount will be debited from the General Reserve Fund and will be applied as Available Revenue Receipts on that Interest Payment Date.

See the section "*Credit Structure – General Reserve Fund and General Reserve Fund Ledger*";

- the availability of the Class A Liquidity Reserve Fund to cover any shortfall of Available Revenue Receipts to pay senior expenses and interest on the Class A Loan Note. On each Interest Payment Date, an amount (if any) equal to the Class A Liquidity Reserve Fund Excess Amount will be debited from the Class A Liquidity Reserve Fund and will be applied as Available Revenue Receipts on that Interest Payment Date (after first having applied such Class A Liquidity Reserve Fund Excess Amount to replenish (if required) the General Reserve Fund Ledger up to the General Reserve Fund Required Amount).

See the section "*Credit Structure – Class A Liquidity Reserve Fund and Class A Liquidity Reserve Fund Ledger*";

- a Principal Deficiency Ledger will be established to record as a debit any Losses on the Portfolio and Principal Addition Amounts and record as a credit Available Revenue Receipts applied as Available Principal Receipts (including any amounts in respect of Enhanced Amortisation Amounts) pursuant to the Pre-Enforcement Revenue Priority of Payments (if any). Investors should note that realised Losses in any period will be calculated after applying any recoveries following enforcement of a Mortgage Loan firstly to outstanding fees and interest amounts due and payable on the relevant Mortgage Loan. The Principal Deficiency Ledger will be credited by the amount of any Available Revenue Receipts applied as Available Principal Receipts in accordance with the relevant items of the Pre-Enforcement Revenue Priority of Payments.

See the section "*Credit Structure – Principal Deficiency Ledger*";

- on or after the Optional Redemption Date or on the Final Redemption Date, the availability of Enhanced Amortisation Amounts pursuant to item (t) of the Pre-Enforcement Revenue Priority of Payments, being any surplus Available Revenue Receipts having paid or provided for items of higher priority, which shall be applied as Available Principal Receipts in accordance with the Pre-Enforcement Principal Priority of Payments until the Debt has been redeemed in full. Any amount credited to the Principal Deficiency Ledger in respect of Enhanced Amortisation Amounts will be reduced to the extent of any future Losses arising in respect of the Portfolio; and
- the availability of Available Principal Receipts pursuant to item (a) of the Pre-Enforcement Principal Priority of Payments to cover any shortfall of Available Revenue Receipts, Class A Liquidity Reserve Fund Release Amounts or General Reserve Fund Release Amounts to pay senior expenses and interest on the Rated Debt (other than the Class X Notes). Any Available Principal Receipts applied as Principal Addition Amounts will be recorded as a debit to the Principal Deficiency Ledger.

See the section "*Credit Structure – Use of Available Principal Receipts to pay Senior Expenses Deficit*"; and

- the availability of interest provided by the Issuer Account Bank in respect of monies held in the Issuer Accounts and income from any Authorised Investments.

**Bank Accounts and Cash Administration:**

On the Closing Date the Issuer will enter into the Bank Account Agreement with the Issuer Account Bank in respect of the opening and maintenance of the Deposit Account.

The Issuer will open a deposit account (the "**Deposit Account**") pursuant to the Bank Account Agreement with the Issuer Account Bank on or prior to the Closing Date. The Issuer may from time to time open

additional or replacement accounts (including, if applicable, any securities accounts), pursuant to the Bank Account Agreement and the Transaction Documents (such accounts, together with the Deposit Account, the "**Issuer Accounts**").

On each Interest Payment Date, the Cash Administrator will transfer monies from the Deposit Account to be applied in accordance with the applicable Priority of Payments.

## TRANSACTION OVERVIEW – TRIGGERS TABLES

### Rating Triggers Table

| Transaction Party           | Required Ratings/Triggers   | Possible effects of Trigger being breached include the following:  |
|-----------------------------|---|--|
| <b>Issuer Account Bank:</b> | <p>(a) <b>DBRS:</b> the higher of (a) a long term critical obligations rating of at least "A (high)" by DBRS or (b) a long-term unsecured, unguaranteed and unsubordinated debt rating of "A" by DBRS (either by way of a public rating or, in its absence, by way of a private rating supplied by DBRS), provided that if the Issuer Account Bank is not rated by DBRS, a DBRS Equivalent Rating at least equal to "A" by DBRS.</p> <p>(b) <b>S&amp;P:</b> a short-term unsecured, unguaranteed and unsubordinated debt rating of at least A-1 by S&amp;P (if a short-term unsecured, unguaranteed and unsubordinated debt rating is assigned by S&amp;P) and a long-term unsecured, unguaranteed and unsubordinated debt rating of at least A by S&amp;P, or should the Issuer Account Bank not benefit from a short-term unsecured, unguaranteed and unsubordinated debt rating of at least A-1 from S&amp;P, a long-term unsecured, unguaranteed and unsubordinated debt rating of at least A+ by S&amp;P,</p> <p>or, failing which, in each case such other ratings that are consistent with the then current rating methodology of the Rating Agencies as being the minimum ratings that are required to support the then current ratings of the Rated Debt (each, the "<b>Account Bank Rating</b>" and together, the "<b>Account Bank Ratings</b>").</p> | <p>If the Issuer Account Bank fails to maintain any of the Account Bank Ratings, then the Issuer (with the assistance of the Cash Administrator) shall, within 30 calendar days of such downgrade:</p> <p>(a) close the Issuer Accounts with such Issuer Account Bank and use all reasonable endeavours to open replacement accounts with a financial institution (i) having the Account Bank Ratings and (ii) which is a bank as defined in Section 991 of the Income Tax Act 2007; or</p> <p>(b) use all reasonable endeavours to obtain a guarantee of the obligations of such Issuer Account Bank under the Bank Account Agreement from a financial institution which has the Account Bank Ratings; or</p> <p>(c) take any other reasonable action as the Rating Agencies may agree will not result in a downgrade of the Rated Debt,</p> <p>in each case as prescribed in the Bank Account Agreement, and transfer amounts standing to the credit of relevant Issuer Accounts and all Ledgers on the relevant Issuer Accounts to the replacement Issuer</p> |

| Transaction Party               | Required Ratings/Triggers   | Possible effects of Trigger being breached include the following:<br>Accounts.  |
|---------------------------------|---|---|
| <b>Collection Account Bank:</b> | <p>In respect of any Collection Accounts, any two of:</p> <p>(a) <b>DBRS:</b> the higher of (a) a long term critical obligations rating of at least "BBB" by DBRS or (b) a long-term unsecured, unguaranteed and unsubordinated debt rating of at least "BBB" (low) by DBRS (either by way of a public rating or, in its absence, by way of a private rating supplied by DBRS), provided that if the Collection Account Bank is not rated by DBRS, a DBRS Equivalent Rating at least equal to "BBB" (low) by DBRS; and</p> <p>(b) <b>S&amp;P:</b> (a) a short-term unsecured, unguaranteed and unsubordinated debt rating of at least A-2 by S&amp;P (if a short-term unsecured, unguaranteed and unsubordinated debt rating is assigned by S&amp;P) and a long-term unsecured, unguaranteed and unsubordinated debt rating of at least BBB by S&amp;P, or should the Collection Account Bank not benefit from a short-term unsecured, unguaranteed and unsubordinated debt rating of at least A-2 by S&amp;P or (b) long-term unsecured, unguaranteed and unsubordinated debt rating of at least BBB+ by S&amp;P,</p> <p>or, failing which, in each case such other ratings that are consistent with the then current rating methodology of the Rating Agencies as being the minimum ratings that are required to support the then current ratings of the Rated Debt (each, the "<b>Collection Account Bank Rating</b>" and together, the "<b>Collection Account Bank Ratings</b>").</p> | <p>If the rating of the Collection Account Bank falls below the Collection Account Bank Rating and there exists a financial institution having a rating of at least the Collection Account Bank Rating and which is a bank as defined in Section 991 of the Income Tax Act 2007, the Servicer shall assist the Seller (or any other entity which may then hold legal title to the Mortgage Loans and their Collateral Security), and the Seller (or any other entity which may then hold legal title to the Mortgage Loans and their Collateral Security) shall, as soon as reasonably practicable (such time period to be not more than 35 calendar days) following such occurrence:</p> <p>(a) open a replacement collection account in the name of the Seller with a financial institution:</p> <p>(i) having a rating of at least the Collection Account Bank Rating;</p> <p>(ii) approved in writing by the Issuer and the Security Trustee; and</p> <p>(iii) which is a bank as defined in Section 991 of the Income Tax Act 2007; or</p> <p>(b) obtain an unconditional and unlimited guarantee of the obligations of the Collection Account Bank from a financial institution having the Collection Account Bank Rating; or</p> <p>(c) take any other action as the Rating Agencies may agree</p> |



**Transaction Party      Required Ratings/Triggers**

**Possible effects of Trigger being breached include the following:**  
will not result in a downgrade of the Rated Debt.

## Non-Rating Triggers Table

### Perfection Events:

Prior to the completion of the transfer of legal title of the Mortgage Loans to the Issuer, the Issuer will be subject to certain risks as set out in the risk factor entitled "*The Seller to initially retain legal title to the Mortgage Loans and risks relating to set-off*" in the section entitled "*Risk Factors – Risks relating to the underlying assets*". Completion of transfer of the legal title of the Mortgage Loans by the Seller to the Issuer will be completed after the earliest to occur of the following:

- (a) the occurrence of an Insolvency Event in relation to the Seller;
- (b) the Seller being required to perfect legal title to the Mortgage Loans:
  - (i) by law;
  - (ii) by an order of a court of competent jurisdiction; or
  - (iii) by a regulatory authority which has jurisdiction over the Seller;
- (c) the Seller calling for perfection by serving notice in writing to that effect on the Issuer and the Security Trustee;
- (d) the occurrence of a Servicer Termination Event where:
  - (i) servicing has not been moved to another servicer within the Together Group following the expiry of all applicable grace periods; or
  - (ii) where no replacement servicer has been appointed in accordance with the Servicing Deed;
- (e) the security created under or pursuant to the Deed of Charge or any material part of that security being, in the opinion of the Security Trustee (acting reasonably), in jeopardy;
- (f) the delivery of an Enforcement Notice by the Note Trustee on the Issuer; or
- (g) it becoming unlawful in any applicable jurisdiction for the Seller to hold legal title in respect of any Mortgage Loan or its Collateral Security in the Portfolio.

If the Mortgage Loans and their Collateral Security are sold pursuant to the exercise of the Call Option, the Issuer or (if at the time the Call Option is exercised the Issuer does not hold the Whole Legal Title) the Seller, upon receipt of a direction from the Issuer and at the sole cost and expense of the Issuer, shall promptly transfer the Whole Legal Title in the Mortgage Loans and their Collateral Security comprising the Portfolio to the Legal Title Transferee(s).

Following a Perfection Event, legal title may be transferred to the Issuer (or as it may direct) and formal notice of a legal transfer, assignment, conveyance or assignation (as the case may require) of each Mortgage Loan and its Collateral Security will be given to each relevant Borrower.

**Servicer Termination Events:**

The Issuer (with the written consent of the Security Trustee) and/or (after the delivery of an Enforcement Notice) the Security Trustee itself may, at once or at any time thereafter while such event continues, by notice in writing to the Servicer (with a copy to the Standby Servicer and (if applicable) the Security Trustee), terminate the Servicer's appointments under the Servicing Deed if any of the following events (each a "Servicer Termination Event") occurs and is continuing:

- (a) the Servicer defaults in the payment on the due date of any payment due and payable by it under the Servicing Deed and such default continues unremedied:
  - (i) where the failure to pay has arisen other than as a result of a Disruption Event, for a period of 5 Business Days after the earlier of the Servicer becoming aware of the relevant default or the receipt by such Servicer (with a copy to the Standby Servicer) of written notice from the Issuer or (after the delivery of an Enforcement Notice) the Security Trustee, as the case may be, requiring the same to be remedied; or
  - (ii) where the failure to pay has arisen as a result of a Disruption Event, following the cessation of the Disruption Event or, if earlier, 30 Business Days following the Servicer becoming aware of the relevant default and receipt by such Servicer (with a copy to the Standby Servicer) of written notice from the Issuer or (after the delivery of an Enforcement Notice) the Security Trustee (with a copy to the Standby Servicer) requiring the same to be remedied;
- (b) the Servicer defaults in the performance or observance of any of its other covenants and obligations under the Servicing Deed, which failure in the reasonable opinion of the Issuer (prior to the delivery of an Enforcement Notice) or the opinion of the Note Trustee (after the delivery of an Enforcement Notice) as notified to the Security Trustee, is materially prejudicial to the interests of the Debt Holders, and the Servicer does not remedy that failure within 30 Business Days after the earlier of it becoming aware of the failure or of receipt by it of written notice from the Issuer or (after the delivery of an Enforcement Notice) the Security Trustee (with a copy to the Standby Servicer) requiring such Servicer's non-compliance to be remedied; or
- (c) an Insolvency Event occurs in relation to the Servicer;
- (d) the Servicer ceasing to carry on the whole of its business or ceases to carry on the whole or substantially the whole of its

business servicing loans secured on residential, commercial and mixed-use properties; or

- (e) it becomes unlawful in any applicable jurisdiction for the Servicer to perform any of its obligations as contemplated by the Servicing Deed provided that this does not result or arise from compliance by it with any instruction from the Issuer or the Security Trustee.

The Servicer may also resign upon giving not less than three months' written notice to the Issuer, the Security Trustee and the Standby Servicer provided that, *inter alia* (i) (if the Rated Debt remains outstanding) such resignation has no adverse effect on the then current ratings of the Rated Debt unless the Security Trustee or the holders of the Rated Debt, (the holders of the Rated Debt acting by way of Extraordinary Resolution) agree otherwise; and (ii) a substitute servicer has been appointed in respect of the Servicer by the Issuer, subject to the prior written consent of the Security Trustee and such appointment to be effective not later than the date of such termination.

The resignation of the Servicer is conditional on, *inter alia* a substitute servicer assuming and performing all the material duties and obligations of the Servicer.

See "*Summary of the Key Transaction Documents – Servicing Deed*".

## TRANSACTION OVERVIEW – FEES

The following table sets out the ongoing fees to be paid by the Issuer to the Transaction Parties.

| Type of Fee               | Amount of Fee   | Priority in Cashflow                                     | Frequency  |
|---------------------------|---|--|--|
| Servicing fees.           | 0.25 per cent. per annum (inclusive of VAT) on the aggregate Principal Balance of the relevant Mortgage Loans in the Portfolio as determined as at the close of business on the Calculation Date in respect of the immediately preceding Collection Period (the " <b>Servicing Fee</b> ").  | Ahead of all outstanding Debt and Residual Certificates. | Monthly in arrear on each Interest Payment Date. |
| Standby Servicer fees.    | <p>£22,500.00 per annum (exclusive of VAT) (the "<b>Annual Standby Servicer Fee</b>").</p> <p>In consideration of the Standby Servicer entering into the Standby Servicing Agreement, the Issuer shall pay to the Standby Servicer a set-up fee of £20,000.00 (exclusive of VAT), plus properly incurred fees.</p> <p>If an Invocation Notice is served, the Issuer shall pay to the Standby Servicer a fee of £145,000.00 (exclusive of VAT) on the date of the Invocation Notice.</p> | Ahead of all outstanding Debt and Residual Certificates. | Monthly in arrear on each Interest Payment Date. |
| Replacement Servicer fees | If an Invocation Notice is served on the Standby Servicer, a primary servicing fee of 0.23 per cent. per annum (exclusive of VAT) calculated on the average Principal Balance of all the Mortgage Loans serviced by the Replacement Servicer as determined during the immediately preceding Interest Period and an additional special servicing fee of 0.35 per cent. per annum (exclusive of VAT)  | Ahead of all outstanding Debt and Residual Certificates. | Monthly in arrear on each Interest Payment Date. |

| Type of Fee   | Amount of Fee   | Priority in Cashflow  | Frequency   |
|---|---|---|---|
|   | <p>calculated on the average Principal Balance of the relevant Mortgage Loans in the Portfolio in arrears* during the immediately preceding Interest Period, and any additional service costs for certain activities undertaken by the Replacement Servicer in the primary servicing of the Mortgage Loans as set out in the Replacement Servicing Agreement (the "<b>Replacement Servicing Fee</b>").</p> <p>*For the avoidance of doubt, COVID-19 Payment Deferral Mortgage Loans will not be treated as "in arrears" (or further "in arrears") or be subject to a debt restructuring process for the purpose of calculating the Replacement Servicing Fee.</p> |   |   |
| <p>Other fees and expenses of the Issuer (including tax and audit costs).</p> | <p>Estimated at £52,500 each year (exclusive of VAT, where so provided in the relevant Transaction Document).</p>   | <p>Ahead of all outstanding Debt and Residual Certificates.</p> | <p>Monthly in arrear on each Interest Payment Date.</p> |
| <p>Expenses related to the admission to trading of the Notes.</p>             | <p>Estimated at €13,000 (based on 6 classes listing) (exclusive of VAT).</p>  | <p>Ahead of all outstanding Debt and Residual Certificates.</p> | <p>On or about the Closing Date.</p>                    |

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

## CERTAIN REGULATORY REQUIREMENTS

### *Securitisation Regulation*

In this Prospectus:

- (a) “**UK Securitisation Regulation**” means Regulation (EU) 2017/2402 as it forms part of domestic law by virtue of the EUWA, including the Securitisation (Amendment) (EU Exit) Regulations 2019, as amended, varied, superseded or substituted from time to time and any relevant binding technical standards, regulations, instruments, rules, policy statements, guidance, transitional relief or other implementing measures of the FCA, the Bank of England, the PRA, the Pensions Regulator or other relevant UK regulator (or their successor) in relation thereto;
- (b) “**Reporting Entity**” means the Seller in its capacity as the designated reporting entity for the purposes of Article 7(2) of the UK Securitisation Regulation;
- (c) “**UK Article 7 ITS**” means Commission Implementing Regulation (EU) 2020/1225 as it forms part of domestic law by virtue of the EUWA, including any relevant legislation, instruments, rules, policy statements, guidance, transitional relief or other implementing measures of the FCA, the Bank of England, the PRA, the Pensions Regulator or other relevant UK regulator (or their successor) in relation thereto;
- (d) “**UK Article 7 RTS**” means Commission Delegated Regulation (EU) 2020/1224 as it forms part of domestic law by virtue of the EUWA, including any relevant legislation, instruments, rules, policy statements, guidance, transitional relief or other implementing measures of the FCA, the Bank of England, the PRA, the Pensions Regulator or other relevant UK regulator (or their successor) in relation thereto;
- (e) “**UK Article 7 Technical Standards**” means the UK Article 7 RTS and the UK Article 7 ITS;
- (f) “**UK CRR**” means Regulation (EU) No 575/2013 as it forms part of domestic law by virtue of the EUWA, including any applicable regulations, rules, guidance or other implementing measures of the FCA, the Bank of England or the PRA (or their successor) in relation thereto;
- (g) “**FCA**” means the Financial Conduct Authority;
- (h) “**PRA**” means the Prudential Regulation Authority;
- (i) “**EU Securitisation Regulation**” means Regulation (EU) 2017/2402, as amended, including (i) relevant regulatory and/or implementing technical standards or delegated regulation (including any applicable transitional provisions); and/or (ii) any relevant guidance and policy statements in relation thereto published by the EBA, the ESMA, the EIOPA (or their successor) and/or the European Commission;
- (j) “**EBA**” means the European Banking Authority;
- (k) “**EIOPA**” means the European Insurance and Occupational Pensions Authority;
- (l) “**EUWA**” means the European Union (Withdrawal) Act 2018 (as amended by the European Union (Withdrawal Agreement) Act 2020) as amended, varied, superseded or substituted from time to time;

- (m) “**EU Article 7 ITS**” means Commission Implementing Regulation (EU) 2020/1225226 including any relevant guidance and policy statements in relation thereto published by the EBA, the ESMA, the EIOPA (or their successor) or by the European Commission;
- (n) “**EU Article 7 RTS**” means Commission Delegated Regulation (EU) 2020/1224227 including any relevant guidance and policy statements in relation thereto published by the EBA, the ESMA, the EIOPA (or their successor) or by the European Commission; and
- (o) “**EU Article 7 Technical Standards**” mean the EU Article 7 RTS and the EU Article 7 ITS.

### ***Risk Retention***

Save as described in the paragraph below in respect of the EU Retention Requirement, the Seller, as originator for the purposes of (i) the UK Securitisation Regulation and (ii) the EU Securitisation Regulation as if it were applicable to it (the “**Retention Holder**”), will on an ongoing basis retain a material net economic interest of not less than 5 per cent. in the securitisation in accordance with (i) Article 6(1) of the UK Securitisation Regulation (the “**UK Retention Requirement**”) and (ii) Article 6 of the EU Securitisation Regulation (as required for the purposes of Article 5(1)(d) of the EU Securitisation Regulation) not taking into account any relevant national measures, as if it were applicable to it, but solely as such articles are interpreted and applied on the Closing Date (the “**EU Retention Requirement**” and, together with the UK Retention Requirement, the “**Retention Requirements**”). As at the Closing Date, such interest will comprise the Seller holding an interest in the first loss tranche and other tranches having the same or a more severe risk profile than those transferred or sold to investors, represented in this case by the retention by the Seller of an interest in the Class Z Notes in accordance with the text of (i) Article 6(3)(d) of the UK Securitisation Regulation (the “**UK Retained Interest**”) and (ii) Article 6(3)(d) of the EU Securitisation Regulation (as required for the purposes of Article 5(1)(d) of the EU Securitisation Regulation) not taking into account any relevant national measures, as if it were applicable to it, but solely as such articles are interpreted and applied on the Closing Date (the “**EU Retained Interest**” and together with the UK Retained Interest, the “**Retained Interest**”).

Notwithstanding the above, prospective investors should note that in respect of the EU Retention Requirement:

- the obligation of the Seller to comply with the EU Retention Requirement is strictly contractual pursuant to the terms of the Mortgage Sale Agreement and applies with respect to Article 6 of the EU Securitisation Regulation (as required for the purposes of Article 5(1)(d) of the EU Securitisation Regulation) not taking into account any relevant national measures, as such articles are interpreted and applied on the Closing Date only, until such time when the Seller is able to certify to the Issuer and the Note Trustee that a competent EU authority has confirmed that the satisfaction of the UK Retention Requirement will also satisfy the EU Retention Requirement due to the application of an equivalency regime or similar analogous concept; and
- the Seller will be under no obligation to comply with any amendments to applicable EU technical standards, guidance or policy statements introduced in relation thereto after the Closing Date,

the “**EU Retained Interest Conditions**”.

Any change to the manner in which the Retained Interest is held will be notified to Debt Holders and Certificateholders in accordance with the Conditions and Residual Certificates Conditions (as applicable) and the requirements of the UK Securitisation Regulation. The Retention Holder’s Retained Interest will be confirmed through disclosure in the Quarterly UK SR Investor Report.

The Seller will undertake to the Issuer and the Note Trustee in the Mortgage Sale Agreement that, subject to the EU Retained Interest Conditions, for so long as any Rated Debt remains outstanding, it will:



- (a) retain the Retained Interest in accordance with the applicable Retention Requirements;
- (b) confirm its Retained Interest through disclosure in (in respect of the UK Retained Interest) the Quarterly UK SR Investor Reports and (in respect of the EU Retained Interest) the Quarterly EU SR Investor Reports (or, in each case, in such other manner as the Seller may determine in compliance with the applicable Retention Requirements, with the consent of the Note Trustee);
- (c) not change the manner in which it retains the Retained Interest from the Closing Date, except to the extent permitted in accordance with the applicable Retention Requirements (and any such change will be promptly notified to the Note Trustee (on behalf of the Debt Holders));
- (d) not enter into any credit risk mitigation, short position or any other hedge or sale with respect to the Retained Interest, except to the extent permitted in accordance with the applicable Retention Requirements; and
- (e) promptly notify the Issuer and the Note Trustee (on behalf of the Debt Holders and the Certificateholders) if for any reason it (i) ceases to hold the Retained Interest in accordance with the applicable Retention Requirements or (ii) otherwise fails to comply with its undertakings in paragraphs (a) to (d) above.

### ***Transparency and reporting***

#### *Designation of the Reporting Entity*

For the purposes of Article 7(2) of the UK Securitisation Regulation, Together Commercial Finance Limited, as originator, has been designated as the reporting entity (the “**Reporting Entity**”) and has accepted such appointment.

As the Reporting Entity, it will fulfil the requirements of Article 7 of the UK Securitisation Regulation either itself or shall procure that such requirements are fulfilled on its behalf.

In addition, subject to certain conditions, the Seller has contractually agreed to provide (or to procure the provision of) certain information and reports required pursuant to Article 7 of the EU Securitisation Regulation as such requirements exist solely on the Closing Date.

See the section entitled “*General Information*” for further information.

#### *Reporting under the UK Securitisation Regulation and general investor reporting*

The Reporting Entity has made available, prior to pricing, information required by Article 7(1)(b) of the UK Securitisation Regulation to the extent such information has been requested by a potential investor.

The Seller (as the Reporting Entity) will undertake in the Mortgage Sale Agreement that it will procure that certain information and reports, as more fully set out in the sections entitled “*General Information – General investor reporting*” and “*General Information – UK Securitisation Regulation reporting*” are published with the frequency and in the manner set out in such section.

#### *Credit granting standards*

The Seller has represented in the Mortgage Sale Agreement that in respect of the Mortgage Loans (i) the criteria applied by it in the credit-granting for the Mortgage Loans were as sound and well-defined as the criteria applied to mortgage loans advanced by it but not securitised and the same clearly established processes for approving and, where relevant, amending, renewing and refinancing the Mortgage Loans have been and will be applied; and (ii) it has effective systems in place to apply those criteria and processes to

ensure that (in the manner described in the next paragraph below) the Mortgage Loans have been granted based on a thorough assessment of each Borrower's creditworthiness (taking appropriate account of factors relevant to verifying the prospect of the Borrower meeting his/her obligations under each relevant Mortgage Loan Agreement), all as contemplated by Article 9(1) of the UK Securitisation Regulation.

For these purposes, '*thorough assessment of each obligor's creditworthiness*' refers to the assessment and verification by the Seller (acting in accordance with the standards of a Prudent Mortgage Lender) of the prospect of the relevant Borrower meeting his/her obligations under the relevant Mortgage Loan, being in relation to the payment of any amounts due under the relevant Mortgage Loan, an assessment of the Borrower's income, expenditure (where applicable) and credit history and carrying out relevant security checks and a Dow Jones review, Equifax credit search and CIFAS review, in each case, solely to the extent required by and in accordance with the Seller's lending standards at the relevant time.

#### *No self-certified Mortgage Loans*

The UK Securitisation Regulation provides for a ban on the securitisation of residential mortgage loans made after 20 March 2014, which have been marketed and underwritten on the premise that the loan applicant or, where applicable, intermediaries were made aware that the information provided by the loan applicant might not be verified by the lender (**Self-Certified Mortgage Loans**). The Seller has represented in the Mortgage Sale Agreement that none of the Mortgage Loans in the Portfolio are Self-Certified Mortgage Loans.

#### *Adverse selection*

The Seller has represented in the Mortgage Sale Agreement that it has not selected Mortgage Loans to be sold to the Issuer with the aim of rendering losses on the Mortgage Loans sold to the Issuer, measured over a period of four years, higher than the losses over the same period on comparable assets held on the balance sheet of the Seller.

#### *Debt is not part of a re-securitisation*

The Debt is not part of a securitisation of one or more exposures where at least one of the underlying exposures is a securitisation position.

#### *Investors to assess compliance*

Each prospective investor is required to independently assess and determine the sufficiency of the information described above and in this Prospectus generally for the purposes of complying with Article 5 of the UK Securitisation Regulation or Article 5 of the EU Securitisation Regulation. None of the Issuer, the Seller, the Arranger, the Lead Manager, the Note Trustee, the Security Trustee or any of the other Transaction Parties makes any representation that the information described above or elsewhere in this Prospectus is sufficient in all circumstances for such purposes.

Prospective investors should note that the obligation of the Seller to comply with the EU Retention Requirement is strictly contractual pursuant to the terms of the Mortgage Sale Agreement and solely applies with respect to Article 6 of the EU Securitisation Regulation (as required for the purposes of Article 5(1)(d) of the EU Securitisation Regulation) not taking into account any relevant national measures, as such articles are interpreted and applied solely on the Closing Date. Although, as at the date of this Prospectus, the UK Retention Requirement largely mirrors the EU Retention Requirement, prospective investors should note that future divergence between the EU and UK regimes cannot be ruled out. Prospective investors should note that there can be no assurance that the UK Retained Interest and the EU Retained Interest (in each case, as described in this Prospectus) will be adequate for any prospective institutional investors to comply with due diligence obligations applicable under the EU Securitisation Regulation.

Further, prospective investors should note that the obligation of the Seller to provide or procure the provision of certain information and reports in accordance with Article 7 of the EU Securitisation Regulation is strictly contractual pursuant to the terms of the Mortgage Sale Agreement and/or the Cash Administration Agreement and solely applies with respect to Article 7 of the EU Securitisation Regulation (as required for the purposes of Article 5(1)(e) of the EU Securitisation Regulation) not taking into account any relevant national measures, as such articles are interpreted and applied solely on the Closing Date. Although, as at the date of this Prospectus, the UK Article 7 Technical Standards largely mirror the EU Article 7 Technical Standards, prospective investors should note that future divergence between the EU and UK regimes cannot be ruled out. Prospective investors should note that there can be no assurance that the information in this Prospectus or to be made available to investors in accordance with the UK Securitisation Regulation (or, where applicable, the EU Securitisation Regulation) will be adequate for any prospective institutional investors to comply with due diligence obligations applicable under the EU Securitisation Regulation.

#### *STS designation impacts on regulatory treatment of the Debt*

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

The designation as a UK STS Securitisation impacts on the potential ability of the Debt to achieve better or more flexible regulatory treatment from the perspective of the applicable UK regulatory regimes, such as the prudential regulation of UK CRR firms and UK Solvency II firms.

The Debt is not intended to be designated as a UK STS Securitisation for the purposes of the UK Securitisation Regulation or an EU STS securitisation for the purpose of the EU Securitisation Regulation.

Prospective investors are themselves responsible for analysing their own regulatory position, and should consult their own advisers in this respect and should consider (and where appropriate, take independent advice on) the consequence from a regulatory perspective of the Debt not being considered an STS securitisation in the EU or the UK, including (but not limited to) that the lack of such designation may negatively affect the regulatory position of, and the capital charges on, the Debt and, in addition, have a negative effect on the price and liquidity of the Debt in the secondary market.

Please refer to the Risk Factors entitled “*Regulatory initiatives may have an adverse impact on the regulatory treatment of the Debt and/or decrease liquidity in respect of the Debt*” and “*Non-compliance with the securitisation regulation regimes in the UK and/or the EU, as applicable, may have an adverse impact on the regulatory treatment of the Debt and/or decrease liquidity of the Debt*” for further information on the implications of the UK Securitisation Regulation, the EU Securitisation Regulation and certain other related matters.

#### ***CRA Regulation***

Prospective investors are responsible for ensuring that an investment in the Debt or Residual Certificates is compliant with all applicable investment guidelines and requirements and in particular any requirements relating to ratings. In this context, prospective investors should note the provisions of Regulation 462/2013 (EU) which amends Regulation (EC) 1060/2009 on Credit Rating Agencies (together, “**CRA Regulation**”) which became effective on 20 June 2013.

In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes in the EEA, unless such ratings are issued by a credit rating agency established in the EEA and registered under the CRA Regulation (and such registration has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). Such general restriction will also apply in the case of credit ratings issued by third country non-EEA credit rating agencies, unless the relevant credit

ratings are endorsed by an EEA-registered credit rating agency or the relevant third country rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances).

The list of registered and certified rating agencies published by the European Securities and Markets Authority (ESMA) on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list.

Investors regulated in the UK are subject to similar restrictions under the UK CRA Regulation. The UK CRA Regulation may require, among other things, issuers or related third parties intending to solicit a credit rating of a structured finance instrument to appoint at least two credit rating agencies to provide credit ratings independently of each other. As such, UK regulated investors are required to use, for UK regulatory purposes ratings issued by a credit rating agency established in the UK and registered under the UK CRA Regulation. In the case of ratings issued by third country non-UK credit rating agencies, third country credit ratings can either be: (a) endorsed by a UK registered credit rating agency; or (b) issued by a third country credit rating agency that is certified in accordance with the UK CRA Regulation. Note this is subject, in each case, to (a) the relevant UK registration, certification or endorsement, as the case may be, not having been withdrawn or suspended, and (b) transitional provisions that apply in certain circumstances. In the case of third country ratings, for a certain limited period of time, transitional relief accommodates continued use for regulatory purposes in the UK, of existing pre-2021 ratings, provided the relevant conditions are satisfied. Additionally, the UK CRA Regulation requires certain additional disclosure to be made in respect of structured finance transactions. The credit ratings included or referred to in this Prospectus are expected to be issued by DBRS and S&P, each of which is established in the UK and is registered under the UK CRA Regulation.

The rating DBRS is expected to give to the Rated Debt is endorsed by DBRS Ratings GmbH, which is a credit rating agency established in the EU. The rating S&P has given to the Rated Debt is endorsed by S&P Global Ratings Europe Limited, which is a credit rating agency established in the EU.

Each of DBRS Ratings GmbH and S&P Global Ratings Europe Limited is included in the list of credit rating agencies published by ESMA on its website (at <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>) in accordance with the CRA Regulation.

### ***Legal considerations may restrict certain investments***

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

## WEIGHTED AVERAGE LIVES OF THE DEBT

The term "**weighted average life**" (or "**WALs**") refers to the average amount of time that will elapse from the date of issuance of a security to the date of distribution to the relevant investor of amounts sufficient to fully repay principal in respect of such security (assuming no losses on the Mortgage Loans and weighted by the principal amortisation of the Debt on each Interest Payment Date). The weighted average lives of the Debt will be influenced by, among other things, the actual rate of repayment of the Mortgage Loans in the Portfolio. In addition, the weighted average lives of the Debt, should they not be called on or after the Optional Redemption Date, will be influenced by, *inter alia*, the amount of Available Revenue Receipts used as Enhanced Amortisation Amounts in accordance with item (t) of the Pre-Enforcement Revenue Priority of Payments.

The actual weighted average lives of the Debt cannot be stated, as the ultimate rate of prepayment of the Mortgage Loans and a number of other relevant factors are unknown. However, calculations of the possible average lives of the Debt can be made based on certain assumptions.

The following tables were prepared based on the characteristics of the mortgage loans included in the Provisional Portfolio, the provisions of the Conditions and Residual Certificates Conditions (as applicable), and the following additional assumptions (the "**Modelling Assumptions**"). The Class X Notes and the Class Z Notes will be repaid in accordance with the relevant Priority of Payments.

### Modelling Assumptions:

- (a) the Issuer exercises its option to redeem the Debt on the Optional Redemption Date, in the first scenario, or the Issuer does not exercise its option to redeem the Debt on or after the Optional Redemption Date, in the second scenario;
- (b) the Mortgage Loans are assumed to amortise in accordance with the assumed prepayment rate of between 0 per cent. and 30.00 per cent. per annum (for the avoidance of doubt, excluding scheduled payments) indicated in the table below;
- (c) the Debt is issued on 8 June 2021 and all payments on the Debt are received on the 20<sup>th</sup> day of each calendar month in each year (or, if such day is not a Business Day, on the immediately succeeding Business Day unless it would thereby fall into the next calendar month in which event it shall be bought forward to the immediately preceding Business Day), with the first Interest Payment Date falling on 20 August 2021;
- (d) the Principal Amount Outstanding of the Debt as at the Closing Date is, in respect of the Class A Loan Note 79.75 per cent. and, in respect of the Class B Notes 5.50 per cent and, in respect of the Class C Notes 4.25 per cent and, in respect of the Class D Notes 3.90 per cent and, in respect of the Class E Notes 3.60 per cent and, in respect of the Class X Notes 5.50 per cent and, in respect of the Class Z Notes 5.00 per cent, of the aggregate Principal Balance of the Mortgage Loans on the Closing Date;
- (e) the Call Option is exercised once the aggregate Principal Balance of the Mortgage Loans is equal to or less than 10 per cent. of the aggregate Principal Amount Outstanding of the Debt on the Closing Date;
- (f) no interest accrues on the Deposit Account;
- (g) Compounded Daily SONIA is equal to 0.06 per cent. and the Bank of England base rate is equal to 0.1 per cent.;

- (h) the weighted average margin over SONIA of the Rated Debt is 2.06 per cent on the Closing Date and from (and including) the Optional Redemption Date, margins over SONIA are multiplied by 2 for the Class A Loan Note, multiplied by 1.5 for the Class B Notes and are increased by 1.00 per cent. for the Class C Notes, the Class D Notes, and the Class E Notes;
- (i) amounts required to pay items (a) to (c) and (e) of the Pre-Enforcement Revenue Priority of Payments on each Interest Payment Date are:
  - (i) £80,000, per annum; and
  - (ii) 0.35 per cent. of the aggregate Principal Balance of the Mortgage Loans (excluding any Mortgage Loans which are subject to enforcement procedures) as at the immediately preceding Collection Period Start Date, per annum, where each month consists of the actual number of calendar days in the relevant month and 365 days in the relevant year;
- (j) there are no arrears<sup>3</sup> or enforcements and the Mortgage Loans continue to be fully performing;
- (k) no Mortgage Loan is subject to or will become subject to a COVID-19 Payment Deferral;
- (l) there is no debit balance on the Principal Deficiency Sub-Ledger on any Interest Payment Date;
- (m) the Seller is not in breach of the terms of the Mortgage Sale Agreement;
- (n) no Mortgage Loan is repurchased by the Seller;
- (o) the Notes will be redeemed in accordance with the Conditions (and in the case of the Class A Loan Note, the Class A Loan Note Agreement);
- (p) the assets of the Issuer are not sold by the Security Trustee or any Transaction Party except as may be necessary to enable the Issuer to realise sufficient funds to exercise its option to redeem the Debt;
- (q) no Enforcement Notice has been served on the Issuer and no Event of Default has occurred;
- (r) the interest on the Mortgage Loans is calculated on each monthly anniversary of the contractual instalment (expressed as days 30/360); for the weighted average life of the Debt, the day count basis is act/365; and
- (s) the General Reserve Fund is credited up to the General Reserve Fund Required Amount at the Closing Date and the Class A Liquidity Reserve Fund is credited up to the Class A Liquidity Reserve Fund Required Amount at the Closing Date.

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

"CPR" means, on any Calculation Date, the annualised principal prepayment rate of all the Mortgage Loans during the previous Collection Period calculated as follows:

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<sup>3</sup> For the avoidance of doubt, COVID-19 Payment Deferral Mortgage Loans are not treated as "in arrears" (or further "in arrears") or subject to a debt restructuring process.

$$1 - ((1-R)^{12})$$

where R equals the result (expressed as a percentage) of the total principal prepayments received by the Issuer during the immediately preceding Collection Period divided by the aggregate outstanding principal balance of the Mortgage Loans as at the first day of that Collection Period.

WALs displayed below may differ slightly from other public modelling conducted based solely on original contractual repayment.

| CPR   | Class B Notes  |                                  | Class C Notes  |                                  | Class D Notes  |                                  | Class E Notes  |                                  |
|-------|--|----------------------------------|--|----------------------------------|--|----------------------------------|--|----------------------------------|
|       | Debt is called on the first Optional Redemption Date (years) | No call option exercised (years) | Debt is called on the first Optional Redemption Date (years) | No call option exercised (years) | Debt is called on the first Optional Redemption Date (years) | No call option exercised (years) | Debt is called on the first Optional Redemption Date (years) | No call option exercised (years) |
| 0.0%  | 4.7  | 9.9                              | 4.7  | 10.8                             | 4.7  | 11.7                             | 4.7  | 12.8                             |
| 5.0%  | 4.7  | 9.0                              | 4.7  | 9.6                              | 4.7  | 10.0                             | 4.7  | 11.0                             |
| 10.0% | 4.7  | 8.1                              | 4.7  | 8.6                              | 4.7  | 9.3                              | 4.7  | 9.8                              |
| 15.0% | 4.7  | 7.3                              | 4.7  | 7.9                              | 4.7  | 8.4                              | 4.7  | 8.7                              |
| 17.5% | 4.7  | 6.8                              | 4.7  | 7.5                              | 4.7  | 8.0                              | 4.7  | 8.1                              |
| 20.0% | 4.7  | 6.3                              | 4.7  | 7.0                              | 4.7  | 7.7                              | 4.7  | 7.8                              |
| 25.0% | 4.7  | 5.5                              | 4.7  | 6.2                              | 4.7  | 6.7                              | 4.7  | 6.7                              |
| 30.0% | 4.5  | 4.6                              | 4.7  | 5.4                              | 4.7  | 5.8                              | 4.7  | 5.8                              |

For more information in relation to the risks involved in the use of the average lives estimated above, see *"Risk Factors – Risks Related To The Availability Of Funds To Pay The Debt – The timing and amount of payments in respect of the Mortgage Loans could be affected by various factors which may adversely affect payments on the Debt"*.

## EARLY REDEMPTION OF THE NOTES

The Option Holder may exercise the Call Option granted by the Issuer pursuant to the terms of the Mortgage Sale Agreement, requiring the Issuer to sell the Portfolio on the immediately following Interest Payment Date. The Issuer is not permitted to dispose of the Portfolio in any other circumstances (other than in relation to an enforcement of the Security or the repurchase of a Mortgage Loan and its Collateral Security by the Seller pursuant to the Mortgage Sale Agreement).

Pursuant, and subject, to the terms of the Mortgage Sale Agreement, the Issuer will grant to the Option Holder the following rights (collectively, the "**Call Option**"), which may be exercised at any time on or after the Optional Purchase Commencement Date:

- (a) the right to require the Issuer to sell and transfer the beneficial title to all (but not some) of the Mortgage Loans and their Collateral Security comprising the Portfolio (the "**Whole Beneficial Title**") in consideration for the Optional Purchase Price to the Option Holder (and/or one or more nominee(s) thereof) and/or one or more Third Party Purchaser(s) (as identified in the Exercise Notice, the "**Beneficial Title Transferee(s)**"); and
- (b) the right to require the Issuer to transfer the legal title to all (but not some) of the Mortgage Loans and their Collateral Security comprising the Portfolio (the "**Whole Legal Title**"), or if, at the time the Call Option is exercised, the Issuer does not hold legal title, the right to require the Issuer to procure that the Seller transfers legal title, to the Option Holder (and/or one or more nominee(s) thereof) and/or one or more Third Party Purchaser(s) specified as such in the Exercise Notice (as identified in the Exercise Notice, the "**Legal Title Transferee(s)**").

The Call Option may be exercised at any time after the Optional Purchase Commencement Date (as defined herein) by notice from the Option Holder to the Issuer, with a copy to the Security Trustee, the Seller and the Rating Agencies, (such notice, an "**Exercise Notice**") that the Option Holder wishes to exercise the Call Option, to be effected on an Interest Payment Date following the service of the Exercise Notice (the Interest Payment Date identified as the date on which the purchase by the Beneficial Title Transferee(s) of the Whole Beneficial Title and (if applicable) the transfer of the Whole Legal Title to the Legal Title Transferee(s) is expected to be completed pursuant to the terms of the Mortgage Sale Agreement being the "**Optional Purchase Completion Date**").

The sale of the Whole Beneficial Title and (if applicable) the transfer of the Whole Legal Title pursuant to the Call Option shall also be subject to the following conditions:

- (a) either:
  - (i) the Beneficial Title Transferee(s) and (if applicable) the Legal Title Transferee(s) are each resident for tax purposes in the United Kingdom; or
  - (ii) the Issuer, having received tax advice from an appropriately qualified and experienced United Kingdom tax adviser in the form and substance satisfactory to it (acting reasonably), or such other comfort as may reasonably be required by it (including, without limitation, any clearance or other confirmation granted by HM Revenue and Customs) ("**Tax Advice**"), is satisfied that sale of the Whole Beneficial Title and (if applicable) transfer of the Whole Legal Title will not create or increase any liabilities of the Issuer to United Kingdom tax or any tax imposed by the jurisdiction of the Beneficial Title Transferee(s) and (if applicable) the Legal Title Transferee(s). The costs relating to such Tax Advice shall be borne by the Option Holder;



- (b) either:
- (i) the Legal Title Transferee(s) has all the appropriate licences, approvals, authorisations, consents, permissions and registrations (including any applicable approvals, authorisations, consents, permissions and registrations required to be maintained under the FSMA and any rules and regulations of the FCA) as required to administer mortgage loans such as the Mortgage Loans and their Collateral Security comprising the Portfolio (the "**Relevant Authorisations**"); or
  - (ii) the Beneficial Title Transferee(s) has appointed the Servicer who has the Relevant Authorisations and that the Seller has confirmed in writing that it will hold legal title to the Mortgage Loans and their Collateral Security comprising the Portfolio on trust for the Beneficial Title Transferee(s); and
- (c) the Beneficial Title Transferee(s) shall not be permitted to transfer the beneficial interest in any of the Mortgage Loans and their Collateral Security comprising the Portfolio to a further purchaser until the transfer of the Whole Legal Title is perfected unless such transfer of beneficial interest is made to an entity which is within the charge to UK corporation tax.

### **Optional Purchase Price**

The purchase price for the Mortgage Loans and their Collateral Security comprising the Portfolio pursuant to the Call Option shall be an amount equal to the greater of:

- (a) the aggregate Principal Balance of the Mortgage Loans comprising the Portfolio determined as at the Collection Period Start Date immediately preceding the Optional Purchase Completion Date; and
- (b) without double counting, the greater of:
  - (i) zero; and
  - (ii) the amount required by the Issuer to pay in full all amounts payable under items (a) to (r) (inclusive) of the Pre-Enforcement Revenue Priority of Payments and items (a) to (i) (inclusive) of the Pre-Enforcement Principal Priority of Payments, in each case on the immediately following Interest Payment Date, less any Available Revenue Receipts and Available Principal Receipts otherwise available to the Issuer,

in each case, plus (without double-counting) (A) the Issuer's costs and expenses associated with transferring its interests in the Mortgage Loans and the related Collateral Security to the Option Holder or its nominee (if any) and (B) an amount agreed between the Issuer and the Option Holder in respect of costs anticipated to be incurred by the Issuer after the Optional Purchase Completion Date (the "**Optional Purchase Price**").

In connection with the exercise of the Call Option, the Beneficial Title Transferee(s) will agree with the Issuer to (i) deposit an amount equal to the Optional Purchase Price in either an escrow account in the name of the Beneficial Title Transferee(s) or in any other account as may be agreed between the Issuer and the Beneficial Title Transferee(s); or (ii) provide irrevocable payment instructions for an amount to be transferred equal to the Optional Purchase Price for value on the Optional Purchase Completion Date to the Deposit Account or such other account as may be agreed between the Issuer and Beneficial Title Transferee(s), provided that such amount referred to in (i) above shall be made or the irrevocable payment instructions referred to in (ii) above shall be given no later than (x) two Business Days prior to the Optional Purchase Completion Date or (y) such other date as the Issuer, at its sole discretion and the Beneficial Title Transferee(s) may agree, provided further that the Optional Purchase Price or irrevocable payment instructions (as applicable) must be received by the Issuer in sufficient time to enable the Issuer to provide notice of redemption of the Debt to the Debt Holders pursuant to Condition 8.3 (*Mandatory Redemption of*

*the Debt in Full*) or Condition 8.4 (*Mandatory Redemption of the Debt for Taxation or Other Reasons*) (as applicable); and/or (iii) take any other action as may be agreed by the Beneficial Title Transferee(s), the Issuer and the Security Trustee in relation to the payment of the Optional Purchase Price.

At the cost of the Option Holder, the Issuer shall serve or, if at the time the Call Option is exercised, the Issuer does not hold the Whole Legal Title, direct the Seller to serve all relevant notices and take all steps (including carrying out requisite registrations and recordings) in order to effectively vest the Whole Legal Title in the Legal Title Transferee(s), in each case subject to the terms of the Mortgage Sale Agreement, such notices to be given promptly after the Optional Purchase Completion Date.

### **Redemption of the Debt and the cancellation of the Residual Certificates**

On the Optional Purchase Completion Date, the Optional Purchase Price will be applied as Available Revenue Receipts in accordance with the Pre-Enforcement Revenue Priority of Payments and will result in the Debt being redeemed in full.

Any Revenue Receipts or Principal Receipts received by the Issuer from and including the Collection Period Start Date immediately prior to the Optional Purchase Completion Date to and including the Optional Purchase Completion Date (such amounts being "**Optional Purchase Collections**") will be payable to or for the account of the Beneficial Title Transferee(s) and the Issuer shall transfer all such amounts to or for the account of the Beneficial Title Transferee(s) on the Optional Purchase Completion Date, after the payment of which the Residual Certificates will be cancelled.

In this Prospectus:

**"Option Holder"** means, as at the Closing Date, Together Commercial Finance Limited (registered number 02058813).

**"Optional Purchase Commencement Date"** means the earlier of:

- (a) the Collection Period Start Date immediately preceding the Optional Redemption Date; or
- (b) any Collection Period Start Date on which the aggregate Principal Balance of the Mortgage Loans is equal to or less than 10 per cent. of the aggregate Principal Amount Outstanding of the Debt on the Closing Date; or
- (c) any Business Day following the occurrence of a Redemption Event.

**"Optional Redemption Date"** means the Interest Payment Date falling in February 2026.

**"Third Party Purchaser"** means a third party purchaser of the beneficial title to some or all of the Mortgage Loans and their Collateral Security as nominated by the Option Holder in the Exercise Notice.

## **USE OF PROCEEDS**

On the Closing Date, the Issuer will use the net proceeds of the Notes and the Class A Loan Note which are in aggregate estimated to be £267,811,000 to:

- (a) pay the Initial Purchase Price payable by the Issuer for the Portfolio to be acquired from the Seller on the Closing Date;
- (b) establish the General Reserve Fund;
- (c) establish the Class A Liquidity Reserve Fund; and
- (d) credit excess amounts (if any, other than the proceeds from the Class X Notes which will be payable to the Seller) to the Principal Ledger for application as Available Principal Receipts on the first Interest Payment Date.

## RATINGS

Each Class of the Rated Debt, on issue, is expected to be assigned the following ratings by DBRS and S&P. A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating agency if, in its judgement, circumstances so warrant.

| <b>Class of Debt</b> | <b>DBRS</b>   | <b>S&amp;P</b> |
|----------------------|---------------|----------------|
| Class A Loan Note    | AAA (sf)      | AAA (sf)       |
| Class B Notes        | AA (low) (sf) | AA (sf)        |
| Class C Notes        | A(low) (sf)   | AA- (sf)       |
| Class D Notes        | BBB(low) (sf) | A (sf)         |
| Class E Notes        | B (sf)        | BBB- (sf)      |
| Class X Notes        | BB (sf)       | B (sf)         |

The ratings expected to be assigned to the Rated Debt by each of DBRS and S&P address, *inter alia*:

- (a) the likelihood of full and timely payment to the holders of the Most Senior Class of Debt (other than the Class X Notes) of all payments of interest on each Interest Payment Date; and
- (b) the likelihood of full and ultimate payment to the holders of the Rated Debt of principal and (in relation to the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class X Notes) of interest on or prior to the Final Maturity Date.

The Class Z Notes and the Residual Certificates will not be rated by the Rating Agencies.

As of the date of this Prospectus, each of the Rating Agencies is a credit rating agency established in the UK and is registered under the UK CRA Regulation.

## THE ISSUER

### *Introduction*

The Issuer was incorporated in England and Wales on 23 April 2021 (with registered number 13355316), as a public company with limited liability under the Companies Act 2006 (as amended). The registered office of the Issuer is at 10th Floor 5 Churchill Place, London E14. The telephone number of the Issuer is +44 (0) 203 855 0285.

The share capital of the Issuer is £50,000 divided into 50,000 ordinary shares of £1 each, all of which are issued and paid up (49,999 as to £0.25 each and one fully paid up) and held by Holdings. The entire issued share capital of Holdings is held by CSC Corporate Services (UK) Limited (the "**Share Trustee**") on discretionary trust.

### *Principal activities*

The Issuer has no Subsidiaries. The Seller does not own directly or indirectly any of the share capital of Holdings or the Issuer.

The Issuer was established as a special purpose vehicle solely for the purpose of issuing asset backed securities. The Issuer is permitted, pursuant to the terms of its articles of association, *inter alia*, to issue the Debt and the Residual Certificates. The Issuer will covenant to observe certain restrictions on its activities which are set out in Condition 5 (*Covenants*) and Residual Certificates Condition 5 (*Issuer Covenants*).

Under the Companies Act 2006 (as amended), the Issuer's governing documents may be altered by a special resolution of shareholders.

In accordance with the Corporate Services Agreement, the Corporate Services Provider will provide to the Issuer certain directors, a registered and administrative office, the arrangement of meetings of directors and shareholders and procure the service of a company secretary. No remuneration is paid by the Issuer to or in respect of any director or officer of the Issuer for acting as such.

The Issuer has not engaged, since its incorporation, in any material activities nor commenced operations other than those incidental to its registration as a public company under the Companies Act 2006 (as amended) and to the proposed issue of the Debt and Residual Certificates and the authorisation of the other Transaction Documents referred to in this Prospectus to which it is or will be a party and other matters which are incidental and ancillary to the foregoing. The Issuer, as necessary, has made the information filing and fee payment under (i) Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation) (ii) Regulation (EU) 2016/679 as it forms part of domestic law by virtue of EUWA and (iii) any other applicable laws, regulations and regulatory guidelines relating to or impacting on the processing of data relating to living persons and privacy (including for the avoidance of any doubt, the Data Protection Act 2018) (the "**Data Protection Legislation**"). As at the date of this Prospectus, statutory accounts have not yet been prepared or delivered to the Registrar of Companies on behalf of the Issuer. The accounting reference date of the Issuer is 30 June and the first statutory accounts of the Issuer will be drawn up to 30 June 2022.

There is no intention to accumulate surpluses in the Issuer (other than amounts standing to the credit of the Principal Ledger, the Revenue Ledger, the General Reserve Fund Ledger, the Class A Liquidity Reserve Fund Ledger, the Principal Deficiency Ledger and the Issuer Profit Ledger). The Issuer's ongoing activities principally comprise: (i) the issue of the Debt and the Residual Certificates (ii) the entering into of the Transaction Documents to which it is expressed to be a party; and (iii) the exercise of related rights and powers and other activities referred to in this Prospectus or reasonably incidental to those activities.

The Issuer has entered into the Transaction Documents to which it is a party for the purpose of making a profit.

The Issuer has no subsidiaries, employees or non-executive directors.

Ernst & Young LLP, with its registered office at 1 More London Place, London, SE1 2AF, is the auditor of the Issuer. Ernst & Young LLP is a registered auditor and is authorised by and is a member of the Institute of Chartered Accountants in England and Wales to practice in England and Wales.

***Directors and secretary***

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

| <b>Name</b>                  | <b>Business address</b>                         | <b>Principal activities</b>             |
|------------------------------|---|---|
| CSC Directors (No.1) Limited | 10th Floor 5 Churchill Place,<br>London E14 5HU | Director of special purpose<br>vehicles |
| CSC Directors (No.2) Limited | 10th Floor 5 Churchill Place,<br>London E14 5HU | Director of special purpose<br>vehicles |
| Lara Nasato                  | 10th Floor 5 Churchill Place,<br>London E14 5HU | Director of special purpose<br>vehicles |

The company secretary of the Issuer is CSC Corporate Services (UK) Limited, whose business address is 10th Floor 5 Churchill Place, London E14 5HU.

There are no potential conflicts of interest between any duties of the directors to the Issuer and their private interests and/or other duties.

## HOLDINGS

### ***Introduction***

Holdings was incorporated in England and Wales on 23 April 2021 (with registered number 13355319), as a private company with limited liability under the Companies Act 2006 (as amended). The registered office of Holdings is at 10th Floor 5 Churchill Place, London E14 5HU.

The issued share capital of Holdings, as at the date of this Prospectus, comprises one ordinary share of £1 (which is fully paid up).

All of the issued share capital of Holdings is held by CSC Corporate Services (UK) Limited (in such capacity, the “**Share Trustee**”). The shares held by the Share Trustee are held under the terms of a discretionary trust established under English law pursuant to the terms of a declaration of trust dated 10 May 2021.

### ***Principal activities***

The Seller does not own directly or indirectly any of the share capital of Holdings and neither the Seller nor any company connected with the Seller can direct the Share Trustee and none of such companies has any control, direct or indirect, over Holdings or the Issuer or any other similar vehicle.

The principal objects of Holdings are, among other things, to acquire and hold, by way of investments or otherwise, and deal in or exploit, in such manner as may from time to time be considered expedient, all or any part of any securities or other interests of or in the Issuer or any other similar vehicle.

Holdings has not engaged in any other activities since its incorporation other than (i) subscribing for or otherwise acquiring the issued share capital of the Issuer; and (ii) those activities incidental to those activities incidental to the authorising of the Transaction Documents to which it is or will be a party and other matters which are incidental to those activities. Holdings has no employees.

Holdings holds all of the issued share capital of the Issuer. Pursuant to the terms of its articles of association, Holdings is permitted, *inter alia*, to hold shares in the Issuer.

The current financial period of Holdings will end on 30 June 2022.

### ***Directors and secretary***

The directors of Holdings and their respective addresses and principal activities are:

| <b>Name</b>                  | <b>Business address</b>                         | <b>Principal activities</b>             |
|------------------------------|---|---|
| CSC Directors (No.1) Limited | 10th Floor 5 Churchill Place,<br>London E14 5HU | Director of special purpose<br>vehicles |
| CSC Directors (No.2) Limited | 10th Floor 5 Churchill Place,<br>London E14 5HU | Director of special purpose<br>vehicles |
| Lara Nasato                  | 10th Floor 5 Churchill Place,<br>London E14 5HU | Director of special purpose<br>vehicles |

The company secretary of Holdings is CSC Corporate Services (UK) Limited, whose business address is 10th Floor 5 Churchill Place, London E14 5HU.

## **THE CASH ADMINISTRATOR, THE SELLER AND THE SERVICER**

### **Together Financial Services Limited**

Together Financial Services Limited ("TFSL") was previously registered under the name Jerrold Holdings Limited. It was renamed on 9 January 2017. TFSL, registration number 02939389, is a private limited company formed under the laws of England and Wales on 15 June 1994. Its registered office is located at Lake View, Lakeside, Cheadle, Cheshire SK8 3GW, United Kingdom.

TCFL is a wholly owned subsidiary of TFSL. The Together Group is one of UK's leading specialist mortgage and secured loans providers by loan book size, established in 1974, and has successfully operated throughout its 46 year history. The Together Group prides itself on bringing common sense to lending by helping individuals, families and businesses achieve their ambitions in a world that has changed when traditional lending has not.

The Together Group focuses on prudent loan-to-value lending and offer retail and commercial purpose mortgage loans to market segments in which customers are generally underserved by mainstream lenders. Loans advanced by the Together Group include secured first and second lien loans, of which, as of March 31, 2021, 63.5% are secured by residential properties, with the balance secured by commercial and semi-commercial properties, all within the United Kingdom. The Together Group specialises in offering individually underwritten loans supported by an effective service proposition, thereby minimising competition from mainstream lenders (including high street banks) and other lenders. Loans offered by the Together Group are offered through one consistent brand, "Together", and are distributed primarily through mortgage intermediaries, its professional network and auction houses, each across the United Kingdom, and through its direct sales teams. The Together Group underwrites and services all of its loans in-house, primarily incorporating manual underwriting to determine the credit decisions supported by automated processing tools with well-developed loan administration and collection processes. In the twelve months ended March 31, 2021, underlying profit before taxation was £150.5 million with generated underlying EBITDA of £275.3 million. In the twelve months ended March 31, 2021, it advanced £789.9 million of new lending, given its decision on March 24, 2020 to temporarily pause accepting new loan applications (other than fulfilling existing binding commitments to customers) due to uncertainty related to credit risk as a result of the economic impact of Covid-19, with a phased return to accepting new loan applications from July 2020 onwards. As of March, 2021, Shareholders' Funds amounted to £900.8 million and total loan assets of the Together Group amounted to £3,930.1 million.

The annual report and consolidated financial statements for the Together Group are available at <https://www.togethermoney.com/about-us/investors/investor-news-and-announcements/> (which does not form part of this Prospectus).

### **Together Commercial Finance Limited**

Together Commercial Finance Limited ("TCFL") was previously registered under the name Lancashire Mortgage Corporation Limited. It was renamed on 9 January 2017. TCFL, registration number 02058813, is a private limited company formed under the laws of England and Wales on September 26, 1986. Its registered office is located at Lake View, Lakeside, Cheadle, Cheshire SK8 3GW, United Kingdom.

TCFL has made the necessary information filing and fee payment (as applicable) under the Data Protection Legislation. TCFL does not have any FCA permissions as it is not a regulated entity. TCFL does not sell, arrange or administer any regulated mortgage contracts. It provides and administers unregulated contracts only. TCFL is, however, registered with the FCA for money laundering purposes (as Lancashire Mortgage Corporation Limited).



## **THE STANDBY SERVICER**

BCMGlobal Mortgage Services Limited ("**BGMSL**") is a private company with limited liability incorporated under the laws of England and Wales with registered number 00912411 and with its registered address at 6th Floor 65 Gresham Street, London, United Kingdom, EC2V 7NQ.

BGMSL is a subsidiary of Link Group, an ASX (Sydney) listed public company, and is regulated by the Financial Conduct Authority (FCA Number 306235) with permissions to, amongst other things, service commercial and residential mortgage loans in the United Kingdom on behalf of third parties.

The information in the preceding two paragraphs has been provided solely by BGMSL for use in this Prospectus.

## ISSUER ACCOUNT BANK

Elavon Financial Services DAC, trading as U.S. Bank Global Corporate Trust, is an integral part of the worldwide Corporate Trust business of the U.S. Bancorp group. In Europe, U.S. Bank Global Corporate Trust conducts business through Elavon Financial Services DAC from its offices in Dublin at Building 8, Cherrywood Business Park, Loughlinstown, Dublin 18, Ireland D18 W319 and through its UK Branch in London at 125 Old Broad Street, London EC2N 1AR, United Kingdom.

Elavon Financial Services DAC is a bank incorporated in Ireland and a wholly owned subsidiary of U.S. Bank National Association. Elavon Financial Services DAC is authorised by the Central Bank of Ireland and the activities of its UK Branch are also subject to the limited regulation of the UK Financial Conduct Authority and Prudential Regulation Authority.

In Europe, the Corporate Trust business is conducted in combination with U.S. Bank Global Corporate Trust Limited (the legal entity through which certain Corporate Trust agency appointments are conducted), U.S. Bank Trustees Limited (the legal entity through which Corporate Trust trustee appointments are conducted) and U.S. Bank National Association (the legal entity through which Corporate Trust conducts business in the United States).

The Corporate trust business of U.S. Bancorp is one of the world's largest providers of corporate trust services with more than USD4 trillion in assets under administration in municipal, corporate, asset-backed and international bonds. The Corporate Trust business provides a wide range of trust and agency services such as calculation/paying agent, collateral administration and custody through its network of more than 50 U.S.-based offices and European offices in London and Dublin.

U.S. Bancorp (NYSE: USB) is the parent company of U.S. Bank National Association, the fifth largest commercial bank in the United States. Visit U.S. Bancorp on the web at [www.usbank.com](http://www.usbank.com).

## **THE NOTE TRUSTEE AND SECURITY TRUSTEE**

U.S. Bank Trustees Limited is a limited liability company incorporated under the laws of England and Wales with its office at 125 Old Broad Street, Fifth Floor, London, EC2N 1AR, United Kingdom.

U.S. Bank Trustees Limited is part of the worldwide Corporate Trust business of the U.S. Bancorp group. In Europe, the Corporate Trust business is conducted in combination with Elavon Financial Services DAC, U.S. Bank Global Corporate Trust Limited (the legal entities through which Corporate Trust banking and agency appointments are conducted) and U.S. Bank National Association, (the legal entity through which Corporate Trust conducts business in the United States).

The Corporate trust business of U.S. Bancorp is one of the world's largest providers of corporate trust services with more than USD4 trillion in assets under administration in municipal, corporate, asset-backed and international bonds. The division provides a wide range of trust and agency services such as calculation/paying agent, collateral administration and custody through its network of more than 50 U.S.-based offices and European offices in London and Dublin.

U.S. Bancorp (NYSE: USB) is the parent company of U.S. Bank National Association, the fifth largest commercial bank in the United States. Visit U.S. Bancorp on the web at [www.usbank.com](http://www.usbank.com).

## **THE CORPORATE SERVICES PROVIDER**

CSC Capital Markets UK Limited (registered number 10780001), having its principal address at 10th Floor 5 Churchill Place, London E14 5HU will be appointed to provide corporate services to the Issuer and Holdings pursuant to the Corporate Services Agreement. CSC Capital Markets UK Limited has served and is currently serving as corporate service provider for numerous securitisation transactions and programmes involving pools of mortgage loans.

## THE MORTGAGE LOANS

### The Portfolio

#### *Introduction*

The following is a description of some of the characteristics of the Mortgage Loans including details of Mortgage Loan types and selected statistical information.

An initial portfolio of commercial term mortgage loans was initially selected on 2 April 2021 from a pool of the Seller's mortgage loans using a system containing defined data on each of the qualifying loans (the "**Preliminary Portfolio**"). This system allows the setting of exclusion criteria among others corresponding to relevant Loan Warranties that the Seller will make in the Mortgage Sale Agreement in relation to the relevant Mortgage Loans. Once the criteria have been determined, the system identifies all mortgage loans owned by the Seller that are consistent with the criteria.

The information in the section headed "*Characteristics of the Provisional Portfolio*" has been extracted from the systems of the Seller as at 2 April 2021 (the "**Portfolio Reference Date**"), reflecting the Principal Balance of the Mortgage Loans on 31 March 2021 and comprises the Preliminary Portfolio less any mortgage loans that are no longer eligible or have been redeemed in full as at the Portfolio Reference Date (the "**Provisional Portfolio**"). As at the Portfolio Reference Date, the Provisional Portfolio comprised 1,061 Mortgage Loans with an aggregate Principal Balance of £250,060,106. Having removed any mortgage loans that are no longer eligible or have been redeemed in full as at the Closing Date, the Seller will then randomly select a pool from the Provisional Portfolio that will comprise the Portfolio to be sold to the Issuer on the Closing Date. For the avoidance of doubt, all statistical and other information contained in this Prospectus with respect to the Portfolio Reference Date refer to such statistical and other information in respect of the Mortgage Loans as at 31 March 2021.

Unless otherwise indicated, the description that follows relates to types of mortgage loans that could be sold to the Issuer as part of the Portfolio as at the Closing Date.

#### *The Portfolio*

The Portfolio from time to time after the Closing Date will comprise Mortgage Loans advanced to the Borrowers secured on residential, commercial and/or mixed-use property situated in England, Wales or Scotland (and may include a Mortgage Loan secured on more than one property which is residential, commercial and/or mixed use in nature), such Mortgage Loans acquired pursuant to the Mortgage Sale Agreement, other than Mortgage Loans which have been repaid or which have been purchased from the Issuer pursuant to the Mortgage Sale Agreement.

The Portfolio includes first and second ranking, unregulated Mortgage Loans relating to:

- (a) properties that are occupied by the relevant Borrower for commercial purposes ("**Borrower Business Occupied Mortgage Loans**");
- (b) properties that are partially occupied by the relevant Borrower for commercial purposes and partially occupied by a person or entity other than the Borrower for commercial and/or residential purposes ("**Partially Borrower Business Occupied Mortgage Loans**"); and
- (c) properties occupied by a person or entity other than the Borrower for commercial and/or residential purposes ("**Non-Borrower Occupied Mortgage Loans**").

### ***Origination of the Portfolio***

The Portfolio comprises of Mortgage Loans originated by TCFL. The Seller originates mortgage loans through a number of channels including an extensive broker network, packagers and directly to borrowers.

### ***Security***

All of the Mortgage Loans are secured by either a first ranking mortgage or Standard Security or a second ranking mortgage or Standard Security.

### ***Interest Rate Types***

The Portfolio consists of Mortgage Loans which have (currently or after an initial specific period) a variable interest rate set by the Seller, including:

- (i) Mortgage Loans where the variable interest rate continues for the life of the mortgage; and
- (ii) Mortgage Loans where the interest rate applicable to that Mortgage Loan is a fixed rate of interest for a specific period that reverts to a variable interest rate (the "**Fixed Rate Loans**").

As at the date of this Prospectus, interest charged on the Mortgage Loans is calculated on a monthly basis. However, the Seller and the Servicer may, in the future, change the basis on which interest is calculated from a monthly to daily basis. Such a change is not expected to have any material adverse effect on the Issuer's ability to make payments under the Debt.

### **Characteristics of the Mortgage Loans**

#### ***Repayment Terms***

Mortgage Loans may combine one or more of the features listed in this section. Overpayments are allowed on all products, within certain limits. See "*Overpayments and Early Repayment Charges*" below.

Mortgage Loans are typically repayable on either one of the following bases:

- "**Repayment Mortgage Loan**": the Borrower is required to make monthly payments of both interest and principal so that, when the Mortgage Loan matures, the entire outstanding amount of the principal of the Mortgage Loan will have been repaid; or
- "**Interest-only Mortgage Loan**": the Borrower is required to make monthly payments of interest but not of principal so that, when the Mortgage Loan matures, the entire outstanding principal amount of the Mortgage Loan is payable in one lump sum.

The required monthly payment in respect of the Mortgage Loans may alter from month to month as a result of, *inter alia*, a variation in interest rates and a rescheduling of the mortgage loan following the receipt of principal prepayment or following the provisions of forbearance, such as mortgage payment deferrals.

For Interest-only Mortgage Loans, because the outstanding principal is repaid in a lump sum at the maturity of the Mortgage Loan, the Borrower is required to demonstrate a repayment strategy. Repayment strategies which are considered to be acceptable by the Seller acting in a manner that would be acceptable to a Prudent Mortgage Lender include, *inter alia*, the sale of a proposed property and/or the sale of a second UK property where there are sufficient funds from the proceeds of such sale to repay the principal at the end of the term.

Early repayments of principal may be made in whole or in part at any time during the term of a Mortgage Loan, subject in certain conditions including where appropriate to the payment of any early repayment

charges (as described in "*Overpayments and Early Repayment Charges*" below). An early repayment of the entire outstanding balance of a Mortgage Loan discharges the Mortgage. Any early repayment of the principal amount of the Mortgage Loan in full must be made together with all accrued interest, arrears of interest, any unpaid fees and charges and any applicable repayment fee(s).

Borrowers are required to complete a direct debit mandate at the beginning of the term of the Mortgage Loan but various payments methods are available to Borrowers during the term of a Mortgage Loan, including:

- (a) standing order from a bank or building society account;
- (b) credit or debit card payments; or
- (c) bank transfers.

### ***Further Mortgage Advances and Product Switches***

While there is no obligation on the Seller to make Further Mortgage Advances or grant Product Switches, a Borrower may request, or the Seller (or, for so long as the relevant Mortgage Loan is serviced by a member of the Together Group, the Servicer on behalf of the Seller) may in its discretion offer a Borrower, a Further Mortgage Advance or Product Switch from time to time. Should a Further Mortgage Advance or a Product Switch be agreed in relation to any Mortgage Loan, following an application by the Borrower or an offer by the Seller (or the Servicer on its behalf), the relevant Mortgage Loan will be repurchased by the Seller on the Interest Payment Date immediately following such Further Mortgage Advance or Product Switch being made (see section entitled "*Further Mortgage Advances and Product Switches*" in the "*Summary of the Key Transaction Documents – Mortgage Sale Agreement*").

### ***Forbearance***

In certain circumstances following payment shortfalls on the Mortgage Loan of a relevant Borrower (which may include a Vulnerable Borrower (as defined herein)) such Borrower may be offered some degree of forbearance arrangement on the Mortgage Loan for a period of time, taking into account the FCA's rules and guidance where appropriate. Forbearance is an arrangement to manage satisfactory repayment of a Mortgage Loan, which will differ from the originally scheduled repayment profile and the means by which any forbearance may be offered are referred to as "forbearance tools". Notwithstanding that the Mortgage Loans are not regulated and therefore the FCA's rules and guidance may not be applicable, the Servicer shall act in a manner which is appropriate and in accordance with the standards of a Prudent Mortgage Lender.

The Servicer shall assess and provide any forbearance in accordance with its forbearance policy applicable at such time. As at the date of this Prospectus, in respect of unregulated Mortgage Loans, the following forbearance measures are available to support a Borrower who experiences financial difficulty:

- (i) reduced payments;
- (ii) a reduction in the rate of interest applicable to the Mortgage Loan;
- (iii) a balance freeze;
- (iv) a reduction in the redemption figure of the Mortgage Loan; and
- (v) deferral of payments.

It should be noted that the resulting forbearance measure(s) which may be provided to the relevant Borrower will depend on the individual circumstances of such Borrower. In addition, should the relevant Borrower experience long term financial difficulties resulting in an inability to make repayments in the long term and

expresses a wish to sell the property an assisted sale programme may be offered whereby the Servicer may assist in the sale of the property, provided that certain conditions are met, such as evidence that the property is already placed on the market for sale, that the Servicer has the authority to liaise with the estate agent and that a repayment plan has been agreed with the Borrower prior to any sale taking place.

The Servicer may update its forbearance policy from time to time in accordance with the standards of a Prudent Mortgage Lender. The Servicer does not underwrite regulated mortgage loans and holds no regulatory permissions to do so. However, with regard to the Mortgage Loans which the Servicer underwrites and services it may, in certain circumstances, adhere to regulatory requirements imposed by and/or guidance issued by, without limitation, the FCA and FSMA notwithstanding that such adherence is not strictly required by regulation. See also the section “*Information Relating to the Regulation of Mortgages in the UK – Mortgages and coronavirus: FCA guidance for firms*”. As at the Closing Date, the Portfolio comprises solely loans which are unregulated. There can be no assurance that the Mortgage Loans comprising the Portfolio will remain unregulated and, should such Mortgage Loans become subject to any regulation, the Servicer will be required to adhere to such regulatory requirements as applicable, which may include additional requirements to provide greater levels of forbearance.

“**Vulnerable Borrower**” means a Borrower who, in accordance with the Servicer’s policies and procedures, is identified as “vulnerable” due to their personal circumstances and is especially susceptible to detriment.

### ***Overpayments and Early Repayment Charges***

"**Overpayments**" – Overpayments are allowed on all products (although, Early Repayment Charges may be payable, as to which see below). Borrowers may either increase their regular monthly payments above the normal monthly payment then applicable or make lump sum payments at any time. There is no limit to the amount of Overpayments that a Borrower can make.

For the Mortgage Loans in the Portfolio, if Borrowers pay more than the scheduled monthly payment then such Overpayment will be applied towards any monthly payment arrears first and then any balance will be applied as a capital reduction.

"**Early repayment charges**" – In respect of certain Mortgage Loans, the Borrower will be required to pay an early repayment charge and a repayment administration fee if certain events occur during the predetermined product period and the Servicer has not waived or revised its policy with regards the payment of early repayment charges. These events include a full or partial unscheduled repayment of principal within any agreed product period. If all or part of the principal owed by the Borrower, other than the scheduled monthly payments, is repaid before the end of the product period, the Borrower will be liable to pay to the Seller a repayment fee based on the amount prepaid.

Amounts of principal may be repaid early in full or in part on any Business Day.

### ***Payment Deferral***

As at the Portfolio Reference Date approximately 0.60 per cent. of the Provisional Portfolio by aggregate Principal Balance are Mortgage Loans that are Mortgage Loans subject to a payment deferral as a result of the direct or indirect impact of the COVID-19 pandemic (and, for the avoidance of doubt, only for the period during which it is subject to a COVID-19 Payment Deferral) (“**COVID-19 Payment Deferral Mortgage Loans**”) – this breaks down to 4 Mortgage Loans. Any mortgage payment deferral granted to a Borrower by the Seller or the Servicer (on behalf of the Seller) as a result of the direct or indirect impact of the COVID-19 pandemic is referred to as a “**COVID-19 Payment Deferral**”. COVID-19 Payment Deferral Mortgage Loans are not treated as “in arrears” (or further in “arrears”).



### ***Title to the Portfolio***

Pursuant to and under the terms of the Mortgage Sale Agreement, the Seller will transfer to the Issuer the equitable or (in respect of the Scottish Mortgage Loans) beneficial title to the Mortgage Loans and their Collateral Security. The Seller has agreed to transfer legal title to the Mortgage Loans and their Collateral Security to the Issuer, and the Issuer has undertaken to seek the transfer of legal title, only following the occurrence of a Perfection Event (as set out below).

None of the above-mentioned transfers to the Issuer is to be completed by registration at the Land Registry or the Registers of Scotland (as the case may be) or notice given to the relevant Borrowers or (in relation to Scottish Mortgage Loans in the Portfolio and their Collateral Security) execution and delivery of assignments of such Mortgage Loans and Collateral Security until the occurrence of one of the events set out below. The English Mortgage Loans in the Portfolio and their Collateral Security are accordingly owned in equity only by the Issuer pending such registration and notification and the Scottish Mortgage Loans in the Portfolio and their Collateral Security are accordingly held on trust for the Issuer under the Scottish Declaration of Trust pending execution and delivery of such assignments and such registration and notification. Legal title in the Mortgage Loans and their Collateral Security will continue to be vested in the Seller until the occurrence of a Perfection Event. In the case of the Mortgage Loans secured over registered land in England or Wales or registered or recorded land in Scotland which will be transferred to the Issuer on the Closing Date, the Seller has agreed to remain on the Land Registry or the Registers of Scotland, as applicable, as the legal mortgagee or as heritable creditor, as applicable. Following the occurrence of a Perfection Event, the Seller has agreed, in the Mortgage Sale Agreement, to transfer legal title to the Issuer, which transfer will be perfected by steps including filing forms and assignments of standard securities at the Land Registry or the Registers of Scotland and notifying the Borrower of such transfer, as applicable, to the Issuer.

The Issuer will grant a first fixed charge in favour of the Security Trustee over its interest in the Mortgage Loans (being, in respect of the Scottish Mortgage Loans, an assignment in security of its interest in and to the Scottish Declaration of Trust and the trust constituted thereunder).

Save as mentioned below, the Security Trustee has undertaken not to effect any registration at the Land Registry or the Registers of Scotland (as the case may be) to protect the sale of the Mortgage Loans to the Issuer or the granting of security over the Mortgage Loans by the Issuer in favour of the Security Trustee nor, save as mentioned below, to obtain possession of Title Deeds to the properties the subject of the Mortgage Loans.

Notices of the equitable assignments or declarations of trust in favour of the Issuer and the security in favour of the Security Trustee will not, save as mentioned below, be given to the Borrowers under the Mortgage Loans.

As noted above, until the occurrence of a Perfection Event, the Issuer and the Security Trustee will not take actions to effect a transfer of legal title to the Mortgage Loans and their Collateral Security to the Issuer. The following events constitute Perfection Events:

- (a) the occurrence of an Insolvency Event occurring in relation to the Seller; or
- (b) the Seller being required to perfect legal title to the Mortgage Loans:
  - (i) by law;
  - (ii) by an order of a court of competent jurisdiction; or
  - (iii) by a regulatory authority which has jurisdiction over the Seller; or

- (c) the Seller calling for perfection by serving notice in writing to that effect on the Issuer and the Security Trustee; or
- (d) the occurrence of a Servicer Termination Event where:
  - (i) servicing has not been moved within the Together Group following the expiry of all applicable grace periods; or
  - (ii) no replacement servicer has been appointed in accordance with the provisions of the Servicing Deed; or
- (e) the security created under or pursuant to the Deed of Charge or any material part of that security being, in the opinion of the Security Trustee (acting reasonably), in jeopardy; or
- (f) the delivery of an Enforcement Notice by the Note Trustee on the Issuer; or
- (g) it becoming unlawful in any applicable jurisdiction for the Seller to hold legal title in respect of any Mortgage Loan or its Collateral Security in the Portfolio.

Following the occurrence of a Perfection Event, the Issuer and the Security Trustee will each be entitled to take all necessary steps to perfect legal title to its interests in the Mortgage Loans and their Collateral Security, including the carrying out of any necessary registrations, recordings and notifications. In furtherance of these rights, the Seller has granted the Issuer and the Security Trustee an irrevocable power of attorney to take certain action in the name of the Seller (including action required to perfect a legal transfer of the Mortgage Loans and their Collateral Security).

#### ***Warranties and Breach of Warranties in relation to the Mortgage Loans***

The Mortgage Sale Agreement contains certain representations and warranties given by the Seller in favour of the Issuer in relation to the Mortgage Loans in the Portfolio and their Collateral Security sold to the Issuer pursuant to the Mortgage Sale Agreement.

No searches, enquiries or independent investigation of title of the type which a prudent purchaser or mortgagee would normally be expected to carry out have been or will be made by the Issuer. The Issuer will rely entirely on the benefit of the representations and warranties given to it by the Seller under the Mortgage Sale Agreement.

If there is an unremedied material breach of any of the Loan Warranties given under the Mortgage Sale Agreement then the Seller will be required to repurchase the relevant Mortgage Loan pursuant to the Mortgage Sale Agreement for consideration in a cash payment equal to the Principal Balance of the relevant Mortgage Loans as per the last day of the calendar month immediately preceding the repurchase date, but increased with accrued but unpaid interest from the prior month and up to the repurchase date, together with an amount equal to all other non-interest amounts due and unpaid (but not capitalised) under such Mortgage Loans.

#### **Lending Criteria**

As at the date of this Prospectus, the Together Group offers a number of different products, including first ranking mortgage loans, second ranking mortgage loans, buy-to-let mortgage loans (both unregulated and consumer buy-to-let loans), shared ownership mortgage loans and right to buy mortgage loans. The Portfolio comprises only unregulated Mortgage Loans advanced to Borrowers and secured on properties that are either: (i) occupied by the relevant Borrower for commercial purposes (each a “**Borrower Business Occupied Mortgage Loan**”) (ii) partially occupied by the relevant Borrower for commercial purposes and partially occupied by a person or entity other than the Borrower for commercial and/or residential purposes

(each a “**Partially Borrower Business Occupied Mortgage Loan**”); or (iii) occupied by a person or entity other than the Borrower for commercial and/or residential purposes (each a “**Non-Borrower Occupied Mortgage Loan**”), in each case situated in England, Wales or Scotland (and may include a Mortgage Loan secured on more than one property which is residential, commercial and/or mixed use in nature). None of the Mortgage Loans are regulated.

All Mortgage Loans comprised in the Portfolio will consist of Mortgage Loans secured by (in the case of English Mortgage Loans) a first or second charge or (in the case of Scottish Mortgage Loans) a first or second ranking Standard Security against residential, commercial and mixed-use properties located in England or Wales (in the case of English Mortgage Loans) or Scotland (in the case of Scottish Mortgage Loans) (and the Portfolio may include a Mortgage Loan secured on more than one property which is residential, commercial and/or mixed use in nature). All relevant Borrowers are required to have (in respect of an English Mortgage Loan) good and marketable title or (in respect of a Scottish Mortgage Loan) valid and marketable heritable or long lease title to the relevant Property free from any encumbrance (except the relevant Mortgage or, in the case of Second Mortgage Loans, the relevant first ranking charge or security) which would adversely affect such title.

All types of property structures in England, Wales and Scotland are considered as security. Any leasehold property must have a leasehold term at least equal to the minimum term of the Mortgage Loan plus 50 years (or in limited cases, less than 50 years at the discretion of the Seller acting in accordance with the standards of a Prudent Mortgage Lender) to be considered as acceptable security.

Together lends to, amongst others, individuals and companies. It is a requirement to verify identification and residency for every customer (including company directors, shareholders, beneficial owners and authorised signatories of companies/trusts). Whilst Together does not lend internationally, customers may be nationals of non-UK countries and/or reside in other countries. Together undertakes a country-based risk assessment which considers information from a variety of sources, *inter alia*, HM Treasury and Financial Action Task Force (“**FATF**”) publications. Together does not conduct any business with persons or entities listed on international sanctions lists (unless by express permission of the relevant supervisory body such as HM Treasury in the UK). Such sanctions lists include, *inter alia*, HM Treasury, the European Union, the Office of Foreign Assets and Controls (“**OFAC**”) and the United Nations (“**UN**”).

When Together lends to limited partnerships or limited companies, it is consistent with the Lending Criteria for personal guarantees to be obtained from a natural person who is at least 18 years of age when the relevant guarantee in respect of the Mortgage Loan Agreement is entered into.

The maximum loan amount permitted by TCFL is £1,500,000 where the Mortgage Loan is a First Mortgage Loan secured on residential, commercial and/or mixed-use properties and £250,000 where the Mortgage Loan is a Second Mortgage Loan secured on residential, commercial and/or mixed-use properties or, in each case, higher amounts are considered by referral. The Provisional Portfolio includes certain First Mortgage Loans with an original principal balance up to £3,718,799 and certain Second Mortgage Loans with an original principal balance up to £578,500. See the section entitled “*Characteristics of the Provisional Portfolio*” for further details. The maximum term is not more than 30 years in respect of Mortgage Loans originated by TCFL. The minimum age of borrowers at the time of application is 18.

The maximum age restriction is 80 years old unless the rental income alone is sufficient to evidence affordability, in which case there will be no maximum age restriction. In the case of Non-Borrower Occupied Mortgage Loans and Partially Borrower Business Occupied Mortgage Loans, employed or self-employed income is not required to evidence affordability, where it has been demonstrated the loan repayments can be serviced by rental income but where rental income alone is insufficient to evidence affordability then employed or self-employed income will be required to assess and evidence affordability. Conversely, rental income is not fundamental to evidencing affordability where it has been demonstrated that the loan repayments can be serviced by employed or self-employed income. In relation to Borrower

Business Occupied Mortgage Loans, the Borrower's income will be taken into consideration to evidencing affordability.

The loan to value is calculated by dividing the current principal balance (plus any amounts standing under a prior charge) by the open market value, determined by the valuation of the property. The maximum loan to value is 70.00 per cent. for First Mortgage Loans secured on residential, commercial and/or mixed-use properties, 60.00 per cent. for Second Mortgage Loans secured on residential, commercial and/or mixed-use properties (inclusive of any amounts added to the Mortgage Loan in respect of fees) or, in each case, higher amounts considered by referral. The Provisional Portfolio includes certain First Mortgage Loans with an original loan to value up to 80.00% and certain Second Mortgage Loans with an original loan to value up to 78.39%. See the section entitled "*Characteristics of the Provisional Portfolio*" for further details. Valuations are carried out in accordance with a valuation methodology as would be acceptable to a Prudent Mortgage Lender.

### ***Underwriting***

In the case of Non-Borrower Occupied Mortgage Loans employed or self-employed income is not required to evidence affordability where it has been demonstrated the loan repayments can be serviced by rental income but where rental income alone is insufficient to evidence affordability then employed or self-employed income will be required to assess and evidence affordability. In the case of Partially Borrower Business Occupied Mortgage Loans, typically both (i) rental income (generated by the part of the property which is not occupied by the Borrower) and (ii) employed or self-employed income is taken into consideration when evidencing affordability provided that, where it has been demonstrated that the loan repayments can be serviced solely by rental income, employed or self-employed income is not required to evidence affordability. When underwriting a Borrower Business Occupied Mortgage Loan, the income of the Borrower will be taken into consideration when evidencing affordability. In the underwriting process, the Seller primarily focuses on affordability and sustainability, being the ability of the loan applicant to service and repay the requested loan through its term (whether through rental income or employed or self-employed income), the repayment strategy where the loan will not be repaid from instalments and security (being the adequacy of the property which will serve as security for the loan). In relation to interest only loans, an assessment is also made with respect to the customers' exit strategy.

To ensure strict compliance with the Seller's underwriting guidelines, the Seller has in place mandate and authorisation controls, a staff training and competency program as well as quality assurance sampling procedures. Traditionally, lenders have applied income multiples to determine the maximum amount a loan applicant can borrow. Rather than relying on income multiples, the Seller calculates the loan amount that an applicant can afford on the basis of income coverage ratio assessments and total secured debt service-to-income ratio and secured debt expenditure and these elements are assessed for both plausibility and sustainability. Proof of income, typically in the form of payslips, an employer reference or, in the case of self-employed applicants, an accountant's certificate or tax calculation, is required. The Seller's determination of the adequacy of proposed security is based on a valuation of the property. For additional information on the Seller's approach to the valuation of properties, see the section entitled "*Valuations*" below.

Unlike many lenders who principally rely on scorecard or other automated processes in making their lending decisions, the Seller primarily relies on a detailed and personalised underwriting process, which includes an assessment of a borrower's individual financial circumstances. Each loan application is individually reviewed by an underwriter, who is overseen by a team leader. Each underwriter is provided with comprehensive training, which is overseen by a dedicated training and competency Supervisor. The Seller, as lender of record in respect of the Mortgage Loans and Collateral Security and the Servicer may vary the relevant Underwriting Policy in a manner as would be acceptable to a Prudent Mortgage Lender.

### ***Valuations***

In respect of unregulated Mortgage Loans, all valuers should typically be based within a 25 mile radius of the property and should be experienced in the specific type of commercial property that is being valued. Valuations should typically be dated within the last three months otherwise additional due diligence is required. All valuations must be original valuations and if amendments have been made to a valuation, then the Seller would require such amendments to be subject to credit committee approval. All valuations which exceed £1,000,000 are subject to additional approvals and additional audit valuations may be required where properties have a value which exceeds £1,500,000.

### ***Assessment of Rental Income***

Proof of income is required for all applicants. Where applicants are using rental income (or agent assessed rental income), the total rental income must be at least equal to the Minimum Amount (as defined below). Any calculation of rental income must be net of ground rent and service charges. Where rental income is verified by an assured shorthold tenancy agreement, 100 per cent. of the rental income must cover the Minimum Amount; where rental income has been verified by an estate or letting agent's rental projection, 90 per cent. of the rental income must cover the Minimum Amount. If rental income is less than the relevant Minimum Amount then use of additional income is acceptable. In this paragraph, "**Minimum Amount**" means 120 per cent. of the total secured lending repayments.

### ***Servicing of the Portfolio***

The Servicer will be required from the Closing Date to service the Portfolio as an agent of the Issuer and the Security Trustee under and in accordance with the terms of the Servicing Deed. The duties of the Servicer will include, amongst other things:

- (a) operating the Collection Accounts and ensuring that payments are made into and from the Collection Accounts in accordance with the Servicing Deed;
- (b) notifying the Borrowers of any change in their monthly payments;
- (c) arranging payments required to be made by the Servicer in accordance with the Transaction Documents;
- (d) keeping records and books of account on behalf of the Issuer in relation to the Mortgage Loans and their related Mortgages and other Collateral Security;
- (e) providing a redemption statement upon the request of a Borrower or the Borrower's solicitor or licensed or qualified conveyancer;
- (f) taking all reasonable steps to recover all sums due to the Issuer, including by the institution of proceedings and/or the enforcement of any Mortgage or any Collateral Security; and
- (g) taking all action and doing all such things as would be reasonable to expect a Prudent Mortgage Lender to do in administering its mortgages.

### ***Enforcement Procedures***

The Servicer has established procedures for managing Mortgage Loans which are in arrears, including early contact with Borrowers in order to understand the reason and to find a solution to any financial difficulties they may be experiencing. These procedures may vary, from time to time, in accordance with the practice of a Prudent Mortgage Lender, to comply with law, regulation or guidance or with the consent of, *inter alia*, the Issuer and the Security Trustee. The procedures are required to be used by the Servicer in respect of arrears

arising on the Mortgage Loans. For information relating to the servicing of the loans contained in the Portfolio, and the enforcement procedures carried out in relation thereto, see further the section entitled “*Summary of the Key Transaction Documents – Servicing Deed*”.

In order to realise its security in respect of a Property, the relevant mortgagee or, as applicable, heritable creditor (be it the legal owner (the Seller), the equitable or, as the case may be, the beneficial owner (the Issuer), the Security Trustee or its appointee (if the Security Trustee has taken enforcement action against the Issuer)) will need to obtain possession. Possession is taken by following the applicable court proceedings and obtaining a court order.

If a mortgagee or, as applicable, heritable creditor takes physical possession, it will, as mortgagee or, as applicable, heritable creditor in possession, have an obligation to account to the Borrower for the income obtained from the Property, be liable for any damage to the Property, have a limited liability to repair the Property and, in certain circumstances, may be obliged to make improvements.

Actions for possession are regulated by statute and the courts have certain powers to adjourn possession proceedings, to stay any possession order or postpone the date for delivery of possession. The court will exercise such powers in favour of a Borrower, broadly, where it appears to the court that such Borrower is likely to be able, within a reasonable period, to pay any sums due under the Mortgage Loan or to remedy any default consisting of a breach of any other obligation arising under or by virtue of the Mortgage Loan and/or Mortgage. It is also possible that legislative and/or regulatory direction or guidance may be issued to suspend repossessions or direct the way in which repossessions should take place (such as the actions taken during the COVID-19 pandemic) and the Servicer will, where required, be obliged to comply with and take into account such legislative and/or regulatory direction or guidance where applicable.

The court has a very wide discretion and may adopt a sympathetic attitude towards a Borrower faced with eviction. If a possession order or decree in favour of the relevant mortgagee or, as applicable, heritable creditor is granted, it may be suspended to allow the Borrower more time to pay. Once possession of the Property has been obtained, the relevant mortgagee or, as applicable, heritable creditor has a duty to the Borrower to take reasonable care to obtain a proper and fair price for the Property. Any failure to do so will put the relevant mortgagee or, as applicable, heritable creditor at risk of an action for breach of such duty by the Borrower, although it is for the Borrower to prove breach of such duty. There is also a risk that a Borrower may also take court action to force the relevant mortgagee or, as applicable, heritable creditor to sell the Property within a reasonable time.

Investors should note that pursuant to the Tailored Support Guidance (as described in the section entitled ‘*Information Relating to the Regulation of Mortgages in the UK – Mortgages and coronavirus: FCA guidance for firms*’) mortgage lenders/administrators may enforce repossession as long as they act in accordance with the Tailored Support Guidance, MCOB 13 and relevant regulatory and legislative requirements. Action to seek possession should be a last resort and should not be started unless all other reasonable attempts to resolve the position have failed.

In respect of Borrower Business Occupied Mortgage Loans, Non-Borrower Occupied Mortgage Loans and Partially Borrower Business Occupied Mortgage Loans, the Servicer may elect to appoint an LPA receiver (except in respect of Scottish Mortgage Loans as it is not possible to appoint an LPA receiver in Scotland). An LPA receivership is typically used to exercise security over a property that is used for commercial purposes and enables the lender to sell the property or divert income streams (rental income) from properties directly to the lender, which may not lead to an eventual sale process if the borrower is able to recover their position.

The Servicer may vary the Collections and Arrears Policy (as defined herein) from time to time in a manner as would be acceptable to a Prudent Mortgage Lender.

## Insurance Contracts

### *Buildings Insurance*

Buildings insurance at the date of completion of the relevant Mortgage Loan is confirmed by way of receipt of the policy. After the date of completion of the relevant Mortgage Loan, to the extent that a Borrower does not maintain buildings insurance, the Seller maintains the following forms of contingency insurance cover:

- (a) “**Properties in Possession Cover**”, being the block properties in possession insurance policy of the Seller, written by Pen Underwriting Limited, for any repossessed Properties;
- (b) “**Lender Interest Only Cover**”, being a policy of the Seller written by Pen Underwriting Limited, whereby the Seller places the relevant Borrower on such Lender Interest Only Cover when the Servicer is made aware that the Borrower’s own insurance in respect of the Property referable to its Mortgage Loan has expired or lapsed. The premium of the Lender Interest Only Cover is charged back to the Borrower on an annual basis (pro rated); and
- (c) “**Failure to Insure Cover**”, being a policy of the Seller, written by Pen Underwriting Limited, covering all Mortgage Loans originated by the Seller. The Failure to Insure Cover would pay out if a Borrower’s own policy has been cancelled but the Servicer has not been notified of such an event and so Lender Interest Only Cover has not been put in place,

or with such other provider of such contingency insurance cover.

### **Credit Risk Mitigation**

The Seller has internal policies and procedures in relation to the granting of credit, administration of credit-risk bearing portfolios and risk mitigation.

The policies and procedures of the Seller in this regard broadly include the following:

- (a) criteria for the granting of credit and the process for approving, amending, renewing and re-financing credits (as to which, in relation to the Mortgage Loans, please see the information set out in this Prospectus headed “*The Mortgage Loans – Lending Criteria*”, “*Summary of the Key Transaction Documents – Servicing Deed*” and “*Certain Regulatory Requirements*”);
- (b) systems in place to administer and monitor the various credit-risk bearing portfolios and exposures (as to which it should be noted that the Portfolio will be serviced in line with the servicing procedures of the Seller and the Servicer – please see further the section of this Prospectus headed “*Summary of the Key Transaction Documents – Servicing Deed*”);
- (c) diversification of credit portfolios taking into account the Seller’s target market and overall credit strategy (as to which, in relation to the Portfolio, please see the section of this Prospectus headed “*Characteristics of the Provisional Portfolio*”); and
- (d) policies and procedures in relation to risk mitigation techniques (as to which, please see further the section of this Prospectus headed “*The Mortgage Loans – Lending Criteria*” and “*Summary of the Key Transaction Documents – Servicing Deed*”).

### **Governing Law**

Each of the English Mortgage Loans and any non-contractual obligations arising out of or in connection with them are governed by English law. Each of the Scottish Mortgage Loans and any non-contractual obligations arising out of or in connection with them are governed by Scots law.

## Property Classification

| Property Type                             | Classification 1  | Classification 2 |
|---|-------------------|------------------|
| Assembly and leisure - Com                | Other Hospitality | Commercial       |
| Car Park - Com                            | Logistics         | Commercial       |
| Caravan Park - Com                        | Lodging           | Commercial       |
| Detached                                  | House             | Residential      |
| Detached Bungalow                         | House             | Residential      |
| Drinking establishments - Com             | Eating & Drinking | Commercial       |
| End Terrace                               | House             | Residential      |
| Financial and Professional Services - Com | Office            | Commercial       |
| General Industrial - Com                  | Industrial        | Commercial       |
| Hot food takeaways - Com                  | Eating & Drinking | Commercial       |
| Hotels and hostels - Com                  | Lodging           | Commercial       |
| House - Mid terrace                       | House             | Residential      |
| House in Multiple Occupation              | HMO / Multifamily | Residential      |
| Land                                      | Land              | Commercial       |
| MaisonetteConvertedHouse                  | House             | Residential      |
| Nightclubs - Com                          | Eating & Drinking | Commercial       |
| Non-residential institutions - Com        | Industrial        | Commercial       |
| office/ business premises - com           | Office            | Commercial       |
| Partially Commercial Use - Com            | Mixed             | Mixed            |
| PurposeBuiltFlat                          | Flat              | Residential      |
| Residential institutions - Com            | Lodging           | Commercial       |
| Restaurants and cafes - Com               | Eating & Drinking | Commercial       |
| Semi-detached                             | House             | Residential      |
| Shops - Com                               | Retail            | Commercial       |
| Storage or distribution - Com             | Logistics         | Commercial       |



## CHARACTERISTICS OF THE PROVISIONAL PORTFOLIO

The statistical and other information contained in this Prospectus (including the tables below) have been compiled by reference to loans originated by the Seller in a provisional portfolio (the “**Provisional Portfolio**”) and extracted from the systems of such Seller as at the Portfolio Reference Date and reflecting the Principal Balance of the Mortgage Loans on 31 March 2021. For the avoidance of doubt, all statistical and other information contained in this Prospectus with respect to the Portfolio Reference Date refer to such statistical and other information in respect of the Mortgage Loans as at 31 March 2021.

As at the Portfolio Reference Date, the Provisional Portfolio comprised 1,061 loans originated by the Seller between January 2017 and March 2021 and secured over commercial, mixed use and residential properties located in England, Wales and Scotland. The aggregate Principal Balance of the loans in the Provisional Portfolio as at the Portfolio Reference Date was £250,060,106. The Properties over which the loans in the Provisional Portfolio are secured have not been revalued for the purposes of the issue of the Debt. Having removed any mortgage loans that are no longer eligible or have been redeemed in full as at the Closing Date, the Seller will then randomly select a pool from the Provisional Portfolio that will comprise the Portfolio to be sold to the Issuer on the Closing Date.

The characteristics of the Portfolio will differ from those set out below as a result of, among other things, repayments and redemptions of loans in the Provisional Portfolio from the Portfolio Reference Date to the Closing Date and removal of any mortgage loans that do not comply with the Loan Warranties as at the Closing Date. If loans selected for the Portfolio are repaid in full or in part between the Cut-Off Date and the Closing Date, the principal recoveries from that loan will form part of Available Principal Receipts. Except as otherwise indicated, these tables have been prepared using the Principal Balance of each loan in the Provisional Portfolio as at the Portfolio Reference Date, which includes all principal and accrued interest arising thereafter for the loans in the Provisional Portfolio. Columns may not add up to 100 per cent. due to rounding.

### *Key characteristics of the Provisional Portfolio as at the Portfolio Reference Date*

#### **Key Characteristics**

|  |  |
|--|--|
| Portfolio Reference Date:                                  | 2 April 2021<br><i>(reflecting the Principal Balance of the Mortgage Loans on 31 March 2021)</i> |
| Current Principal Balance (£):                             | 250,060,106  |
| No. of accounts:   | 1,061  |
| Average Current Principal Balance per Loan (£):            | 235,683  |
| Number of Borrowers:                                       | 982  |
| Average Current Principal Balance per Borrower (£):        | 254,644  |
| Average number of loans per borrower                       | 1.08   |
| First legal mortgage / first ranking standard security %:  | 97.32%   |
| Second legal mortgage/ second ranking standard security %: | 2.68%  |
| Weighted average Original Loan to Value Ratio %:           | 57.29%   |
| Weighted average Current Loan to Value Ratio %:            | 56.44%   |
| Weighted average interest rate %:                          | 7.54%  |
| Interest-only Mortgage Loans (as % of Principal Balance):  | 61.37%   |
| Repayment Mortgage Loans (as % of Principal Balance):      | 38.63%   |
| Weighted average seasoning (months):                       | 22.87  |
| Weighted average remaining term (years):                   | 12.80  |
| Arrears > 1 month (as % of Principal Balance):             | 2.62%  |
| Arrears >=3 month (as % of Principal Balance):             | 0.00%  |
| Full property valuation (as % of Principal Balance):       | 100.00%  |
| Self-employed borrowers (as % of Principal Balance):       | 39.58%   |

|  |        |
|--|--------|
| Fixed rate Mortgage Loan (as % of Principal Balance):                            | 1.03%  |
| Borrower Business Occupied Mortgage Loans (as % of Principal Balance):           | 30.36% |
| Partially Borrower Business Occupied Mortgage Loans (as % of Principal Balance): | 13.12% |
| Non-Borrower Occupied Mortgage Loans (as % of Principal Balance):                | 56.52% |
| Purchase Mortgage Loans (as % of Principal Balance):                             | 44.62% |
| Refinance Mortgage Loans (as % of Principal Balance):                            | 55.38% |
| Loans that have ever received COVID-19 mortgage payment deferral                 | 22.34% |
| Loans currently in COVID-19 mortgage payment deferral                            | 0.60%  |

No agreement for any Mortgage Loan is or at any time has been (in whole or in part): (i) a “regulated credit agreement” under article 60B of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001; (ii) a “regulated mortgage contract” under article 61 of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001; (iii) a “consumer credit back book mortgage contract” as defined in the Mortgage Credit Directive Order 2015; or (iv) a “consumer buy-to-let mortgage contract” as defined in the Mortgage Credit Directive Order 2015.

### **Principal Balances**

The following table shows the distribution of Mortgage Loans by their Principal Balance as determined in respect of each Mortgage Loan on the Portfolio Reference Date (by reference to information as at 31 March 2021).

| <b>Outstanding Principal Balance</b> | <b>Outstanding principal balance</b> |                | <b>By number of Mortgage Loans</b> |                |
|--------------------------------------|--------------------------------------|----------------|------------------------------------|----------------|
|                                      | <b>Amount (£)</b>                    | <b>%</b>       | <b>Number of loans</b>             | <b>%</b>       |
| <= 100,000                           | 29,140,995                           | 11.65%         | 480                                | 45.24%         |
| 100,000 to 200,000                   | 38,218,950                           | 15.28%         | 268                                | 25.26%         |
| 200,000 to 300,000                   | 28,169,743                           | 11.27%         | 117                                | 11.03%         |
| 300,000 to 400,000                   | 17,753,218                           | 7.10%          | 50                                 | 4.71%          |
| 400,000 to 500,000                   | 15,776,406                           | 6.31%          | 35                                 | 3.30%          |
| 500,000 to 600,000                   | 10,302,440                           | 4.12%          | 19                                 | 1.79%          |
| 600,000 to 750,000                   | 15,348,497                           | 6.14%          | 23                                 | 2.17%          |
| 750,000 to 1,000,000                 | 22,014,866                           | 8.80%          | 26                                 | 2.45%          |
| 1,000,000 to 1,500,000               | 28,001,385                           | 11.20%         | 23                                 | 2.17%          |
| 1,500,000 to 2,000,000               | 19,038,324                           | 7.61%          | 11                                 | 1.04%          |
| 2,000,000 to 3,000,000               | 15,594,540                           | 6.24%          | 6                                  | 0.57%          |
| 3,000,000 to 4,000,000               | 10,700,742                           | 4.28%          | 3                                  | 0.28%          |
| > 4,000,000                          | -                                    | 0.00%          | 0                                  | 0.00%          |
| <b>Total</b>                         | <b>250,060,106</b>                   | <b>100.00%</b> | <b>1,061</b>                       | <b>100.00%</b> |

The minimum, maximum and average outstanding Principal Balance of the Mortgage Loans as of the Portfolio Reference Date (by reference to information as at 31 March 2021) is £4,361, £3,718,799 and £235,683, respectively.

| <b>Original Principal Balance</b> | <b>Outstanding principal balance</b> |          | <b>By number of Mortgage Loans</b> |          |
|-----------------------------------|--------------------------------------|----------|------------------------------------|----------|
|                                   | <b>Amount (£)</b>                    | <b>%</b> | <b>Number of loans</b>             | <b>%</b> |
| <= 100,000                        | 28,832,874                           | 11.24%   | 455                                | 42.88%   |
| 100,000 to 200,000                | 40,771,729                           | 15.89%   | 287                                | 27.05%   |
| 200,000 to 300,000                | 27,988,978                           | 10.91%   | 116                                | 10.93%   |
| 300,000 to 400,000                | 18,006,859                           | 7.02%    | 51                                 | 4.81%    |
| 400,000 to 500,000                | 16,570,733                           | 6.46%    | 37                                 | 3.49%    |
| 500,000 to 600,000                | 11,409,815                           | 4.45%    | 21                                 | 1.98%    |

|                        |                    |                |              |                |
|------------------------|--------------------|----------------|--------------|----------------|
| 600,000 to 750,000     | 15,980,641         | 6.23%          | 24           | 2.26%          |
| 750,000 to 1,000,000   | 23,003,974         | 8.97%          | 27           | 2.54%          |
| 1,000,000 to 1,500,000 | 28,164,706         | 10.98%         | 23           | 2.17%          |
| 1,500,000 to 2,000,000 | 19,303,144         | 7.52%          | 11           | 1.04%          |
| 2,000,000 to 3,000,000 | 15,827,120         | 6.17%          | 6            | 0.57%          |
| 3,000,000 to 4,000,000 | 10,701,242         | 4.17%          | 3            | 0.28%          |
| > 4,000,000            | -                  | 0.00%          | 0            | 0.00%          |
| <b>Total</b>           | <b>256,561,815</b> | <b>100.00%</b> | <b>1,061</b> | <b>100.00%</b> |

The minimum, maximum and average original Principal Balance of the Mortgage Loans as of the Portfolio Reference Date (by reference to information as at 31 March 2021) is £10,000, £3,718,799 and £241,811, respectively.

#### **Original Loan to Value Ratios (OLTV Ratios)**

The following table shows the range of Original Loan to Value Ratios.

| <b>Original LTV (%)</b> | <b>Outstanding principal balance</b> |                | <b>By number of Mortgage Loans</b> |                |
|-------------------------|--------------------------------------|----------------|------------------------------------|----------------|
|                         | <b>Amount (£)</b>                    | <b>%</b>       | <b>Number of loans</b>             | <b>%</b>       |
| <= 30.0%                | 7,390,844                            | 2.96%          | 58                                 | 5.47%          |
| 30.0% to 35.0%          | 2,930,915                            | 1.17%          | 27                                 | 2.54%          |
| 35.0% to 40.0%          | 8,213,770                            | 3.28%          | 36                                 | 3.39%          |
| 40.0% to 45.0%          | 14,153,955                           | 5.66%          | 66                                 | 6.22%          |
| 45.0% to 50.0%          | 26,680,507                           | 10.67%         | 132                                | 12.44%         |
| 50.0% to 55.0%          | 31,190,911                           | 12.47%         | 161                                | 15.17%         |
| 55.0% to 60.0%          | 55,057,888                           | 22.02%         | 222                                | 20.92%         |
| 60.0% to 65.0%          | 49,073,543                           | 19.62%         | 215                                | 20.26%         |
| 65.0% to 70.0%          | 30,310,042                           | 12.12%         | 106                                | 9.99%          |
| 70.0% to 75.0%          | 21,086,742                           | 8.43%          | 30                                 | 2.83%          |
| 75.0% to 80.0%          | 3,970,990                            | 1.59%          | 8                                  | 0.75%          |
| 80.0% to 85.0%          | -                                    | 0.00%          | 0                                  | 0.00%          |
| > 85.0%                 | -                                    | 0.00%          | 0                                  | 0.00%          |
| <b>Total</b>            | <b>250,060,106</b>                   | <b>100.00%</b> | <b>1,061</b>                       | <b>100.00%</b> |

The minimum, maximum and weighted average Original Loan to Value Ratio as of the Portfolio Reference Date (by reference to information as at 31 March 2021) is 12.2%, 80.0% and 57.3%, respectively.

#### **Current Loan to Value Ratios (CLTV Ratios)**

The following table shows the range of Current Loan to Value Ratios.

| <b>Current LTV (%)</b> | <b>Outstanding principal balance</b> |          | <b>By number of Mortgage Loans</b> |          |
|------------------------|--------------------------------------|----------|------------------------------------|----------|
|                        | <b>Amount (£)</b>                    | <b>%</b> | <b>Number of loans</b>             | <b>%</b> |
| <= 30.0%               | 8,109,058                            | 3.24%    | 78                                 | 7.35%    |
| 30.0% to 35.0%         | 3,553,964                            | 1.42%    | 32                                 | 3.02%    |
| 35.0% to 40.0%         | 9,257,945                            | 3.70%    | 43                                 | 4.05%    |
| 40.0% to 45.0%         | 15,600,892                           | 6.24%    | 82                                 | 7.73%    |
| 45.0% to 50.0%         | 28,915,544                           | 11.56%   | 152                                | 14.33%   |
| 50.0% to 55.0%         | 32,159,814                           | 12.86%   | 160                                | 15.08%   |
| 55.0% to 60.0%         | 54,076,881                           | 21.63%   | 219                                | 20.64%   |
| 60.0% to 65.0%         | 46,187,237                           | 18.47%   | 185                                | 17.44%   |
| 65.0% to 70.0%         | 26,837,506                           | 10.73%   | 76                                 | 7.16%    |

|                |                    |                |              |                |
|----------------|--------------------|----------------|--------------|----------------|
| 70.0% to 75.0% | 23,182,884         | 9.27%          | 28           | 2.64%          |
| 75.0% to 80.0% | 2,178,382          | 0.87%          | 6            | 0.57%          |
| 80.0% to 85.0% | -                  | 0.00%          | 0            | 0.00%          |
| > 85.0%        | -                  | 0.00%          | 0            | 0.00%          |
| <b>Total</b>   | <b>250,060,106</b> | <b>100.00%</b> | <b>1,061</b> | <b>100.00%</b> |

The minimum, maximum and weighted average Current Loan to Value Ratio of the Mortgage Loans as of the Portfolio Reference Date (by reference to information as at 31 March 2021) is 4.8%, 78.4% and 56.4%, respectively.

### ***Geographical distribution***

The following table shows the regional distribution of Properties securing the Mortgage Loans throughout England, Wales and Scotland (the region of a Property in respect of a Mortgage Loan determined as at the Portfolio Reference Date of such Mortgage Loan (by reference to information as at 31 March 2021)).

| <b>Geographical Distribution</b> | <b>Outstanding principal balance</b> |                | <b>By number of Mortgage Loans</b> |                |
|----------------------------------|--------------------------------------|----------------|------------------------------------|----------------|
|                                  | <b>Amount (£)</b>                    | <b>%</b>       | <b>Number of loans</b>             | <b>%</b>       |
| East Anglia                      | 6,703,527                            | 2.68%          | 31                                 | 2.92%          |
| East Midlands                    | 7,030,950                            | 2.81%          | 56                                 | 5.28%          |
| London                           | 41,144,794                           | 16.45%         | 100                                | 9.43%          |
| North                            | 9,571,750                            | 3.83%          | 48                                 | 4.52%          |
| North West                       | 60,846,969                           | 24.33%         | 213                                | 20.08%         |
| Scotland                         | 11,412,085                           | 4.56%          | 63                                 | 5.94%          |
| South East                       | 35,550,501                           | 14.22%         | 125                                | 11.78%         |
| South West                       | 15,739,122                           | 6.29%          | 83                                 | 7.82%          |
| Wales                            | 15,506,970                           | 6.20%          | 96                                 | 9.05%          |
| West Midlands                    | 30,639,120                           | 12.25%         | 151                                | 14.23%         |
| Yorks & Humber                   | 15,914,318                           | 6.36%          | 95                                 | 8.95%          |
| <b>Totals</b>                    | <b>250,060,106</b>                   | <b>100.00%</b> | <b>1,061</b>                       | <b>100.00%</b> |

### ***Year of origination***

The following table shows the distribution of Mortgage Loans by year of origination.

| <b>Year of Origination</b> | <b>Outstanding principal balance</b> |                | <b>By number of Mortgage Loans</b> |                |
|----------------------------|--------------------------------------|----------------|------------------------------------|----------------|
|                            | <b>Amount (£)</b>                    | <b>%</b>       | <b>Number of loans</b>             | <b>%</b>       |
| 2017                       | 44,268,737                           | 17.70%         | 275                                | 25.92%         |
| 2018                       | 53,839,407                           | 21.53%         | 262                                | 24.69%         |
| 2019                       | 73,957,427                           | 29.58%         | 157                                | 14.80%         |
| 2020                       | 54,455,353                           | 21.78%         | 257                                | 24.22%         |
| 2021                       | 23,539,183                           | 9.41%          | 110                                | 10.37%         |
| <b>Total</b>               | <b>250,060,106</b>                   | <b>100.00%</b> | <b>1,061</b>                       | <b>100.00%</b> |

### ***Years to maturity of Mortgage Loans (Year to Maturity)***

The following table shows the distribution of Mortgage Loans according to the number of years remaining until their maturity as at the Portfolio Reference Date (by reference to information as at 31 March 2021).

| <b>Year to Maturity</b> | <b>Outstanding principal balance</b> |                | <b>By number of Mortgage Loans</b> |                |
|-------------------------|--------------------------------------|----------------|------------------------------------|----------------|
|                         | <b>Amount (£)</b>                    | <b>%</b>       | <b>Number of loans</b>             | <b>%</b>       |
| <= 6                    | 24,438,116                           | 9.77%          | 76                                 | 7.16%          |
| 6 to 8                  | 56,376,719                           | 22.55%         | 232                                | 21.87%         |
| 8 to 10                 | 65,707,910                           | 26.28%         | 181                                | 17.06%         |
| 10 to 12                | 6,994,657                            | 2.80%          | 49                                 | 4.62%          |
| 12 to 14                | 5,909,057                            | 2.36%          | 38                                 | 3.58%          |
| 14 to 16                | 4,231,851                            | 1.69%          | 39                                 | 3.68%          |
| 16 to 18                | 12,146,540                           | 4.86%          | 92                                 | 8.67%          |
| 18 to 20                | 20,720,017                           | 8.29%          | 114                                | 10.74%         |
| 20 to 22                | 9,063,666                            | 3.62%          | 67                                 | 6.31%          |
| 22 to 24                | 22,087,976                           | 8.83%          | 94                                 | 8.86%          |
| 24 to 26                | 15,890,436                           | 6.35%          | 62                                 | 5.84%          |
| 26 to 28                | 598,943                              | 0.24%          | 3                                  | 0.28%          |
| 28 to 30                | 5,894,219                            | 2.36%          | 14                                 | 1.32%          |
| > 30                    | 0                                    | 0.00%          | 0                                  | 0.00%          |
| <b>Total</b>            | <b>250,060,106</b>                   | <b>100.00%</b> | <b>1,061</b>                       | <b>100.00%</b> |

The minimum, maximum and weighted average remaining term of the Mortgage Loans as of the Portfolio Reference Date (by reference to information as at 31 March 2021) is 1.1, 29.8 and 12.8 years, respectively.

### **Seasoning**

The following table shows the seasoning of the Mortgage Loans.

| <b>Seasoning (months)</b> | <b>Outstanding principal balance</b> |                | <b>By number of Mortgage Loans</b> |                |
|---------------------------|--------------------------------------|----------------|------------------------------------|----------------|
|                           | <b>Amount (£)</b>                    | <b>%</b>       | <b>Number of loans</b>             | <b>%</b>       |
| <= 2                      | 16,126,396                           | 6.45%          | 72                                 | 6.79%          |
| 2 to 6                    | 28,434,450                           | 11.37%         | 130                                | 12.25%         |
| 6 to 10                   | 14,980,638                           | 5.99%          | 77                                 | 7.26%          |
| 10 to 14                  | 14,444,149                           | 5.78%          | 76                                 | 7.16%          |
| 14 to 18                  | 29,807,636                           | 11.92%         | 58                                 | 5.47%          |
| 18 to 22                  | 18,670,954                           | 7.47%          | 45                                 | 4.24%          |
| 22 to 26                  | 27,205,434                           | 10.88%         | 58                                 | 5.47%          |
| 26 to 30                  | 14,698,339                           | 5.88%          | 66                                 | 6.22%          |
| 30 to 34                  | 23,910,920                           | 9.56%          | 105                                | 9.90%          |
| 34 to 38                  | 9,998,468                            | 4.00%          | 63                                 | 5.94%          |
| 38 to 42                  | 19,824,101                           | 7.93%          | 109                                | 10.27%         |
| 42 to 46                  | 13,015,504                           | 5.20%          | 94                                 | 8.86%          |
| > 46                      | 18,943,119                           | 7.58%          | 108                                | 10.18%         |
| <b>Total</b>              | <b>250,060,106</b>                   | <b>100.00%</b> | <b>1,061</b>                       | <b>100.00%</b> |

The minimum, maximum and weighted average seasoning of the Mortgage Loans as of the Portfolio Reference Date (by reference to information as at 31 March 2021) is 0.5 months, 50.9 months and 22.9 months, respectively.

### **Nominal Interest rate**

The following table shows the distribution of the Mortgage Loans by applicable nominal interest rate as at the Portfolio Reference Date (by reference to information as at 31 March 2021).

| Nominal rate (%) | Outstanding principal balance |                | By number of Mortgage Loans |                |
|------------------|-------------------------------|----------------|-----------------------------|----------------|
|                  | Amount (£)                    | %              | Number of loans             | %              |
| <= 4.5%          | -                             | 0.00%          | 0                           | 0.00%          |
| 4.5% to 5.0%     | 140,000                       | 0.06%          | 1                           | 0.09%          |
| 5.0% to 5.5%     | 2,902,249                     | 1.16%          | 3                           | 0.28%          |
| 5.5% to 6.0%     | 37,184,940                    | 14.87%         | 45                          | 4.24%          |
| 6.0% to 6.5%     | 11,340,909                    | 4.54%          | 19                          | 1.79%          |
| 6.5% to 7.0%     | 61,547,186                    | 24.61%         | 197                         | 18.57%         |
| 7.0% to 7.5%     | 20,373,061                    | 8.15%          | 65                          | 6.13%          |
| 7.5% to 8.0%     | 52,630,077                    | 21.05%         | 295                         | 27.80%         |
| 8.0% to 8.5%     | 32,489,648                    | 12.99%         | 180                         | 16.97%         |
| 8.5% to 9.0%     | 5,034,807                     | 2.01%          | 40                          | 3.77%          |
| 9.0% to 9.5%     | 7,237,428                     | 2.89%          | 47                          | 4.43%          |
| 9.5% to 10.0%    | 5,956,668                     | 2.38%          | 46                          | 4.34%          |
| 10.0% to 10.5%   | 11,598,446                    | 4.64%          | 101                         | 9.52%          |
| 10.5% to 11.0%   | 57,705                        | 0.02%          | 1                           | 0.09%          |
| 11.0% to 11.5%   | 376,846                       | 0.15%          | 5                           | 0.47%          |
| 11.5% to 12.0%   | 65,858                        | 0.03%          | 3                           | 0.28%          |
| > 12.0%          | 1,124,278                     | 0.45%          | 13                          | 1.23%          |
| <b>Total</b>     | <b>250,060,106</b>            | <b>100.00%</b> | <b>1,061</b>                | <b>100.00%</b> |

The minimum, maximum and weighted average nominal interest rate as of the Portfolio Reference Date (by reference to information as at 31 March 2021) is 5.00%, 14.90% and 7.54%, respectively.

#### ***Debt Coverage Servicing Ratio***

The following table shows the debt coverage servicing ratio as at the Portfolio Reference Date (by reference to information as at 31 March 2021).

| Debt Coverage Servicing Ratio (DCSR)                      | Outstanding principal balance |        | By number of Mortgage Loans |        |
|---|-------------------------------|--------|-----------------------------|--------|
|   | Amount (£)                    | %      | Number of loans             | %      |
| Borrower Business Occupied - DSCR not applicable          | 69,484,099                    | 27.79% | 358                         | 33.74% |
| Partially Borrower Business Occupied- DSCR not applicable | 14,136,984                    | 5.65%  | 71                          | 6.69%  |
| Non-Borrower Occupied - alternative income assessed       | 14,179,453                    | 5.67%  | 100                         | 9.43%  |
| < 0.75x   | 10,868,800                    | 4.35%  | 27                          | 2.54%  |
| 0.75x to 1.00x  | 7,371,422                     | 2.95%  | 27                          | 2.54%  |
| 1.00x to 1.25x  | 16,231,247                    | 6.49%  | 44                          | 4.15%  |
| 1.25x to 1.50x  | 14,455,743                    | 5.78%  | 73                          | 6.88%  |
| 1.50x to 1.75x  | 25,990,860                    | 10.39% | 78                          | 7.35%  |
| 1.75x to 2.00x  | 21,034,430                    | 8.41%  | 66                          | 6.22%  |
| 2.00x to 2.25x  | 14,571,639                    | 5.83%  | 54                          | 5.09%  |
| 2.25x to 2.50x  | 12,210,862                    | 4.88%  | 37                          | 3.49%  |
| 2.50x to 2.75x  | 4,954,435                     | 1.98%  | 23                          | 2.17%  |
| 2.75x to 3.00x  | 1,098,702                     | 0.44%  | 10                          | 0.94%  |
| 3.00x to 3.25x  | 6,446,694                     | 2.58%  | 21                          | 1.98%  |
| 3.25x to 3.50x  | 1,749,738                     | 0.70%  | 10                          | 0.94%  |
| 3.50x to 3.75x  | 4,174,008                     | 1.67%  | 10                          | 0.94%  |
| 3.75x to 4.00x  | 1,612,643                     | 0.64%  | 6                           | 0.57%  |

|              |                    |                |              |                |
|--------------|--------------------|----------------|--------------|----------------|
| > 4.00x      | 9,488,348          | 3.79%          | 46           | 4.34%          |
| <b>Total</b> | <b>250,060,106</b> | <b>100.00%</b> | <b>1,061</b> | <b>100.00%</b> |

The minimum, maximum and weighted average debt coverage servicing ratio (based only on rental income) as of the Portfolio Reference Date (by reference to information as at 31 March 2021) is 0.0x, 28.8x and 2.1x, respectively.

### *Previous county court judgments*

The following table represents the distribution of Mortgage Loans, according to the number of previous county court judgments (including the Scottish equivalent) the Borrower under such Mortgage Loan had experienced in the six years prior to the origination of such Mortgage Loan.

#### **Number of previous CCJs**

| <b>No. of previous CCJs</b> | <b>Outstanding principal balance</b> |                | <b>By number of Mortgage Loans</b> |                |
|-----------------------------|--------------------------------------|----------------|------------------------------------|----------------|
|                             | <b>Amount (£)</b>                    | <b>%</b>       | <b>Number of loans</b>             | <b>%</b>       |
| 0                           | 230,087,871                          | 92.01%         | 943                                | 88.88%         |
| 1                           | 13,670,022                           | 5.47%          | 87                                 | 8.20%          |
| 2                           | 3,418,695                            | 1.37%          | 20                                 | 1.89%          |
| 3                           | 2,291,474                            | 0.92%          | 7                                  | 0.66%          |
| 4                           | 592,044                              | 0.24%          | 4                                  | 0.38%          |
| 5                           | -                                    | 0.00%          | 0                                  | 0.00%          |
| <b>Total</b>                | <b>250,060,106</b>                   | <b>100.00%</b> | <b>1,061</b>                       | <b>100.00%</b> |

### *First Mortgage Loans and Second Mortgage Loans (First and Second Lien Split)*

The following table shows the distribution of Mortgage Loans that are First Mortgage Loans or Second Mortgage Loans, as at the Portfolio Reference Date (by reference to information as at 31 March 2021):

| <b>First Mortgage Loans and Second Mortgage Loans</b> | <b>Outstanding principal balance</b> |                | <b>By number of Mortgage Loans</b> |                |
|---|--------------------------------------|----------------|------------------------------------|----------------|
|   | <b>Amount (£)</b>                    | <b>%</b>       | <b>Number of loans</b>             | <b>%</b>       |
| <b>First Mortgage Loans</b>                           | 243,359,014.35                       | 97.32%         | 999                                | 94.16%         |
| - of which Non-Borrower Occupied                      | 138,690,848.99                       | 55.46%         | 488                                | 45.99%         |
| - of which Borrower Business Occupied                 | 72,365,031.89                        | 28.94%         | 347                                | 32.70%         |
| - of which Partially Borrower Business Occupied       | 32,303,133.47                        | 12.92%         | 164                                | 15.46%         |
| <b>Second Mortgage Loans</b>                          | 6,701,092.13                         | 2.68%          | 62                                 | 5.84%          |
| - of which Non-Borrower Occupied                      | 2,639,777.46                         | 1.06%          | 19                                 | 1.79%          |
| - of which Borrower Business Occupied                 | 3,557,210.96                         | 1.42%          | 35                                 | 3.30%          |
| - of which Partially Borrower Business Occupied       | 504,103.71                           | 0.20%          | 8                                  | 0.75%          |
| <b>Total</b>  | <b>250,060,106</b>                   | <b>100.00%</b> | <b>1,061</b>                       | <b>100.00%</b> |

***Borrower Business Occupied Mortgage Loans, Partially Borrower Business Occupied Mortgage Loans and Non-Borrower Occupied Mortgage Loans***

The following table shows the distribution of Mortgage Loans relating to Properties that are Borrower Business Occupied Mortgage Loans, Partially Borrower Business Occupied Mortgage Loans and Non-Borrower Occupied Mortgage Loans, the redemption type, months in arrears, the number of loans and properties per Borrower, industrial diversification of the Mortgage Loans and property type as at the Portfolio Reference Date (by reference to information as at 31 March 2021):

| <b>Borrower Business Occupied Mortgage Loans, Partially Borrower Business Occupied Mortgage Loans and Non-Borrower Occupied Mortgage Loans</b> | <b>Outstanding principal balance</b> |                | <b>By number of Mortgage Loans</b> |                |
|--|--------------------------------------|----------------|------------------------------------|----------------|
|  | <b>Amount (£)</b>                    | <b>%</b>       | <b>Number of loans</b>             | <b>%</b>       |
| <b>Borrower Business Occupied</b>  | 75,922,243                           | 30.36%         | 382                                | 36.00%         |
| - of which repayment   | 27,496,752                           | 11.00%         | 213                                | 20.08%         |
| - of which interest only   | 48,425,491                           | 19.37%         | 169                                | 15.93%         |
| <b>Partially Borrower Business Occupied</b>  | 32,807,237                           | 13.12%         | 172                                | 16.21%         |
| - of which repayment   | 13,118,373                           | 5.25%          | 94                                 | 8.86%          |
| - of which interest only   | 19,688,864                           | 7.87%          | 78                                 | 7.35%          |
| <b>Non-Borrower Occupied</b>   | 141,330,626                          | 56.52%         | 507                                | 47.79%         |
| - of which repayment   | 55,983,850                           | 22.39%         | 258                                | 24.32%         |
| - of which interest only   | 85,346,776                           | 34.13%         | 249                                | 23.47%         |
| <b>Total</b>   | <b>250,060,106</b>                   | <b>100.00%</b> | <b>1,061</b>                       | <b>100.00%</b> |

***Fixed Rate Split***

| <b>Fixed Rate - Borrower Business Occupied Mortgage Loans, Partially Borrower Business Occupied and Non-Borrower Occupied Mortgage Loans</b> | <b>Outstanding principal balance</b> |                | <b>By number of Mortgage Loans</b> |                |
|--|--------------------------------------|----------------|------------------------------------|----------------|
|  | <b>Amount (£)</b>                    | <b>%</b>       | <b>Number of loans</b>             | <b>%</b>       |
| <b>Borrower Business Occupied</b>  | -                                    | 0.00%          | 0                                  | 0.00%          |
| - of which repayment   | -                                    | 0.00%          | 0                                  | 0.00%          |
| - of which interest only   | -                                    | 0.00%          | 0                                  | 0.00%          |
| <b>Partially Borrower Business Occupied</b>  | 503,295                              | 19.54%         | 1                                  | 16.67%         |
| - of which repayment   | -                                    | 0.00%          | 0                                  | 0.00%          |
| - of which interest only   | 503,295                              | 19.54%         | 1                                  | 16.67%         |
| <b>Non-Borrower Occupied</b>   | 2,072,860                            | 80.46%         | 5                                  | 83.33%         |
| - of which repayment   | 213,110                              | 8.27%          | 2                                  | 33.33%         |
| - of which interest only   | 1,859,750                            | 72.19%         | 3                                  | 50.00%         |
| <b>Total</b>   | <b>2,576,155</b>                     | <b>100.00%</b> | <b>6</b>                           | <b>100.00%</b> |

**Redemption type**

| <b>Redemption Type</b>   | <b>Outstanding principal balance</b> |          | <b>By number of Mortgage Loans</b> |          |
|--------------------------|--------------------------------------|----------|------------------------------------|----------|
|                          | <b>Amount (£)</b>                    | <b>%</b> | <b>Number of loans</b>             | <b>%</b> |
| Repayment Mortgage Loans | 96,598,975                           | 38.63%   | 565                                | 53.25%   |



|                              |                    |                |              |                |
|------------------------------|--------------------|----------------|--------------|----------------|
| Interest-only mortgage loans | 153,461,132        | 61.37%         | 496          | 46.75%         |
| <b>Total</b>                 | <b>250,060,106</b> | <b>100.00%</b> | <b>1,061</b> | <b>100.00%</b> |

#### Months in arrears

| Months in arrears | Outstanding principal balance |                | By number of Mortgage Loans |                |
|-------------------|-------------------------------|----------------|-----------------------------|----------------|
|                   | Amount (£)                    | %              | Number of loans             | %              |
| Current           | 230,896,972                   | 92.34%         | 994                         | 93.69%         |
| <= 1              | 12,618,869                    | 5.05%          | 49                          | 4.62%          |
| 1 to 2            | 6,544,266                     | 2.62%          | 18                          | 1.70%          |
| > 2               | -                             | 0.00%          | 0                           | 0.00%          |
| <b>Total</b>      | <b>250,060,106</b>            | <b>100.00%</b> | <b>1,061</b>                | <b>100.00%</b> |

#### Number of loans per borrower

| Number of loans per borrower | Number of borrowers |
|------------------------------|---------------------|
| 1                            | 931                 |
| 2                            | 42                  |
| 3                            | 6                   |
| 4                            | 1                   |
| 11                           | 1                   |
| 13                           | 1                   |
| <b>Total</b>                 | <b>982</b>          |

#### Number of properties per loan

| Number of properties per loan | Number of loans |
|-------------------------------|-----------------|
| 1                             | 931             |
| 2                             | 107             |
| 3                             | 16              |
| 4                             | 2               |
| 5                             | 3               |
| 6                             | 2               |
| <b>Total</b>                  | <b>1,061</b>    |

#### Property Type (General)

| Commercial property status | Valuation amount   |                |
|----------------------------|--------------------|----------------|
|                            | Amount (£)         | %              |
| Fully Commercial           | 324,799,210        | 61.98%         |
| Non-Commercial             | 26,140,000         | 4.99%          |
| Mixed-Use                  | 173,076,000        | 33.03%         |
| <b>Total</b>               | <b>524,015,210</b> | <b>100.00%</b> |

#### Property type (by Industry)

| Industrial Diversification | Valuation amount |   |
|----------------------------|------------------|---|
|                            | Amount (£)       | % |

|                    |                    |                |
|--------------------|--------------------|----------------|
| <b>Commercial</b>  | <b>404,421,460</b> | <b>77.18%</b>  |
| Industrial         | 47,627,350         | 9.09%          |
| Retail             | 84,686,000         | 16.16%         |
| Lodging            | 75,714,000         | 14.45%         |
| Eating & Drinking  | 57,199,000         | 10.92%         |
| Office             | 64,792,500         | 12.36%         |
| Land               | 37,884,110         | 7.23%          |
| Logistics          | 26,496,500         | 5.06%          |
| Other Hospitality  | 10,022,000         | 1.91%          |
| <b>Residential</b> | <b>26,220,000</b>  | <b>5.00%</b>   |
| House              | 20,764,000         | 3.96%          |
| HMO / Multifamily  | 3,316,000          | 0.63%          |
| Flat               | 2,140,000          | 0.41%          |
| <b>Mixed</b>       | <b>93,373,750</b>  | <b>17.82%</b>  |
| <b>Total</b>       | <b>524,015,210</b> | <b>100.00%</b> |

### Property type (Detailed)

| Property type                             | Valuation amount   |                |
|---|--------------------|----------------|
|   | Amount (£)         | %              |
| Assembly and leisure - Com                | 8,782,000          | 1.68%          |
| Car Park - Com                            | 1,280,000          | 0.24%          |
| Caravan Park - Com                        | 10,325,000         | 1.97%          |
| Detached                                  | 9,520,000          | 1.82%          |
| Detached Bungalow                         | 510,000            | 0.10%          |
| Drinking establishments - Com             | 14,765,000         | 2.82%          |
| End Terrace                               | 840,000            | 0.16%          |
| Financial and Professional Services - Com | 2,785,000          | 0.53%          |
| General Industrial - Com                  | 42,858,750         | 8.18%          |
| Hot food takeaways - Com                  | 10,148,500         | 1.94%          |
| Hotels and hostels - Com                  | 47,539,000         | 9.07%          |
| House - Mid terrace                       | 4,174,000          | 0.80%          |
| House in Multiple Occupation              | 3,316,000          | 0.63%          |
| Land                                      | 37,884,110         | 7.23%          |
| MaisonetteConvertedHouse                  | 2,285,000          | 0.44%          |
| Nightclubs - Com                          | 3,990,000          | 0.76%          |
| Non-residential institutions - Com        | 4,768,600          | 0.91%          |
| office/ business premises - com           | 62,007,500         | 11.83%         |
| Partially Commercial Use - Com            | 93,373,750         | 17.82%         |
| PurposeBuiltFlat                          | 2,140,000          | 0.41%          |
| Residential institutions - Com            | 19,090,000         | 3.64%          |
| Restaurants and cafes - Com               | 28,295,500         | 5.40%          |
| Semi-detached                             | 3,435,000          | 0.66%          |
| Shops - Com                               | 84,686,000         | 16.16%         |
| Storage or distribution - Com             | 25,216,500         | 4.81%          |
| <b>Total</b>                              | <b>524,015,210</b> | <b>100.00%</b> |

## INFORMATION RELATING TO THE REGULATION OF MORTGAGES IN THE UK

The Seller will warrant to the Issuer and the Security Trustee, in relation to the Mortgage Loans and their Collateral Security comprised in the Portfolio on the Closing Date, that no agreement for any Mortgage Loan is or at any time has been in whole or in part: (i) a “regulated credit agreement” under article 60B of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001; (ii) a “regulated mortgage contract” under article 61 of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001; (iii) a “consumer credit back book mortgage contract” as defined in the Mortgage Credit Directive Order 2015; or (iv) a “consumer buy-to-let mortgage contract” as defined in the Mortgage Credit Directive Order 2015.

### *The Mortgage Loans should not constitute regulated mortgage contracts*

The Mortgage Loans in the Portfolio should not constitute regulated mortgage contracts because either (i) less than 40% of the land secured by the mortgage is used or is intended to be used as or in connection with a dwelling so such Mortgage Loans do not fall within the definition of a regulated mortgage contract or (ii) the relevant Mortgage Loans are exempted from being regulated mortgage contracts because they are “investment property loans” for the purposes of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (SI 2001/544) (the “**Regulated Activities Order**”).

### *The Mortgage Loans should not constitute regulated credit agreements under the CCA*

No Mortgage Loan should constitute a regulated credit agreement because either (i) the relevant Mortgage Loans are exempt from being regulated credit agreements pursuant to article 60D of the Regulated Activities Order as they relate to the purchase of land for non-residential purposes or (ii) the Mortgage Loans will be exempt from being regulated credit agreements pursuant to article 60(C)(3) of the Regulated Activities Order as the amount of credit provided under each Mortgage Loan exceeds £25,000 and the agreement for the relevant Mortgage Loans is entered into by the borrower wholly or predominantly for the purposes of a business carried on, or intended to be carried on, by the borrower.

The Servicer does not have permission for the regulated activities of debt administration and debt collection which are necessary in respect of servicing unregulated loans however as legal title holder of the relevant Mortgage Loans, the Servicer is excluded from the regulated activities of debt administration and debt collection in respect of any unregulated loans for which it each holds legal title, as these would be activities carried on by the lender (a person who exercises, or has the right to exercise, the rights and duties of a person who provided credit under the loan agreement). The Issuer is excluded as lender from the regulated activities of debt administration and debt collection in respect of any unregulated loans. The Standby Servicer has permission for the regulated activities of debt administration and debt collection.

### *Unfair relationships*

Under the CCA, the "extortionate credit" regime was replaced by an "unfair relationship" test. The "unfair relationship" test applies to all existing and new credit agreements, except Regulated Mortgage Contracts under the FSMA and regulated home purchase plans under the FSMA. If the court makes a determination that the relationship between a lender and a borrower is unfair, then it may make an order, among other things, requiring the Seller as legal title holder, or any assignee such as the Issuer, to repay amounts received from such borrower. In applying the "unfair relationship" test, the courts are able to consider a wider range of circumstances surrounding the transaction, including the creditor's conduct (or anyone acting on behalf of the creditor) before and after making the agreement or in relation to any related agreement. There is no statutory definition of the word "unfair" in the CCA as the intention is for the test to be flexible and subject to judicial discretion and it is therefore difficult to predict whether a court would find a relationship "unfair". However, the word "unfair" is not an unfamiliar term in UK legislation due to the Unfair Terms in Consumer Contracts Regulations 1994 and 1999 and the Consumer Rights Act 2015. The courts may, but are not

obliged to, look solely to the Consumer Credit Act 2006 for guidance. The principle of "treating customers fairly" under the FSMA, and guidance published by the FSA and, as of 1 April 2013, the FCA on that principle and by the Office of Fair Trading on the unfair relationship test, may also be relevant. Under the CCA, once the debtor alleges that an "unfair relationship" exists, the burden of proof is on the creditor to prove the contrary.

*Plevin v Paragon Personal Finance Limited* [2014] UKSC 61, a Supreme Court judgment, has clarified that compliance with the relevant regulatory rules by the creditor (or a person acting on behalf of the creditor) does not preclude a finding of unfairness, as a wider range of considerations may be relevant to the fairness of the relationship than those which would be relevant to the application of the rules.

If a mortgage loan subject to the unfair relationship test is found to be unfair, the court has a wide range of powers and may require the lender (and any associate or former associate of the lender) to repay sums to the debtor, or to do, not do or cease doing anything in relation to the agreement or any related agreement, and may require the lender to reduce or discharge any sums payable by the debtor or surety, return to a surety any security provided by him, alter the terms of the agreement, direct accounts to be taken or otherwise set aside any duty imposed on the debtor or surety. The term creditor i.e. lender as defined under section 189 of the CCA means the person providing the credit under a consumer credit agreement or the person to whom his rights and duties under the agreement have passed by assignment or operation of law.

### ***Distance Marketing***

In the United Kingdom, the Financial Services (Distance Marketing) Regulations 2004 (the “**Distance Marketing Regulations**”) apply to contracts for financial services entered into on or after 31 October 2004 by a “consumer” within the meaning of the Distance Marketing Regulations and by means of distance communication (i.e. without any substantive simultaneous physical presence of the originator and the borrower).

The Distance Marketing Regulations require suppliers of financial services by way of distance communication to provide certain information to consumers. This information generally has to be provided before the consumer is bound by a contract and includes, but is not limited to, general information in respect of the supplier and the financial service, contractual terms and conditions, and whether or not there is a right of cancellation.

Certain agreements for financial services (including Consumer Buy-to-Let Loans) will be cancellable under the Distance Marketing Regulations in certain circumstances. Where the credit agreement is cancellable under the Distance Marketing Regulations, the borrower may send notice of cancellation at any time before the expiry of 14 days beginning with (i) the day after the day on which the contract is made (where all of the prescribed information has been provided prior to the contract being entered to) or (ii) the day after the day on which the last of the prescribed information is provided (where all of the prescribed information was not provided prior to the contract being entered into).

Compliance with the Distance Marketing Regulations may be secured by way of injunction (interdict in Scotland) obtained by an enforcement authority, granted on such terms as the court thinks fit to ensure such compliance, and certain breaches of the Distance Marketing Regulations may render the originator or intermediaries (and their respective relevant officers) liable to a fine. If the borrower cancels the contract under the Distance Marketing Regulations, then: (a) the borrower is liable to repay the principal and any other sums paid by or on behalf of the originator to the borrower, under or in relation to the contract, within 30 calendar days of cancellation; (b) the borrower is liable to pay interest, early repayment charges and other charges for services actually provided in accordance with the contract only if: (i) the amount is in proportion to the extent of the service provided before cancellation (in comparison with the full coverage of the contract) and is not such that it could be construed as a penalty; (ii) the borrower received certain prescribed information at the prescribed time about the amounts payable; and (iii) the originator did not commence performance of the contract before the expiry of the relevant cancellation period (unless requested to do so

by the borrower); and (c) any security provided in relation to the contract is to be treated as never having had effect.

### ***The Consumer Rights Act 2015***

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

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

Schedule 2 of the CRA contains an indicative and non-exhaustive "grey list" of terms of consumer contracts that may be regarded as unfair. Notably, paragraph 11 lists "a term which has the object or effect of enabling the trader to alter the terms of the contract unilaterally without a valid reason which is specified in the contract" although paragraph 22 of Schedule 2 provides that this does not include a term by which a supplier of financial services reserves the right to alter the rate of interest payable by or due to the consumer, or the amount of other charges for financial services without notice where there is a valid reason if the supplier is required to inform the consumer of the alteration at the earliest opportunity and the consumer is free to dissolve the contract immediately.

A term of a consumer contract which is not on the "grey list" may nevertheless be regarded unfair.

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

Ultimately, only a court can decide whether a term is fair, however it may take into account relevant guidance published by the Competition and Markets Authority (the “**CMA**”) or the FCA. On 19 December 2018, the FCA published new guidance: "*Fairness of variation terms in financial services consumer contracts under the Consumer Rights Act 2015*" (FG18/7), outlining factors the FCA consider firms should have regard to when drafting and reviewing variation terms in consumer contracts. This follows developments in case law, including at the Court of Justice of the European Union (the “**CJEU**”). The finalised guidance relates to all financial services consumer contracts entered into since 1 July 1995. The FCA state that firms should consider both this guidance and any other rules that apply when they draft and use variation terms in their consumer contracts. The FCA state that the finalised guidance will apply to FCA authorised persons and their appointed representative in relation to any consumer contracts which contain variation terms.

The provisions in the CRA governing unfair contractual terms came into force on 1 October 2015. The Unfair Contract Terms Regulatory Guide (UNFCOG in the FCA handbook) explains the FCA's policy on how it uses its formal powers under the CRA and the **CMA** published guidance on the unfair terms

provisions in the CRA on 31 July 2015 (the “**CMA Guidance**”). The CMA indicated in the CMA Guidance that the fairness and transparency provisions of the CRA are regarded to be "effectively the same as those of the UTCCR" (save in applying the consumer notices and negotiated terms). The document further notes that "the extent of continuity in unfair terms legislation means that existing case law generally, and that of the Court of Justice of the European Union particularly, is for the most part as relevant to the Act as it was the UTCCRs". In general, the interpretation of the UTCCR and/or the CRA is open to some doubt, particularly in the light of sometimes conflicting reported case law between English courts and the CJEU. The extremely broad and general wording of the CRA makes any assessment of the fairness of terms largely subjective and makes it difficult to predict whether or not a term would be held by a court to be unfair. It is therefore possible that any Mortgage Loans which have been made to Borrowers covered by the CRA may contain unfair terms which may result in the possible unenforceability of the terms of the underlying loans. If any term of the Mortgage Loans entered into on or after 1 October 2015 is found to be unfair for the purpose of the CRA, this may reduce the amounts available to meet the payments due in respect of the Debt. The guidance issued by the FSA (and as of 1 April 2013, the FCA), the OFT and the CMA has changed over time and it is possible that it may change in the future.

### ***Consumer Protection from Unfair Trading Regulations 2008***

The Consumer Protection from Unfair Trading Regulations 2008 (the "**CPUTR**") came into force on 26 May 2008. The CPUTR prohibit certain practices which are deemed "unfair" within the terms of the CPUTR. Breach of the CPUTR does not (of itself) render an agreement void or unenforceable, but is a criminal offence punishable by a fine and/or imprisonment. The possible liabilities for misrepresentation or breach of contract in relation to the underlying credit agreements may result in irrecoverable losses on amounts to which such agreements apply. Most of the provisions of the Consumer Protection (Amendment) Regulations 2014 came into force on 1 October 2014 and amended the CPUTR. In certain circumstances, these amendments to the CPUTR give consumers a right to redress for misleading or aggressive commercial practices (as defined in the CPUTR), including a right to unwind agreements.

### ***Mortgage repossession***

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

Investors should note, as at the date of this Prospectus, the Tailored Support Guidance to firms, as described above in the section entitled "*Mortgages and coronavirus: FCA guidance for firms*" in response to the COVID-19 outbreak in the UK states that from 1 April 2021, subject to any relevant government restrictions on repossessions, mortgage lenders/administrators may enforce repossession as long as they act in accordance with the Tailored Support Guidance, MCOB 13 and relevant regulatory and legislative requirements. Action to seek possession should be a last resort and should not be started unless all other reasonable attempts to resolve the position have failed. The FCA makes clear in the guidance that it expects lenders of both owner-occupied and buy-to-let mortgage loans to act in a manner consistent with these requirements.

Part I of the Home Owner and Debtor Protection (Scotland) Act 2010 came into force on 30 September 2010 and imposes additional requirements on heritable creditors (the Scottish equivalent of a mortgagee) in relation to the enforcement of standard securities over residential property in Scotland. Under Part I of this Act, the heritable creditor, which may be the Seller or, in the event of it taking legal title to the Scottish Mortgage Loans and their Collateral Security, the Issuer, has to obtain a court order to exercise its power of sale (in addition to initiating the enforcement process by the service of a two-month "calling up" notice), unless the borrower and any other occupiers have surrendered the property voluntarily. In applying for the

court order, the heritable creditor also has to demonstrate that it has taken various preliminary steps to attempt to resolve the borrower's position, and comply with further procedural requirements.

This protocol and these Acts may have adverse effects in markets experiencing above average levels of repossession claims. There is a risk that delays in the initiation of responsive action in respect of the Mortgage Loans may result in lower recoveries and may adversely affect the ability of the Issuer to make payments on the Debt.

### ***Mortgages and coronavirus: FCA guidance for firms***

On 20 March 2020 the FCA published new guidance for, inter alia, mortgage lenders and administrators entitled 'Mortgages and coronavirus: our guidance for firms', in connection with the ongoing outbreak of COVID-19 in the UK. This guidance was updated on 4 June 2020, on 16 June 2020 and again on 17 November 2020, such update coming into effect on 20 November 2020 (the “**FCA Payment Deferral Guidance**”). The updated guidance uses the term “payment deferrals” as opposed to “payment holidays” (however, note that the FCA’s guidance to consumers on this subject still uses the term “payment holiday”). Amongst other things, this guidance provides that mortgage lenders are required, where an eligible borrower is experiencing or reasonably expects to experience payment difficulties as a result of circumstances relating to COVID-19, and wishes to receive a payment deferral, to grant a borrower a payment deferral for three monthly payments, unless the mortgage lender agrees with the borrower a different option that the lender reasonably considers to be in the best interests of the borrower. A request for a full or partial payment deferral for three monthly payments may be made by a borrower at any time until 31 March 2021. The FCA Payment Deferral Guidance provides that (i) borrowers who have not yet had a payment deferral are eligible for payment deferrals of up to 3 months each and no more than 6 months in total (ii) those borrowers who currently have a payment deferral are eligible for further payment deferrals of up to 3 months each and no more than 6 months in total, including their initial payment deferral (iii) those borrowers who have previously had payment deferrals of less than 6 months are eligible for further payment deferrals of up to 3 months each and no more than 6 months in total, including their initial payment deferral (this includes those borrowers receiving tailored support and those who are behind on payments) and (iv) those borrowers who have already had 6 months of payment deferrals will not be eligible for a further payment deferral.

Lenders should provide tailored support to those borrowers who are in financial difficulty and not eligible for a payment deferral under the FCA Payment Deferral Guidance appropriate to their circumstances (this may include the option to defer further payments). Borrowers had until 31 March 2021 to apply for an initial (or a further) payment deferral. After that date, they will be able to extend existing deferrals to 31 July 2021, provided these extensions cover consecutive payments, and subject to the maximum 6 months allowed. The FCA advise that borrowers who have not yet taken a deferral, and who think they need the full 6 months should apply in good time before their February 2021 payment is due.

Interest will continue to accrue on the sum temporarily unpaid as the result of a payment deferral, however no additional fee or charge may be levied. Any missed payments arising under such payment deferrals will not constitute arrears and will not be reported as such to Debt Holders (except in relation to loans that were in arrears when the payment deferral was granted, for which the arrears accrued before the start of the payment deferral period will continue to be reported as arrears, but the missed payments during the payment deferral period will not be treated as an increase in arrears).

On 16 September 2020, additional guidance for firms entitled: “Mortgages and coronavirus: additional guidance for firms” came into force (the “**Tailored Support Guidance**”) to supplement the FCA Payment Deferral Guidance. The Tailored Support Guidance was updated on 16 November 2020 and came into effect on 20 November 2020. Section 7 of the Tailored Support Guidance was updated on 27 January 2021 and came into effect on 29 January 2021 and again on 25 March 2021, such update coming into effect on 29 March 2021. The Tailored Support Guidance applies to firms dealing with borrowers facing payment difficulties due to circumstances related to coronavirus who are not receiving payment deferrals under the FCA Payment Deferral Guidance, including where they are not or are no longer eligible for payment

deferral. The Tailored Support Guidance also applies to commercial lending contracts. The Tailored Support Guidance is designed to enable firms to continue to deliver short and long-term support to borrowers affected by the evolving coronavirus pandemic and the Government's response to it. It is intended to support firms to treat borrowers affected by coronavirus fairly and to help borrowers to bridge the crisis to get back to a more stable financial position. If the borrower indicates that they continue or reasonably expect to continue, to face payment difficulties after receiving payment deferrals under the FCA Payment Deferral Guidance, then the Tailored Support Guidance applies and unless the borrower objects, the lender may capitalise the deferred amounts.

The Tailored Support Guidance provides that the FCA expects lenders to be flexible and employ a full range of short and long-term forbearance options to support their borrowers and minimise avoidable financial distress and anxiety experienced by customers in financial difficulty as a result of coronavirus. This may include short term arrangements under which the lender permits the customer to make no or reduced payments for a specified period.

The Tailored Support Guidance further provides in respect of deferral shortfalls (amount added to the shortfall because of any payment deferrals) that unless the borrower is unreasonably refusing to engage with the lender in relation to addressing the shortfall, a lender should not repossess the property without the borrower's consent solely because of a deferral shortfall. Further, in considering whether and when steps to repossess the property should be taken and whether all other reasonable attempts to resolve the position have failed, lenders should take into account that the shortfall arose by agreement with the lender and in exceptional circumstances and the borrower was not expected to address the shortfall during the payment deferral period and so may have had less time to address it.

The FCA makes clear in the FCA Payment Deferral Guidance and the Tailored Support Guidance that if an authorised person carries on an activity in relation to an unregulated agreement to provide credit which is secured on land (such as an investment property loan under the Regulated Activities Order) then, notwithstanding that the subject of its forbearance may be an unregulated mortgage contract, acting in a manner inconsistent with the guidance could have an adverse effect on the authorised person satisfying the FCA's threshold conditions. The FCA also states that a firm is likely to contravene certain of the FCA's Principles if it acts inconsistently with such guidance.

### *Assured Shorthold Tenancy*

In respect of the Non-Borrower Occupied Mortgage Loans and Partially Borrower Business Occupied Mortgage Loans, depending on the level of ground rent payable at any one time it is possible that a long leasehold in England and Wales may also be an Assured Tenancy ("AT") or Assured Shorthold Tenancy ("AST") under the Housing Act 1988 (**HA 1988**). If it is, this could have the consequences set out below.

A tenancy or lease will be an AT if granted after 15 January 1989 and:

- (a) the tenant or, as the case may be, each of the joint tenants is an individual;
- (b) the tenant or, as the case may be, at least one of the joint tenants occupies the dwelling-house as their only or principal home;
- (c) if granted before 1 April 1990:
  - (i) the property had a rateable value at 31 March 1990 lower than £1,500 in Greater London or £750 elsewhere; and
  - (ii) the rent payable for the time being is greater than two thirds of the rateable value at 31 March 1990; and



- (d) if granted on or after 1 April 1990 the rent payable for the time being is between £251 and £100,000 inclusive (or between £1,001 and £100,000 inclusive in Greater London).

There is no maximum term for an AT and therefore any lease can constitute an AT if it satisfies the relevant criteria.

Since 28 February 1997 all ATs will automatically be ASTs (unless the landlord serves notice to the contrary) which gives landlords the right to recover the property at the end of the term of the tenancy. The HA 1988 also entitles a landlord to obtain an order for possession and terminate an AT/AST during its fixed term on proving one of the grounds for possession specified in section 7(6) of the HA 1988. The ground for possession of most concern in relation to long leaseholds is Ground 8 – namely that if the rent is payable yearly (as most ground rents are), at least three months' rent is more than three months in arrears both at the date of service of the landlord's notice and the date of the hearing.

Most leases give the landlord a right to forfeit the lease if rent is unpaid for a certain period of time but the courts normally have power to grant relief, cancelling the forfeiture as long as the arrears are paid off. There are also statutory protections in place to protect long leaseholders from unjustified forfeiture action. However, an action for possession under Ground 8 is not the same as a forfeiture action and the court's power to grant relief does not apply to Ground 8. In order to obtain possession, the Borrower will have to follow the notice procedure in section 8 of the HA 1988 and, if the tenant does not leave on expiry of the notice, apply for a court order. However, as ground 8 is a mandatory ground, the court will have no discretion and will be obliged to grant the order if the relevant conditions are satisfied. There is government consultation underway to review residential leasehold law generally and it is anticipated that this issue will be addressed as part of any resulting reforms.

In Scotland, the corresponding provisions of the Housing (Scotland) Act 1988 that govern assured tenancies and short assured tenancies (being broadly the Scottish equivalent of ATs and ASTs in England and Wales) do not apply to long leases in respect of residential property in Scotland that are capable of being registered in the Registers of Scotland and secured by a standard security.

### ***The Renting Homes (Wales) Act 2016***

The Renting Homes (Wales) Act 2016 (the "**Renting Homes Act**") received royal assent on 18 January 2016 but has not yet been brought fully into force. This Act will convert the majority of residential tenancies in Wales into a "standard contract" with retrospective effect when it has been brought into force, however some tenancies will not be converted with retrospective effect (including those which have protection under the Rent Act 1977 and tenancies for more than 21 years).

The Renting Homes Act (which only has effect in Wales) does not contain an equivalent mandatory ground for possession that a lender had under the Housing Act 1988 where a property was subject to a mortgage granted before the beginning of the tenancy and the lender required possession in order to dispose of the property with vacant possession.

There is a risk that the Renting Homes Act may result in lower recoveries in relation to Non-Borrower Occupied Mortgage Loans and Partially Borrower Business Occupied Mortgage Loans over Properties in Wales and may affect the ability of the Issuer to make payments to Debt Holders.

### ***Private Housing (Tenancies) (Scotland) Act 2016 and Proposals in England***

The Private Housing (Tenancies) (Scotland) Act 2016 (the "**2016 Act**") came into force on 1 December 2017. One of the changes made by this legislation is to introduce a new form of tenancy in Scotland known as a "private residential tenancy" which is intended (except in a very limited number of exceptions) to provide tenants with security of tenure by restricting a landlord's ability to regain possession of the property to a number of specific eviction grounds.

Accordingly, a lender or security-holder may not be able to obtain vacant possession if it wishes to enforce its security unless one of the specific eviction grounds under the legislation applies. It should be noted though that one of the grounds on which an eviction order can be sought is that a lender or security-holder intends to sell the property and requires the tenant to leave the property in order to dispose of it with vacant possession. The effect of this legislative change will primarily be restricted to any Non-Borrower Occupied Mortgage Loans and Partially Borrower Business Occupied Mortgage Loans secured over Scottish Property.

There is a risk that the 2016 Act may result in lower recoveries in relation to Non-Borrower Occupied Mortgage Loans and Partially Borrower Business Occupied Mortgage Loans over Properties in Scotland and may affect the ability of the Issuer to make payments to Debt Holders.

The UK Government announced in April 2019 plans to consult on similar legislation in relation to English property which may similarly impact Non-Borrower Occupied Mortgage Loans and Partially Borrower Business Occupied Mortgage Loans secured over English property.

### ***Energy Efficiency Regulations 2015***

From 1 April 2018, landlords of relevant domestic properties in England and Wales may not grant a tenancy to new or existing tenants if their property has an EPC rating of band F or G (as shown on a valid Energy Performance Certificate for the property) and from 1 April 2020, landlords must not continue letting a relevant domestic property which is already let if that property has an EPC rating of band F or G (as shown on a valid Energy Performance Certificate for the property). In both cases described above, this is referred to in the Energy Efficiency (Private Rented Property) (England and Wales) Regulations 2015 (the Energy Efficiency Regulations 2015) as the prohibition on letting substandard property. Where a landlord wishes to continue letting property which is currently substandard, landlords will need to ensure that energy efficiency improvements are made which raise the EPC rating to a minimum of E. In certain circumstances landlords may be able to claim an exemption from this prohibition on letting sub-standard property; this includes situations where the landlord is unable to obtain funding to cover the cost of making improvements, or where all improvements which can be made have been made, and the property remains below an EPC rating of Band E. Local authorities will enforce compliance with the domestic minimum level of energy efficiency. Local authorities may check whether a property meets the minimum level of energy efficiency, and may issue a compliance notice requesting information where it appears to the local authorities that a property has been let in breach of the Energy Efficiency Regulations 2015 (or an invalid exemption has been registered in respect of it). Where a local authority is satisfied that a property has been let in breach of the Energy Efficiency Regulations 2015 it may serve a notice on the landlord imposing financial penalties.

There is a risk that the Energy Efficiency Regulations 2015 may result in lower recoveries in relation to Non-Borrower Occupied Mortgage Loans and Partially Borrower Business Occupied Mortgage Loans over Properties in England and Wales and may affect the ability of the Issuer to make payments to Debt Holders.

Similar requirements are due to apply to landlords of domestic properties in Scotland under the Energy Efficiency (Domestic Private Rented Property) (Scotland) Regulations 2020, however the timescale for this coming into effect continues to be unclear due to the global coronavirus pandemic.

### ***Land Registration Reform in Scotland***

The Land Registration etc. (Scotland) Act 2012 (the "**2012 Act**") came into force in Scotland on 8 December 2014. One of the policy aims of the 2012 Act is to encourage the transfer of property titles recorded in the historic General Register of Sasines to the more recently established Land Register of Scotland with the aim of eventually closing the General Register of Sasines.

Previously, title to a residential property that was recorded in the General Register of Sasines would usually only be required to be moved to the Land Register of Scotland (a process known as "first registration") when that property was sold or if the owner decided voluntarily to commence first registration. The 2012 Act

provides additional circumstances which will trigger first registration of properties recorded in the General Register of Sasines, including (i) the recording of a Standard Security (which would extend to any Standard Security granted by the Issuer in favour of the Security Trustee over Scottish Mortgages in the Portfolio recorded in the General Register of Sasines, pursuant to the terms of the Deed of Charge following a Perfection Event (a "**Scottish Sasine Sub-Security**")) or (ii) the recording of an assignation of a Standard Security (which would extend to any assignation granted by the Seller in favour of the Issuer in respect of Scottish Mortgages in the Portfolio recorded in the General Register of Sasines, pursuant to the terms of the Mortgage Sale Agreement following a Perfection Event (a "**Scottish Sasine Transfer**")).

Since 1 April 2016, the General Register of Sasines has been closed to the recording of standard securities. Notwithstanding the provisions of the 2012 Act mentioned above, for the time being, other deeds such as assignations of standard securities (including Scottish Sasine Transfers) will continue to be accepted in the General Register of Sasines indefinitely (although the Registers of Scotland have reserved the right to consult further on this issue in the future).

If the General Register of Sasines becomes closed to assignations of standard securities at any time after the date of this Prospectus, then this would also have an impact on the registration of Scottish Sasine Transfers in addition to impacting on the registration of Scottish Sasine Sub-Security executed following a Perfection Event, with the probability of higher legal costs and a longer period required to complete registration than would currently be the case.

As noted above, such events will only occur following a Perfection Event and given that the proportion of residential properties in Scotland which remain recorded in the General Register of Sasines continues to decline (the Registers of Scotland estimate that, in April 2020 around 68 per cent. of property titles in Scotland were registered in the Land Register of Scotland), it is likely that, in relation to the Provisional Portfolio, where, as at the Portfolio Reference Date (by reference to information as at 31 March 2021), approximately 4.56 per cent. (by Principal Balance) of the Properties are located in Scotland, only a minority of the Scottish Mortgages will be recorded in the General Register of Sasines.

#### ***Other changes to the regulatory regime***

No assurance can be given that changes will not be made to the regulatory regime and developments described above in respect of the mortgage market in the United Kingdom generally, the Seller's particular sector in that market or specifically in relation to the Seller. Any such action or developments, in particular, but not limited to, the cost of compliance, may have a material adverse effect on the Seller, the Issuer, the Servicer and their respective businesses and operations. There is a risk that this may adversely affect the Issuer's ability to make payments in full on the Debt when due.

## SUMMARY OF THE KEY TRANSACTION DOCUMENTS

### Mortgage Sale Agreement

#### *Portfolio*

Under a mortgage sale agreement entered into on or around the Closing Date between, amongst others, the Seller, the Issuer, the Security Trustee and the Servicer (the "**Mortgage Sale Agreement**"), the Seller shall (in consideration for payment of the Initial Purchase Price and the issuance and payment under the Residual Certificates as detailed below):

- (a) sell, assign or otherwise transfer to the Issuer pursuant to the Mortgage Sale Agreement a portfolio of English and Welsh mortgage loans each secured on residential, commercial and/or mixed-use properties and secured by an English Mortgage and, where applicable, other Collateral Security (the "**English Mortgage Loans**"); and
- (b) sell to the Issuer pursuant to the Mortgage Sale Agreement and hold the portfolio of Scottish mortgage loans each secured on residential, commercial and/or mixed-use properties and secured by a Scottish Mortgage and, where applicable, other Collateral Security (the "**Scottish Mortgage Loans**") on trust under a Scottish Declaration of Trust for the benefit of the Issuer.

The English Mortgage Loans and their Collateral Security comprising the Portfolio will be assigned by way of equitable assignment to the Issuer, while the Scottish Mortgage Loans and their Collateral Security comprising the Portfolio will be held on trust for the Issuer under the Scottish Declaration of Trust dated the Closing Date. The Mortgage Loans and Collateral Security and all monies derived therefrom from time to time are referred to herein as the "**Portfolio**".

The consideration due to the Seller in respect of the sale of the Portfolio shall be:

- (a) the Initial Purchase Price, which is due and payable on the Closing Date; and
- (b) the deferred consideration consisting of the Residual Payments payable pursuant to the applicable Payment Priorities, the right to such Residual Payments being represented by Residual Certificates to be issued by the Issuer and delivered to, or at the direction of, the Seller on the Closing Date.

Any Residual Payments payable pursuant to the Residual Certificates will be paid in accordance with the priority of payments set out in the sections headed "*Cashflows – Application of Available Revenue Receipts prior to the service of an Enforcement Notice on the Issuer*" and "*Cashflows – Distributions following the service of an Enforcement Notice on the Issuer*".

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

#### *Title to the Mortgages, Registration and Notifications*

The completion of the transfer or, in the case of Scottish Mortgage Loans and their Collateral Security, assignation, of the Mortgage Loans and their Collateral Security (and, where appropriate, their registration or recording) to the Issuer is, save in the limited circumstances referred to below, deferred. Legal title to the Mortgage Loans and their Collateral Security therefore remains with the Seller until the occurrence of a Perfection Event. Notice of the sale of the Mortgage Loans and their Collateral Security to the Issuer will not be given to any Borrower until the occurrence of a Perfection Event.

The transfers to the Issuer will be completed by or on behalf of the Seller after any of the following Perfection Events occurs:

- (a) the occurrence of an Insolvency Event occurring in relation to the Seller; or
- (b) the Seller being required to perfect legal title to the Mortgage Loans (i) by law; (ii) by an order of a court of competent jurisdiction; or (iii) by a regulatory authority which has jurisdiction over the Seller; or
- (c) the Seller calling for perfection by serving notice in writing to that effect on the Issuer and the Security Trustee; or
- (d) the occurrence of a Servicer Termination Event where:
  - (i) servicing has not been moved within the Together Group following the expiry of all applicable grace periods; or
  - (ii) no replacement servicer has been appointed in accordance with the provisions of the Servicing Deed; or
- (e) the security created under or pursuant to the Deed of Charge or any material part of that security being, in the opinion of the Security Trustee (acting reasonably), in jeopardy;
- (f) the delivery of an Enforcement Notice by the Note Trustee on the Issuer; or
- (g) it becoming unlawful in any applicable jurisdiction for the Seller to hold legal title in respect of any Mortgage Loan or its Collateral Security in the Portfolio,

(each of the events set out in paragraphs (a) to (g) above inclusive being a "**Perfection Event**").

Following a Perfection Event, notice of the legal assignments and assignments will be given to the Borrowers and the Issuer will take steps to register and record such legal assignments and assignments at the Land Registry and Registers of Scotland (as applicable).

None of the Note Trustee, the Security Trustee or the Issuer has made or has caused to be made on its behalf any enquiries, searches or investigations, but each is relying entirely on the representations and warranties made by the Seller contained in the Mortgage Sale Agreement.

#### *Conditions to Sale*

The sale of Mortgage Loans and their Collateral Security to the Issuer will be subject to various conditions precedent being satisfied on the Closing Date.

#### *Representations and Warranties*

On the Closing Date, the Loan Warranties (described below in this "*Representations and Warranties*" section) will be given by the Seller in respect of the Mortgage Loans and their Collateral Security originated by the Seller to the Issuer on that day.

The warranties that will be given to the Issuer and the Security Trustee by the Seller pursuant to the Mortgage Sale Agreement (the "**Loan Warranties**") include:

1. Each Mortgage Loan and the related Collateral Security and Assigned Rights are originated in the name of the Seller in its ordinary course of business who is the holder of legal and beneficial title to the same, subject in each case only to the Mortgage Sale Agreement, the Borrowers' equity of

redemption and subject to registration or recording at the Land Registry or the Registers of Scotland (as the case may be) of the Seller as proprietor or heritable creditor of the relevant Mortgage.

2. Each Scottish Mortgage Loan is secured by a valid and subsisting first ranking Standard Security or a second ranking Standard Security over the Property to which such Scottish Mortgage Loan relates (subject to completion of any registration or recording with the Registers of Scotland and (in those cases) there is nothing to prevent that registration or recording from being effected).

3. Each English Mortgage Loan is secured by either:

- (a) (in the case of First Mortgage Loans) a valid and subsisting first ranking legal mortgage; or
- (b) (in the case of Second Mortgage Loans) a valid and subsisting second ranking legal mortgage,

subject to completion of any registration or recording with the Land Registry and there is nothing to prevent that registration or recording from being effected over the Property to which such English Mortgage Loan relates.

4. Each Property is either a (i) residential, (ii) commercial (including land) or (iii) mixed-use property situated in England, Wales or Scotland and each Mortgage Loan is secured by one or more Properties.

5. Each Mortgage Loan and its related Mortgage and Collateral Security constitutes legal, valid, binding and enforceable obligations of the Borrower in accordance with its terms, except that:

- (a) no warranty is given that any Mortgage Loan or its related Mortgage is legal, valid, binding or enforceable to the extent legality, validity, the binding effect or enforceability may be limited by:
  - (i) bankruptcy, insolvency or other similar laws of general applicability affecting the enforcement of creditors' rights generally and the courts' discretion in relation to equitable remedies; or
  - (ii) the Unfair Terms in Consumer Contracts Regulations 1994, the UTCCR, the Unfair Contract Terms Act 1977, the Consumer Rights Act 2015 and the CCA insofar as they relate to any obligation in the Mortgage Loan other than the obligation to pay interest and principal; and
- (b) this warranty only applies in relation to interest and principal payable by the Borrower and no warranty is given that any early repayment charges, administration fees, exit fees or other fees or charges are legal, valid, binding or enforceable.

6. In relation to each Mortgage Loan, the related Mortgage and Assigned Rights secure by way of first (in relation to First Mortgage Loans) or second (in relation to Second Mortgage Loans) priority security, all principal, interest, costs, liability and expenses from time to time due to the Seller under the relevant Mortgage Loan.

7. Subject to paragraphs 2 and 3 above, all acts necessary to perfect the vesting of the full legal title to each Mortgage Loan and the related Mortgage and Assigned Rights in the Seller have been duly done or are in the process of being done with all due diligence (having regard to such acts as may be carried out by a Prudent Mortgage Lender).

8. Each Mortgage Loan (including any amendment or supplement thereto) was made in accordance with the applicable Lending Criteria in place at the time of origination subject only to such exceptions and waivers as made on a case by case basis in accordance with the Lending Criteria or as would be acceptable to a Prudent Mortgage Lender.
9. The Mortgage Conditions for each Mortgage Loan require the Property over which the Mortgage Loan is secured to be insured under an insurance policy for the full reinstatement value determined at or before the time the Mortgage Loan was made.
10. No Borrower is an employee of the Seller or any Affiliate.
11. All the Mortgage Loans in respect of Properties located in England and Wales are governed by English law and all the Mortgage Loans in respect of Properties located in Scotland are governed by Scots law.
12. In the case of each Mortgage Loan secured over unregistered land in England or Wales:
  - (a) it is either a fee simple absolute in possession (if freehold) or (if leasehold) a term of years absolute;
  - (b) the Borrower's title commences with a good root of title which was more than 15 years old at the date of the Mortgage Loan; and
  - (c) the Mortgage Loan was completed within the priority period conferred by an official search at the Land Charges Department.
13. In the case of each Mortgage Loan secured over registered land in England or Wales:
  - (a) the relevant Property is registered in the name of the Borrower with title absolute in the case of freehold property or absolute or good leasehold title in the case of leasehold property or possessory title in the case of freehold or leasehold title where such possessory title has been taken into account by the Valuer in the Valuation; or
  - (b) the relevant Property is in the course of registration in the name of the Borrower with title absolute in the case of freehold property or absolute or good leasehold title in the case of leasehold property or possessory title in the case of freehold or leasehold title where such possessory title has been taken into account by the Valuer in the Valuation; and
  - (c) there is no caution, notice or other entry which would prevent the registration of each:
    - (i) First Mortgage Loan as a first legal mortgage; and
    - (ii) Second Mortgage Loan as a second legal mortgage,and an application for registration has been delivered to the Land Registry within the priority period conferred by an official search against the relevant title at the Land Registry.
14. In the case of each Mortgage Loan secured over any Property situated in Scotland:
  - (a) the Borrower has a valid and marketable heritable or long lease title to the relevant Property duly registered or recorded or in the course of registration or recording (as applicable) in the Registers of Scotland with absolute warrandice, free from any encumbrance, notice or adverse entry which would affect such title and (in the case of Properties registered or in the course of registration in the Land Register of Scotland) without exclusion or qualification of

indemnity in terms of Section 12(2) of the Land Registration (Scotland) Act 1979 and/or exclusion or qualification of warranty in terms of the Land Registration etc. (Scotland) Act 2012;

- (b) there is no encumbrance, notice or other adverse entry which would prevent the registration or recording (as applicable) of the relevant Scottish Mortgage in the Registers of Scotland as a first (in relation to First Mortgage Loans) or second (in relation to Second Mortgage Loans) ranking Standard Security; and
  - (c) all MH/CP Documentation evidencing that the Borrower has acquired title to the Property free of any occupancy rights of any "non-entitled spouse" or "non-entitled civil partner" and that the Standard Security by the relevant Borrower in favour of the Seller is likewise unaffected by any such occupancy rights, all in terms of Section 8 of the Matrimonial Homes (Family Protection) (Scotland) Act 1981 or Section 101 of the Civil Partnership Act 2004 (as applicable), has been obtained and is held by or to the order of the Seller.
15. In relation to any leasehold Property, in any case where the Seller has received written notice from the relevant landlord that it is or may be taking reasonable steps to forfeit or (in respect of leasehold property in Scotland) irritate the lease of that Property, the Seller has taken such reasonable steps (if any) and in such time as would be taken by a Prudent Mortgage Lender to protect its security and the Mortgage Loan.
16. In relation to each Mortgage, other than a Scottish Mortgage, secured over a leasehold Property:
- (a) the lease cannot be forfeited on the bankruptcy of the tenant; and
  - (b) any requisite consent of the landlord to, or notice to the landlord of, the creation of the Collateral Security has been obtained or given.
17. In relation to each Scottish Mortgage, secured over a long leasehold Property:
- (a) any requisite consent of the landlord to, or notice to the landlord of, the creation of the Collateral Security has been obtained or given; and
  - (b) the terms of the lease would, at the time of origination, have been acceptable to a Prudent Mortgage Lender.
18. Since the creation of each Mortgage Loan, accounts, books and records showing all transactions, payments, receipts, proceedings and notices relating to arrears or arrangements relating to that Mortgage Loan and which are material with regards to the entry into, performance, validity, administration and enforceability of such Mortgage Loan have been kept and all such accounts, books and records are up to date and in the possession of the Seller or held to its order.
19. Prior to making the initial advance under each Mortgage Loan, a Valuation of the relevant Property was undertaken on the Seller's behalf by a Valuer approved by the Seller and reasonably believed by the Seller to have adequate professional indemnity insurance.
20. In relation to any Mortgage Loan, all the Title Deeds, the deeds constituting the Mortgage and Assigned Rights and the correspondence file (such as it exists) and microfiche or electronically stored data relating to each of the Mortgage Loans are held by or to the order of the Issuer or have been lodged by, or on behalf of, the Seller at the Land Registry or the Registers of Scotland as appropriate.



21. So far as the Seller is aware, it has not received written notice of any litigation or claim calling into question the legal and beneficial title to any Mortgage Loan and the related Mortgage or Assigned Rights of the Seller or its ability to fully, effectively and promptly enforce the same.
22. The Seller has not knowingly waived or acquiesced in any breach of any of its rights under or in relation to a Mortgage Loan which would reduce the value of the Mortgage Loan or which would result in a Prudent Mortgage Lender enforcing the Mortgage Loan, and there are no outstanding claims by the Seller in respect of any breaches (excluding any arrears) of the terms of any Mortgage Loan.
23. No Mortgage Loan or its Collateral Security is subject to any right of rescission, set-off, lien, counterclaim or defence.
24. No Mortgage Loan is repayable in a currency other than pounds sterling.
25. Interest on each Mortgage Loan has been calculated and charged in accordance with the Standard Documentation, save in cases where payment concessions or arrangements to pay have been negotiated with the Borrower in the ordinary course of servicing of the Mortgage Loans in a manner that would be acceptable to a Prudent Mortgage Lender.
26. Each Mortgage Loan and its Collateral Security was originated on the terms of the Standard Documentation and nothing has been done subsequently to add to, lessen or modify or otherwise vary the express provisions of any of the same (other than in accordance with the Seller's policies and procedures from time to time, the Underwriting Policy, the Collections and Arrears Policy, any regulatory direction or requirement of law or in accordance with the terms of any Standard Documentation).
27. Each Mortgage Loan has a maximum term of no longer than 30 years.
28. The first payment due from the relevant Borrower of each Mortgage Loan has been received in full.
29. No Mortgage Loan has been in arrears for a period of longer than three months (and, for the avoidance of doubt, COVID-19 Payment Deferral Mortgage Loans are not treated as “in arrears” (or further “in arrears”) or subject to a debt restructuring process).
30. So far as the Seller is aware, where in relation to any Mortgage Loan a prior ranking mortgage or Standard Security is in continuing existence, there is no default in relation to the prior ranking mortgage or Standard Security.
31. Each Mortgage Loan is either:
  - (a) free and clear from any pledge or Encumbrance (as defined below) (with the exception of prior mortgages, central or local government grants or right-to-buy mortgages or Standard Securities); or
  - (b) subject to appropriate title insurance.

For these purposes, “**Encumbrance**” means:

- (i) a mortgage, Standard Security, charge, pledge, lien or other encumbrance securing any obligation of any person; or

- (ii) any arrangement under which money or claims to money, or the benefit of a bank or other account, may be applied, set-off or made subject to a combination of accounts so as to effect discharge of any sum owed or payable to any person; or
  - (iii) any other type of preferential arrangement (including any title transfer and retention arrangement) having similar effect.
- 32. At origination of each Mortgage Loan, variable direct debit instructions or standing orders in favour of the Seller were completed in respect thereof to provide for monthly payments and such completed variable direct debit instructions or standing orders were held by or on behalf of the Seller.
- 33. Each Mortgage Loan was originated on or after 3 January 2017.
- 34. Other than a Mortgage Loan advanced to a Borrower that is not an individual, none of the property consists of or includes any "stock" or "marketable securities" within the meaning of section 125 Finance Act 2003, "chargeable securities" for the purposes of section 99 Finance Act 1986 or a "chargeable interest" for the purposes of section 48 Finance Act 2003, section 4 of the Land and Buildings Transaction Tax (Scotland) Act 2013 or section 4 of the Land Transaction Tax and Anti-avoidance of Devolved Taxes (Wales) Act 2017, and no Mortgage Loan advanced to a Borrower that is not an individual consists of or includes any "chargeable securities" for the purposes of section 99 Finance Act 1986 or a "chargeable interest" for the purposes of section 48 Finance Act 2003, section 4 of the Land and Buildings Transaction Tax (Scotland) Act 2013 or section 4 of the Land Transaction Tax and Anti-avoidance of Devolved Taxes (Wales) Act 2017 and each such Mortgage Loan is one or both of:
  - (a) a "debenture" which is not a "marketable security" for the purposes of paragraph 25 of Schedule 13 Finance Act 1999; and
  - (b) "exempt loan capital" (that is, loan capital that is exempt from stamp duty on transfer under Section 79(4) Finance Act 1986).
- 35. The particulars of each Mortgage Loan provided in an electronic file or other relevant document attached as Annex 2 (Details of the Portfolio) to the Mortgage Sale Agreement are true, complete and accurate as at the Cut-Off Date in respect of the data fields ascribed in such electronic file or such document and in relation to each Mortgage Loan.
- 36. So far as the Seller is aware, no Bankruptcy Event or Insolvency Event is continuing in relation to a Borrower and no Borrower is subject to Bankruptcy Proceedings or Insolvency Proceedings.
- 37. Each Borrower has been instructed to make payments in respect of Mortgage Loans into a Collection Account.
- 38. So far as the Seller is aware, in relation to each Mortgage every person who, at the date upon which the relevant Mortgage Loan was made, had attained the age of 18 and who had been notified to the Seller as residing or being about to reside in a Property subject to a Mortgage, is either (i) the relevant Borrower (being an individual borrower) or (ii) has signed a deed of consent intended to ensure that the relevant Property is not subject to any right of occupancy and, in relation to each Scottish Mortgage, all necessary MH/CP Documentation has been obtained so as to ensure that the relevant Property and relevant Scottish Mortgage is not subject to any right of occupancy.
- 39. The Seller has complied with all applicable requirements of law or of any person who has regulatory authority which has the force of law in respect of each Mortgage Loan and its Collateral Security.

40. The Seller has not supplied or brokered PPI in respect of any Borrower's payment obligations under any Mortgage Loan.
41. All of the Borrowers are (i) individuals or (ii) UK incorporated registered limited companies or (iii) UK established limited liability partnerships.
42. No Mortgage Loan is a Self-Certified Mortgage Loan.
43. No Mortgage Loan constitutes a securitisation position (as defined in the EU Securitisation Regulation and the UK Securitisation Regulation).
44. No agreement for any Mortgage Loan is or at any time has been in whole or in part:
  - (i) a "regulated credit agreement" under article 60B of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001;
  - (ii) a "regulated mortgage contract" under article 61 of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001;
  - (iii) a "consumer credit back book mortgage contract" as defined in the Mortgage Credit Directive Order 2015; or
  - (iv) a "consumer buy-to-let mortgage contract" as defined in the Mortgage Credit Directive Order 2015.
45. No Mortgage Loan was made for the purpose of development of the related Property.

None of the Note Trustee, the Security Trustee, the Arranger or the Lead Manager have undertaken any additional due diligence in respect of the application of the Mortgage Loans and have relied entirely upon the representations and warranties referred to above which will be made by the Seller to the Issuer and the Security Trustee pursuant to the Mortgage Sale Agreement.

#### *Repurchase by the Seller*

The Seller will agree to be liable for the repurchase of any Mortgage Loan and its Collateral Security sold by the Seller pursuant to the Mortgage Sale Agreement if (i) any Loan Warranty made by the Seller in relation to that Mortgage Loan and/or its Collateral Security proves to be materially untrue as at the Closing Date and that default has not been remedied in accordance with the Mortgage Sale Agreement within 45 calendar days of the Closing Date or (ii) the Seller intends to make a Further Mortgage Advance or to effect a Product Switch in respect of a Mortgage Loan (see "*Further Mortgage Advances and Product Switches*" below).

Any Mortgage Loans and their Collateral Security will be required to be repurchased following receipt by the Seller of a loan repurchase notice substantially in the form set out in and delivered in accordance with the Mortgage Sale Agreement (a "**Mortgage Loan Repurchase Notice**") requiring the Seller to repurchase the relevant Mortgage Loan and its Collateral Security in accordance with the terms of the Mortgage Sale Agreement.

The Seller must, pursuant to the terms of the Mortgage Sale Agreement, notify the Issuer and the Security Trustee of any breach of a Loan Warranty as soon as the Seller becomes aware of such breach.

#### *Repurchase price*

The consideration payable by the Seller in respect of the repurchase of an affected Mortgage Loan and its Collateral Security shall be a cash payment equal to the Principal Balance of the relevant Mortgage Loans

(excluding Collection Costs) as per the Determination Date immediately prior to the relevant repurchase date, but increased with accrued but unpaid interest from the prior Determination Date up to the repurchase date, together with an amount equal to all other non-interest amounts due and unpaid (but not capitalised) under such Mortgage Loans.

*Further Mortgage Advances and Product Switches*

A Borrower may request or the Servicer may offer a Borrower a Further Mortgage Advance or Product Switch from time to time. The Mortgage Conditions and the Mortgage Loan Agreement in respect of the Mortgage Loans comprising the Portfolio contain no obligation on the part of the Seller to make any Further Mortgage Advance or grant a Product Switch. Should a Further Mortgage Advance or Product Switch be agreed in relation to any Mortgage Loan, following an application by the Borrower or an offer by the Seller (or, for so long as the relevant Mortgage Loan is serviced by a member of the Together Group, the Servicer on behalf of the Seller), the Mortgage Loan subject to such Further Mortgage Advance or Product Switch (as the case may be) will be repurchased by the Seller on the Interest Payment Date immediately following such Further Mortgage Advance or Product Switch being made.

As used in this Prospectus:

**"Administrator"** means a qualified insolvency practitioner who is appointed as an administrative receiver or manager under Section 29(2) of the Insolvency Act 1986;

**"Affiliate"** means, in relation to any person, a subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company.

**"Assigned Rights"** means all rights, titles, interests and benefits of the Seller in and to the relevant Mortgage Loan (or any Insurance Policies) and any other Collateral Security (excluding Collection Costs) which were granted by the Borrower to the Seller and transferred by such Seller to the Issuer pursuant to the terms of the Mortgage Sale Agreement.

**"Authorisation"** means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation, permission or registration.

**"Bankruptcy Event"** means, in respect of a natural person:

- (a) the initiation of, or consent to, Bankruptcy Proceedings by such person;
- (b) the initiation of Bankruptcy Proceedings against such person;
- (c) the making of a bankruptcy order or award of sequestration against such person;
- (d) the enforcement of any security over the whole or part of the assets and revenues of such person;
- (e) any distress, execution, attachment, diligence or similar process being levied or enforced or imposed upon or against any part of the assets or revenues of such person;
- (f) the application to any court for an order under Section 253 of the Insolvency Act 1986 by such person;
- (g) the appointment of any insolvency practitioner by the court under Section 273 of the Insolvency Act 1986 in relation to such person;
- (h) the making of an arrangement or composition (including a deed of arrangement governed by the Deed of Arrangement Act 1914) with such person's creditors;

- (i) the making of a voluntary trust deed for creditors in relation to such person; or
- (j) any event, under the applicable laws of any jurisdiction, that has analogous effect to any of the events specified in paragraphs (a) to (i) above.

**"Bankruptcy Proceedings"** means the commencement of proceedings or any application made for the appointment of a liquidator, Administrator, Receiver, trustee in bankruptcy or trustee in sequestration in respect of any Person.

**"Buildings Policy"** means either the lenders interest only policy or failure to insure policy or the properties in possession policy of TFSL or the Seller relating to the Mortgages, the Mortgage Loans and/or the Properties pertaining to the Portfolio and any other insurance contracts or policies in replacement, addition or substitution thereof arranged by the Seller from time to time relating to the Mortgages, the Mortgage Loans and/or the Properties pertaining to the Portfolio, and **"Building Policies"** means all of those policies.

**"CCJ"** means a county court judgment or an order of the Enforcement of Judgments Office, or an equivalent judgment or order under applicable law, as the context requires;

**"Collateral Security"** means, in relation to each Mortgage Loan, all charges and securities by way of legal mortgage or Standard Security (and any other collateral security therefor, including, without limitation, any guarantee, any Insurance Policies in respect of which the interest of the Issuer may be given effect to by way of co-insurance or the notifying of the Issuer's interest and any other assignment, assignation, notification or deposit which may be effected in connection with the securing of the relevant Mortgage Loan together with any documentation incidental to the protection of the Issuer and any documents affecting the ability of the Issuer to realise the value of the property charged to it to which the Issuer is or shall become beneficially entitled).

**"Collection Costs"** means, in relation to a Mortgage Loan, any amounts representing fees or the right to charge fees (excluding any interest charges) which are additional to the prescribed Mortgage Loan repayments in the relevant Mortgage Loan Agreement and which were excluded in the calculation of the Initial Purchase Price in respect of such Mortgage Loan.

**"Current Loan to Value Ratio"** or **"Current LTV"** means the ratio, expressed as a percentage, which (a) the Principal Balance of a Mortgage Loan as at the immediately preceding Determination Date together with the principal balance of any other prior ranking indebtedness that is secured over the relevant Property as at the origination of the relevant Mortgage Loan bears to (b) the most recent valuation of the relevant Property.

**"Determination Date"** means the last calendar day of each month.

**"English Mortgage"** means a Mortgage over Property situated in England or Wales.

**"English Property"** or **"English Properties"** means the freehold or leasehold residential, commercial (including land) and mixed-use property located in England or Wales.

**"First Mortgage Loans"** means all mortgage loans secured by first-ranking legal mortgages (or in Scotland first-ranking standard securities) and includes all capital and interest, fees, charges and other amounts from time to time owed (excluding Collection Costs) by Mortgagors under or in relation to such mortgage loans, and **"First Mortgage Loan"** means any one of them.

**"Further Mortgage Advance"** means a further advance of principal made to a Borrower in relation to a Mortgage Loan beyond the original amount advanced (at origination) of such Mortgage Loan but excluding the amount of any retention advanced to the relevant Borrower as part of the initial advance after completion of the Mortgage.

**"Holding Company"** means a holding company as defined in Section 1159 of the Companies Act.

**"Insolvency Event"** means, in respect of a relevant entity:

- (a) an order is made or an effective resolution passed for the winding up of the relevant entity (or it proposes or makes any compromise or arrangement with its creditors); or
- (b) the relevant entity ceases or threatens to cease to carry on the whole of its business or stops payment or threatens to stop payment of its debts; or
- (c) is deemed unable to pay its debts within the meaning of Section 123(1)(a) (on the basis that the reference in such section to £750 is read as a reference to £10 million), (b), (c) (on the basis that the words "for a sum exceeding £10 million" is inserted after the words "extract registered bond" and "extract registered protest"), (d) or (e) of the Insolvency Act 1986 or becomes unable to pay its debts as and when they fall due or the value of its assets is less than the amount of its liabilities (taking into account its contingent); or
- (d) proceedings (including, but not limited to, presentation of an application for an administration order, the filing of documents with the court for the appointment of an administrator or the service of a notice of intention to appoint an administrator) are initiated against the relevant entity under any applicable liquidation, administration, reorganisation (other than a reorganisation where the relevant entity is solvent) or other similar laws; an encumbrancer takes possession or an administrative or other receiver, administrator or other similar official is appointed in relation to the property, undertaking or assets of the relevant entity or the appointment of an administrator takes effect; or a distress, execution or diligence or other process is levied or enforced upon or sued out against the property, chattels, undertaking or assets of the relevant entity and in any of the foregoing cases it is not discharged within fifteen (15) Business Days; or if the relevant entity initiates or consents to judicial proceedings relating to itself under any applicable liquidation, administration, insolvency, reorganisation or other similar laws or makes a conveyance or assignment for the benefit of its creditors generally or takes steps with a view to obtaining a moratorium in respect of any indebtedness; or
- (e) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in paragraphs (a) to (d) above.

**"Insolvency Proceedings"** means, in respect of a company:

- (a) the winding-up, liquidation, dissolution, examinership or administration of such company or any equivalent or analogous proceedings under the law of the jurisdiction in which such company is incorporated or of any jurisdiction in which such company carries on business, including the seeking of liquidation, winding-up, reorganisation, dissolution, administration (whether out of court or otherwise), arrangement, adjustment, protection or relief of debtors; or
- (b) the appointment of a receiver, administrator, administrative receiver, trustee, liquidator, examiner, sequestrator or similar officer to such company or of any or all its revenues and assets;

**"Insurance Policies"** means the Buildings Policies and the Title Insurance Policies.

**"Land Charges Department"** means the department operating under the authority of the Land Charges Act 1972 to maintain registers of land charges, pending actions, writs and orders affecting land and other Encumbrances registered against the names of owners of property in England and Wales that is not registered under the Land Registration Acts.

**"Lending Criteria"** means the lending criteria applied by the Seller when originating the Mortgage Loans.

**"MH/CP Documentation"** means an affidavit, declaration, consent or renunciation granted in terms of the Matrimonial Homes (Family Protection) (Scotland) Act 1981 and/or (as applicable) the Civil Partnership Act 2004 in connection with a Scottish Mortgage or its relevant Property.

**"Monthly Payment"** means, in relation to a Mortgage Loan, the amount determined pursuant to the relevant Mortgage Conditions as being payable on each Monthly Payment Date.

**"Monthly Payment Date"** means each date under which payments are due under the Mortgage Loans or as subsequently amended by the Seller and the relevant Borrower to another date in the month provided that such date is within 30 calendar days of the contractual date for payment in the Mortgage Conditions.

**"Mortgage"** means, in England or Wales, a charge or, in Scotland, a Standard Security over freehold or leasehold real or heritable property to secure a Mortgage Loan.

**"Mortgage Conditions"** means, in respect of a Mortgage Loan, the terms and conditions regulating the same.

**"Mortgage Loan Agreement"** means any agreement in relation to a Mortgage Loan between the Seller and an Obligor or Obligors under a Mortgage Loan (as borrower(s) or guarantor(s)) and **"Mortgage Loan Agreements"** means all or some of them, as the context may require.

**"Mortgage Loans"** means First Mortgage Loans and Second Mortgage Loans (as appropriate) which have been, are purported or are intended to be, sold to the Issuer pursuant to the Mortgage Sale Agreement.

**"Mortgagor"** means the mortgagor or grantor of security in respect of a Mortgage Loan made to a Borrower.

**"Obligor"** means a borrower or a guarantor under a Mortgage Loan Agreement.

**"Original Loan to Value Ratio"** or **"Original LTV"** means the ratio, expressed as a percentage, which (a) the Principal Balance of each Mortgage Loan together with the principal balance of any other prior ranking indebtedness that is secured over the relevant Property, each as at the origination of the relevant Mortgage Loan bears to (b) the valuation of the relevant Property at origination of the Mortgage Loan.

**"Payment Priorities"** means the Pre-Enforcement Revenue Priority of Payments, the Pre-Enforcement Principal Priority of Payments and the Post-Enforcement Priority of Payments.

**"Person"** means any person, firm, company or body corporate, corporation, government, state or agency of a state or any association or partnership (whether or not having separate legal personality) or two or more of the foregoing;

**"PPI"** means payment protection insurance (or any similar type of insurance or product).

**"Principal Balance"** means the principal amount from time to time outstanding under a Mortgage Loan (not comprising accrued interest, arrears of interest, fees, charges or other expenses added but not capitalised on completion of the Mortgage Loan) included in the total sum outstanding from a Mortgagor.

**"Product Switch"** means any variation in the financial terms and conditions applicable to a Mortgage Loan other than any variation:

- (a) agreed with a Borrower to control or manage actual or anticipated arrears on the Mortgage Loan;
- (b) in the maturity date of the Mortgage Loan (unless the maturity date would be extended to a date later than two years before the Final Maturity Date of the Debt in which case such variation will constitute a Product Switch);

- (c) imposed by statute;
- (d) in the rate of interest payable in respect of a Mortgage Loan (i) as a result of any variation in the floating mortgage rate or (ii) where the terms of the Mortgage Loan change the rate of interest payable by a Borrower on termination of an interest discount for a fixed period of time or the terms of the Mortgage Loan otherwise change the interest rate payable;
- (e) which increases the frequency with which the interest payable in respect of the Mortgage Loan is charged; or
- (f) agreed with a Borrower to change the Mortgage Loan from an Interest-only Mortgage Loan to a Repayment Mortgage Loan.

**"Property"** or **"Properties"** means one or more English Properties or Scottish Properties upon which the obligations of a Borrower under a Mortgage Loan are secured.

**"Scottish Mortgage"** means the Standard Security securing a Scottish Mortgage Loan.

**"Scottish Property"** or **"Scottish Properties"** means the heritable or leasehold residential, commercial (including land) and mixed-use property located in Scotland.

**"Second Mortgage Loans"** means all mortgage loans secured by second-ranking legal mortgages (or, in Scotland, second-ranking standard securities) and includes all capital and interest, fees, charges and other amounts from time to time owed (excluding Collection Costs) by Mortgagors under or in relation to mortgage loans, and **"Second Mortgage Loan"** means any one of them.

**"Self-Certified Mortgage Loan"** means a Mortgage Loan which was marketed and underwritten on the premise that the Borrower or, where applicable, intermediaries were made aware that the information provided by the Borrower might not be verified by the Seller.

**"Standard Security"** means a Standard Security in terms of the Conveyancing and Feudal Reform (Scotland) Act 1970.

**"Title Insurance Policy"** means a title insurance policy (howsoever described) in respect of the Mortgages, the Mortgage Loans and/or the Properties pertaining to the Portfolio and any other title insurance contracts or policies in replacement, addition or substitution thereof arranged by the Seller from time to time relating to the Mortgages, the Mortgage Loans and/or the Properties pertaining to the Portfolio, and **"Title Insurance Policies"** means all of those policies.

**"Valuation"** means, in relation to any Mortgage Loan, the most recent valuation obtained by the Seller from a Valuer in respect of the Property which is the subject of such Mortgage Loan.

**"Valuer"** means an independent valuer approved by the Seller in accordance with the Standard Documentation (being a fellow or associate of the Royal Institution of Chartered Surveyors ("**RICS**") or the Incorporated Society of Valuers and Auctioneers) for the Valuation of a Property.

#### *Governing Law*

The Mortgage Sale Agreement and any non-contractual obligations arising out of or in connection with it shall be governed by English law (other than those terms of the Mortgage Sale Agreement specific to the law of Scotland relating to the Scottish Mortgage Loans and their Collateral Security, which shall be construed in accordance with Scots law).



## **Servicing Deed**

### *Introduction*

The Issuer, the Security Trustee, the Seller and the Servicer will enter into, on or around the Closing Date, an agreement pursuant to which the Servicer agrees to service the Mortgage Loans and their Collateral Security (the "**Servicing Deed**"). The services to be provided by the Servicer are set out in the Servicing Deed, and may include any services incidental thereto as may be agreed to in writing by the Issuer, the Seller, the Security Trustee and the Servicer (the "**Services**").

On or about the Closing Date, the Issuer and the Seller (in respect of the Seller's Mortgage Loans) will appoint TCFL to be its agent to service the Mortgage Loans originated by TCFL and their Collateral Security. The Servicer must comply with any proper directions and instructions that the Issuer or, following the Security Trustee notifying the Servicer that an Enforcement Notice has been served, the Security Trustee may from time to time give to it in accordance with the provisions of the Servicing Deed.

The Servicer's actions in servicing the Mortgage Loans and their Collateral Security in accordance with the terms of the Servicing Deed (including the procedures of the Servicer set out therein) are binding on the Issuer.

### *Powers*

The Servicer has the power, among other things:

- (a) to exercise the rights, powers and discretions of the Issuer and the Seller in relation to the Mortgage Loans and their Collateral Security and to perform the obligations of the Issuer and the Seller in relation to the Mortgage Loans and their Collateral Security; and
- (b) to do or cause to be done any and all things which it reasonably considers necessary, convenient or incidental to the administration of the Mortgage Loans and their Collateral Security or the exercise of such rights, powers and discretions.

### *Undertakings by the Servicer*

The Servicer has undertaken, amongst other things, to:

- (a) administer the Mortgage Loans and their Collateral Security sold by the Seller to the Issuer with at least the same level of skill, care and diligence as if the same had been originated by the Servicer;
- (b) provide the Services in such manner and with at least the same level of skill, care and diligence as would a Prudent Mortgage Lender;
- (c) comply with any proper directions, orders and instructions which the Issuer or the Security Trustee may from time to time give to it in accordance with the provisions of the Servicing Deed;
- (d) keep in force (and procure, to the extent reasonably possible, that any delegate or subcontractor appointed by it pursuant to the Servicing Deed keeps in force) all licences, approvals, authorisations, permissions and consents which may be necessary in connection with the performance of the Services under the Servicing Deed, and to prepare and submit all necessary applications and requests for any further licence, approval, authorisation or consent in connection with the performance of the Services under the Servicing Deed and in particular any necessary information filing and fee payment (as applicable) under the Data Protection Legislation and any authorisation and licences under the CCA and/or FSMA;

- (e) not knowingly fail to comply with any legal or regulatory requirements in the performance of the Services;
- (f) make all payments required to be made by it pursuant to the Servicing Deed (as to which see further below) on the due date for payment in Sterling (or as otherwise required under the Transaction Documents) in immediately available funds for value on such day without set-off or counterclaim;
- (g) not amend, vary or terminate (save as permitted by the Transaction Documents), any Mortgage Loan or the terms relating thereto, or allow any dispute, claim or credit note to be issued against such Mortgage Loan unless in accordance with the Policy Documents (as defined below);
- (h) not amend, vary supplement or waive the terms of any Transaction Document without providing prior written notice thereof to the Rating Agencies; and
- (i) deliver to the Issuer, the Security Trustee and the Standby Servicer a notice of any Servicer Termination Event or any event which, with the giving of notice or lapse of time or certification, would constitute the same.

#### *Portfolio information*

On or before each Calculation Date, TCFL will prepare and provide the Cash Administrator with all information as is reasonably required by the Cash Administrator to prepare the Monthly Investor Report (the "**Portfolio Information**").

#### *Setting of Interest Rates on the Mortgage Loans*

Subject to the terms of the Mortgage Sale Agreement, the Issuer grants the Servicer full right, liberty and authority from time to time, in accordance with the Mortgage Conditions, to determine and set the interest rate in relation to each Mortgage Loan sold by the Seller to the Issuer which have not at the relevant date of determination been repurchased by the Seller, provided that the interest due on the Mortgage Loan is determined in accordance with the Mortgage Conditions as well as any subsequent regulation or regulatory guidance, as applicable, or in line with the Collections and Arrears Policy.

#### *Operation of Collection Accounts*

The Servicer will operate the Collection Accounts, opened in the name of the Seller with the National Westminster Bank plc or such other bank with which the Collection Accounts are held from time to time (the "**Collection Account Bank**") in accordance with the terms of the Servicing Deed and the Collection Accounts Declaration of Trust (as to which, see "*The Collection Accounts Declaration of Trust*" below). Revenue Receipts and Principal Receipts arising in relation to the Mortgage Loans will be paid directly into the relevant Collection Accounts. In respect of the Mortgage Loans comprising the Portfolio, the Servicer shall transfer to the Deposit Account all collections received into a Collection Account arising in respect of payments received from Borrowers on or prior to the second Business Day immediately following receipt of such amounts into the Collection Account.

#### *Replacement of Collection Account Bank*

If the rating of the Collection Account Bank falls below the Collection Account Bank Rating and there exists a financial institution having a rating of at least the Collection Account Bank Rating and which is a bank as defined in Section 991 of the Income Tax Act 2007, the Servicer shall assist the Seller (or any other entity which may then hold legal title to the Mortgage Loans and their Collateral Security) to, and the Seller (or any other entity which may then hold legal title to the Mortgage Loans and their Collateral Security) shall, as soon as reasonably practicable (such time period to be not more than 35 calendar days) following such occurrence:

- (a) open a replacement collection account in the name of the Seller with a financial institution:
  - (i) having a rating of at least the Collection Account Bank Rating;
  - (ii) approved in writing by the Issuer and the Security Trustee; and
  - (iii) which is a bank as defined in Section 991 of the Income Tax Act 2007; or
- (b) obtain an unconditional and unlimited guarantee of the obligations of the Collection Account Bank from a financial institution having the Collection Account Bank Rating; or
- (c) take any other action as the Rating Agencies may agree will not result in a downgrade of the Rated Debt.

In the event a replacement collection account is opened, the Servicer will (i) procure, where possible, that all payments made under the Direct Debiting Scheme are transferred to such replacement collection account, (ii) procure, where possible, that all monthly payments made by a Borrower under a payment arrangement other than the Direct Debiting Scheme are made to such replacement collection account from the date on which the replacement collection account is opened; and (iii) procure that all amounts standing to the credit of the Collection Accounts are transferred to the replacement Collection Account promptly after such replacement Collection Account is opened.

As used in this Prospectus:

**"Collection Accounts"** means the accounts in the name of the Seller held with the Collection Account Bank or such additional or replacement bank accounts and each a **"Collection Account"**.

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

*Compensation of the Servicer*

The Servicer receives fees under the terms of the Servicing Deed. The Issuer shall pay the Servicer a servicing fee of 0.25 per cent. (inclusive of VAT) per annum on the aggregate Principal Balance of the relevant Mortgage Loans in the Portfolio as determined as at the close of business on the Calculation Date in respect of the immediately preceding Collection Period.

If an Invocation Notice is served on the Standby Servicer, the Issuer shall pay the Replacement Servicer a primary servicing fee of 0.23 per cent. per annum (exclusive of VAT) calculated on the average Principal Balance of all the Mortgage Loans serviced by the Replacement Servicer as determined during the immediately preceding Interest Period and an additional special servicing fee of 0.35 per cent. per annum (exclusive of VAT) calculated on the average Principal Balance of the relevant Mortgage Loans in the Portfolio in arrears during the immediately preceding Interest Period, and any additional service costs for certain activities undertaken by the Replacement Servicer in the primary servicing of the Mortgage Loans as set out in the Replacement Servicing Agreement (the **"Replacement Servicing Fee"**). For the avoidance of doubt, COVID-19 Payment Deferral Mortgage Loans will not be treated as "in arrears" (or further "in arrears") or be subject to a debt restructuring process for the purpose of calculating the Replacement Servicing Fee.

*Removal or Resignation of the Servicer*

The Issuer (with the written consent of the Security Trustee) and/or (after the delivery of an Enforcement Notice) the Security Trustee itself may, at once or at any time thereafter while such event continues, by

notice in writing to the Servicer (with a copy to the Standby Servicer and (if applicable) the Security Trustee), terminate the Servicer's appointments under the Servicing Deed if any of the following events (each a "**Servicer Termination Event**") occurs and is continuing:

- (a) the Servicer defaults in the payment on the due date of any payment due and payable by it under the Servicing Deed and such default continues unremedied:
  - (i) where the failure to pay has arisen other than as a result of a Disruption Event, for a period of 5 Business Days after the earlier of the Servicer becoming aware of such default or the receipt by the Servicer (with a copy to the Standby Servicer) of written notice from the Issuer or (after the delivery of an Enforcement Notice) the Security Trustee, as the case may be, requiring the same to be remedied; or
  - (ii) where the failure to pay has arisen as a result of a Disruption Event, following the cessation of the Disruption Event or, if earlier, 30 Business Days following the Servicer becoming aware of such default and receipt by the Servicer (with a copy to the Standby Servicer) of written notice from the Issuer or (after the delivery of an Enforcement Notice) the Security Trustee (with a copy to the Standby Servicer) requiring the same to be remedied;
- (b) the Servicer defaults in the performance or observance of any of its other covenants and obligations under the Servicing Deed, which failure in the reasonable opinion of the Issuer (prior to the delivery of an Enforcement Notice) or the opinion of the Note Trustee (after the delivery of an Enforcement Notice) as notified to the Security Trustee, is materially prejudicial to the interests of the Debt Holders, and the Servicer does not remedy that failure within 30 Business Days after the earlier of it becoming aware of the failure or of receipt by it of written notice from the Issuer or (after the delivery of an Enforcement Notice) the Security Trustee (with a copy to the Standby Servicer) requiring the Servicer's non-compliance to be remedied;
- (c) an Insolvency Event occurs in relation to the Servicer;
- (d) the Servicer ceasing to carry on the whole of its business or ceases to carry on the whole or substantially the whole of its business servicing loans secured on residential, commercial and mixed-use properties; or
- (e) it becomes unlawful in any applicable jurisdiction for the Servicer to perform any of its obligations as contemplated by the Servicing Deed *provided* that this does not result or arise from compliance by it with any instruction from the Issuer or the Security Trustee.

**"Disruption Event"** means either or both of:

- (a) a material disruption to those payment or communications systems or to those financial markets which are, in each case, required to operate in order for the payments to be made in connection with a Transaction Document (or otherwise in order for the transactions contemplated by the Transaction Documents to be carried out) which disruption is not caused by, and is beyond the control of, the relevant party seeking to rely on such disruption; or
- (b) the occurrence of any other event which results in the disruption (of a technical or systems related nature) to the treasury or payments operations of the party seeking to rely on such disruption which prevents that party, or any other party to the Transaction Documents, from:
  - (i) performing its payment obligations under the Transaction Documents; or
  - (ii) communicating with any other party to a Transaction Document in accordance with the terms of the relevant Transaction Documents.

### *Voluntary Resignation*

The Servicer (such Servicer being the "**Resigning Servicer**") may voluntarily resign by giving not less than three months' written notice to the Security Trustee, the Issuer and the Standby Servicer (or such shorter time as may be agreed between the Servicer, the Issuer, the Security Trustee and the Standby Servicer), *provided that*: (i) (if the Rated Debt remains outstanding) the resignation has no adverse effect on the then current ratings of the Rated Debt (as confirmed to the Security Trustee in writing by the Rating Agencies) unless the Security Trustee or the holders of the Rated Debt (acting by way of Extraordinary Resolution) agree otherwise; (ii) the Issuer and the Security Trustee consent in writing to such termination and the appointment of the substitute servicer in respect of the Servicer; (iii) a substitute servicer in respect of the Servicer shall be appointed, such appointment to be effective not later than the date of such termination; (iv) such substitute servicer entered into a servicing agreement on the same terms as the Servicing Deed or on such terms as are commercially acceptable within the market, and the Servicer is not released from its obligations under the Servicing Deed until such substitute servicer has entered into such new agreement; (v) such substitute servicer has all licences, approvals, authorisations, permissions and consents which may be necessary in connection with the performance of the Services, and is duly authorised under FSMA; and (vi) such substitute servicer has experience with, and systems capable of, administering portfolios of mortgage loans secured on residential, commercial and mixed-use properties in the United Kingdom and is approved by the Issuer.

### *Delivery of documents and records*

If the appointment of the Servicer is terminated or the Servicer resigns, the Servicer must deliver to the Issuer or as it shall direct (which shall, for the avoidance of doubt, include the Standby Servicer), *inter alia*, the Title Deeds and Loan Files relating to the Mortgage Loans and their Collateral Security in its possession.

Neither the Note Trustee nor the Security Trustee is obliged to act as servicer in any circumstances.

### *Enforcement Procedures*

The Servicer will, in relation to any default by a Borrower under or in connection with a Mortgage Loan and its related Mortgage and other Collateral Security, comply with the Collections and Arrears Policy or, to the extent that the Collections and Arrears Policy is not applicable having regard to the nature of the default in question, take such action as is not materially prejudicial to the interests of the Issuer, provided that:

- (a) the Servicer shall only become obliged to comply with the Collections and Arrears Policy (to the extent applicable) or to take action as aforesaid after it has become aware of the default;
- (b) it is acknowledged by the Issuer that mortgage lenders generally exercise discretion in pursuing their respective enforcement procedures and that the Servicer may exercise such discretion as would be exercised by a Prudent Mortgage Lender in applying the Collections and Arrears Policy to the defaulting Borrower or taking action as referred to above, provided that in exercising such discretion the interests of the Issuer in the Mortgage Loans and their related Mortgages and other Collateral Security are not materially prejudiced;
- (c) in any case where any of the Insurance Policies requires exact compliance with certain enforcement procedures, the Servicer shall provide the prior written consent of the relevant insurance company for any deviation by it from such enforcement procedures; and
- (d) the Servicer may exercise forbearance or take such other action in accordance with the practice of a Prudent Mortgage Lender, and in compliance with any applicable laws, regulations and regulatory guidance, in relation to the recovery of amounts from Borrower(s) and/or the relevant Property.

### *Limit to Servicer's liability*

The Servicer's liability in contract, tort (including negligence or breach of statutory or regulatory duty) or otherwise in respect of the Servicing Deed shall: (a) be limited to £1,500,000 (one million five hundred thousand pounds) in aggregate for so long as the Servicer is appointed under the Servicing Deed; and (b) not include any claim for any increased costs and expenses, loss of profit, business, contracts, revenues or anticipated savings or for any special indirect or consequential damage of any nature whatsoever.

However, the Servicer's limitation of liability pursuant to the Servicing Deed shall not apply in respect of any liability arising as a result of a breach by the Servicer of the Standby Servicing Agreement or the fraud, wilful default or gross negligence of the Servicer.

As used in this Prospectus:

**"Collections and Arrears Policy"** means the policy of the relevant member of the Together Group acting in accordance with the standard of a Prudent Mortgage Lender in respect of the collection and enforcement of amounts due under the Mortgage Loans as contained in the collection and arrears policies, as such policies may be amended from time to time.

**"Direct Debiting Scheme"** means the scheme for the manual and automated debiting of bank accounts opened in accordance with the detailed rules of certain members of the Association for Payments Clearing Services.

**"Invocation Notice"** means a written notice from the Security Trustee to the Standby Servicer requiring the Standby Servicer to transition to performance of the obligations of the Servicer pursuant to the Servicing Deed.

**"Loan Files"** means, in relation to each Mortgage Loan, the file or files (including files which may be kept in microfiche format or similar electronic data retrieval system) containing correspondence between the Borrower and the Seller and including the relevant Standard Documentation applicable to that Mortgage Loan, each letter of offer in respect of a Mortgage Loan and other relevant documents (excluding Title Deeds).

**"Policy Documents"** means:

- (a) the Collections and Arrears Policy;
- (b) the Provisioning Policy; and
- (c) the Underwriting Policy.

**"Provisioning Policy"** means the policy of the Together Group, acting in accordance with the standard of a Prudent Mortgage Lender from time to time setting out the Together Group's appetite for recognising potential losses as such policy may be amended from time to time

**"Prudent Mortgage Lender"**, when used to refer to any person acting as or in accordance with the standards of a "Prudent Mortgage Lender", means the standards of lending and underwriting that would be expected of a reasonable and prudent mortgage lender underwriting loans with similar terms to the Mortgage Loans.

**"Standard Documentation"** means the standard documentation in connection with its activities as originator of Mortgage Loans, or any update or replacement therefor as the Seller may from time to time introduce acting in accordance with the standards of a Prudent Mortgage Lender including, without limitation, any amendments or variations thereto relating to changing the basis on which interest is calculated on the Mortgage Loans from a monthly to daily basis.

"**Title Deeds**" means the conveyancing deeds and documents of title relating to Mortgages and any Collateral Security connected with the Mortgages.

"**Together Group**" means TFSL and any company which is a subsidiary (as defined in the Companies Act 2006) of TFSL.

"**Underwriting Policy**" means the commercial finance policy of the Together Group acting in accordance with the standards of a Prudent Mortgage Lender from time to time setting out the Together Group's appetite for underwriting risk as may be amended from time to time.

#### *Governing Law*

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

#### **Standby Servicing Agreement**

The Issuer will appoint the Standby Servicer to perform standby servicer services pursuant to the standby servicing agreement entered into between the Issuer, the Servicer, the Security Trustee, the Standby Servicer and the Cash Administrator dated on or about the Closing Date (the "**Standby Servicing Agreement**").

The Standby Servicer will conduct periodic onsite servicer operational reviews on an annual basis or as they deem necessary.

Upon the termination of the appointment of the Servicer, the Standby Servicer will (i) within 60 calendar days of receipt of an Invocation Notice, operationally take over servicing of all of the Servicer's obligations as set out in the Servicing Deed but in accordance with the Replacement Servicing Agreement as the replacement servicer ("**Replacement Servicer**") and (ii) enter into a replacement servicing agreement substantially in the form scheduled to the Standby Servicing Agreement with, among others, the Issuer and the Security Trustee (the "**Replacement Servicing Agreement**"), documenting the terms of the services to be carried out by the Standby Servicer on its appointment as Replacement Servicer replacing the servicing obligations of the Servicer as set out in the Servicing Deed.

Should the Standby Servicer assume servicing responsibilities, the aggregate liability of the Standby Servicer for breach, losses or any other claims arising under or in connection with the Standby Servicing Agreement or any Replacement Servicing Agreement (whether arising from contract, breach of warranty, tort including negligence, breach of statutory duty, non fraudulent misrepresentation, under any indemnity or otherwise howsoever) in any twelve (12) month period shall not exceed the aggregate amount of fees paid and payable to the Standby Servicer during that twelve (12) month period. This limitation of liability will apply in the aggregate with respect to any and all events or circumstances occurring during the relevant twelve (12) month period, irrespective of when a claim, action or proceeding may be brought or initiated against the Standby Servicer with respect to such events or circumstances. The relevant twelve (12) month period shall be calculated as follows:

- (a) in the event of a single claim, action or proceeding, the relevant twelve (12) month period shall be the twelve (12) months preceding the events or circumstances giving rise to such claim, action or proceeding; and
- (b) in the event of two or more claims, actions or proceedings arising with respect to any events or circumstances occurring within the same twelve (12) month period, the relevant twelve (12) month period shall be the twelve (12) months preceding the last of the events or circumstances giving rise to such claim, action or proceeding.

The Standby Servicing Agreement and any non-contractual obligations arising out of or in connection with it will be governed by English law.

### **Deed of Charge**

On the Closing Date, the Issuer will enter into the Deed of Charge with, *inter alios*, the Security Trustee.

### *Security*

Under the terms of the Deed of Charge, the Issuer will provide the Security Trustee with the benefit of, *inter alia*, the following security (the "**Security**") as trustee for itself and for the benefit of the Secured Creditors (including the Debt Holders and the Certificateholders):

- (a) an assignment by way of security of (and, to the extent not assigned, a charge by way of first fixed charge over) the Issuer's rights, title, interest and benefit in, to and under the Transaction Documents (other than the Trust Deed, the Deed of Charge, any Scottish Trust Security and any Scottish Declaration of Trust) and any sums derived therefrom;
- (b) an assignment by way of security of (and, to the extent not assigned, a charge by way of first fixed charge over) the Issuer's rights, title, interest and benefit in, to and under the English Mortgage Loans and their Collateral Security and other related rights comprised in the Portfolio (other than in respect of Scottish Mortgage Loans) and any sums derived therefrom;
- (c) an assignment by way of security of (and, to the extent not assigned, a charge by way of first fixed charge over) the Issuer's rights, title, interest and benefit in, to and under Insurance Policies assigned to the Issuer pursuant to the Mortgage Sale Agreement;
- (d) an assignation in security of the Issuer's beneficial interest in the Scottish Mortgage Loans and their Collateral Security (comprising the Issuer's beneficial interest under the trusts declared by the Seller over such Scottish Mortgage Loans and their Collateral Security for the benefit of the Issuer pursuant to any Scottish Declaration of Trust) (a "**Scottish Trust Security**");
- (e) a charge by way of first fixed charge over the Issuer's interest in its bank and/or securities accounts (including the Deposit Account) maintained with the Issuer Account Bank and any other bank or custodian and any sums or securities standing to the credit thereof;
- (f) a charge by way of first fixed charge over the Issuer's interest in all Authorised Investments permitted to be made by the Issuer or the Cash Administrator on its behalf;
- (g) an assignment by way of first fixed security of (and, to the extent not assigned, a charge by way of first fixed charge over) (but subject to the right of reassignment) the benefit of the Issuer's rights, title, interest and benefit under the Collection Accounts Trust (created pursuant to the Collection Accounts Declaration of Trust); and
- (h) a floating charge over all assets of the Issuer not otherwise subject to the charges referred to above or otherwise effectively assigned by way of security, including over all of the Issuer's property, assets, rights and revenues as are situated in Scotland or governed by Scots law (whether or not such assets are the subject of the charges referred to above).

"**Authorised Investments**" means:

- (a) Sterling gilt-edged securities; and



- (b) Sterling demand or time deposits and certificates of deposit and short-term debt obligations (including commercial paper),

provided that in all cases such investments will, in each case, be a "Permitted security" under Section 10(c)(8)(iii) of the Volcker Rule and will only be made such that there is no withholding or deduction for or on account of taxes applicable thereto and such investments: (i) have a maturity date of 30 days or less and mature on or before the next Interest Payment Date or within 30 days, whichever is the sooner; (ii) may be broken or demanded by the Issuer (at no cost to the Issuer) before the next following Interest Payment Date or within 30 days, whichever is sooner; and (iii) are rated at least R-1 (high) (short-term) or AAA (long-term) by DBRS and A-1+ (short-term) by S&P.

**"Secured Creditors"** means the Security Trustee, any Receiver appointed by the Security Trustee pursuant to the Deed of Charge, the Note Trustee, any Appointee, the Debt Holders, the Certificateholders, the Seller, the Servicer, the Standby Servicer, the Replacement Servicer, the Cash Administrator, the Issuer Account Bank, the Corporate Services Provider, the Standby Cash Administrator Facilitator, the Loan Note Registrar, the Paying Agents, the Registrar, the Agent Bank and any other person who is expressed in any deed supplemental to the Deed of Charge to be a secured creditor.

**"Receiver"** means a manager, a receiver and manager and an administrative receiver appointed under the relevant Deed of Charge, pursuant to statutory powers or otherwise, and includes more than one such Receiver and any substituted Receiver.

**"Transaction Documents"** means the Servicing Deed, the Standby Servicing Agreement, (if entered into, the Replacement Servicing Agreement); the Agency Agreement, the Bank Account Agreement, the Collection Accounts Declaration of Trust, the Cash Administration Agreement, the Corporate Services Agreement, the Deed of Charge, each Scottish Trust Security, a share trust deed dated 10 May 2021 (the **"Share Trust Deed"**), the power of attorney granted by the Issuer in favour of the Security Trustee under the Deed of Charge (the **"Issuer Power of Attorney"**), a master definitions and construction schedule dated on or about the Closing Date (the **"Master Definitions and Construction Schedule"**), the Mortgage Sale Agreement, each Scottish Declaration of Trust, the power of attorney granted by the Seller in favour of the Issuer and the Security Trustee on the Closing Date (the **"Seller Power of Attorney"**), the Trust Deed, the Class A Loan Note Agreement and such other related documents which are referred to in the terms of the above documents or which relate to the issue of the Debt and/or the Residual Certificates.

The floating charge created by the Deed of Charge may "crystallise" and become a fixed charge over the relevant class of assets owned by the Issuer at the time of crystallisation. Crystallisation will occur automatically (subject to applicable law) following the occurrence of specific events set out in the Deed of Charge, including, among other events, service of an Enforcement Notice, except in relation to the Issuer's Scottish assets, where crystallisation will occur on the appointment of an administrative receiver or receiver or upon commencement of the winding-up of the Issuer. A crystallised floating charge will rank ahead of the claims of unsecured creditors which are in excess of the prescribed part but will rank behind the expenses of any administration or liquidator, the claims of preferential creditors and the beneficiaries of the prescribed part on enforcement of the Security.

#### *Pre-Enforcement Revenue Priority of Payments and Pre-Enforcement Principal Priority of Payments*

Prior to the Note Trustee serving an Enforcement Notice on the Issuer pursuant to the Trust Deed, Condition 11 (*Events of Default*) or Residual Certificates Condition 10 (*Events of Default*), declaring the Debt to be immediately due and payable or any Residual Payments pursuant to the Residual Certificates to be immediately due and payable, as the case may be, the Cash Administrator (on behalf of the Issuer) shall apply monies standing to the credit of the Deposit Account as described in *"Cashflows – Application of Available Revenue Receipts prior to the service of an Enforcement Notice on the Issuer"* and *"Cashflows – Application of Available Principal Receipts prior to the service of an Enforcement Notice on the Issuer"*.

### *Post-Enforcement Priority of Payments*

After the Note Trustee has served an Enforcement Notice on the Issuer pursuant to the Trust Deed, Condition 11 (*Events of Default*), declaring the Debt to be immediately due and payable or if no Debt remains outstanding, pursuant to Residual Certificates Condition 10 (*Events of Default*) declaring that any Residual Payments pursuant to the Residual Certificates are immediately due and payable, the Security Trustee (or the Cash Administrator on its behalf) or any Receiver appointed by it shall apply the monies standing to the credit of the Deposit Account in accordance with the Post-Enforcement Priority of Payments defined in "*Cashflows – Distributions following the service of an Enforcement Notice on the Issuer*".

The Security will become enforceable after an Enforcement Notice has been served on the Issuer pursuant to the Trust Deed, Condition 11 (*Events of Default*) or if no Debt remains outstanding, pursuant to Residual Certificates Condition 10 (*Events of Default*) declaring that any Residual Payments pursuant to the Residual Certificates are immediately due and payable provided that, if the Security has become enforceable otherwise than by reason of a default in payment of any amount due on the Debt and/or the Residual Certificates, the Security Trustee will not be entitled to dispose of the assets comprised in the Security or any part thereof unless the Security Trustee has received certification from (i) the Cash Administrator; and/or (ii) any financial adviser or other professional adviser that the Security Trustee may appoint for the giving of such certification (or shall appoint if so directed by the holders of (where the Class A Loan Note is the Most Senior Class of Debt) at least 66<sup>2/3</sup> per cent. of the aggregate Principal Amount Outstanding of the Class A Loan Note or (where the Class A Loan Note is not the Most Senior Class of Debt) at least 25 per cent in aggregate of the Principal Amount Outstanding of the Most Senior Class of Debt or, if no Debt remains outstanding at that time, holders of at least 25 per cent. in aggregate of the number of Residual Certificates then in issue) that either (a) a sufficient amount would be realised to allow discharge in full on a *pro rata* and *pari passu* basis of all amounts owing to the Debt Holders (and all persons ranking in priority to the Debt Holders as set out in the Post-Enforcement Priority of Payments) or in its/their opinion (acting reasonably) (b) Principal Receipts and Revenue Receipts to be received by the Issuer will not be sufficient, having regard to any other relevant actual, contingent or prospective liabilities of the Issuer, to discharge in full in due course all amounts owing: (i) to the Debt Holders (and all persons ranking in priority to the Debt Holders in the order of priority set out in the Post-Enforcement Priority of Payments); and (ii) once all the Debt Holders (and all such prior ranking persons) have been repaid, to the remaining Secured Creditors (other than the Certificateholders) in the order of priority set out in the Post-Enforcement Priority of Payments; and (iii) once all the Debt Holders and the Secured Creditors (other than the Certificateholders) have been repaid, to the Certificateholders, which certification and opinion shall be binding on the Secured Creditors.

The fees and expenses of the aforementioned financial adviser or other professional adviser selected by the Security Trustee shall be paid by the Issuer in accordance with the applicable Priority of Payments. The Security Trustee shall be entitled to rely upon any financial or other professional advice referred to above without further enquiry and shall incur no liability to any person for so doing.

### *Governing Law*

The Deed of Charge and any non-contractual obligations arising out of or in connection with it will be governed by English law, aspects relating to Scottish Mortgage Loans and their Collateral Security shall be construed in accordance with Scots Law and each Scottish Trust Security entered into pursuant thereto will be governed by Scots law.

### **Trust Deed**

On or about the Closing Date, the Issuer will enter into the Trust Deed with, *inter alios*, the Security Trustee and the Note Trustee pursuant to which the Issuer and the Note Trustee will agree that the Notes and the Residual Certificates are subject to the provisions in the Trust Deed. The Conditions and the Residual Certificates Conditions and the forms of each class of Notes and the Residual Certificates are each constituted by, and set out in, the Trust Deed.

On or about the Closing Date, the Issuer will enter into the Class A Loan Note Agreement with, *inter alios*, the Original Class A Loan Noteholder pursuant to which the Class A Loan Noteholders will appoint the Note Trustee to represent their interests under the Class A Loan Note and agree that the Note Trustee will exercise its duties, trusts, powers, authorities and discretions in respect of the Debt and the Residual Certificates in accordance with the terms and conditions of the Trust Deed. The form of the Class A Loan Note is constituted by, and set out in, the Class A Loan Note Agreement.

The Note Trustee will agree to (i) hold the benefit of the Issuer's covenant to pay amounts due in respect of the Notes and the Residual Certificates on trust for the Noteholders and the Certificateholders and (ii) represent the interests of all Debt Holders (including the Class A Loan Noteholders).

In accordance with the terms of the Trust Deed, the Issuer will pay a fee to the Note Trustee for its services under the Trust Deed at the rate and times agreed between the Issuer and the Note Trustee (exclusive of VAT) together with payment of any liabilities incurred by the Note Trustee in relation to the Note Trustee's performance of its obligations under or in connection with the Trust Deed and the other Transaction Documents.

#### *Retirement of Note Trustee*

The Note Trustee may retire at any time upon giving not less than 60 calendar days' notice in writing to the Issuer without giving any reason therefor and without being responsible for any liabilities occasioned by such retirement. The holders of the Most Senior Class of Debt or (if no Debt remains outstanding) the Residual Certificates may, by Extraordinary Resolution, remove all trustees (but not some only) for the time being who are acting pursuant to the Trust Deed and the Deed of Charge. The retirement or removal of the Note Trustee shall not become effective unless there remains a trust corporation entitled by rules made under the Public Trustee Act 1906 to carry out the functions of a custodian trustee (a "**Trust Corporation**") in office after such retirement or removal by Extraordinary Resolution. The Issuer will agree in the Trust Deed that, in the event of the sole trustee or the only trustee under the Trust Deed giving notice of its retirement, it shall use its best endeavours to procure a new trustee to be appointed as soon as practicable thereafter and if, upon the expiry of such notice or after 60 calendar days from the date the Note Trustee gives its notice of retirement or the applicable Extraordinary Resolution of the holders of the Most Senior Class of Debt, the Issuer is not able to find such replacement, the Note Trustee will be entitled to appoint a new Trust Corporation as trustee under the Trust Deed.

#### *Governing Law*

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

#### **Agency Agreement**

Pursuant to an agency agreement (the "**Agency Agreement**") dated on or prior to the Closing Date and made between the Issuer, the Note Trustee and the Security Trustee, the Principal Paying Agent, the Registrar and the Agent Bank, provision is made for, *inter alia*, the payment of principal and interest in respect of the Notes.

#### *Governing Law*

The Agency Agreement and any non-contractual obligations arising out of or in connection with it will be governed by English law.

## Cash Administration Agreement

On the Closing Date, the Cash Administrator, the Issuer, the Servicer, the Security Trustee and the Standby Cash Administrator Facilitator will enter into a cash administration agreement (the "**Cash Administration Agreement**").

### *Cash Administration Services to be provided to the Issuer*

Pursuant to the Cash Administration Agreement, the Cash Administrator will agree to provide certain cash administration and other services to the Issuer or, upon the Security Trustee notifying the Cash Administrator that an Enforcement Notice has been served on the Issuer, the Security Trustee. The Cash Administrator's principal function will be effecting payments to and from the Deposit Account. In addition, the Cash Administrator will, amongst other things:

- (a) on each Interest Payment Date prior to the delivery of an Enforcement Notice, apply, or cause to be applied, Available Revenue Receipts in accordance with the Pre-Enforcement Revenue Priority of Payments, Available Principal Receipts in accordance with the Pre-Enforcement Principal Priority of Payments, any Class A Liquidity Reserve Fund Release Amount to meet any Class A Liquidity Deficit against the relevant items in the Pre-Enforcement Revenue Priority of Payments in the order that they appear in the Pre-Enforcement Revenue Priority of Payments and any General Reserve Fund Release Amount to meet any Revenue Deficit against the relevant items in the Pre-Enforcement Revenue Priority of Payments in the order that they appear in the Pre-Enforcement Revenue Priority of Payments;
- (b) on the fifth Business Day of each calendar month (the "**Calculation Date**") determine if there would be a Class A Liquidity Deficit following the application of Available Revenue Receipts on the immediately following Interest Payment Date;
- (c) on each Calculation Date determine if there would be a Revenue Deficit following the application of Available Revenue Receipts and any Class A Liquidity Reserve Fund Release Amounts on the immediately following Interest Payment Date;
- (d) on each Calculation Date determine if there would be a Senior Expenses Deficit following the application of Available Revenue Receipts, any Class A Liquidity Reserve Fund Release Amounts and any General Reserve Fund Release Amounts on the immediately following Interest Payment Date;
- (e) on each Calculation Date, determine whether the immediately following Interest Payment Date is the Final Redemption Date;
- (f) record credits to, and debits from, the Ledgers, as and when required; and
- (g) if required (i) during the Determination Period, calculate the Interest Determination Ratio, the Calculated Revenue Receipts and the Calculated Principal Receipts; and (ii) following any Determination Period, upon receipt by the Cash Administrator of the Portfolio Information in respect of such Determination Period, reconcile the calculations to the actual collections set out in the Portfolio Information by allocating the Reconciliation Amounts in accordance with Condition 6.8(c) (*Determinations and Reconciliation*) and the Cash Administration Agreement.

In addition, the Cash Administrator will also:

- (a) maintain the following ledgers (the "**Ledgers**") on behalf of the Issuer:

- (i) the "**Principal Ledger**" on the Deposit Account which will record all Principal Receipts received by the Issuer and the distribution of the Principal Receipts in accordance with the Pre-Enforcement Principal Priority of Payments or the Post-Enforcement Priority of Payments (as applicable);
  - (ii) the "**Revenue Ledger**" on the Deposit Account which will record all Revenue Receipts, amounts credited to the Deposit Account in accordance with item (v) of the Pre-Enforcement Revenue Priority of Payments and the distribution of Available Revenue Receipts and any other relevant amounts recorded on the Revenue Ledger in accordance with the Pre-Enforcement Revenue Priority of Payments or the Post-Enforcement Priority of Payments (as applicable) or by way of Third Party Amounts;
  - (iii) the "**Class A Liquidity Reserve Fund Ledger**" on the Deposit Account, which will record amounts credited to, and debited from, the Class A Liquidity Reserve Fund (see "*Credit Structure – Class A Liquidity Reserve Fund and Class A Liquidity Reserve Fund Ledger*");
  - (iv) the "**General Reserve Fund Ledger**", which will record amounts credited to, and debited from, the General Reserve Fund (see "*Credit Structure – General Reserve Fund and General Reserve Fund Ledger*");
  - (v) the "**Principal Deficiency Ledger**" on the Deposit Account which will record on the appropriate sub-ledger as a debit deficiencies arising from Losses on the Portfolio (on the date the Cash Administrator is informed of such Losses by the Servicer) and Principal Addition Amounts (on the Calculation Date on which such Principal Addition Amounts are determined by the Cash Administrator) and record as a credit Available Revenue Receipts applied as Available Principal Receipts (including any amounts in respect of Enhanced Amortisation Amounts) pursuant to the Pre-Enforcement Revenue Priority of Payments (if any) on each Interest Payment Date (see "*Credit Structure – Principal Deficiency Ledger*"); and
  - (vi) the "**Issuer Profit Ledger**" on the Deposit Account, which shall record as a credit any amounts retained by the Issuer as profit in accordance with the Pre-Enforcement Revenue Priority of Payments and the Post-Enforcement Priority of Payments and as a debit any amount used to discharge any tax liability of the Issuer;
- (b) calculate on each Calculation Date (prior to service of an Enforcement Notice) the amount of Available Revenue Receipts and Available Principal Receipts to be applied on the immediately following Interest Payment Date in accordance with the Pre-Enforcement Revenue Priority of Payments or the Pre-Enforcement Principal Priority of Payments (as applicable);
  - (c) calculate on each Calculation Date up to and including the Calculation Date immediately preceding the Class A Redemption Date (prior to the service of an Enforcement Notice) the amount of any Class A Liquidity Reserve Fund Release Amount to be applied on the immediately following Interest Payment Date (such amount to be determined after calculation of any Available Revenue Receipts to be applied on such Interest Payment Date in accordance with the Pre-Enforcement Revenue Priority of Payments on such Interest Payment Date (including any Class A Liquidity Reserve Fund Excess Amount to be applied *firstly*, to replenish (if required) the General Reserve Fund up to the General Reserve Fund Required Amount and *secondly*, as Available Revenue Receipts on such Interest Payment Date));
  - (d) calculate on each Calculation Date up to and including the Calculation Date immediately preceding the Final Redemption Date (prior to the service of an Enforcement Notice) the amount of any General Reserve Fund Release Amount to be applied on the immediately following Interest Payment Date (such amount to be determined after calculation of any Available Revenue Receipts and Class

A Liquidity Reserve Fund Release Amount to be applied on such Interest Payment Date in accordance with the Pre-Enforcement Revenue Priority of Payments);

- (e) calculate on each Calculation Date up to and including the Calculation Date immediately preceding the Final Redemption Date (prior to the service of an Enforcement Notice) the amount of any Principal Addition Amounts to be applied on the immediately following Interest Payment Date (such amount to be determined after calculation of any Class A Liquidity Reserve Fund Release Amounts to be applied to meet any Class A Liquidity Deficit, any General Reserve Fund Release Amounts to be applied to meet any Revenue Deficit and the Available Revenue Receipts to be applied on such Interest Payment Date in accordance with the Pre-Enforcement Revenue Priority of Payments on such Interest Payment Date) and drawn from Available Principal Receipts on such Interest Payment Date;
- (f) prepare the Monthly Investor Report in accordance with the Cash Administration Agreement, which will be published by the Cash Administrator on the website of EuroABS at [www.euroabs.com](http://www.euroabs.com) on or around the Calculation Date; and
- (g) as soon as reasonably practicable upon receiving a request from the Issuer and/or the Security Trustee and provided that it has all information necessary to enable it to do so, calculate and provide to the Issuer and the Security Trustee:
  - (i) the Optional Purchase Price (or where such calculation is made prior to the Calculation Date immediately preceding the Optional Purchase Completion Date, an estimate of the Optional Purchase Price); and/or
  - (ii) (where the initial calculation is made prior to the Calculation Date immediately preceding the Optional Purchase Completion Date) the definitive Optional Purchase Price.

The Cash Administrator, on behalf of and in the name of the Issuer, may invest monies standing from time to time to the credit of the Deposit Account in Authorised Investments as determined by the Cash Administrator, subject to the following provisions:

- (a) any investment in any Authorised Investments shall be made in the name of the Issuer;
- (b) any costs properly and reasonably incurred in making, changing or otherwise disposing of any investment in any Authorised Investments will be reimbursed to the Cash Administrator by the Issuer; and
- (c) all income and other distributions arising on, or proceeds following the disposal or maturity of, Authorised Investments shall be credited to the Deposit Account.

The Cash Administrator shall not be responsible (save where any loss results from the Cash Administrator's own fraud, wilful default or gross negligence or that of its directors, officers or employees) for any loss occasioned by reason of any such investment in any Authorised Investments or any purported investment in any Authorised Investments whether by depreciation in value or otherwise, provided that any such investment in any Authorised Investments was made in accordance with the terms of the Cash Administration Agreement.

#### *Reporting under the UK Securitisation Regulation*

The Reporting Entity will procure that certain information and reports, as more fully set out in the section entitled “*General Information – UK Securitisation Regulation reporting*” are published with the frequency and in the manner set out in such section.

### *Cash Administrator and Directions from the Security Trustee*

The Cash Administrator will act upon the direction of the Security Trustee (given in accordance with the terms and provisions of the Cash Administration Agreement and Deed of Charge) following receipt by the Cash Administrator of a copy of an Enforcement Notice served by the Note Trustee on the Issuer.

### *Remuneration of Cash Administrator*

The Cash Administrator will be paid a cash administration fee for its cash administration services under the Cash Administration Agreement. Such fees will be determined under a separate fee letter between the Issuer and the Cash Administrator. Any sum (or other consideration) payable (or provided) by the Issuer to the Cash Administrator in respect of that fee shall be deemed to be exclusive of VAT, if any, chargeable on any supply for which the cash administration fee is the consideration (in whole or in part) for VAT purposes. The cash administration fee is payable monthly in arrear on each Interest Payment Date in the manner contemplated by and in accordance with the provisions of the Pre-Enforcement Revenue Priority of Payments or, as the case may be, the Post-Enforcement Priority of Payments.

### *Termination of Appointment and Replacement of Cash Administrator*

If any of the following events (the "**Cash Administrator Termination Events**") shall occur:

- (a) default is made by the Cash Administrator in the payment, on the due date, of any payment due and payable by it under the Cash Administration Agreement and such default continues unremedied for a period of three Business Days after the earlier of the Cash Administrator becoming aware of such default and receipt by the Cash Administrator of written notice from the Issuer or (following the service of an Enforcement Notice) the Security Trustee, as the case may be (with a copy to the Standby Cash Administrator Facilitator), requiring the same to be remedied; or
- (b) default is made by the Cash Administrator in the performance or observance of any of its other covenants and obligations under the Cash Administration Agreement, which in the opinion of the Note Trustee as notified to the Security Trustee is materially prejudicial to the interests of the Debt Holders, and such default continues unremedied for a period of 30 Business Days after the earlier of the Cash Administrator becoming aware of such default and receipt by the Cash Administrator of written notice from the Issuer or (following the service of an Enforcement Notice) the Security Trustee, as the case may be (with a copy to the Standby Cash Administrator Facilitator), requiring the same to be remedied; or
- (c) any material representation or warranty made by the Cash Administrator is incorrect when given and is unremedied for a period of 30 Business Days after the earlier of the Cash Administrator becoming aware of such breach and receipt by the Cash Administrator of written notice from the Issuer or (following the service of an Enforcement Notice) the Security Trustee, as the case may be (with a copy to the Standby Cash Administrator Facilitator), requiring the same to be remedied; or
- (d) an Insolvency Event occurs in respect of the Cash Administrator; or
- (e) it becomes unlawful for the Cash Administrator to perform its obligations under the Cash Administration Agreement or under any other Transaction Document,

then prior to the delivery of an Enforcement Notice, the Issuer (with the written consent of the Security Trustee), or following the delivery of an Enforcement Notice, the Security Trustee, may, at once or at any time thereafter while such default continues, by notice in writing to the Cash Administrator (with a copy to the Standby Cash Administrator Facilitator and (if such notice is delivered by the Issuer) the Security Trustee), terminate its appointment as Cash Administrator under the Cash Administration Agreement with effect from a date (not earlier than the date of the notice) specified in such notice. In determining whether to

give or withhold consent to the termination of the Cash Administrator by the Issuer, the Security Trustee will have regard to factors including, *inter alia*, the availability of a substitute cash administrator. Upon termination of the appointment of the Cash Administrator, the Issuer shall use reasonable endeavours to appoint a substitute cash administrator that satisfies the conditions set out below.

Any substitute cash administrator:

- (a) must agree to enter into an agreement with the Issuer on terms commercially acceptable in the market, pursuant to which the substitute cash administrator agrees to assume and perform all material duties and obligations of the Cash Administrator under the Cash Administration Agreement;
- (b) must be a party that the Rating Agencies have previously confirmed to the Issuer in writing (provided that the Issuer confirms in writing (including by email) to the Security Trustee that such confirmation has been obtained) the appointment of which will not cause the then current ratings of the Rated Debt to be adversely affected; and
- (c) will be subject to the prior written approval of the Security Trustee (acting reasonably).

For the avoidance of doubt, upon termination of the appointment of the Cash Administrator, if the Issuer is unable to find a suitable third party willing to act as a substitute cash administrator, this shall not constitute any breach of the provisions of the Cash Administration Agreement.

#### *Resignation of the Cash Administrator*

The Cash Administrator may resign on giving not less than 45 calendar days' written notice (or such shorter time as may be agreed between the Cash Administrator, the Issuer, the Servicer and the Security Trustee) of its resignation to the Issuer, the Servicer, the Standby Cash Administrator Facilitator and the Security Trustee without providing any reason therefor and without being responsible for any Liability incurred by reason thereof unless such liability arises as a result of its own gross negligence, wilful default or fraud or that of its officers, directors, employees or any of its sub-contractors or delegates, provided that:

- (a) a substitute cash administrator shall be appointed, such appointment to be effective not later than the date of such termination;
- (b) such substitute cash administrator has the requisite cash administration experience to perform the functions to be given to it under the Cash Administration Agreement and is approved in writing by the Security Trustee in consultation with the Issuer as is appropriate in the circumstances;
- (c) such substitute cash administrator enters into a cash administration agreement with the Issuer on terms commercially acceptable in the market, pursuant to which the substitute cash administrator agrees to assume and perform all material duties and obligations of the Cash Administrator under the Cash Administration Agreement; and
- (d) such substitute cash administrator must be a party that the Rating Agencies have previously confirmed to the Issuer in writing (provided that the Issuer confirms in writing (including by email) to the Security Trustee that such confirmation has been obtained) the appointment of which will not cause the then current ratings of the Rated Debt to be adversely affected.

#### *Standby Cash Administrator Facilitator*

The Issuer will appoint the Standby Cash Administrator Facilitator in accordance with the Cash Administration Agreement. If the Cash Administrator appointment is terminated, the Standby Cash Administrator Facilitator shall use reasonable efforts to identify, on behalf of the Issuer, and assist the Issuer



in the appointment of a suitable successor cash administrator within 15 calendar days of receiving such written notice, in accordance with the Cash Administration Agreement.

#### *Governing Law*

The Cash Administration Agreement and any non-contractual obligations arising out of or in connection with it will be governed by English law.

#### **The Bank Account Agreement**

Pursuant to the terms of a bank account agreement entered into on or about the Closing Date between the Issuer, the Issuer Account Bank, the Cash Administrator and the Security Trustee (the "**Bank Account Agreement**"), the Issuer will maintain the Deposit Account with the Issuer Account Bank which will be operated in accordance with the Bank Account Agreement, Cash Administration Agreement and the Deed of Charge. The Issuer Account Bank is required to have the Account Bank Rating.

#### *Interest*

The interest rate payable on balances standing to the credit of the Deposit Account is not subject to a minimum floor of zero per cent. A negative interest rate would result in a charge payable by the Issuer to the Issuer Account Bank and will be paid using Available Revenue Receipts subject to and in accordance with the applicable Priority of Payments.

#### *Governing Law*

The Bank Account Agreement and any non-contractual obligations arising out of or in connection with it will be governed by English law.

#### **The Corporate Services Agreement**

On or prior to the Closing Date, the Issuer, the Corporate Services Provider, the Share Trustee, Holdings and the Security Trustee will enter into a corporate services agreement (the "**Corporate Services Agreement**") pursuant to which the Corporate Services Provider will provide the Issuer and Holdings with certain corporate and administrative functions against the payment of a fee. Such services include, *inter alia*, the performance of all general book-keeping, secretarial, registrar and company administration services for the Issuer and Holdings (including the provision of directors), providing the directors with information in connection with the Issuer and Holdings, and the arrangement for the convening of shareholders' and directors' meetings.

#### *Governing Law*

The Corporate Services Agreement and any non-contractual obligations arising out of or in connection with it will be governed by English law.

#### **The Collection Accounts Declaration of Trust**

The Seller has, pursuant to the terms of a collection accounts declaration of trust (the "**Collection Accounts Declaration of Trust**"), agreed to hold all amounts standing to the credit of the Collection Accounts on trust for, amongst others, the Issuer and itself absolutely (the "**Collection Accounts Trust**"). The Issuer's share of the Collection Accounts Trust at any relevant time shall equal all amounts credited to the Collection Accounts at such time in respect of the Mortgage Loans and their Collateral Security taking into account any amounts previously paid to the Issuer in respect of the Mortgage Loans and their Collateral Security.

### *Governing Law*

The Collection Accounts Declaration of Trust and any non-contractual obligations arising out of or in connection with it will be governed by English law.

### **Class A Loan Note Agreement**

On the Closing Date, the Issuer will enter into a loan note agreement (the “**Class A Loan Note Agreement**”) between, amongst others, the Issuer, the Original Class A Loan Noteholder and the Security Trustee pursuant to which the Issuer will issue and the Original Class A Loan Noteholder will subscribe for the Class A Loan Note.

The Class A Loan Note issued to the Original Class A Loan Noteholder will be fully subscribed on the Closing Date and will be denominated in Sterling. The Original Class A Loan Noteholder will not be obliged to subscribe for the Class A Loan Note unless, among other things, the Original Class A Loan Noteholder has received, on or prior to the Closing Date, a rating of “AAA (sf)” by S&P and “AAA (sf)” by DBRS in respect of the Class A Loan Note. The Class A Loan Note is not offered pursuant to this Prospectus. In accordance with the terms of the Class A Loan Note Agreement, the Class A Loan Note is not convertible into Notes.

The Class A Loan Note Agreement contains the terms of the Class A Loan Note. Certain of those terms are summarised in this section.

### *Form*

The Class A Loan Note will be issued in definitive, registered form. The Issuer will maintain a register, to be kept on the Issuer's behalf by the Loan Note Registrar, in which the Class A Loan Note will be registered in the name of the relevant Class A Loan Noteholders.

### *Status and Security*

The obligations of the Issuer in respect of the Class A Loan Note constitutes direct, secured and limited recourse obligations of the Issuer.

As security for its obligations under, *inter alia*, the Class A Loan Note, the Issuer has granted the Security in favour of the Security Trustee on trust for itself and the other Secured Creditors (which include the Class A Loan Noteholders).

### *Transfer*

The Class A Loan Noteholders may not transfer or assign their interests in the Class A Loan Note without following the procedures in the Class A Loan Note Agreement (which include, in certain cases, obtaining the prior written consent of the Issuer).

### *Payments under the Class A Loan Note*

The Issuer will pay to the Class A Loan Noteholders, on each Interest Payment Date or such other date that payments are made to the Debt Holders or Residual Certificateholders, the interest, principal and/or any other amounts due and payable to the Class A Loan Noteholders on such date pursuant to the Class A Loan Note Agreement.

The Class A Loan Note ranks senior to all Classes of Notes in relation to payment of interest and principal at all times, as provided in the Conditions and the Transaction Documents. The amount of interest and principal

so payable to the Class A Loan Noteholders is set out in this Prospectus and such payments will be made subject to the Priority of Payments.

Payments in respect of the Class A Loan Note shall be made by transfer (by or on behalf of the Issuer) to the loan facility agent under the Class A Loan Note Agreement (the “**Loan Facility Agent**”) for onward payment by the Loan Facility Agent to the accounts specified by the holders of the Class A Loan Note in accordance with the terms of the Class A Loan Note Agreement.

#### *Interest*

Interest in respect of the Class A Loan will be determined in accordance with the Class A Loan Note Agreement in a manner that corresponds with the determination of interest in respect of the Notes under Condition 6 (*Interest*) as though references therein to (i) the Notes were references to the Class A Loan Note, (ii) “**Relevant Margin**”, in respect of the Class A Loan Note means 1.500 per cent. per annum and (iii) “**Relevant Step-Up Margin**”, in respect of the Class A Loan Note means 3.000 per cent. per annum.

#### *Principal repayment*

On each Interest Payment Date prior to the service of an Enforcement Notice, principal repayments shall be made in respect of the Class A Loan Note in an amount equal to the Available Principal Receipts available for such purpose in accordance with the Pre-Enforcement Principal Priority of Payments.

Unless previously redeemed in full or purchased and cancelled as provided below, the Issuer will repay the Class A Loan Note at its respective Principal Amount Outstanding on the Interest Payment Date falling in August 2052 (the “**Final Maturity Date**”). The “**Principal Amount Outstanding**” of the Class A Loan Note on any date shall be £198,678,000 less the aggregate amount of all principal payments in respect of the Class A Loan Note which have been made since the Closing Date.

If the conditions set out in Condition 8.3 (*Mandatory Redemption of the Debt in Full*) or Condition 8.4 (*Mandatory Redemption of the Debt for Taxation or Other Reasons*) are satisfied with respect to the Notes, then on the date on which the Notes are redeemed pursuant thereto, the Issuer will also be required to repay the Class A Loan Note in accordance with the terms of the Class A Loan Agreement.

#### *Taxation*

All amounts payable by or on behalf of the Issuer in respect of the Class A Loan Note are required to be made without withholding or deduction for, or on account of Tax, unless the Issuer is required by applicable law in any jurisdiction to make any payment in respect of the Class A Loan Note subject to any such withholding or deduction. In that event, the Issuer shall make such payment after the withholding or deduction has been made and shall account to the relevant authorities for the amount required to be withheld or deducted. The Issuer shall not be obliged to make any additional payments to the Class A Loan Noteholders in respect of such withholding or deduction on account of Tax.

#### *Events of Default*

An Event of Default (as defined in Condition 11 (*Events of Default*)) will also constitute an Event of Default under the Class A Loan Note Agreement. Upon the occurrence of an Event of Default and the acceleration of the Issuer’s obligations under the Debt pursuant to the terms of Condition 11 (*Events of Default*) and Residual Certificates Condition 10 (*Events of Default*), the unpaid principal amount of the Class A Loan Note together with any accrued interest payable in respect thereof and all other amounts payable by the Issuer under the Class A Loan Note Agreement in respect of the Class A Loan Note, will immediately become due and payable by the Issuer, subject to and in accordance with the applicable provisions of the Trust Deed and the Deed of Charge.

The rights and remedies following the occurrence of an Event of Default are granted to the Note Trustee under the Trust Deed and the Security Trustee for the benefit of the Secured Parties under the Deed of Charge.

#### *Limitations on Enforcement*

No Class A Loan Noteholder shall be entitled to proceed directly against the Issuer or any other party to any of the Transaction Documents to enforce the performance of any of the provisions of the Transaction Documents and/or to take any other proceedings (including lodging an appeal in any proceedings) in respect of or concerning the Issuer unless the Note Trustee or, as the case may be, the Security Trustee, having become bound so to do, fails to do so within a reasonable period and such failure shall be continuing.

#### *Limited recourse and non-petition*

The parties to the Class A Loan Note Agreement will agree that (i) all obligations of the Issuer to such parties in respect of amounts owing to them under the Class A Loan Note Agreement are subject to the limited recourse provisions set out in the Deed of Charge and (ii) they will be bound by the non-petition provisions of the Deed of Charge in relation to any steps, actions or proceedings to procure the winding up, administration or liquidation of the Issuer and the taking of any other proceedings in respect of or concerning the Issuer or the Charged Assets.

#### *Modification and Waiver*

For so long as the Class A Loan Note is outstanding, it will be the Most Senior Class of Debt. Amendments, waivers or variations to the Transaction Documents may be approved by Class A Loan Noteholders in accordance with the terms of the Trust Deed and the Class A Loan Note Agreement. The Class A Loan Noteholders will not be required to convene or attend meetings or form or count in a quorum at any meeting of Debt Holders but may pass resolutions (including Extraordinary Resolutions and Ordinary Resolutions) by themselves (or through the Loan Facility Agent) consenting in writing to the relevant matter to which such resolutions relate.

#### *Governing Law*

The Class A Loan Note Agreement and any non-contractual obligations arising out of or in connection with it will be governed by English law.

## CREDIT STRUCTURE

Each Class of Debt is the obligation of the Issuer only. None of the Debt is an obligation of, or the responsibility of, or guaranteed by, any person other than the Issuer. In particular, none of the Debt is an obligation of, or the responsibility of, or guaranteed by, any of the Relevant Parties. No liability whatsoever in respect of any failure by the Issuer to pay any amount due under the Debt shall be accepted by any of the Relevant Parties or by any other person other than the Issuer.

The structure of the credit support arrangements may be summarised as follows:

### 1. **Liquidity Support for the Debt provided by Available Revenue Receipts**

It is anticipated that, during the life of the Debt, the interest payable by Borrowers on the Mortgage Loans will, assuming that all of the Mortgage Loans are fully performing, be sufficient so that the Available Revenue Receipts will be sufficient to pay the amounts payable under items (a) to (v) (inclusive) of the Pre-Enforcement Revenue Priority of Payments. The actual amount of any excess payable to the Certificateholders under item (w) of the Pre-Enforcement Revenue Priority of Payments will vary during the life of the Debt. Two of the key factors determining such variation are the interest rates applicable to the Mortgage Loans in the Portfolio relative to the interest rates on the Debt and the performance of the Portfolio.

Available Revenue Receipts will be applied (after making payments ranking higher in the Pre-Enforcement Revenue Priority of Payments) on each Interest Payment Date in accordance with the Pre-Enforcement Revenue Priority of Payments, towards reducing any Principal Deficiency Ledger entries which may arise from Losses on the Portfolio and from the application of Available Principal Receipts as Principal Addition Amounts to cure any Senior Expenses Deficit in accordance with item (a) of the Pre-Enforcement Principal Priority of Payments.

To the extent that the amount of Available Revenue Receipts on each Interest Payment Date up to but excluding the Class A Redemption Date exceeds the aggregate of the payments required to be met under items (a) to (e) (inclusive) of the Pre-Enforcement Revenue Priority of Payments, such excess is available to replenish the Class A Liquidity Reserve Fund up to an amount equal to the Class A Liquidity Reserve Fund Required Amount.

To the extent that the amount of Available Revenue Receipts on each Interest Payment Date exceeds the aggregate of the payments required to be met under items (a) to (o) (inclusive) of the Pre-Enforcement Revenue Priority of Payments, such excess is available to replenish the General Reserve Fund up to an amount equal to the General Reserve Fund Required Amount.

On the Final Redemption Date or on each Interest Payment Date from and including the Optional Redemption Date, to the extent that the amount of Available Revenue Receipts exceeds the aggregate of the payments required to be met under items (a) to (r) (inclusive) of the Pre-Enforcement Revenue Priority of Payments, an amount equal to the lesser of (i) all remaining amounts (if any); and (ii) the amount required by the Issuer to pay in full all amounts payable under items (a) to (i) (inclusive) of the Pre-Enforcement Principal Priority of Payments, less any Available Principal Receipts (other than item (c) of the definition thereof) otherwise available to the Issuer, is available as Enhanced Amortisation Amounts to be applied as Available Principal Receipts in accordance with the Pre-Enforcement Principal Priority of Payments.

**"Final Redemption Date"** means the Interest Payment Date in respect of which the Cash Administrator determines on the immediately preceding Calculation Date that, following the application on such Interest Payment Date of (i) Available Revenue Receipts in accordance with the Pre-Enforcement Revenue Priority of Payments, (ii) any Class A Liquidity Reserve Fund Release

Amounts in meeting any Class A Liquidity Deficit against the relevant items in the Pre-Enforcement Revenue Priority of Payments in the order that they appear in the Pre-Enforcement Revenue Priority of Payments, (iii) any General Reserve Fund Release Amounts in meeting any Revenue Deficit against the relevant items in the Pre-Enforcement Revenue Priority of Payments in the order that they appear in the Pre-Enforcement Revenue Priority of Payments, (iv) the sum of the Available Principal Receipts (other than item (c) of the definition thereof), (v) all amounts standing to the credit of the General Reserve Fund Ledger, (vi) all amounts standing to the credit of the Class A Liquidity Reserve Fund Ledger and (vii) all amounts which (but for the occurrence of the Final Redemption Date) would have been available for application pursuant to items (u) to (w) (inclusive) of the Pre-Enforcement Revenue Priority of Payments, such amounts would be sufficient to redeem in full the Rated Debt on such Interest Payment Date, including, as the case may be, as a result of the mandatory redemption of the Debt pursuant to Condition 8.3 (*Mandatory Redemption of the Debt in Full*) or Condition 8.4 (*Mandatory Redemption of the Debt for Taxation or Other Reasons*).

## 2. **General Reserve Fund and General Reserve Fund Ledger**

On the Closing Date, the Cash Administrator on behalf of the Issuer will establish a fund which will be credited with the General Reserve Fund Required Amount from part of the proceeds of the Class Z Noteholder's subscription for the Class Z Notes on the Closing Date (the "**General Reserve Fund**") to provide liquidity support and credit enhancement for the Rated Debt (other than the Class X Notes). The General Reserve Fund will be deposited in the Deposit Account (with a corresponding credit being made to the General Reserve Fund Ledger). The Issuer may invest the amounts standing to the credit of the General Reserve Fund from time to time in Authorised Investments.

The Cash Administrator will maintain the General Reserve Fund Ledger pursuant to the Cash Administration Agreement to record the balance from time to time of the General Reserve Fund.

After the Closing Date, on each Interest Payment Date up to but excluding the Final Redemption Date, the General Reserve Fund will be replenished up to the General Reserve Fund Required Amount from *firstly*, the Class A Liquidity Reserve Fund Excess Amount and *secondly*, Available Revenue Receipts (to the extent available) in accordance with the provisions of the Pre-Enforcement Revenue Priority of Payments.

On any Calculation Date up to and including the Calculation Date immediately preceding the Final Redemption Date (prior to the service of an Enforcement Notice), if the Cash Administrator determines that there would be a Revenue Deficit on the immediately following Interest Payment Date, the Cash Administrator will apply (after the application of Available Revenue Receipts and any Class A Liquidity Reserve Fund Release Amounts but prior to the application of any Principal Addition Amounts) on such Interest Payment Date an amount from the General Reserve Fund equal to the lesser of:

- (a) the amount standing to the credit of the General Reserve Fund Ledger on such Interest Payment Date; and
- (b) the amount of such Revenue Deficit,

(such amount being the "**General Reserve Fund Release Amount**") in meeting such Revenue Deficit against the relevant items in the Pre-Enforcement Revenue Priority of Payments in the order that such items appear in the Pre-Enforcement Revenue Priority of Payments (any such amount to be debited from the General Reserve Fund Ledger immediately after the application of Available Revenue Receipts and any Class A Liquidity Reserve Fund Release Amounts pursuant to the Pre-Enforcement Revenue Priority of Payments on such Interest Payment Date).

On the Final Redemption Date only, all amounts standing to the credit of the General Reserve Fund Ledger (after first having applied, without double-counting, any Class A Liquidity Reserve Fund Release Amounts to meet any Class A Liquidity Deficit and then any General Reserve Fund Release Amount to meet any Revenue Deficit against the relevant items in the Pre-Enforcement Revenue Priority of Payments in the order they appear in the Pre-Enforcement Revenue Priority of Payments, and debiting such amounts from the Class A Liquidity Reserve Fund Ledger and/or the General Reserve Fund Ledger in accordance with the Pre-Enforcement Revenue Priority of Payments, in each case on such Final Redemption Date) will be applied as Available Revenue Receipts in accordance with the Pre-Enforcement Revenue Priority of Payments.

As used in this Prospectus:

“**General Reserve Fund Ledger**” means the ledger on the Deposit Account maintained by the Cash Administrator on behalf of the Issuer which records amounts credited to, and debited from, the General Reserve Fund;

“**General Reserve Fund Required Amount**” means (a) on the Closing Date and on any Interest Payment Date up to and excluding the Final Redemption Date, an amount equal to 2.00 per cent. of the aggregate current Principal Balance of the Portfolio on the Closing Date minus the Class A Liquidity Reserve Fund Required Amount and (b) on each Interest Payment Date on and from the Final Redemption Date, zero; and

“**Revenue Deficit**” means, on any Interest Payment Date, a shortfall in the amounts available to pay items (a) to (o) of the Pre-Enforcement Revenue Priority of Payments after the application of Available Revenue Receipts and any Class A Liquidity Reserve Fund Release Amount (towards any Class A Liquidity Deficit), but prior to the application of any Principal Addition Amounts.

### **3. Class A Liquidity Reserve Fund and Class A Liquidity Reserve Fund Ledger**

On the Closing Date, the Cash Administrator on behalf of the Issuer will establish a fund which will be credited with the Class A Liquidity Reserve Fund Required Amount from part of the proceeds of the Class Z Noteholder's subscription for the Class Z Notes on the Closing Date (the “**Class A Liquidity Reserve Fund**”) to provide liquidity support (and ultimately, credit enhancement) for the Class A Loan Note. The Class A Liquidity Reserve Fund will be deposited in the Deposit Account (with a corresponding credit being made to the Class A Liquidity Reserve Fund Ledger). The Issuer may invest the amounts standing to the credit of the Class A Liquidity Reserve Fund from time to time in Authorised Investments.

The Cash Administrator will maintain the Class A Liquidity Reserve Fund Ledger pursuant to the Cash Administration Agreement to record the balance from time to time of the Class A Liquidity Reserve Fund.

After the Closing Date, on each Interest Payment Date up to but excluding the Final Redemption Date, the Class A Liquidity Reserve Fund will be replenished up to the Class A Liquidity Reserve Fund Required Amount from Available Revenue Receipts (to the extent available) in accordance with the provisions of the Pre-Enforcement Revenue Priority of Payments.

Following the determination by the Cash Administrator on each Calculation Date (up to and including the Calculation Date immediately preceding the Class A Redemption Date) of the Class A Liquidity Reserve Fund Required Amount in respect of the immediately following Interest Payment Date, the Cash Administrator shall determine the Class A Liquidity Reserve Fund Excess Amount for application as Available Revenue Receipts on the immediately following Interest Payment Date (if any) after first having applied such Class A Liquidity Reserve Fund Excess Amount to replenish (if required) the General Reserve Fund Ledger up to the General Reserve Fund Required Amount.

On each Interest Payment Date up to and including the Class A Redemption Date, the Cash Administrator will apply as Available Revenue Receipts the Class A Liquidity Reserve Fund Excess Amount (as determined on the immediately preceding Calculation Date) after first having applied such Class A Liquidity Reserve Fund Excess Amount to replenish (if required) the General Reserve Fund Ledger up to the General Reserve Fund Required Amount.

On any Calculation Date up to but excluding the Calculation Date immediately preceding the Class A Redemption Date (prior to the service of an Enforcement Notice), if the Cash Administrator determines that on the immediately following Interest Payment Date, there would be a Class A Liquidity Deficit (after the application of Available Revenue Receipts but prior to the application of any amounts from the General Reserve Fund and any Principal Addition Amounts), the Cash Administrator will apply on such Interest Payment Date an amount from the Class A Liquidity Reserve Fund equal to the lesser of:

- (a) the amount standing to the credit of the Class A Liquidity Reserve Fund Ledger on such Interest Payment Date; and
- (b) the amount of such Class A Liquidity Deficit,

(such amount being the “**Class A Liquidity Reserve Fund Release Amount**”), in meeting such Class A Liquidity Deficit against the relevant items in the Pre-Enforcement Revenue Priority of Payments in the order that they appear in the Pre-Enforcement Revenue Priority of Payments (any such amount to be debited from the Class A Liquidity Reserve Fund Ledger immediately after the application of any Available Revenue Receipts pursuant to the Pre-Enforcement Revenue Priority of Payments on such Interest Payment Date).

On the Class A Redemption Date, all amounts standing to the credit of the Class A Liquidity Reserve Fund (after first having applied any Available Revenue Receipts and then any Class A Liquidity Reserve Fund Release Amount in meeting any Class A Liquidity Deficit against the relevant items in the Pre-Enforcement Revenue Priority of Payments in the order they appear in the Pre-Enforcement Revenue Priority of Payments and debiting such amount from the Revenue Ledger and the Class A Liquidity Reserve Fund Ledger) will be applied *firstly*, to replenish (if required) the General Reserve Fund up to the General Reserve Fund Required Amount and *secondly*, as Available Revenue Receipts in accordance with the Pre-Enforcement Revenue Priority of Payments.

As used in this Prospectus:

“**Class A Liquidity Deficit**” means, on any Interest Payment Date, an amount equal to any shortfall in Available Revenue Receipts to pay items (a) to (e) (inclusive) of the Pre-Enforcement Revenue Priority of Payments, as determined by the Cash Administrator on the immediately preceding Calculation Date;

“**Class A Liquidity Reserve Fund Excess Amount**” means on any Interest Payment Date an amount equal to the greater of:

- (a) zero; and
- (b) the amount standing to the credit of the Class A Liquidity Reserve Fund Ledger on such Interest Payment Date, less the Class A Liquidity Reserve Fund Required Amount on such Interest Payment Date;

“**Class A Liquidity Reserve Fund Ledger**” means the ledger on the Deposit Account maintained by the Cash Administrator on behalf of the Issuer which records amounts credited to, and debited from, the Class A Liquidity Reserve Fund;



**“Class A Liquidity Reserve Fund Required Amount”** means:

- (a) on the Closing Date, an amount equal to 1.5 per cent. of the aggregate Principal Amount Outstanding of the Class A Loan Note on the Closing Date;
- (b) on any Interest Payment Date, subject to a minimum floor of 1 (one) per cent. of the aggregate Principal Amount Outstanding of the Class A Loan Note on the Closing Date:
  - (i) if a Class A Liquidity Reserve Fund Amortising Trigger Event has not occurred prior to the Calculation Date immediately preceding such Interest Payment Date, an amount equal to 1.5 per cent. of the aggregate current Principal Amount Outstanding of the Class A Loan Note prior to the application of Available Principal Receipts on such Interest Payment Date; or
  - (ii) if a Class A Liquidity Reserve Fund Amortising Trigger Event has occurred prior to the Calculation Date immediately preceding such Interest Payment Date, an amount equal to 1.5 per cent. of the aggregate current Principal Amount Outstanding of the Class A Loan Note on the Interest Payment Date immediately preceding the date on which the Class A Liquidity Reserve Fund Amortising Trigger Event occurred (following the application of Available Principal Receipts on such Interest Payment Date); and
- (c) on each Interest Payment Date on and from the Class A Redemption Date, zero;

A **“Class A Liquidity Reserve Fund Amortising Trigger Event”** occurs if:

- (a) the Class A Loan Note are not redeemed in full on the Optional Redemption Date; or
- (b) Cumulative Defaults in respect of the Mortgage Loans comprising the Portfolio are greater than 5 per cent. of the aggregate Principal Balance of the Mortgage Loans comprised in the Portfolio as at the Cut-Off Date;

**“Class A Redemption Date”** means the Interest Payment Date in respect of which the Cash Administrator determines on the immediately preceding Calculation Date that, following the application on such Interest Payment Date of (i) Available Revenue Receipts in accordance with the Pre-Enforcement Revenue Priority of Payments and (ii) any Class A Liquidity Reserve Fund Release Amounts in meeting any Class A Liquidity Deficit against the relevant items in the Pre-Enforcement Revenue Priority of Payments in the order that they appear in the Pre-Enforcement Revenue Priority of Payments, (iii) any General Reserve Fund Release Amounts in meeting any Revenue Deficit against the relevant items in the Pre-Enforcement Revenue Priority of Payments in the order that they appear in the Pre-Enforcement Revenue Priority of Payments, the sum of the Available Principal Receipts would be sufficient to redeem in full the Class A Loan Note in accordance with the Pre-Enforcement Principal Priority of Payments on such Interest Payment Date; and

**“Cumulative Defaults”** means, at any time, the Principal Balance of all Mortgage Loans in respect of which the underlying Property has been repossessed calculated at the point when the relevant Property was repossessed.

#### **4. Use of Available Principal Receipts to pay Senior Expenses Deficit**

On each Calculation Date prior to the service of an Enforcement Notice, and with reference to the immediately following Interest Payment Date, the Cash Administrator will calculate whether there will be a shortfall of Available Revenue Receipts, Class A Liquidity Reserve Fund Release Amounts and General Reserve Fund Release Amounts to pay:

- (a) items (a) to (e) of the Pre-Enforcement Revenue Priority of Payments;
- (b) item (h) of the Pre-Enforcement Revenue Priority of Payments (if the Class B Notes are the Most Senior Class of Debt);
- (c) item (j) of the Pre-Enforcement Revenue Priority of Payments (if the Class C Notes are the Most Senior Class of Debt);
- (d) item (l) of the Pre-Enforcement Revenue Priority of Payments (if the Class D Notes are the Most Senior Class of Debt); and
- (e) item (n) of the Pre-Enforcement Revenue Priority of Payments (if the Class E Notes are the Most Senior Class of Debt);

on such Interest Payment Date.

If the Cash Administrator determines that there will be a shortfall (such shortfall being a "**Senior Expenses Deficit**"), then pursuant to item (a) of the Pre-Enforcement Principal Priority of Payments, the Cash Administrator on behalf of the Issuer shall apply (after the application of Available Revenue Receipts, any Class A Liquidity Reserve Fund Release Amounts and any General Reserve Fund Release Amounts) an amount of Available Principal Receipts equal to the lesser of:

- (i) the amount of Available Principal Receipts available for application pursuant to the Pre-Enforcement Principal Priority of Payments on such Interest Payment Date; and
- (ii) the amount of such Senior Expenses Deficit,

(such amount being the "**Principal Addition Amount**"), in meeting such Senior Expenses Deficit against the relevant items in the Pre-Enforcement Revenue Priority of Payments in the order that they appear in the Pre-Enforcement Revenue Priority of Payments.

Any Available Principal Receipts applied as Principal Addition Amounts will be recorded as a debit on the Principal Deficiency Ledger (as further described below).

## 5. **Principal Deficiency Ledger**

A Principal Deficiency Ledger will be established to record any Losses affecting the Mortgage Loans in the Portfolio and/or any Principal Addition Amounts. The Principal Deficiency Ledger will comprise the following sub-ledgers:

- (a) the Principal Deficiency Ledger relating to the Class A Loan Note (the "**Class A Principal Deficiency Sub-Ledger**");
- (b) the Principal Deficiency Ledger relating to the Class B Notes (the "**Class B Principal Deficiency Sub-Ledger**");
- (c) the Principal Deficiency Ledger relating to the Class C Notes (the "**Class C Principal Deficiency Sub-Ledger**");
- (d) the Principal Deficiency Ledger relating to the Class D Notes (the "**Class D Principal Deficiency Sub-Ledger**");
- (e) the Principal Deficiency Ledger relating to the Class E Notes (the "**Class E Principal Deficiency Sub-Ledger**"); and

- (f) the Principal Deficiency Ledger relating to the Class Z Notes (the "**Class Z Principal Deficiency Sub-Ledger**"),

(each a "**Principal Deficiency Sub-Ledger**").

Any Losses on the Portfolio and/or any Principal Addition Amounts will be recorded as a debit (on the date that the Cash Administrator is informed of such Losses by the Servicer or such Principal Addition Amounts are determined by the Cash Administrator (as applicable)):

- (i) first, to the Class Z Principal Deficiency Sub-Ledger up to a maximum amount equal to the Principal Amount Outstanding of the Class Z Notes;
- (ii) second, to the Class E Principal Deficiency Sub-Ledger up to a maximum amount equal to the Principal Amount Outstanding of the Class E Notes;
- (iii) third, to the Class D Principal Deficiency Sub-Ledger up to a maximum amount equal to the Principal Amount Outstanding of the Class D Notes;
- (iv) fourth, to the Class C Principal Deficiency Sub-Ledger up to a maximum amount equal to the Principal Amount Outstanding of the Class C Notes;
- (v) fifth, to the Class B Principal Deficiency Sub-Ledger up to a maximum amount equal to the Principal Amount Outstanding of the Class B Notes; and
- (vi) sixth, to the Class A Principal Deficiency Sub-Ledger up to a maximum amount equal to the Principal Amount Outstanding of the Class A Loan Note.

Investors should note that realised Losses in any period will be calculated after applying any recoveries following enforcement of a Mortgage Loan to outstanding fees and interest amounts due and payable on the relevant Mortgage Loan.

The Cash Administrator will record as a credit to the Principal Deficiency Ledger (i) Available Revenue Receipts applied pursuant to items (g), (i), (k), (m) and (o) of the Pre-Enforcement Revenue Priority of Payments (if any) (which amounts shall, for the avoidance of doubt, thereupon become Available Principal Receipts) and (ii) Enhanced Amortisation Amounts applied in accordance with item (t) of the Pre-Enforcement Revenue Priority of Payments (which amounts shall, for the avoidance of doubt, thereupon become Available Principal Receipts).

Any amount credited to the Principal Deficiency Ledger in respect of Enhanced Amortisation Amounts will be reduced to the extent of any future Losses arising in respect of the Portfolio.

"**Losses**" means the aggregate of (a) all realised losses on the Mortgage Loans comprising the Portfolio which are not recovered from the proceeds following the sale of the Property to which such Mortgage Loan relates or any losses realised by the Issuer on the Mortgage Loans comprised in the Portfolio as a result of the failure of the Collection Account Bank to remit funds to the Issuer and (b) any loss to the Issuer as a result of an exercise of any set-off by any Borrower in respect of a Mortgage Loan comprising the Portfolio.

## **6. Available Revenue Receipts and Available Principal Receipts**

Available Revenue Receipts and Available Principal Receipts shall be applied on each Interest Payment Date in accordance with the Pre-Enforcement Revenue Priority of Payments and the Pre-Enforcement Principal Priority of Payments, respectively. Other than amounts which the Issuer expects to generate in each accounting period as its profit in respect of the business of the Issuer,

amounts standing to the credit of the Issuer Profit Ledger, the General Reserve Fund Ledger (other than any amounts representing General Reserve Fund Release Amounts) or the Class A Liquidity Reserve Fund Ledger (other than any amounts representing Class A Liquidity Reserve Fund Release Amounts or Class A Liquidity Reserve Fund Excess Amounts), it is not intended that any surplus will be accumulated in the Issuer.

If, on any Interest Payment Date while there is Rated Debt outstanding, the Issuer has insufficient Available Revenue Receipts, Class A Liquidity Reserve Fund Release Amounts, General Reserve Fund Release Amounts and Principal Addition Amounts to pay the interest that would otherwise be payable absent the deferral provisions in respect of the Debt other than in respect of the Most Senior Class of Debt (except for Class X Notes, in respect of which interest deferral shall always apply), then the Issuer will be entitled under Condition 17 (*Subordination by Deferral*) to defer payment of that amount (to the extent of the insufficiency) until the following Interest Payment Date. Any such deferral in accordance with the deferral provisions contained in the Conditions will not constitute a Potential Event of Default or an Event of Default. However, failure to pay interest on the Most Senior Class of Debt (except for Class X Notes, in respect of which interest deferral shall always apply) within any applicable grace period in accordance with the Conditions shall constitute an Event of Default under the Debt which may result in the Security Trustee enforcing the Security.

## CASHFLOWS

### Definition of Revenue Receipts

"**Revenue Receipts**" means the net sum of all monies received in respect of any Mortgage Loan (excluding Principal Receipts), all interest on credit balances in the Issuer Accounts, all insurance monies received or recovered in respect of the Mortgage Loans and/or their related Collateral Security to which the Issuer is beneficially entitled (but only to the extent that such amounts are paid by way of compensation for amounts which would otherwise have constituted a Revenue Receipt) and all other revenues derived from the Issuer's business to which the Issuer is beneficially entitled (including, without limitation, the costs, fees and expenses payable by a Mortgagor to the extent the Issuer is reimbursed by such Borrower for and is beneficially entitled to the same), any Application Fees (excluding, for the avoidance of doubt, any Collection Costs), all other amounts in the nature of fees deposited in the Deposit Account in respect of any Mortgage Loan.

### Definition of Available Revenue Receipts

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

- (a) all Revenue Receipts or, if in a Determination Period, any Calculated Revenue Receipts, in each case excluding any Reconciliation Amounts to be applied as Available Principal Receipts on that Interest Payment Date, received by the Issuer:
  - (i) during the immediately preceding Collection Period; or
  - (ii) if representing amounts received in respect of any repurchases of Mortgage Loans and their Collateral Security by the Seller pursuant to the Mortgage Sale Agreement, from but excluding the Collection Period Start Date immediately preceding the immediately preceding Interest Payment Date (or, in the case of the first Interest Payment Date, from and including the Closing Date) to and including the immediately preceding Collection Period Start Date;
- (b) interest payable to the Issuer on the Issuer Accounts and received in the immediately preceding Collection Period and income from any Authorised Investments to be received on or prior to the Interest Payment Date;
- (c) on each Interest Payment Date up to but excluding the Class A Redemption Date, the Class A Liquidity Reserve Fund Excess Amount (after first having applied such Class A Liquidity Reserve Fund Excess Amount to replenish (if required) the General Reserve Fund Ledger up to the General Reserve Fund Required Amount);
- (d) on the Class A Redemption Date, all amounts standing to the credit of the Class A Liquidity Reserve Fund Ledger (after first having applied any Class A Liquidity Reserve Fund Release Amount *firstly*, in meeting any Class A Liquidity Deficit against the relevant items in the Pre-Enforcement Revenue Priority of Payments in the order they appear in the Pre-Enforcement Revenue Priority of Payments and debiting such amount from the Class A Liquidity Reserve Fund Ledger and *secondly*, to replenish (if required) the General Reserve Fund Ledger up to the General Reserve Fund Required Amount);
- (e) on each Interest Payment Date following a Determination Period, any Reconciliation Amounts deemed to be Available Revenue Receipts in accordance with Condition 6.8(c) (*Determinations and Reconciliation*);

- (f) amounts credited to the Deposit Account on the previous Interest Payment Date in accordance with item (v) of the Pre-Enforcement Revenue Priority of Payments;
- (g) amounts representing the Optional Purchase Price received by the Issuer upon sale of the Mortgage Loans and their Collateral Security comprising the Portfolio further to exercise of the Call Option;
- (h) other net income of the Issuer received during the immediately preceding Collection Period, excluding any Principal Receipts;
- (i) amounts (which would otherwise constitute Available Principal Receipts) determined to be applied as Available Revenue Receipts on the immediately succeeding Interest Payment Date in accordance with item (j) of the Pre-Enforcement Principal Priority of Payments; and
- (j) on the Final Redemption Date only, all amounts standing to the credit of the General Reserve Fund Ledger (after first having applied, without double counting, any Class A Liquidity Reserve Fund Release Amount in meeting any Class A Liquidity Deficit and then any General Reserve Fund Release Amount in meeting any Revenue Deficit against the relevant items in the Pre-Enforcement Revenue Priority of Payments in the order they appear in the Pre-Enforcement Revenue Priority of Payments and debiting such amounts from the Class A Liquidity Reserve Fund Ledger and/or the General Reserve Fund Ledger in accordance with the Pre-Enforcement Revenue Priority of Payments, in each case on such Final Redemption Date);

*less:*

- (k) amounts (which would otherwise constitute Revenue Receipts) applied from time to time during the immediately preceding Collection Period in making payment of certain monies which properly belong to third parties (including the Seller) such as (but not limited to):
  - certain costs and expenses charged by the Servicer or the Replacement Servicer in respect of its servicing of the Mortgage Loans, other than the Servicing Fee and not otherwise covered by the items below;
  - payments of certain insurance premiums in respect of the Insurance Policies (to the extent referable to the Mortgage Loans);
  - amounts under a Direct Debit which are repaid to the bank making the payment if such bank is unable to recoup or recall such amount itself from its customer's account or is required to refund an amount previously debited; and
  - any amount received from a Borrower for the express purpose of payment being made to a third party for the provision of a service to that Borrower,

(items within this item (k) being collectively referred to herein as "**Third Party Amounts**"); and

*less*

- (l) any tax payments paid or payable by the Issuer during the immediately preceding Collection Period to the extent not funded from amounts standing to the credit of the Issuer Profit Ledger.

**Application of Available Revenue Receipts prior to the service of an Enforcement Notice on the Issuer**

On each relevant Interest Payment Date prior to the service of an Enforcement Notice by the Note Trustee on the Issuer, the Cash Administrator, on behalf of the Issuer, shall apply or provide for the application of the Available Revenue Receipts (before the application of any Class A Liquidity Reserve Fund Release

Amounts and then any General Reserve Fund Release Amounts and then any Principal Addition Amounts) in the following order of priority (in each case only if and to the extent that payments or provisions of a higher priority have been made in full) (the "**Pre-Enforcement Revenue Priority of Payments**"):

- (a) *first*, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof of:
  - (i) any fees, costs, charges, liabilities, expenses and all other amounts then due to the Note Trustee and any Appointee under the provisions of the Trust Deed and the other Transaction Documents together with (if payable) VAT thereon as provided therein; and
  - (ii) any fees, costs, charges, liabilities, expenses and all other amounts then due to the Security Trustee and any Appointee under the provisions of the Deed of Charge and the other Transaction Documents together with (if payable) VAT thereon as provided therein;
- (b) *second*, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof (in each case without double counting) of:
  - (i) any amounts then due and payable to the Agent Bank, the Registrar and the Paying Agents and any fees, costs, charges, Liabilities and expenses then due to them under the provisions of the Agency Agreement, together with (if payable) VAT thereon as provided therein;
  - (ii) any amounts then due and payable to the Cash Administrator and any fees, costs, charges, Liabilities and expenses then due under the provisions of the Cash Administration Agreement, together with (if payable) VAT thereon as provided therein;
  - (iii) any amounts then due and payable to the Standby Cash Administrator Facilitator and any fees, costs, charges, Liabilities and expenses then due under the provisions of the Cash Administration Agreement, together with (if payable) VAT thereon as provided therein;
  - (iv) any amounts then due and payable to the Servicer and any fees (including the Servicing Fee), costs, charges, Liabilities and expenses then due under the provisions of the Servicing Deed, together with (if payable) VAT thereon as provided therein;
  - (v) any amounts then due and payable to the Standby Servicer and any fees (including the Annual Standby Servicer Fee), costs, charges, Liabilities and expenses then due under the provisions of the Standby Servicing Agreement, together with (if payable) VAT thereon as provided therein;
  - (vi) any amounts then due and payable to the Replacement Servicer and any fees (including the Replacement Servicing Fee), costs, charges, Liabilities and expenses then due under the provisions of the Replacement Servicing Agreement, together with (if payable) VAT thereon as provided therein;
  - (vii) any amounts then due and payable to the Corporate Services Provider and any fees, costs, charges, Liabilities and expenses then due under the provisions of the Corporate Services Agreement, together with (if payable) VAT thereon as provided therein; and
  - (viii) any amounts then due and payable to the Issuer Account Bank and any fees, costs, charges, Liabilities and expenses then due under the provisions of the Bank Account Agreement, together with (if payable) VAT thereon as provided therein;
- (c) *third*, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof of any amounts due and payable by the Issuer to third parties together with (if payable) VAT thereon

and incurred without breach by the Issuer of the Transaction Documents to which it is a party (and for which payment has not been provided for elsewhere) and any amounts required to pay or discharge any liability of the Issuer for corporation tax of the Issuer (but only to the extent not capable of being satisfied out of amounts retained by the Issuer under item (d) below);

- (d) *fourth*, to pay the Issuer an amount equal to £100 to be retained by the Issuer as profit in respect of the business of the Issuer (the "**Issuer Profit Amount**");
- (e) *fifth*, to provide for amounts due on the relevant Interest Payment Date, to pay, *pro rata* and *pari passu*, interest due and payable on the Class A Loan Note;
- (f) *sixth*, to credit the Class A Liquidity Reserve Fund Ledger up to the Class A Liquidity Reserve Fund Required Amount;
- (g) *seventh*, (so long as the Class A Loan Note remain outstanding following such Interest Payment Date), to credit the Class A Principal Deficiency Sub-Ledger in an amount sufficient to eliminate any debit thereon (such amounts to be applied in repayment of principal as Available Principal Receipts);
- (h) *eighth*, to provide for amounts due on the relevant Interest Payment Date, to pay, *pro rata* and *pari passu*, interest due and payable on the Class B Notes;
- (i) *ninth*, (so long as the Class B Notes remain outstanding following such Interest Payment Date), to credit the Class B Principal Deficiency Sub-Ledger in an amount sufficient to eliminate any debit thereon (such amounts to be applied in repayment of principal as Available Principal Receipts);
- (j) *tenth*, to provide for amounts due on the relevant Interest Payment Date, to pay, *pro rata* and *pari passu*, interest due and payable on the Class C Notes;
- (k) *eleventh*, (so long as the Class C Notes remain outstanding following such Interest Payment Date), to credit the Class C Principal Deficiency Sub-Ledger in an amount sufficient to eliminate any debit thereon (such amounts to be applied in repayment of principal as Available Principal Receipts);
- (l) *twelfth*, to provide for amounts due on the relevant Interest Payment Date, to pay, *pro rata* and *pari passu*, interest due and payable on the Class D Notes;
- (m) *thirteenth*, (so long as the Class D Notes remain outstanding following such Interest Payment Date), to credit the Class D Principal Deficiency Sub-Ledger in an amount sufficient to eliminate any debit thereon (such amounts to be applied in repayment of principal as Available Principal Receipts);
- (n) *fourteenth*, to provide for amounts due on the relevant Interest Payment Date, to pay, *pro rata* and *pari passu*, interest due and payable on the Class E Notes;
- (o) *fifteenth*, (so long as the Class E Notes remain outstanding following such Interest Payment Date), to credit the Class E Principal Deficiency Sub-Ledger in an amount sufficient to eliminate any debit thereon (such amounts to be applied in repayment of principal as Available Principal Receipts);
- (p) *sixteenth*, to credit the General Reserve Fund Ledger up to the General Reserve Fund Required Amount;
- (q) *seventeenth*, (so long as the Class Z Notes remain outstanding following such Interest Payment Date), to credit the Class Z Principal Deficiency Sub-Ledger in an amount sufficient to eliminate any debit thereon (such amounts to be applied in repayment of principal as Available Principal Receipts);



- (r) *eighteenth*, to provide for amounts due on the relevant Interest Payment Date, to pay, *pro rata* and *pari passu*, interest due and payable on the Class X Notes;
- (s) *nineteenth*, on any Interest Payment Date prior to the Optional Redemption Date, to provide for amounts due on the relevant Interest Payment Date, to pay, *pro rata* and *pari passu*, principal due and payable on the Class X Notes until the Principal Amount Outstanding on the Class X Notes has been reduced to zero;
- (t) *twentieth*, on the Final Redemption Date or on any Interest Payment Date occurring on or after the Optional Redemption Date an amount equal to the lesser of:
  - (i) all remaining amounts (if any); and
  - (ii) the amount required by the Issuer to pay in full all amounts payable under items (a) to (i) (inclusive) of the Pre-Enforcement Principal Priority of Payments, less any Available Principal Receipts (other than item (c) of the definition thereof) otherwise available to the Issuer,
 to be applied as Available Principal Receipts;
- (u) *twenty-first*, to provide for amounts due on the relevant Interest Payment Date, to pay, *pro rata* and *pari passu*, interest due and payable on the Class Z Notes;
- (v) *twenty-second*, on any Interest Payment Date falling within a Determination Period, all remaining amounts to be credited to the Deposit Account to be applied on the next Interest Payment Date as Available Revenue Receipts; and
- (w) *twenty-third*, any excess amounts *pro rata* and *pari passu* as Residual Payments to the holders of the Residual Certificates.

As used in this Prospectus:

**"Application Fees"** means the fees chargeable to a Borrower for processing an application for a Mortgage Loan and any fees chargeable to the Borrower for a valuation.

**"Appointee"** means any attorney, manager, agent, delegate, nominee, custodian, financial adviser or other professional adviser or other person properly appointed by the Note Trustee under the Trust Deed or the Security Trustee under the Deed of Charge (as applicable) to discharge any of its functions.

**"Irrecoverable VAT"** means any amount in respect of VAT incurred by a party to the Transaction Documents (for the purposes of this definition only, a **"Relevant Party"**) as part of a payment in respect of which it is entitled to be reimbursed or indemnified under the relevant Transaction Documents to the extent that the Relevant Party does not or will not receive and retain a credit, deduction or repayment of such VAT as input tax (as that expression is defined in Section 24(1) of the Value Added Tax Act 1994 or any successor provision thereto or under Article 168 of the Council Directive of 28 November 2006 on the common system of value added tax (EC Directive 2006/112) or any provision of a similar nature, under the law of a member state of the European Union or elsewhere).

**"Liability"** means, in respect of any person, any loss, damage, cost, charge, award, claim, demand, expense, judgment, action, proceeding or other liability including legal costs and expenses properly incurred (including, in each case, Irrecoverable VAT in respect thereof).

## Definition of Principal Receipts

"**Principal Receipts**" means all principal received or recovered in respect of the Mortgage Loans and their related Collateral Security principal recovered upon enforcement of the related Collateral Security and the principal element of the purchase price or repurchase price paid to the Issuer on the disposal by it of one or more Mortgage Loans, and all insurance monies received or recovered in respect of the Mortgage Loans and their related Collateral Security to which the Issuer is beneficially entitled (but only to the extent that such amounts are paid by way of compensation for amounts which would otherwise have constituted Principal Receipts), other than any principal repayments comprising Optional Purchase Collections and the Optional Purchase Price received by the Issuer pursuant to the exercise of the Call Option.

## Definition of Available Principal Receipts

"**Available Principal Receipts**" means for any Interest Payment Date an amount equal to the aggregate of (without double counting):

- (a) all Principal Receipts or, if in a Determination Period, any Calculated Principal Receipts, in each case excluding an amount equal to any Reconciliation Amounts to be applied as Available Revenue Receipts on that Interest Payment Date, received by the Issuer during the immediately preceding Collection Period;
- (b) the amounts (if any) calculated on the Calculation Date preceding that Interest Payment Date pursuant to the Pre-Enforcement Revenue Priority of Payments, to be the amount by which the debit balance of each of the Class A Principal Deficiency Sub-Ledger and/or the Class B Principal Deficiency Sub-Ledger and/or the Class C Principal Deficiency Sub-Ledger and/or the Class D Principal Deficiency Sub-Ledger and/or the Class E Principal Deficiency Sub-Ledger and/or the Class Z Principal Deficiency Sub-Ledger is to be reduced on that Interest Payment Date;
- (c) any amounts deemed to be Available Principal Receipts in accordance with item (t) of the Pre-Enforcement Revenue Priority of Payments (the "**Enhanced Amortisation Amounts**");
- (d) on each Interest Payment Date following a Determination Period, any Reconciliation Amounts deemed to be Available Principal Receipts in accordance with Condition 6.8(c) (*Determinations and Reconciliation*); and
- (e) (in respect of the first Interest Payment Date only) the amount paid into the Deposit Account on the Closing Date from the excess of the proceeds of the Rated Debt (other than the Class X Notes) over the Initial Purchase Price.

## Application of Available Principal Receipts prior to the service of an Enforcement Notice on the Issuer

Prior to the service of an Enforcement Notice on the Issuer, the Cash Administrator on behalf of the Issuer is required pursuant to the terms of the Cash Administration Agreement to apply Available Principal Receipts on each Interest Payment Date in the following order of priority (the "**Pre-Enforcement Principal Priority of Payments**") (in each case only if and to the extent that payments or provisions of a higher priority have been paid in full):

- (a) *first*, any Principal Addition Amounts to be applied to meet any Senior Expenses Deficit;
- (b) *second*, in or towards repayment, *pro rata* and *pari passu*, of principal amounts outstanding on the Class A Loan Note until the Principal Amount Outstanding on the Class A Loan Note has been reduced to zero;

- (c) *third*, in or towards repayment, *pro rata* and *pari passu*, of principal amounts outstanding on the Class B Notes until the Principal Amount Outstanding on the Class B Notes has been reduced to zero;
- (d) *fourth*, in or towards repayment, *pro rata* and *pari passu*, of principal amounts outstanding on the Class C Notes until the Principal Amount Outstanding on the Class C Notes has been reduced to zero;
- (e) *fifth*, in or towards repayment, *pro rata* and *pari passu*, of principal amounts outstanding on the Class D Notes until the Principal Amount Outstanding on the Class D Notes has been reduced to zero;
- (f) *sixth*, in or towards repayment, *pro rata* and *pari passu*, of principal amounts outstanding on the Class E Notes until the Principal Amount Outstanding on the Class E Notes has been reduced to zero;
- (g) *seventh*, on any Interest Payment Date on or after the Optional Redemption Date, in or towards repayment, *pro rata* and *pari passu*, of principal amounts outstanding on the Class X Notes until the Principal Amount Outstanding on the Class X Notes has been reduced to zero;
- (h) *eighth*, on any date on or after the Optional Redemption Date or on the Final Redemption Date, to provide for amounts due on the relevant Interest Payment Date, to pay, *pro rata* and *pari passu*, the interest due and payable on the Class Z Notes;
- (i) *ninth*, in or towards repayment, *pro rata* and *pari passu*, of principal amounts outstanding on the Class Z Notes until the Principal Amount Outstanding on the Class Z Notes has been reduced to zero; and
- (j) *tenth*, any excess amounts as Available Revenue Receipts.

#### **Distributions following the service of an Enforcement Notice on the Issuer**

After an Enforcement Notice has been served on the Issuer, the Security Trustee (or the Cash Administrator on its behalf) or any Receiver appointed by the Security Trustee in connection with the enforcement of the Security will apply all amounts received or recovered other than any amount standing to the credit of the Issuer Profit Ledger, which shall be applied by the Issuer in or towards satisfaction of any liability of the Issuer for corporation tax of the Issuer, in the following order of priority (in each case only if and to the extent that payments or provisions of a higher priority have been made in full) (the "**Post-Enforcement Priority of Payments**" and, together with the Pre-Enforcement Revenue Priority of Payments and the Pre-Enforcement Principal Priority of Payments, the "**Priority of Payments**"):

- (a) *first*, in or towards satisfaction, *pro rata* and *pari passu*, according to the respective amounts thereof of:
  - (i) any fees, costs, charges, liabilities, expenses and all other amounts then due and payable to the Note Trustee, Receiver and any Appointee under the provisions of the Trust Deed and the other Transaction Documents, together with (if payable) VAT thereon as provided therein; and
  - (ii) any fees, costs, charges, liabilities, expenses and all other amounts then due and payable to the Security Trustee, Receiver and any Appointee under the provisions of the Deed of Charge and the other Transaction Documents, together with (if payable) VAT thereon as provided therein;

- (b) *second*, in or towards satisfaction, *pro rata* and *pari passu*, according to the respective amounts thereof of:
- (i) any amounts then due and payable to the Agent Bank, the Registrar and the Paying Agents and any costs, charges, Liabilities and expenses then due and payable to them under the provisions of the Agency Agreement, together with (if payable) VAT thereon as provided therein;
  - (ii) any amounts then due and payable to the Cash Administrator and any fees, costs, charges, Liabilities and expenses then due under the provisions of the Cash Administration Agreement, together with (if payable) VAT thereon as provided therein;
  - (iii) any amounts then due and payable to the Standby Cash Administrator Facilitator and any fees, costs, charges, Liabilities and expenses then due under the provisions of the Cash Administration Agreement, together with (if payable) VAT thereon as provided therein;
  - (iv) any amounts then due and payable to the Servicer and any fees (including the Servicing Fee), costs, charges, Liabilities and expenses then due under the provisions of the Servicing Deed, together with (if payable) VAT thereon as provided therein;
  - (v) any amounts then due and payable to the Standby Servicer and any fees (including the Annual Standby Servicer Fee), costs, charges, Liabilities and expenses then due under the provisions of the Standby Servicing Agreement, together with (if payable) VAT thereon as provided therein;
  - (vi) any amounts then due and payable to the Replacement Servicer and any fees (including the Replacement Servicing Fee), costs, charges, Liabilities and expenses then due under the provisions of the Replacement Servicing Agreement, together with (if payable) VAT thereon as provided therein;
  - (vii) any amounts then due and payable to the Corporate Services Provider and any fees, costs, charges, Liabilities and expenses then due and payable to the Corporate Services Provider under the provisions of the Corporate Services Agreement together with (if payable) VAT thereon as provided therein; and
  - (viii) any amounts then due and payable to the Issuer Account Bank and any fees, costs, charges, Liabilities and expenses then due and payable to the Issuer Account Bank under the provisions of the Bank Account Agreement, together with (if payable) VAT thereon as provided therein;
- (c) *third*, to pay, *pro rata* and *pari passu*, according to the respective outstanding amounts thereof interest and principal due and payable on the Class A Loan Note until the Principal Amount Outstanding on the Class A Loan Note has been reduced to zero;
- (d) *fourth*, to pay, *pro rata* and *pari passu*, according to the respective outstanding amounts thereof, interest and principal due and payable on the Class B Notes until the Principal Amount Outstanding on the Class B Notes has been reduced to zero;
- (e) *fifth*, to pay, *pro rata* and *pari passu*, according to the respective outstanding amounts thereof, interest and principal due and payable on the Class C Notes until the Principal Amount Outstanding on the Class C Notes has been reduced to zero;

- (f) *sixth*, to pay, *pro rata* and *pari passu*, according to the respective outstanding amounts thereof, interest and principal due and payable on the Class D Notes until the Principal Amount Outstanding on the Class D Notes has been reduced to zero;
- (g) *seventh*, to pay, *pro rata* and *pari passu*, according to the respective outstanding amounts thereof, interest and principal due and payable on the Class E Notes until the Principal Amount Outstanding on the Class E Notes has been reduced to zero;
- (h) *eighth*, to pay, *pro rata* and *pari passu*, according to the respective outstanding amounts thereof, interest and principal due and payable on the Class X Notes until the Principal Amount Outstanding on the Class X Notes has been reduced to zero;
- (i) *ninth*, to pay, *pro rata* and *pari passu*, according to the respective outstanding amounts thereof, interest and principal due and payable on the Class Z Notes until the Principal Amount Outstanding on the Class Z Notes has been reduced to zero;
- (j) *tenth*, to pay the Issuer Profit Amount; and
- (k) *eleventh*, any excess amounts *pro rata* and *pari passu* as Residual Payments to the holders of the Residual Certificates.

Notwithstanding the above, the Deed of Charge contains additional provisions in respect of the rights of the Original Class A Loan Noteholder under the Post-Enforcement Priority of Payments. The Original Class A Loan Noteholder will only become a beneficiary of the first fixed security granted by the Issuer in favour of the Security Trustee in respect of the English Mortgage Loans and their Collateral Security pursuant to the Deed of Charge upon notice to that effect being given by the Original Class A Loan Noteholder to the Security Trustee and the Issuer prior to enforcement of that fixed charge security granted. If no such notice is given, upon enforcement of the Security, the Original Class A Loan Noteholder will still be contractually entitled to receive such allocation of enforcement proceeds as would have been due to it had such notice been given by virtue of a turnover trust arrangement set out in the Deed of Charge between the Secured Creditors. For the avoidance of doubt, Secured Creditors other than the Original Class A Loan Noteholder are not adversely impacted by such arrangement.

## DESCRIPTION OF THE GLOBAL NOTES AND THE NON-RATED NOTES

### General

Each Class of Rated Notes as at the Closing Date will each be represented by a Global Note. All capitalised terms not defined in this paragraph shall be as defined in the Conditions of the Notes.

The Global Notes representing the Rated Notes will be registered in the name of the nominee for the Common Safekeeper for both Euroclear and Clearstream, Luxembourg. The Registrar will maintain a register in which it will register the nominee for the Common Safekeeper as the owner of the Global Note.

The Non-Rated Notes will be in dematerialised registered form and will not be cleared. The Registrar will maintain a register in which it will register the names of the holders of the Non-Rated Notes.

Upon confirmation by the Common Safekeeper that it has custody of the Global Notes, Euroclear or Clearstream, Luxembourg, as the case may be, will record in book-entry form interests representing beneficial interests in the Global Note attributable thereto ("**Book-Entry Interests**").

Book-Entry Interests in respect of each Global Note will be recorded in denominations of £100,000 and higher integral multiples of £1,000 (an "**Authorised Denomination**"). Ownership of Book-Entry Interests is limited to persons that have accounts with Euroclear or Clearstream, Luxembourg ("**Participants**") or persons that hold interests in the Book-Entry Interests through Participants or through other Indirect Participants ("**Indirect Participants**"), including, as applicable, banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with Euroclear or Clearstream, Luxembourg, either directly or indirectly. Book-Entry Interests will not be held in definitive form. Instead, Euroclear and Clearstream, Luxembourg, as applicable, will credit the Participants' accounts with the respective Book-Entry Interests beneficially owned by such Participants on each of their respective book-entry registration and transfer systems. The accounts initially credited will be designated (in respect of the Rated Notes) by the Lead Manager. Ownership of Book-Entry Interests will be shown on, and transfers of Book-Entry Interests or the interests therein will be effected only through, records maintained by Euroclear or Clearstream, Luxembourg (with respect to the interests of their Participants) and on the records of Participants or Indirect Participants (with respect to the interests of Indirect Participants). The laws of some jurisdictions or other applicable rules may require that certain purchasers of securities take physical delivery of such securities in definitive form. The foregoing limitations may therefore impair the ability to own, transfer or pledge Book-Entry Interests.

So long as a nominee for the Common Safekeeper is the registered holder of the Global Note underlying the Book-Entry Interests, the nominee for the Common Safekeeper will be considered the sole Noteholder of the Global Notes representing the Rated Notes for all purposes under the Trust Deed. Except as set out under "*Issuance of Registered Definitive Notes*" below, Participants or Indirect Participants will not be entitled to have Rated Notes registered in their names, will not receive or be entitled to receive physical delivery of Rated Notes in definitive registered form and will not be considered the holders thereof under the Trust Deed. Accordingly, each person holding a Book-Entry Interest must rely on the rules and procedures of Euroclear or Clearstream, Luxembourg, as the case may be, and Indirect Participants must rely on the procedures of the Participants or Indirect Participants through which such person owns its interest in the relevant Book-Entry Interests, to exercise any rights and obligations of a holder of Rated Notes under the Trust Deed. See "*Action in respect of the Global Notes and the Book-Entry Interests*" below.

Unlike legal owners or holders of the Rated Notes, holders of the Book-Entry Interests will not have the right under the Trust Deed to act upon solicitations by the Issuer or consents or requests by the Issuer for waivers or other actions from holders of the Rated Notes. Instead, a holder of Book-Entry Interests will be permitted to act only to the extent it has received appropriate proxies to do so from Euroclear or Clearstream, Luxembourg, as the case may be, and, if applicable, their Participants. There can be no assurance that

procedures implemented for the granting of such proxies will be sufficient to enable holders of Book-Entry Interests to vote on any requested actions on a timely basis. Similarly, upon the occurrence of an Event of Default under the Global Note, holders of Book-Entry Interests will be restricted to acting through Euroclear or Clearstream, Luxembourg unless and until Registered Definitive Notes are issued in accordance with the Conditions. There can be no assurance that the procedures to be implemented by Euroclear and Clearstream, Luxembourg under such circumstances will be adequate to ensure the timely exercise of remedies under the Trust Deed.

In the case of a Global Note, unless and until Book-Entry Interests are exchanged for Registered Definitive Notes, the Global Note held by the Common Safekeeper may not be transferred except as a whole by the Common Safekeeper to a successor of the Common Safekeeper.

Purchasers of Book-Entry Interests in a Global Note will hold Book-Entry Interests in the Global Note relating thereto. Investors may hold their Book-Entry Interests in respect of a Global Note directly through Euroclear or Clearstream, Luxembourg (in accordance with the provisions set out under "*Transfers and Transfer Restrictions*" below), if they are account holders in such systems, or indirectly through organisations which are account holders in such systems. Euroclear and Clearstream, Luxembourg will hold Book-Entry Interests in the Global Note on behalf of their account holders through securities accounts in the respective account holders' names on Euroclear's and Clearstream, Luxembourg's respective book-entry registration and transfer systems.

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

### **Payments on the Global Notes**

Payment of principal and interest on, and any other amount due in respect of, the Global Notes will be made in Sterling by or to the order of Elavon Financial Services DAC, UK Branch (the "**Principal Paying Agent**"), on behalf of the Issuer to the order of the Common Safekeeper or its nominee as the registered holder thereof with respect to the Global Notes. Each holder of Book-Entry Interests must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for its share of any amounts paid by or on behalf of the Issuer to the order of the Common Safekeeper or their nominees in respect of those Book-Entry Interests. All such payments will be distributed without deduction or withholding for or on account of any taxes, duties, assessments or other governmental charges of whatever nature except as may be required by law. If any such deduction or withholding is required to be made, then neither the Issuer, the Paying Agents nor any other person will be obliged to pay additional amounts in respect thereof.

In accordance with the rules and procedures for the time being of Euroclear or, as the case may be, Clearstream, Luxembourg, after receipt of any payment from the Principal Paying Agent to the order of the Common Safekeeper, the respective systems will promptly credit their Participants' accounts with payments in amounts proportionate to their respective ownership of Book-Entry Interests as shown in the records of Euroclear or Clearstream, Luxembourg. On each Record Date Euroclear and Clearstream, Luxembourg will determine the identity of the holders of the Rated Notes for the purposes of making payments to the holders of the Rated Notes. The "**Record Date**" in respect of the Rated Notes (i) where the Rated Notes are in global registered form, shall be at the close of the Business Day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) prior to the relevant Interest Payment Date and (ii) where the Rated Notes are in definitive registered form, shall be the date falling 15 calendar days prior to the relevant Interest Payment Date. The Issuer expects that payments by Participants to owners of interests in Book-Entry Interests held through such Participants or Indirect Participants will be governed by standing

customer instructions and customary practices, as is now the case with the securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participants or Indirect Participants. None of the Issuer, any agent of the Issuer, the Arranger, the Lead Manager, the Note Trustee or the Security Trustee will have any responsibility or liability for any aspect of the records relating to or payments made on account of a Participant's ownership of Book-Entry Interests or for maintaining, supervising or reviewing any records relating to a Participant's ownership of Book-Entry Interests.

### **Information Regarding Euroclear and Clearstream, Luxembourg**

Euroclear and Clearstream, Luxembourg have advised the Issuer as follows:

Euroclear and Clearstream, Luxembourg each hold securities for their account holders and facilitate the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders, thereby eliminating the need for physical movements of certificates and any risk from lack of simultaneous transfers of securities.

Euroclear and Clearstream, Luxembourg each provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg each also deal with domestic securities markets in several countries through established depository and custodial relationships. The respective systems of Euroclear and of Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective account holders may settle trades with each other.

Account holders in both Euroclear and Clearstream, Luxembourg are worldwide financial institutions including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to both Euroclear and Clearstream, Luxembourg is available to other institutions that clear through or maintain a custodial relationship with an account holder of either system.

An account holder's overall contractual relations with either Euroclear or Clearstream, Luxembourg are governed by the respective rules and operating procedures of Euroclear or Clearstream, Luxembourg and any applicable laws. Both Euroclear and Clearstream, Luxembourg act under such rules and operating procedures only on behalf of their respective account holders, and have no record of or relationship with persons holding through their respective account holders.

The Issuer understands that under existing industry practices, if any of the Issuer, the Note Trustee or the Security Trustee requests any action of owners of Book-Entry Interests or if an owner of a Book-Entry Interest desires to give instructions or take any action that a holder is entitled to give or take under the Trust Deed or the Deed of Charge, Euroclear or Clearstream, Luxembourg as the case may be, would authorise the Participants owning the relevant Book-Entry Interests to give instructions or take such action, and such Participants would authorise Indirect Participants to give or take such action or would otherwise act upon the instructions of such Indirect Participants.

### **Redemption**

In the event that a Global Note (or portion thereof) is redeemed, the Principal Paying Agent will deliver all amounts received by it in respect of the redemption of such Global Note to the order of the Common Safekeeper and, upon final payment, the Common Safekeeper will surrender such Global Note (or portion thereof) to or to the order of the Principal Paying Agent for cancellation. Appropriate entries will be made in the Register. The redemption price payable in connection with the redemption of Book-Entry Interests will be equal to the amount received by the Principal Paying Agent in connection with the redemption of the Global Note (or portion thereof) relating thereto. For any redemptions of the Global Note in part, selection of the relevant Book-Entry Interest relating thereto to be redeemed will be made by Euroclear or Clearstream, Luxembourg, as the case may be, on a *pro rata* basis (or on such basis as Euroclear or Clearstream, Luxembourg, as the case may be, deems fair and appropriate). Upon any redemption in part,



the Principal Paying Agent will mark down the schedule to such Global Note by the principal amount so redeemed.

### **Cancellation**

Cancellation of any Rated Note represented by a Global Note and required by the Conditions to be cancelled following its redemption will be effected by endorsement by or on behalf of the Principal Paying Agent of the reduction in the principal amount of the relevant Global Note on the relevant schedule thereto and the corresponding entry on the Register.

### **Transfers and Transfer Restrictions**

All transfers of Book-Entry Interests will be recorded in accordance with the book-entry systems maintained by Euroclear or Clearstream, Luxembourg, as applicable, pursuant to customary procedures established by each respective system and its Participants. See "*General*" above.

### **Issuance of Registered Definitive Notes**

Holders of Book-Entry Interests in the Global Note will be entitled to receive Rated Notes in definitive registered form (such as exchanged Global Notes in definitive registered form, "**Registered Definitive Notes**") in exchange for their respective holdings of Book-Entry Interests if (a) both Euroclear and Clearstream, Luxembourg are closed for business for a continuous period of 14 calendar days (other than by reason of holiday, statutory or otherwise) or announce an intention permanently to cease business or to cease to make book-entry systems available for settlement of beneficial interests in such Global Notes and do in fact do either of those things and no alternative clearing system satisfactory to the Note Trustee is available or (b) as a result of any amendment to, or change in, the laws or regulations of the United Kingdom (or of any political subdivision thereof) or of any authority therein or thereof having power to tax or in the interpretation or administration by a revenue authority or a court or in the administration of such laws or regulations which becomes effective on or after the Closing Date, the Issuer or any Paying Agent is or will be required to make any deduction or withholding from any payment in respect of the Notes which would not be required were the Rated Notes in definitive registered form. Any Registered Definitive Notes issued in exchange for Book-Entry Interests in the Global Note will be registered by the Registrar in such name or names as the Issuer shall instruct the Principal Paying Agent based on the instructions of Euroclear or Clearstream, Luxembourg, as the case may be. It is expected that such instructions will be based upon directions received by Euroclear or Clearstream, Luxembourg from their Participants with respect to ownership of the relevant Book-Entry Interests. Holders of Registered Definitive Notes issued in exchange for Book-Entry Interests in the Global Note will not be entitled to exchange such Registered Definitive Notes for Book-Entry Interests in such Global Note. Any Rated Notes issued in definitive form will be issued in registered form only and will be subject to the provisions set out under "*Transfers and Transfer Restrictions*" above and provided that no transfer shall be registered for a period of 15 calendar days immediately preceding any due date for payment in respect of the Note or, as the case may be, the due date for redemption. Registered Definitive Notes will be issued in a denomination that is an integral multiple of the minimum Authorised Denomination. See "*Risk Factors – Risks relating to the characteristics of the Debt – The minimum denomination of the Notes may adversely affect payments on the Notes if issued in definitive form*".

### **Action in respect of the Global Notes and the Book-Entry Interests**

Not later than 10 calendar days after receipt by the Issuer of any notices in respect of a Global Note or any notice of solicitation of consents or requests for a waiver or other action by the holder of such Global Note, the Issuer will deliver to Euroclear and Clearstream, Luxembourg a notice containing (a) such information as is contained in such notice, (b) a statement that at the close of business on a specified record date Euroclear and Clearstream, Luxembourg will be entitled to instruct the Issuer as to the consent, waiver or other action, if any, pertaining to the Book-Entry Interests or the Global Note and (c) a statement as to the manner in

which such instructions may be given. Upon the written request of Euroclear or Clearstream, Luxembourg, as applicable, the Issuer shall endeavour insofar as practicable to take such action regarding the requested consent, waiver or other action in respect of the Book-Entry Interests or the Global Note in accordance with any instructions set out in such request. Euroclear or Clearstream, Luxembourg are expected to follow the procedures described under "*General*" above with respect to soliciting instructions from their respective Participants. The Registrar will not exercise any discretion in the granting of consents or waivers or the taking of any other action in respect of the Book-Entry Interests or the Global Notes.

## **Notices**

Whilst the Rated Notes are represented by Global Notes the Issuer may, at its option, send to Euroclear and Clearstream, Luxembourg a copy of any notices addressed to Noteholders for communication by Euroclear and Clearstream, Luxembourg to the Noteholders. Alternatively, such notices regarding the Rated Notes may instead be published in the *Financial Times* or, if such newspaper shall cease to be published or if timely publication therein is not practicable, in such other English newspaper or newspapers as the Note Trustee shall approve in advance having a general circulation in the United Kingdom; provided that if, at any time, the Issuer procures that the information contained in such notice shall appear on a page of the Reuters screen, the Bloomberg screen or any other medium for electronic display of data as may be previously approved in writing by the Note Trustee and notified to Noteholders, publication in such newspaper shall not be required with respect to such information so long as the rules of Euronext Dublin allow. The Issuer may elect not to publish any notice in a newspaper for so long as the Rated Notes are held in global form and notice is given to Euroclear and Clearstream, Luxembourg. The Note Trustee may, in accordance with Condition 16.2 (*Note Trustee's Discretion to Select Alternative Method*) sanction other methods of giving notice to all or some of the Noteholders if such method is reasonable having regard to, among other things, the market practice then prevailing and the requirements of the relevant stock exchange. See also Condition 16 (*Notice to Noteholders*) of the Notes.

## **New Safekeeping Structure and Eurosystem Eligibility**

The Rated Notes are intended to be held in a new safekeeping structure ("NSS") and in a manner which would allow Eurosystem eligibility and will be deposited with one of the International Central Securities Depositories (an "ICSD") as common safekeeper. However, the deposit of the Rated Notes with one of the ICSDs as common safekeeper upon issuance or otherwise does not necessarily mean that the Rated Notes will be recognised as eligible collateral for Eurosystem monetary policy and intraday credit operations by the Eurosystem at issuance or at any time during their life. Such recognition will depend upon the European Central Bank being satisfied that Eurosystem eligibility criteria have been met.

## **Issuer-ICSDs Agreement**

Prior to the issuance of the Notes, the Issuer will enter into an Issuer-ICSDs Agreement with the ICSDs in respect of the Rated Notes. The Issuer-ICSDs Agreement provides that the ICSDs will, in respect of any of the Rated Notes (while being held in the NSS), maintain their respective portion of the issue outstanding amount through their records. The Issuer-ICSDs Agreement will be governed by English law.

## **Non-Rated Notes**

The Non-Rated Notes will be issued in dematerialised registered form and no certificate evidencing entitlement to the Non-Rated Notes will be issued. The Issuer will also maintain a register, to be kept on the Issuer's behalf by the Registrar, in which the Non-Rated Notes will each be registered in the name of the relevant Noteholders. Transfers of the Non-Rated Notes may be made only through the register maintained by the Issuer and are subject to the transfer restrictions set out in Condition 3.2 (*Title*).



## TERMS AND CONDITIONS OF THE NOTES

*The following are the terms and conditions of the Notes in the form (subject to amendment) in which they will be set out in the Trust Deed (as defined below).*

*For the avoidance of doubt, the terms and conditions of the Class A Loan Note will be set out in the Class A Loan Note Agreement. Any references in these terms and conditions to the Class A Loan Note or the Debt are incidental and have been included for the purpose of clarifying certain rights as between the Noteholders, the Certificateholders and the Class A Loan Noteholders.*

### 1. GENERAL

The £13,701,000 Class B mortgage backed floating rate notes due August 2052 (the "**Class B Notes**"), the £10,587,000 Class C mortgage backed floating rate notes due August 2052 (the "**Class C Notes**"), the £9,715,000 Class D mortgage backed floating rate notes due August 2052 (the "**Class D Notes**"), the £8,968,000 Class E mortgage backed floating rate notes due August 2052 (the "**Class E Notes**"), the £13,701,000 Class X floating rate notes due August 2052 (the "**Class X Notes**" and together with the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes, the "**Rated Notes**"), the £12,461,000 Class Z mortgage backed fixed rate notes due August 2052 (the "**Class Z Notes**", together with the Rated Notes, the "**Notes**"), in each case of Together Asset Backed Securitisation 2021–CRE2 PLC (the "**Issuer**") are constituted by a trust deed (the "**Trust Deed**") dated on or about 11 June 2021 (the "**Closing Date**") and made between, among others, the Issuer and U.S. Bank Trustees Limited as trustee for the Debt Holders (in such capacity, the "**Note Trustee**").

In addition, on the Closing Date the Issuer will enter into a loan note agreement (the "**Class A Loan Note Agreement**") pursuant to which the Issuer will issue, and the Original Class A Loan Noteholder will subscribe for, a £198,678,000 Class A Loan Note. The Class A Loan Note will be fully subscribed on the Closing Date. The Class A Loan Note and the Rated Notes shall be collectively referred to herein as the "**Rated Debt**". The Class A Loan Note and the Notes shall be collectively referred to herein as the "**Debt**".

Any reference in these terms and conditions (the "**Conditions**") to a "**Class**" or "**class**" of Notes or of Noteholders shall be a reference to the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class X Notes or the Class Z Notes, as the case may be, or to the respective holders thereof. Any reference in these Conditions to the "**Noteholders**" means the registered holders for the time being of the Notes, or if preceded by a particular Class designation of Notes, the registered holders for the time being of such Class of Notes.

Any reference in these Conditions to a "**Class**" or "**class**" of Debt or of Debt Holders shall be a reference to the Class A Loan Note, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class X Notes or the Class Z Notes, as the case may be, or to the respective holders thereof. Any reference in these Conditions to the "**Debt Holders**" means the registered holders for the time being of the Debt, or if preceded by a particular Class designation of Debt, the registered holders for the time being of such Class of Debt.

The security for the Debt is constituted by and pursuant to a deed of charge and assignment (the "**Deed of Charge**") dated on or about the Closing Date and made between, among others, the Issuer and U.S. Bank Trustees Limited as trustee for the Secured Creditors (in such capacity, the "**Security Trustee**").

Pursuant to an agency agreement (the "**Agency Agreement**") dated on or prior to the Closing Date and made between the Issuer, the Note Trustee, the Security Trustee, Elavon Financial Services

DAC, UK Branch as principal paying agent (in such capacity, the "**Principal Paying Agent**" and, together with any further or other paying agent appointed under the Agency Agreement, the "**Paying Agents**"), Elavon Financial Services DAC as registrar (in such capacity, the "**Registrar**") and Elavon Financial Services DAC, UK Branch as agent bank (in such capacity, the "**Agent Bank**"), provision is made for, *inter alia*, the payment of principal and interest in respect of the Notes.

The statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed, the Deed of Charge and the Agency Agreement and a master definitions and construction schedule (the "**Master Definitions and Construction Schedule**") dated on or about the Closing Date and the other Transaction Documents (as defined therein).

Physical copies of the Trust Deed, the Deed of Charge, the Agency Agreement, the Master Definitions and Construction Schedule and the other Transaction Documents are available by appointment for inspection during normal business hours at the specified office for the time being of each of the Paying Agents or at the relevant Paying Agent's option, such inspection may be provided electronically. The Noteholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and are deemed to have notice of all the provisions of the other Transaction Documents applicable to them.

On the Closing Date, certain certificates (the "**Residual Certificates**") will also be issued by the Issuer and constituted by the Trust Deed. The Residual Certificates constitute direct, secured and (subject to the limited recourse provision in Residual Certificates Condition 11.4 (*Limited Recourse*)) unconditional obligations of the Issuer, and represent the Issuer's obligation to pay deferred consideration for its purchase of the Portfolio, consisting of the Residual Payments. The Residual Certificates rank *pro rata* and *pari passu* without preference or priority among themselves in relation to the Residual Payments and are fully subordinate to the interests of the Notes.

The Trust Deed and the Deed of Charge contain provisions requiring the Note Trustee and the Security Trustee, respectively, not to have regard to the interests of the Certificateholders equally with the rights of the Debt Holders as regards all rights, powers, trusts, authorities, duties and discretions of the Note Trustee and the Security Trustee (except where expressly provided otherwise) and instead requiring the Note Trustee and the Security Trustee in any such case to have regard (except as expressly provided otherwise) to the interests of the Debt Holders for so long as there is any Class of Debt outstanding.

## **2. INTERPRETATION**

### **2.1 Definitions**

Capitalised terms not otherwise defined in these Conditions shall bear the meanings given to them in the Master Definitions and Construction Schedule.

### **2.2 Interpretation**

These Conditions shall be construed in accordance with the principles of construction set out in the Master Definitions and Construction Schedule.

## **3. FORM, DENOMINATION AND TITLE**

### **3.1 Form and Denomination**

Each Class of Rated Notes will initially be represented by a global note certificate in registered form (a "**Global Note**").

For so long as any of the Rated Notes are represented by a Global Note, transfers and exchanges of beneficial interests in such Global Note and entitlement to payments thereunder will be effected subject to and in accordance with the rules and procedures from time to time of Euroclear Bank SA/NV ("**Euroclear**") or Clearstream Banking, S.A. ("**Clearstream, Luxembourg**"), as appropriate. Each Global Note will be deposited with and registered in the name of a common safekeeper (or a nominee thereof) for Euroclear and Clearstream, Luxembourg.

For so long as the Rated Notes are represented by Global Notes, and for so long as Euroclear and Clearstream, Luxembourg so permit, the Rated Notes shall be tradable only in the minimum nominal amount of £100,000 and higher integral multiples of £1,000, notwithstanding that no Registered Definitive Notes (as defined below) will be issued with a denomination above £199,000. A Global Note will be exchanged for the relevant Rated Note in definitive registered form (such exchanged Global Notes in definitive registered form, the "**Registered Definitive Notes**") only if either of the following applies:

- (a) both Euroclear and Clearstream, Luxembourg:
  - (i) are closed for business for a continuous period of 14 calendar days (other than by reason of holiday, statutory or otherwise); or
  - (ii) announce an intention permanently to cease business or to cease to make book-entry systems available for settlement of beneficial interests in such Global Notes and do in fact do either of those things,and in either case no alternative clearing system satisfactory to the Note Trustee is available; or
- (b) as a result of any amendment to, or change in, the laws or regulations of the United Kingdom (or of any political subdivision thereof) or of any authority therein or thereof having power to tax, or in the interpretation or administration by a revenue authority or a court or in the application of such laws or regulations, which becomes effective on or after the Closing Date, the Issuer or any Paying Agent is or will be required to make any deduction or withholding for or on account of tax from any payment in respect of the Notes which would not be required were the relevant Notes in definitive registered form.

If Registered Definitive Notes are issued in respect of Rated Notes originally represented by a Global Note, the beneficial interests represented by such Global Note shall be exchanged by the Issuer for the relevant Rated Notes in registered definitive form. The aggregate principal amount of the Registered Definitive Notes shall be equal to the Principal Amount Outstanding of the Rated Notes at the date on which notice of exchange is given of the Global Note, subject to and in accordance with the detailed provisions of these Conditions, the Agency Agreement, the Trust Deed and the relevant Global Note.

Registered Definitive Notes (which, if issued, will be in the denomination set out below) will be serially numbered and will be issued in registered form only.

The minimum denomination of the Rated Notes in global and (if issued and printed) definitive form will be £100,000 and higher integral multiples of £1,000.

The Class Z Notes (the "**Non-Rated Notes**") will be issued in dematerialised registered form and will not be cleared. Each Class of Non-Rated Notes has a minimum denomination of £100,000 and higher integral multiples of £1,000. No certificates evidencing entitlement to the Non-Rated Notes will be issued. The holders of Non-Rated Notes recorded in the Register shall be entitled to payments in respect thereof.

References to "**Notes**" in these Conditions shall include the Global Notes and the Registered Definitive Notes.

### **3.2 Title**

Title to the Global Notes shall pass by and upon registration in the register (the "**Register**") which the Issuer shall procure to be kept by the Registrar. The registered holder of a Global Note may (to the fullest extent permitted by applicable laws) be deemed and treated at all times, by all persons and for all purposes (including the making of any payments), as the absolute owner of such Global Note regardless of any notice of ownership, theft or loss or any trust or other interest therein or of any writing thereon (other than the endorsed form of transfer).

Title to a Non-Rated Note and a Registered Definitive Note shall only pass by and upon registration of the transfer in the Register, provided that no transferee shall be registered as a new holder of Non-Rated Notes unless that new Noteholder has acceded to the terms of the Trust Deed as if that new Noteholder had been an original party thereto. Any such transfer shall be in an amount equal to or greater than the minimum denominations specified in Condition 3.1 (*Form and Denomination*). All transfers of Non-Rated Notes are subject to the detailed regulations concerning transfers in the Agency Agreement.

Registered Definitive Notes may be transferred upon the surrender of the relevant Registered Definitive Note, with the form of transfer endorsed on it duly completed and executed, at the specified office of the Registrar. Such transfers shall be subject to the minimum denominations specified in Condition 3.1 (*Form and Denomination*). All transfers of Registered Definitive Notes are subject to any restrictions on transfer set out on the Registered Definitive Notes and the detailed regulations concerning transfers in the Agency Agreement.

Each new Registered Definitive Note to be issued upon transfer of such Registered Definitive Note will, within five Business Days of receipt and surrender of such Registered Definitive Note (duly completed and executed) for transfer, be available for delivery at the specified office of the Registrar or be mailed at the risk of the transferee entitled to such Registered Definitive Note to such address as may be specified in the relevant form of transfer.

Registration of a Non-Rated Note or a Registered Definitive Note on transfer will be effected without charge by the Registrar, but subject to payment of (or the giving of such indemnity as the Registrar may require for) any tax, stamp duty or other government charges which may be imposed in relation to it.

## **4. STATUS AND RELATIONSHIP BETWEEN THE DEBT AND SECURITY**

### **4.1 Status and relationship between the Classes of Debt**

- (a) The Class A Loan Note constitutes direct, secured and (subject to the limited recourse provision in Condition 12 (*Enforcement*)) unconditional obligations of the Issuer. The Class A Loan Note ranks senior to all Classes of Notes in relation to payment of interest and principal at all times, as provided in these Conditions and the Transaction Documents.
- (b) The Class B Notes constitute direct, secured and (subject to the limited recourse provision in Condition 12 (*Enforcement*) and Condition 17 (*Subordination by Deferral*)) unconditional obligations of the Issuer. The Class B Notes rank *pari passu* without preference or priority among themselves in relation to payment of interest and principal at all times, but subordinate to the Class A Loan Note, as provided in these Conditions and the Transaction Documents. Accordingly, the interests of the persons who for the time being are registered in the Register as holders of Class B Notes (the "**Class B Noteholders**") will be subordinated to the interests of the persons who for the

time being are registered in the register (the "**Loan Note Register**") maintained by CSC Capital Markets UK Limited in its capacity as Loan Note Registrar (or any successor, the "**Loan Note Registrar**") as holders of the Class A Loan Note (the "**Class A Loan Noteholders**") (so long as the Class A Loan Note remains outstanding).

- (c) The Class C Notes constitute direct, secured and (subject to the limited recourse provision in Condition 12 (*Enforcement*) and Condition 17 (*Subordination by Deferral*)) unconditional obligations of the Issuer. The Class C Notes rank *pari passu* without preference or priority among themselves in relation to payment of interest and principal at all times, but subordinate to the Class A Loan Note and the Class B Notes, as provided in these Conditions and the Transaction Documents. Accordingly, the interests of the persons who for the time being are registered in the Register as holders of the Class C Notes (the "**Class C Noteholders**") will be subordinated to the interests of each of the Class A Loan Noteholders and the Class B Noteholders (so long as the Class A Loan Note and/or any Class B Notes remain outstanding).
- (d) The Class D Notes constitute direct, secured and (subject to the limited recourse provision in Condition 12 (*Enforcement*) and Condition 17 (*Subordination by Deferral*)) unconditional obligations of the Issuer. The Class D Notes rank *pari passu* without preference or priority among themselves in relation to payment of interest and principal at all times, but subordinate to the Class A Loan Note, the Class B Notes and the Class C Notes, as provided in these Conditions and the Transaction Documents. Accordingly, the interests of the persons who for the time being are registered in the Register as holders of the Class D Notes (the "**Class D Noteholders**") will be subordinated to the interests of each of the Class A Loan Noteholders, the Class B Noteholders and the Class C Noteholders (so long as the Class A Loan Note and/or any Class B Notes and/or any Class C Notes remain outstanding).
- (e) The Class E Notes constitute direct, secured and (subject to the limited recourse provision in Condition 12 (*Enforcement*) and Condition 17 (*Subordination by Deferral*)) unconditional obligations of the Issuer. The Class E Notes rank *pari passu* without preference or priority among themselves in relation to payment of interest and principal at all times, but subordinate to the Class A Loan Note, the Class B Notes, the Class C Notes and the Class D Notes, as provided in these Conditions and the Transaction Documents. Accordingly, the interests of the persons who for the time being are registered in the Register as holders of the Class E Notes (the "**Class E Noteholders**") will be subordinated to the interests of each of the Class A Loan Noteholders, the Class B Noteholders, the Class C Noteholders and the Class D Noteholders (so long as the Class A Loan Note and/or any Class B Notes and/or any Class C Notes and/or any Class D Notes remain outstanding).
- (f) The Class X Notes constitute direct, secured and (subject to the limited recourse provision in Condition 12 (*Enforcement*) and Condition 17 (*Subordination by Deferral*)) unconditional obligations of the Issuer. The Class X Notes rank *pari passu* without preference or priority among themselves in relation to payment of interest and principal at all times, but subordinate to the Class A Loan Note, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes, as provided in these Conditions and the Transaction Documents. Accordingly, the interests of the persons who for the time being are registered in the Register as holders of the Class X Notes (the "**Class X Noteholders**") will be subordinated to the interests of each of the Class A Loan Noteholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders and the Class E Noteholders (so long as the Class A Loan Note and/or any Class B Notes and/or any Class C Notes and/or any Class D Notes and/or any Class E Notes remain outstanding).
- (g) The Class Z Notes constitute direct, secured and (subject as provided in Condition 17 (*Subordination by Deferral*)) and the limited recourse provisions in Condition 12 (*Enforcement*)) unconditional obligations of the Issuer. The Class Z Notes rank subordinate to all payments due in respect of the Rated Debt, as provided in these Conditions and the Transaction Documents. Accordingly, the



interests of the persons who for the time being are registered in the Register as holders of the Class Z Notes (the "**Class Z Noteholders**") will be subordinated to the interests of the holders of the Rated Debt (so long as any Rated Debt remains outstanding).

- (h) The Trust Deed and the Deed of Charge contain provisions requiring the Note Trustee and the Security Trustee, respectively, to have regard to the interests of holders of each Class of the Debt as regards all rights, powers, trusts, authorities, duties and discretions of the Note Trustee and the Security Trustee (except where expressly provided otherwise) but requiring the Note Trustee and the Security Trustee where there is a conflict of interests between one or more Classes of Debt and/or the Residual Certificates in any such case to have regard (except as expressly provided otherwise) to the interests of the holders of the Class of Debt ranking in priority to the other relevant Classes of Debt in the Post-Enforcement Priority of Payments or if there is no Debt then outstanding to the Certificateholders.
- (i) The Trust Deed also contains provisions limiting the powers of any Class of Debt Holders to (i) request or direct the Note Trustee to take any action or (ii) pass an effective Extraordinary Resolution according to the effect thereof on the interests of the holders of the Most Senior Class of Debt. Except in certain circumstances described in Condition 13 (*Meetings of Noteholders, Modification, Waiver and Substitution*), the Trust Deed contains no such limitation on the powers of the holders of the Most Senior Class of Debt, the exercise of which will be binding (save in respect of a Basic Terms Modification) on the holders of all other Classes of Debt and the Certificateholders in each case irrespective of the effect thereof on their respective interests.

As long as any Class of Debt is outstanding but subject to Condition 13.5 (*Modification to the Transaction Documents*), the Security Trustee shall not have regard to the interests of the other Secured Creditors.

## 4.2 Security

- (a) The security constituted by or pursuant to the Deed of Charge is granted to the Security Trustee for it to hold on trust for the Debt Holders and the other Secured Creditors, upon and subject to the terms and conditions of the Deed of Charge.
- (b) The Debt Holders and the other Secured Creditors will share in the benefit of the security constituted by or pursuant to the Deed of Charge, upon and subject to the terms and conditions of the Deed of Charge.

## 5. COVENANTS

Save with the prior written consent of the Note Trustee or unless otherwise permitted under these Conditions or any of the Transaction Documents, the Issuer shall not, so long as any Note remains outstanding:

- (a) **Negative pledge:** create or permit to subsist any encumbrance (unless arising by operation of law) or other security interest whatsoever over any of its assets or undertakings;
- (b) **Restrictions on activities:** (i) engage in any activity whatsoever which is not incidental to or necessary in connection with any of the activities in which the Transaction Documents provide or envisage that the Issuer will engage or (ii) have any subsidiaries, any subsidiary undertaking (as defined in the Companies Act 1985 and the Companies Act 2006 (as applicable)) or any employees (but shall procure that, at all times, it shall retain at least one independent director) or premises;

- (c) **Disposal of assets:** assign, transfer, sell, lend, lease, part with or otherwise dispose of, or deal with, or grant any option or present or future right to acquire all or any of its assets or undertakings or any interest, estate, right, title or benefit therein or attempt or purport to do any of the foregoing;
- (d) **Equitable and Beneficial Interest:** permit any person, other than itself and the Security Trustee, to have any equitable or beneficial interest in any of its assets or undertakings or any interest, estate, right, title or benefit therein;
- (e) **Dividends or distributions:** pay any dividend or make any other distribution to its shareholders except out of amounts of profit retained by the Issuer in accordance with the applicable Priority of Payments which are available for distribution in accordance with the Issuer's memorandum and articles of association and with applicable laws or issue any further shares;
- (f) **Indebtedness:** incur any financial indebtedness in respect of borrowed money whatsoever or give any guarantee or indemnity in respect of any indebtedness or of any other obligation of any person;
- (g) **Merger:** consolidate or merge with any other person or convey or transfer substantially all of its properties or assets to any other person;
- (h) **No modification or waiver:** permit any of the Transaction Documents to which it is a party to become invalid or ineffective or permit the priority of the security interests created or evidenced thereby or pursuant thereto to be varied, modified, terminated, postponed, waived or agree to any modification of, or grant any consent, approval, authorisation or waiver pursuant to, or in connection with, any of the Transaction Documents to which it is a party or permit any party to any of the Transaction Documents to which it is a party to be released from its obligations or exercise any right to terminate any of the Transaction Documents to which it is a party;
- (i) **Bank accounts:** have an interest in any bank account other than the Issuer Accounts, unless such account or interest therein is charged to the Security Trustee on terms acceptable to the Security Trustee;
- (j) **Purchase Notes:** purchase or otherwise acquire any Note; or
- (k) **U.S. activities:** engage in any activities in the United States (directly or through agents), or derive any income from United States sources as determined under United States income tax principles, or hold any property if doing so would cause it to be engaged in a trade or business within the United States as determined under United States income tax principles.

## 6. INTEREST

### 6.1 Accrual of interest

Each Note bears interest on its Principal Amount Outstanding from (and including) the Closing Date. Each Note (or, in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest from and including the due date for redemption unless, upon due presentation in accordance with Condition 7 (*Payments*), payment of the principal in respect of the Note is improperly withheld or refused or default is otherwise made in respect of the payment, in which event interest shall continue to accrue as provided in the Trust Deed and (in the case of the Class A Loan Note) the Class A Loan Note Agreement.

## 6.2 Interest Payment Dates

The first Interest Payment Date will be the Interest Payment Date falling in August 2021.

Interest will be payable in arrear on each Interest Payment Date, for all classes of Note.

**"Interest Payment Date"** means the 20th day of each calendar month or, if such day is not a Business Day, the immediately following Business Day unless it would thereby fall into the next calendar month in which event it shall be brought forward to the immediately preceding Business Day.

Interest shall accrue:

- (a) in the case of a Class of the Rated Notes, from (and including) an Interest Payment Date (except in the case of the first Interest Period, which shall commence on (and include) the Closing Date) to (but excluding) the next following Interest Payment Date; and
- (b) in the case of the Class Z Notes, from (and including) a Fixed Rate Accrual Date (except in the case of the first Interest Period, which shall commence on (and include) the Closing Date) to (but excluding) the next following Fixed Rate Accrual Date,

(each such period above, an **"Interest Period"**).

**"Fixed Rate Accrual Date"** means the 20th day of each calendar month or, if such day is not a Business Day, on the immediately succeeding Business Day unless it would thereby fall into the next calendar month in which event it shall be brought forward to the immediately preceding Business Day, with the first Fixed Rate Accrual Date being in August 2021.

## 6.3 Rate of Interest

(a) The rate of interest payable from time to time in respect of each class or sub-class of the Notes (each a **"Rate of Interest"** and together the **"Rates of Interest"**) will be:

- (i) in respect of the Rated Notes and any Interest Period, determined on the basis of the following provisions:
  - (A) The Agent Bank will determine the Compounded Daily SONIA as at the Interest Determination Date (as defined below) in question.
  - (B) The Rates of Interest for the relevant Interest Period will be the rate for the Compounded Daily SONIA determined as at the related Interest Determination Date plus: (I) from and including the Closing Date to (but excluding) the Optional Redemption Date, the Relevant Margin or (II) from (and including) the Optional Redemption Date, the Relevant Step-Up Margin.
  - (C) If the Rate of Interest is less than zero per cent., the Rate of Interest shall be deemed to be zero per cent. There will be no maximum Rate of Interest.
  - (D) Notwithstanding the provisions of these Conditions, in the event the Bank of England publishes guidance as to (i) how the SONIA Reference Rate is to be determined or (ii) any rate that is to replace the SONIA Reference Rate, the Agent Bank shall, to the extent that it is reasonably practicable, follow such guidance in order to determine SONIA for the purpose of the Notes for so long as the SONIA Reference Rate is not available or has not been published by the authorised

distributors. If, in the Agent Bank's opinion there is any uncertainty between two or more alternative courses of action in making any determination or calculation under this paragraph (D), the Agent Bank shall promptly notify the Issuer and the Cash Administrator thereof and the Issuer may, at the expense of the Issuer, engage an expert to make such determination or calculation and any such determination or calculation shall be deemed to be a determination or calculation made by the Agent Bank for the purposes of this paragraph (D).

(E) If the Rate of Interest cannot be determined in accordance with the foregoing provisions by the Agent Bank, the Rate of Interest shall be (i) that determined as at the last preceding Interest Determination Date (though substituting, where a different Relevant Margin or Relevant Step-Up Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Relevant Margin or Relevant Step-Up Margin relating to the relevant Interest Period in place of the Relevant Margin or Relevant Step-Up Margin relating to that last preceding Interest Period) or (ii) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to the relevant Class of Notes for the first Interest Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) that first Interest Payment Date (but applying the Relevant Margin applicable to the first Interest Period); and

(ii) in respect of the Class Z Notes and any Interest Period, zero per cent. per annum.

(b) In these Conditions (except where otherwise defined), the expression:

(i) "**Business Day**" means a day (other than a Saturday or Sunday or a public holiday) on which banks are generally open for business in London;

(ii) "**Compounded Daily SONIA**" means, with respect to an Interest Period, the rate of return of a daily compound interest investment (with the daily Sterling overnight reference rate as reference rate for the calculation of interest) and will be calculated by the Agent Bank as at the Interest Determination Date in question, as follows, and the resulting percentage will be rounded if necessary to the fourth decimal place, with 0.00005 per cent. being rounded upwards:

$$\left[ \prod_{i=1}^{d_0} \left( 1 + \frac{SONIA_{t-5LBD} \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}$$

Where:

"d" is the number of calendar days in the relevant Interest Period;

"d<sub>0</sub>" is the number of Business Days in the relevant Interest Period;

"i" is a series of whole numbers from one to d<sub>0</sub>, each representing the relevant Business Day in chronological order from, and including, the first Business Day in the relevant Interest Period to, but excluding, the last Business Day in such Interest Period;

"LBD" means a Business Day;

" $n_i$ ", for any day "i", means the number of calendar days from and including such day "i" up to but excluding the following Business Day; and

**SONIA<sub>i-5LBD</sub>** means, in respect of any Business Day falling in the relevant Interest Period, the SONIA Reference Rate for the Business Day falling five Business Days prior to that Business Day "i";

- (iii) **"Interest Determination Date"** means the fifth Business Day before the Interest Payment Date for which the relevant Rate of Interest will apply;
- (iv) **"Observation Period"** means the period from and including the date falling five Business Days prior to the first day of the relevant Interest Period (and the first Interest Period shall begin on and include the Closing Date) and ending on, but excluding, the date falling five Business Days prior to the Interest Payment Date for such Interest Period (or, if applicable, the date falling five Business Days prior to any other date on which a payment of interest is to be made in respect of the Notes);
- (v) **"Relevant Margin"** means:
  - (A) in respect of the Class B Notes, 2.050 per cent. per annum;
  - (B) in respect of the Class C Notes, 2.450 per cent. per annum;
  - (C) in respect of the Class D Notes, 3.150 per cent. per annum;
  - (D) in respect of the Class E Notes, 4.250 per cent. per annum; and
  - (E) in respect of the Class X Notes, 5.500 per cent. per annum;
- (vi) **"Relevant Step-Up Margin"** means:
  - (A) in respect of the Class B Notes, 3.075 per cent. per annum;
  - (B) in respect of the Class C Notes, 3.450 per cent. per annum;
  - (C) in respect of the Class D Notes, 4.150 per cent. per annum;
  - (D) in respect of the Class E Notes, 5.250 per cent. per annum; and
  - (E) in respect of the Class X Notes, 5.500 per cent. per annum;
- (vii) **"Reuters Screen SONIA Page"** means Reuters Screen SONIA Page or such other page as may replace Reuters Screen SONIA Page on that service for the purpose of displaying such information or if that service ceases to display such information, such page as displays such information on such service as may replace such screen; and
- (viii) **"SONIA Reference Rate"** means, in respect of any Business Day, a reference rate equal to the daily Sterling Overnight Index Average ("**SONIA**") rate for such Business Day as provided by the administrator of SONIA to, and published by, authorised distributors of the rate as of 9:00 a.m. London time on the Reuters Screen SONIA Page or, if the Reuters Screen SONIA Page is unavailable, as otherwise published by such authorised distributors (on the Business Day immediately following such Business Day).

If, in respect of any Business Day in the relevant Observation Period, the Agent Bank determines that the SONIA Reference Rate is not available on the Reuters Screen SONIA

Page or has not otherwise been published by the relevant authorised distributors, such SONIA Reference Rate shall be: (i) the Bank of England's Bank Rate (the "**Bank Rate**") prevailing at close of business on the relevant Business Day; plus (ii) the mean of the spread of the SONIA Reference Rate to the Bank Rate over the previous five calendar days on which a SONIA Reference Rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads) to the Bank Rate.

#### **6.4 Determination of Rates of Interest and Interest Amounts**

The Agent Bank shall, as soon as practicable after 11.00 a.m. (London time) on each Interest Determination Date falling in such Interest Period, but in no event later than the third Business Day thereafter, determine the Sterling amount (the "**Interest Amounts**") payable in respect of interest on the Principal Amount Outstanding of each Class of the Notes for the relevant Interest Period.

The Interest Amounts shall, in respect of a Class of Rated Notes, be determined by applying the relevant Rate of Interest to the Principal Amount Outstanding of such Class of Rated Notes and multiplying the sum by the actual number of calendar days in the Interest Period concerned divided by 365 and rounding the figure downwards to the nearest penny.

The Interest Amounts shall, in the case of the Class Z Notes, be calculated by applying the relevant Rate of Interest to the Principal Amount Outstanding of such Notes on the basis of a 360-day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the number of days elapsed on the basis of a month of 30 days.

If the Agent Bank is unable at any time in its obligation to determine the Rates of Interest and the Interest Amounts in accordance with this Condition 6.4, the Issuer may, at the expense of the Issuer, engage an expert to make such determination and any such determination shall be deemed to be determinations made by the Agent Bank.

#### **6.5 Publication of Rates of Interest and Interest Amounts**

The Agent Bank shall as soon as reasonably practicable after determining the Rate of Interest and the Interest Amounts for each Class of Notes in respect of each Interest Period and each Interest Payment Date (as applicable) pursuant to these Conditions (and in any event, no later than two Business Days prior to the immediately succeeding Interest Payment Date), cause the relevant Rate of Interest and Interest Amount to be notified to the Issuer, the Cash Administrator, the Note Trustee, the Paying Agents and the Registrar and to be published in accordance with Condition 16 (*Notice to Noteholders*), and the Issuer shall notify any stock exchange or other relevant authority on which the Notes are at the relevant time listed as soon as reasonably practicable after their determination and in no event later than two Business Days prior to the immediately succeeding Interest Payment Date. The Interest Amounts and Interest Payment Date may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period.

#### **6.6 Notifications to be Final**

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 6, whether by the Agent Bank or the Cash Administrator, will (in the absence of wilful default, gross negligence, fraud or manifest error) be binding on the Issuer, the Cash Administrator, the Note Trustee, the Agent Bank, the Paying Agents and all Noteholders and (in the absence of wilful default, gross negligence or fraud) no liability to the Issuer or the Noteholders shall attach to the Cash Administrator or the

Agent Bank in connection with the exercise or non-exercise by any of them of their powers, duties and discretions under this Condition 6.

## 6.7 Agent Bank

The Issuer shall procure that, so long as any of the Notes remain outstanding, there is at all times an agent bank for the purposes of the Notes. The Issuer may, subject to the prior written approval of the Note Trustee, terminate the appointment of the Agent Bank and shall, in the event of the appointed office of any bank being unable or unwilling to continue to act as the agent bank or failing duly to determine the Rate of Interest or the Interest Amounts in respect of any Class of Noteholders for any Interest Period, subject to the prior written approval of the Note Trustee, appoint another major bank engaged in the relevant interbank market to act in its place. The Agent Bank may not resign its duties or be removed without a successor having been appointed on terms commercially acceptable in the market and such successor having acquired and become subject to such rights and obligations as if it had entered into an agency agreement in a form commercially acceptable in the market.

## 6.8 Determinations and Reconciliation

- (a) In the event that the Cash Administrator does not receive Portfolio Information with respect to a Collection Period (each such period, a "**Determination Period**"), then the Cash Administrator shall be required to estimate the amount of Principal Receipts and Revenue Receipts for such Determination Period based on the Portfolio Information received for the three most recent Collection Periods in which Portfolio Information was received or, where there are not at least three previous Collection Periods in which Portfolio Information had been received, any previous Portfolio Information for the purposes of calculating the amounts available to the Issuer to make payments, as set out in Condition 6.8(b). When the Cash Administrator receives the Portfolio Information relating to the Determination Period, it will make the reconciliation calculations and reconciliation payments as set out in Condition 6.8(c). Any (i) calculations properly made on the basis of such estimates in accordance with Conditions 6.8(b) and/or 6.8(c); (ii) payments made under any of the Notes and Transaction Documents in accordance with such calculations; and (iii) reconciliation calculations and reconciliation payments made as a result of such reconciliation calculations, each in accordance with Conditions 6.8(b) and/or 6.8(c), shall be deemed to be made in accordance with the provisions of the Transaction Documents and will in themselves not lead to a Potential Event of Default or an Event of Default and no liability will attach to the Cash Administrator in connection with the exercise by it of its powers, duties and discretion for such purposes.
- (b) In respect of any Determination Period the Cash Administrator shall on the Calculation Date immediately following the Determination Period:
- (i) determine the Interest Determination Ratio (as defined below) by reference to the Portfolio Information received for the three most recent Collection Periods in which Portfolio Information was received (or, where there are not at least three previous Collection Periods in which Portfolio Information had been received, any previous Portfolio Information) received in the preceding Collection Periods;
  - (ii) calculate the Revenue Receipts for such Determination Period as the product of (A) the Interest Determination Ratio and (B) all collections received by the Issuer during such Determination Period (the "**Calculated Revenue Receipts**"); and
  - (iii) calculate the Principal Receipts for such Determination Period as the product of (A) 1 minus the Interest Determination Ratio and (B) all collections received by the Issuer during such Determination Period (the "**Calculated Principal Receipts**").

- (c) Following the end of any Determination Period, upon receipt by the Cash Administrator of the Portfolio Information in respect of such Determination Period, the Cash Administrator shall reconcile the calculations made in accordance with Condition 6.8(b) to the actual collections set out in the Portfolio Information by allocating the Reconciliation Amount (as defined below) as follows:
- (i) if the Reconciliation Amount is a positive number, the Cash Administrator shall apply an amount equal to the lesser of (A) the absolute value of the Reconciliation Amount and (B) the amount standing to the credit of the Revenue Ledger, as Available Principal Receipts (with a corresponding debit of the Revenue Ledger); and
  - (ii) if the Reconciliation Amount is a negative number, the Cash Administrator shall apply an amount equal to the lesser of (A) the absolute value of the Reconciliation Amount and (B) the amount standing to the credit of the Principal Ledger, as Available Revenue Receipts (with a corresponding debit of the Principal Ledger),

*provided* that the Cash Administrator shall apply such Reconciliation Amount in determining Available Revenue Receipts and Available Principal Receipts for such Collection Period in accordance with the terms of the Cash Administration Agreement and the Cash Administrator shall promptly notify the Issuer, the Note Trustee and the Security Trustee of such Reconciliation Amount.

- (d) In these Conditions (except where otherwise defined), the expression:
- (i) **"Interest Determination Ratio"** means, on any Interest Payment Date, (A) the aggregate Revenue Receipts calculated on the basis of the Portfolio Information received for the three most recent Collection Periods in which Portfolio Information was received (or, where there are not at least three previous Collection Periods in which Portfolio Information had been received, any previous Portfolio Information) divided by (B) the aggregate of all Revenue Receipts and all Principal Receipts calculated on the basis of such Portfolio Information; and
  - (ii) **"Reconciliation Amount"** means in respect of any Collection Period (A) the actual Principal Receipts as determined on the basis of the available Portfolio Information, less (B) the Calculated Principal Receipts in respect of such Collection Period, plus (C) any Reconciliation Amount not applied in previous Collection Periods.

## 7. PAYMENTS

### 7.1 Payment of Interest and Principal

Payments in respect of principal and interest in respect of any Global Note will be made only against presentation of such Global Note to or to the order of the Principal Paying Agent or such other Paying Agent as shall have been notified to the Noteholders in accordance with Condition 16 (*Notice to Noteholders*) for such purpose. Each payment of principal or interest made in respect of a Global Note will be recorded by the Clearing Systems in their records (which records are the records each relevant Clearing System holds for its customers and reflect such customers' interest in the Rated Notes) and such records shall be *prima facie* evidence that the payment in question has been made. No person appearing from time to time in the records of either of the Clearing Systems as the holder of a Rated Note shall have any claim directly against the Issuer in respect of payments due on such Rated Note whilst such Rated Note is represented by a Global Note and the Issuer shall be discharged by payment of the relevant amount to the bearer of the relevant Global Note. The Issuer shall procure that each payment shall be entered pro rata in the records of the relevant Clearing System but any failure to make such entries shall not affect the discharge referred to above.



Payments in respect of the Non-Rated Notes shall be made by transfer to the account specified by the holders of the Non-Rated Notes to the Registrar in accordance with the terms of the Agency Agreement.

## **7.2 Laws and Regulations**

Payments of any amount in respect of a Note including principal and interest in respect of the Notes are subject, in all cases, to (i) any fiscal or other laws and regulations applicable thereto and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "Code") or otherwise imposed pursuant to Sections 1471 to 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof or any law implementing an intergovernmental approach thereto. Noteholders will not be charged commissions or expenses on payments.

## **7.3 Payment of Interest following a Failure to pay Principal**

If payment of principal is improperly withheld or refused on or in respect of any Note or part thereof, the interest which continues to accrue in respect of such Note in accordance with Condition 6.1 (*Accrual of interest*) and Condition 6.3 (*Rate of Interest*) will be paid in accordance with this Condition 7.

## **7.4 Change of Paying Agents**

The Issuer reserves the right, subject to the prior written approval of the Note Trustee, at any time to vary or terminate the appointment of the Principal Paying Agent or the Registrar and to appoint additional or other agents provided that there will at all times be a person appointed to perform the obligations of the Principal Paying Agent with a specified office in London and the Registrar with a specified office in Ireland or in London.

Except where otherwise provided in the Trust Deed or the Agency Agreement, the Issuer will cause notice of no more than 30 calendar days and no less than 15 calendar days of any change in or addition to the Paying Agents or the Registrar or their specified offices to be given to the Noteholders in accordance with Condition 16 (*Notice to Noteholders*) and will notify the Rating Agencies of such change or addition.

## **7.5 No Payment on non-Business Day**

If the date for payment of any amount in respect of a Note is not a Presentation Date, Noteholders shall not be entitled to payment until the next following Presentation Date and shall not be entitled to further interest or other payment in respect of such delay. In this Condition 7.5, the expression "**Presentation Date**" means a day which is (a) a Business Day and (b) a day on which banks are generally open for business in the relevant place.

## **7.6 Partial Payment**

If a Paying Agent makes a partial payment in respect of any Note, the Registrar will, in respect of the relevant Note, annotate the Register indicating the amount and date of such payment.

## **7.7 Payment of Interest**

If interest is not paid in respect of a Note of any Class on the date when due and payable (other than because the due date is not a Presentation Date (as defined in Condition 7.5 (*No Payment on non-Business Day*)) or by reason of non-compliance by the Noteholder with Condition 7.1 (*Payment of Interest and Principal*)), then such unpaid interest shall itself bear interest at the Rate of Interest

applicable from time to time to such Note until such interest and interest thereon are available for payment and notice thereof has been duly given in accordance with Condition 16 (*Notice to Noteholders*).

## **8. REDEMPTION**

### **8.1 Redemption at Maturity**

Unless previously redeemed in full or purchased and cancelled as provided below, the Issuer will redeem each Note at its respective Principal Amount Outstanding on the Interest Payment Date falling in August 2052 (the "**Final Maturity Date**").

### **8.2 Mandatory Redemption prior to the service of an Enforcement Notice or on the Call Option Redemption Date**

- (a) On each Interest Payment Date prior to the service of an Enforcement Notice, each Class of Notes (and the Class A Loan Note) shall be redeemed in an amount equal to the Available Principal Receipts available for such purpose in accordance with the Pre-Enforcement Principal Priority of Payments which shall be applied in the following order of priority:
- (i) to repay the Class A Loan Note until it is repaid in full; and thereafter to be applied
  - (ii) to repay the Class B Notes until they are each repaid in full; and thereafter to be applied
  - (iii) to repay the Class C Notes until they are each repaid in full; and thereafter to be applied
  - (iv) to repay the Class D Notes until they are each repaid in full; and thereafter to be applied
  - (v) to repay the Class E Notes until they are each repaid in full; and thereafter to be applied
  - (vi) to repay the Class X Notes until they are each repaid in full; and thereafter to be applied
  - (vii) to repay the Class Z Notes until they are each repaid in full.
- (b) The Principal Amount Outstanding of each Class of Note shall be redeemed on each Interest Payment Date in accordance with the relevant Priority of Payments. The principal amount to be redeemed in respect of a Note of a particular Class (the "**Note Principal Payment**") on any Interest Payment Date prior to the service of an Enforcement Notice shall be the Available Principal Receipts available for such purpose on such Interest Payment Date in accordance with the Pre-Enforcement Principal Priority of Payments, as calculated on the Calculation Date immediately preceding such Interest Payment Date multiplied by the relevant Pool Factor. With respect to each Note of a particular Class on (or as soon as practicable after) each Calculation Date, the Issuer shall determine (or cause the Cash Administrator to determine) (i) the amount of any Note Principal Payment due on the Interest Payment Date next following such Calculation Date, (ii) the Principal Amount Outstanding of each such Note (after deducting any Note Principal Payment due to be made on the Interest Payment Date next following such Calculation Date) and (iii) the fraction expressed as a decimal to the sixth decimal point (the "**Pool Factor**"), of which the numerator is the Principal Amount Outstanding of that Note (as referred to in paragraph (b)(ii) above) and the denominator is the Principal Amount Outstanding of the relevant Class of Note on the Closing Date. Each determination by or on behalf of the Issuer of any principal repayment, the Principal Amount Outstanding of a Note and the Pool Factor shall in each case (in the absence of wilful default, gross negligence, fraud or manifest error) be final and binding on all persons.

- (c) The Issuer will cause each determination of a principal repayment, Principal Amount Outstanding and Pool Factor to be notified by not less than two Business Days prior to the relevant Interest Payment Date to the Note Trustee, the Paying Agents, the Agent Bank and, in respect of the Notes (for so long as the Notes are listed on the Official List of Euronext Dublin and admitted to trading on its Regulated Market), the Euronext Dublin, and will immediately cause notice of each such determination to be given in accordance with Condition 16 (*Notice to Noteholders*) not later than two Business Days prior to the relevant Interest Payment Date. If no principal repayment is due to be made on the Notes on any Interest Payment Date a notice to this effect will be given to the holders of the Notes.

### **8.3 Mandatory Redemption of the Debt in Full**

#### **(a) On or after the Optional Redemption Date**

On the Issuer giving not more than 60 calendar days' nor fewer than two Business Days' notice to (i) the Noteholders in accordance with Condition 16 (*Notice to Noteholders*), (ii) the Class A Loan Noteholders in accordance with the Class A Loan Note Agreement and (iii) the Note Trustee, on any Interest Payment Date on or after the Optional Redemption Date upon the occurrence of a sale of the Mortgage Loans and their Collateral Security comprising the Portfolio in accordance with the provisions of the Mortgage Sale Agreement, the Optional Purchase Price received by the Issuer will be applied as Available Revenue Receipts in accordance with the Pre-Enforcement Revenue Priority of Payments with the result that the Debt will be redeemed in full in accordance with Condition 8.2 (*Mandatory Redemption prior to the service of an Enforcement Notice or on the Call Option Redemption Date*) together with any accrued (and unpaid) interest up to (but excluding) the date of redemption, and any other amounts due to the Debt Holders.

#### **(b) Ten per cent. clean-up call**

On the Issuer giving not more than 60 calendar days' nor fewer than 14 Business Days' notice to (i) the Noteholders in accordance with Condition 16 (*Notice to Noteholders*), (ii) the Class A Loan Noteholders in accordance with the Class A Loan Note Agreement and (iii) the Note Trustee, on any Interest Payment Date upon the occurrence of a sale of the Mortgage Loans and their Collateral Security comprising the Portfolio in accordance with the provisions of the Mortgage Sale Agreement where the aggregate Principal Balance of the Mortgage Loans was equal to or less than 10 per cent. of the aggregate Principal Amount Outstanding of the Debt on the Closing Date, the Optional Purchase Price received by the Issuer will be applied as Available Revenue Receipts in accordance with the Pre-Enforcement Revenue Priority of Payments with the result that the Debt will be redeemed in full on such Interest Payment Date in accordance with Condition 8.2 (*Mandatory Redemption prior to the service of an Enforcement Notice or on the Call Option Redemption Date*) together with any accrued (and unpaid) interest up to (but excluding) the date of redemption, and any other amounts due to the Debt Holders.

### **8.4 Mandatory Redemption of the Debt for Taxation or Other Reasons**

If:

- (a) by reason of a change in tax law (or the application or official interpretation thereof), which change becomes effective on or after the Closing Date, on or before the next Interest Payment Date the Issuer or the Paying Agents would be required to deduct or withhold from any payment of principal or interest on any Note (other than because the relevant holder has some connection with the United Kingdom other than the holding of such Note) any amount for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf

of the United Kingdom or any political sub-division thereof or any authority thereof or therein having power to tax; or

- (b) by reason of a change in law (or the application or official interpretation thereof), which change becomes effective on or after the Closing Date, it has become or will become unlawful for the Issuer to make, fund or allow to remain outstanding all or any of the Notes,

then the Issuer shall, if the same would avoid the effect of such relevant event described in Condition 8.4(a) or 8.4(b), appoint a Paying Agent in another jurisdiction or use its reasonable endeavours to arrange the substitution of a company incorporated and/or tax resident in another jurisdiction approved in writing by the Note Trustee as principal debtor under the Notes and the Trust Deed, provided that:

- (i) the Note Trustee is satisfied that such substitution will not be materially prejudicial to the interests of the holders of the Rated Notes (and in making such determination, the Note Trustee may rely, without further investigation or inquiry, on (A) any confirmation made orally to the Issuer (in which case the Cash Administrator on behalf of the Issuer shall confirm the same in writing to the Note Trustee) or in writing from each of the Rating Agencies that the then current ratings of the Rated Notes would not be adversely affected by such substitution or (B) if no such confirmation from the Rating Agencies is forthcoming and the Cash Administrator on behalf of the Issuer has certified the same in writing to the Cash Administrator and the Note Trustee (an "**Issuer Certificate**"), a written certification from the Cash Administrator to the Note Trustee and the Security Trustee (a "**Cash Administrator Certificate**") that such proposed action (i) (while any Rated Note remains outstanding) has been notified to the Rating Agencies, (ii) would not have an adverse impact on the Issuer's ability to make payment when due in respect of the Notes, (iii) would not affect the legality, validity and enforceability of any of the Transaction Documents or any Security and (iv) (while any of the Rated Notes remain outstanding) would not have an adverse effect on the rating of the Rated Notes) (upon which confirmations or certificates the Note Trustee and the Security Trustee shall be entitled to rely absolutely without liability to any person for so doing); and
- (ii) such substitution would not require registration of any new security under U.S. securities laws or materially increase the disclosure requirements under U.S. law.

A "**Redemption Event**" shall occur if the Issuer satisfies the Note Trustee immediately before giving the notice referred to below that one or more of the events described in Condition 8.4(a) or 8.4(b) is continuing and that the appointment of a Paying Agent or a substitution as referred to above would not avoid the effect of the relevant event or that, having used its reasonable endeavours, the Issuer is unable to arrange such appointment or substitution.

On any Interest Payment Date on which the Mortgage Loans and their Collateral Security comprising the Portfolio are sold pursuant to the Mortgage Sale Agreement following the occurrence of a Redemption Event, the Optional Purchase Price received by the Issuer will be applied as Available Revenue Receipts in accordance with the Pre-Enforcement Revenue Priority of Payments with the result that the Debt will be redeemed in full in accordance with Condition 8.2 (*Mandatory Redemption prior to the service of an Enforcement Notice or on the Call Option Redemption Date*) together with any accrued (and unpaid) interest up to (but excluding) the date of redemption, and any other amounts due to the Debt Holders. The Issuer shall give not more than 60 calendar days' nor fewer than 30 Business Days' notice of any such redemption of the Notes to the Noteholders in accordance with Condition 16 (*Notice to Noteholders*), the Class A Loan Noteholders in accordance with the Class A Loan Note Agreement and the Note Trustee.

## 8.5 Principal Amount Outstanding

The "**Principal Amount Outstanding**" of each Class of Notes on any date shall be, in each case, their original principal amount, in respect of the Class B Notes of £13,701,000, in respect of the Class C Notes of £10,587,000, in respect of the Class D Notes of £9,715,000, in respect of the Class E Notes of £8,968,000, in respect of the Class X Notes of £13,701,000 and in respect of the Class Z Notes of £12,461,000, in each case less the aggregate amount of all principal payments in respect of such Class of Notes which have been made since the Closing Date.

## 8.6 Notice of Redemption

Any such notice as is referred to in Condition 8.3 (*Mandatory Redemption of the Debt in Full*) or Condition 8.4 (*Mandatory Redemption of the Debt for Taxation or Other Reasons*) shall be irrevocable and, upon the expiry of such notice, the Issuer shall be bound to redeem the relevant Debt at the applicable amounts specified above. Any certificate or legal opinion given by or on behalf of the Issuer pursuant to the Mortgage Sale Agreement in connection with the exercise of the Call Option may be relied on by the Note Trustee without further investigation and, if so relied on, shall be conclusive and binding on the Noteholders.

## 8.7 No Purchase by the Issuer

The Issuer will not be permitted to purchase any of the Notes.

## 8.8 Cancellation on redemption in full

All Notes redeemed in full will be cancelled upon redemption. Notes cancelled upon redemption in full may not be resold or re-issued.

## 9. TAXATION

All payments in respect of the Notes by or on behalf of the Issuer shall be made without withholding or deduction for, or on account of, all present and future taxes, levies, imposts, duties, fees or charges of any nature whatsoever and wheresoever imposed, including income tax, corporation tax, value added tax or other tax in respect of added value and any franchise, transfer, sales, gross receipts, use, business, occupation, excise, personal property, real property or other tax imposed by any national, local or supranational taxing or fiscal authority or agency together with any penalties, fines or interest thereon ("**Taxes**"), unless the withholding or deduction of the Taxes is required by applicable law. In that event, subject to Condition 8.4 (*Mandatory Redemption of the Debt for Taxation or Other Reasons*), the Issuer or, as the case may be, the Paying Agent shall make such payment after the withholding or deduction has been made and shall account to the relevant authorities for the amount required to be withheld or deducted. Neither the Issuer nor any Paying Agent nor any other person shall be obliged to make any additional payments to Noteholders in respect of such withholding or deduction.

## 10. PRESCRIPTION

Claims in respect of principal and interest on the Notes will be prescribed after ten years (in the case of principal) and five years (in the case of interest) from the Relevant Date in respect of the relevant payment.

In this Condition 10, the "**Relevant Date**", in respect of a payment, is the date on which such payment first becomes due or (if the full amount of the monies payable on that date has not been duly received by the Principal Paying Agent or the Note Trustee on or prior to such date) the date on

which, the full amount of such monies having been received, notice to that effect is duly given to the relevant Noteholders in accordance with Condition 16 (*Notice to Noteholders*).

## 11. EVENTS OF DEFAULT

### 11.1 Notes and the Class A Loan Note

The Note Trustee at its absolute discretion may, and if so directed in writing by the holders of (where the Class A Loan Note is the Most Senior Class of Debt) at least 66<sup>2/3</sup> per cent. of the aggregate Principal Amount Outstanding of the Class A Loan Note or (where the Class A Loan Note is not the Most Senior Class of Debt) at least 25 per cent. in aggregate Principal Amount Outstanding of the Most Senior Class of Debt or if so directed by an Extraordinary Resolution of the holders of the Most Senior Class of Debt shall, (subject to being indemnified and/or prefunded and/or secured to its satisfaction) give a notice (an "**Enforcement Notice**") to the Issuer (with a copy to the Cash Administrator, the Security Trustee, the Servicer, the Seller and the Issuer Account Bank) that all Classes of the Debt are immediately due and payable at their respective Principal Amount Outstanding, together with accrued (but unpaid) interest as provided in the Trust Deed, if any of the following events (each, an "**Event of Default**") occur:

- (a) subject to Condition 17 (*Subordination by Deferral*), if default is made in the payment of any principal or interest due in respect of the Debt and the default continues for: (i) a period of five Business Days in the case of principal, or (ii) three Business Days in the case of interest; or
- (b) if the Issuer fails to perform or observe any of its other obligations under these Conditions or any Transaction Document to which it is a party and the failure continues for a period of 15 calendar days (or such longer period as the Note Trustee may permit) following the service by the Note Trustee on the Issuer of notice requiring the same to be remedied (except that in any case where the Note Trustee considers the failure to be incapable of remedy, then no continuation or notice as is aforementioned will be required); or
- (c) if (in the opinion of the Note Trustee) any material representation or warranty made by the Issuer under any Transaction Document is incorrect when made and the matters giving rise to such misrepresentation are not remedied within a period of 15 calendar days (or such longer period as the Note Trustee may permit) (except that in any case where the Note Trustee considers the matters giving rise to such misrepresentation to be incapable of remedy, then no continuation or notice as is hereinafter mentioned will be required) following the service by the Note Trustee on the Issuer of notice requiring the same to be remedied; or
- (d) if any order is made by any competent court or any resolution is passed for the winding up or dissolution of the Issuer, save for the purposes of reorganisation on terms approved in writing by the Note Trustee or by Extraordinary Resolution of the Debt Holders; or
- (e) if (i) the Issuer ceases or threatens to cease to carry on the whole or a substantial part of its business, save for the purposes of reorganisation on terms approved in writing by the Note Trustee or by Extraordinary Resolution of the Debt Holders, or (ii) the Issuer stops or threatens to stop payment of, or is unable to, or admits inability to, pay its debts (or any class of its debts) as they fall due or the value of its assets falls to less than the amount of its liabilities (taking into account its contingent and prospective liabilities) or (iii) the Issuer is deemed unable to pay its debts pursuant to or for the purposes of any applicable law or is adjudicated or found bankrupt or insolvent; or

- (f) if proceedings are initiated against the Issuer under any applicable liquidation, insolvency, composition, reorganisation or other similar laws or an application is made (or documents filed with the court) for the appointment of an administrative or other receiver, manager, administrator or other similar official, or an administrative or other receiver, manager, administrator or other similar official is appointed, in relation to the Issuer or, as the case may be, in relation to the whole or any part of the undertaking or assets of the Issuer, and in any such case (other than the appointment of an administrator or an administrative receiver appointed following presentation of a petition for an administration order), unless initiated by the Issuer, is not discharged within 30 calendar days; or
- (g) if the Issuer (or its directors or shareholders) initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or other similar laws or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors) or takes steps with a view to obtaining a moratorium in respect of any of its indebtedness or any meeting is convened to consider a proposal for an arrangement or composition with its creditors generally (or any class of its creditors).

## **11.2 General**

Upon the service of an Enforcement Notice by the Note Trustee in accordance with Condition 11.1 (Notes and the Class A Loan Note), all the Debt then outstanding shall thereby immediately become due and payable at each Debt's respective Principal Amount Outstanding, together with accrued interest as provided in the Trust Deed.

## **12. ENFORCEMENT**

### **12.1 General**

Each of the Note Trustee and the Security Trustee may, at any time, at its discretion and without notice, take such proceedings, actions or steps against the Issuer or any other party to any of the Transaction Documents as it may think fit to enforce the provisions of (in the case of the Note Trustee) the Debt, the Residual Certificates, the Trust Deed (including these Conditions or the Residual Certificates Conditions) or the Class A Loan Note Agreement or (in the case of the Security Trustee) the Deed of Charge or (in either case) any of the other Transaction Documents to which it is a party and, at any time after the service of an Enforcement Notice, the Security Trustee may, at its discretion and without notice, take such proceedings, actions or steps as it may think fit to enforce the Security, but neither of them shall be bound to take any such proceedings, action or steps unless:

- (a) it shall have been so directed by an Extraordinary Resolution of the holders of the Most Senior Class of Debt then outstanding or directed in writing by the holders of (where the Class A Loan Note is the Most Senior Class of Debt) at least 66<sup>2/3</sup> per cent. of the aggregate Principal Amount Outstanding of the Class A Loan Note or (where the Class A Loan Note is not the Most Senior Class of Debt) at least 25 per cent. in aggregate of the Principal Amount Outstanding of the Most Senior Class of Debt; and
- (b) in all cases, it shall have been indemnified and/or prefunded and/or secured to its satisfaction.

### **12.2 Preservation of Assets**

If the Security has become enforceable otherwise than by reason of a default in payment of any amount due on the Debt or the Residual Certificates, the Security Trustee will not be entitled to dispose of any of the Charged Assets or any part thereof unless the Security Trustee has received

certification from (i) the Cash Administrator and/or (ii) any financial adviser or other professional adviser that the Security Trustee may appoint for the giving of such certification (or shall appoint if so directed by the holders of (where the Class A Loan Note is the Most Senior Class of Debt) at least 66<sup>2/3</sup> per cent. of the aggregate Principal Amount Outstanding of the Class A Loan Note or (where the Class A Loan Note is not the Most Senior Class of Debt) at least 25 per cent in aggregate of the Principal Amount Outstanding of the Most Senior Class of Debt or, if no Debt remains outstanding at that time, holders of at least 25 per cent. in aggregate of the number of Residual Certificates then in issue), which shall be binding on the Secured Creditors, that either in its/their opinion (acting reasonably) (a) a sufficient amount would be realised to allow discharge in full on a *pro rata* and *pari passu* basis of all amounts owing to the holders of the Debt (and all persons ranking in priority to the holders of the Debt), or (b) Principal Receipts and Revenue Receipts to be received by the Issuer will not be sufficient, having regard to any other relevant actual, contingent or prospective liabilities of the Issuer, to discharge in full in due course all amounts owing: (i) to the Debt Holders (and all persons ranking in priority to the Debt Holders as set out in the order of priority set out in the Post-Enforcement Priority of Payments); and (ii) once all the Debt Holders (and all such higher ranking persons) have been repaid, to the remaining Secured Creditors (other than the Certificateholders) in the order of priority set out in the Post-Enforcement Priority of Payments; and (iii) once all the Debt Holders and the Secured Creditors (other than the Certificateholders) have been repaid, to the Certificateholders. The fees and expenses of the aforementioned financial adviser or other professional adviser appointed by the Security Trustee shall be paid by the Issuer in accordance with the Post-Enforcement Priority of Payments. The Security Trustee shall be entitled to rely upon any certification or opinion referred to in this Condition 12.2 without further enquiry and shall incur no liability to any person for so doing.

### 12.3 Limitations on Enforcement

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

### 12.4 Limited Recourse

Notwithstanding any other Condition or any provision of any Transaction Document, all obligations of the Issuer to the Noteholder are limited in recourse to the property, assets and undertakings of the Issuer the subject of any security created under and pursuant to the Deed of Charge (the "**Charged Assets**"). If:

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

then the Noteholder shall have no further claim against the Issuer in respect of any amounts owing to them which remain due or to be paid in respect of the Notes (including, for the avoidance of doubt, payments of principal, premium (if any) or interest in respect of the Notes) and the Issuer shall be



deemed to be discharged from making any further payments in respect of the Notes and any further payment rights shall be extinguished.

### **13. MEETINGS OF NOTEHOLDERS, MODIFICATION, WAIVER AND SUBSTITUTION**

13.1 The Trust Deed contains provisions for convening meetings of the Noteholders of each Class and, in certain cases, more than one Class to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of these Conditions or the provisions of any of the Transaction Documents. The Trust Deed also contains provisions for seeking the consent of the Class A Loan Noteholders in respect of any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the provisions of any of the Transaction Documents.

13.2 For the purposes of these Conditions, “**Most Senior Class of Debt**” means the Class A Loan Note or, if there is no Class A Loan Note then outstanding, the Class B Notes or, if there are no Class A Loan Note or Class B Notes then outstanding, the Class C Notes or, if there are no Class A Loan Note, Class B Notes or Class C Notes then outstanding, the Class D Notes or, if there are no Class A Loan Note, Class B Notes, Class C Notes or Class D Notes then outstanding, the Class E Notes, or, if there are no Class A Loan Note, Class B Notes, Class C Notes, Class D Notes or Class E Notes then outstanding, the Class X Notes or, if there are no Rated Debt then outstanding, the Class Z Notes.

#### **13.3 Most Senior Class of Debt and Limitations on other Debt Holders**

(a) Other than in relation to a Basic Terms Modification, which additionally requires an Extraordinary Resolution of the holders of the relevant affected Class or Classes of Debt and/or Residual Certificates then in issue, as applicable:

(i) subject to Conditions 13.3(a)(ii) and (iii), an Extraordinary Resolution passed at any meeting of the holders of the Most Senior Class of Debt (or, where the Most Senior Class of Debt is the Class A Loan Note, an Extraordinary Resolution passed by the Class A Loan Noteholders in writing to the Note Trustee) shall be binding on such Debt Holders and all other Classes of Debt Holders and the Certificateholders irrespective of the effect upon them;

(ii) subject to Condition 13.3(a)(iii), an Extraordinary Resolution passed at any meeting of a relevant Class of Debt Holders (or, where the relevant Class of Debt Holders is the Class A Loan Noteholders, an Extraordinary Resolution passed by the Class A Loan Noteholders in writing to the Note Trustee) shall be binding on (A) such Debt Holders and all other Classes of Debt Holders ranking junior to such Class of Debt Holders in the Post-Enforcement Priority of Payments in each case and (B) the Certificateholders, irrespective of the effect it has upon them;

(iii) no Extraordinary Resolution of any Class of Debt Holders or Certificateholders shall take effect for any purpose while any of the Most Senior Class of Debt remains outstanding (or in the case of the Residual Certificates, any of the Debt remains outstanding) unless it shall have been sanctioned by an Extraordinary Resolution of the holders of the Most Senior Class of Debt or in the case of the Residual Certificates all Debt then outstanding or the Note Trustee is of the opinion that it would not be materially prejudicial to the interests of the holders of the Most Senior Class of Debt and in the case of the Residual Certificates, the holders of all Debt then outstanding; and

(iv) no Ordinary Resolution that is passed by the holders of any Class of Debt Holders or the Certificateholders shall take effect for any purpose while any of the Most Senior Class of

Debt remains outstanding or (in the case of the Residual Certificates, any of the Debt remains outstanding) unless it shall have been sanctioned by an Ordinary Resolution of the holders of the Most Senior Class of Debt or, in the case of the Residual Certificates, the holders of all Debt then outstanding, or the Note Trustee is of the opinion that it would not be materially prejudicial to the interests of the holders of the Most Senior Class of Debt or, in the case of the Residual Certificates, the holders of all Debt then outstanding.

- (b) Other than in relation to Basic Terms Modifications and subject as provided in Conditions 13.3(a) and 13.4 (*Quorum*), a resolution which, in the opinion of the Note Trustee, affects the interests of the holders of:
- (i) (A) any Class of Debt of one Class only or (B) the Residual Certificates shall be deemed to have been duly passed if passed at a meeting (or by a resolution in writing (or in the case of the Class A Loan Note, consent in writing) or, in respect of the Rated Notes only, by a resolution passed by way of consents received through the relevant Clearing System (s)) of the holders of (x) that Class of Debt so affected or (y) the Residual Certificates;
  - (ii) any two or more Classes of Debt, but does not give rise to an actual or potential conflict of interest between the holders of such Classes of Debt, shall be deemed to have been duly passed if passed at a single meeting (or by a single resolution in writing (or in the case of the Class A Loan Note, consent in writing) or, in respect of the Rated Notes, by a single resolution passed by way of consents received through the relevant Clearing System(s)) of the holders of each such Class of Debt; and
  - (iii) one or more Classes of Debt and/or the Residual Certificates, but does not give rise to an actual or potential conflict of interest between the holders of such Classes of Debt and/or the Residual Certificates, shall be deemed to have been duly passed if passed at a single meeting (or by a single resolution in writing (or in the case of the Class A Loan Note, consent in writing) or, in respect of the Rated Notes only, by a single resolution passed by way of consents received through the relevant Clearing System(s)) of the holders of such Classes of Debt so affected and/or the Residual Certificates.
  - (iv) Where such a resolution gives, or may give rise to, an actual or potential conflict of interest between the holders of such Classes of Debt and/or the Residual Certificates, it shall be deemed to have been duly passed only if passed at separate meetings (or by separate resolutions in writing (or in the case of the Class A Loan Note, consent in writing) or, in respect of the Rated Notes only, by separate resolutions passed by way of electronic consents received through the relevant Clearing System(s)) of the holders of each such Class of Debt so affected and/or Residual Certificates.
- (c) No Extraordinary Resolution of the holders of a Class or Classes of Debt or the Residual Certificates which would have the effect of sanctioning a Basic Terms Modification in respect of any Class of Debt or Residual Certificates shall take effect unless it has been sanctioned by an Extraordinary Resolution of the holders of each affected Class of Debt then outstanding and/or the holders of the Residual Certificates then in issue which are affected by such Basic Terms Modification.
- (d) No Ordinary Resolution that is passed by the holders of any Class of Debt Holders shall take effect for any purpose while any of the Most Senior Class of Debt remains outstanding unless it shall have been sanctioned by an Ordinary Resolution of the holders of the Most Senior Class of Debt or the Note Trustee is of the opinion that it would not be materially prejudicial to the interests of the holders of the Most Senior Class of Debt.
- (e) No Ordinary Resolution that is passed by the holders of any Residual Certificates shall take effect for any purpose unless it shall have been sanctioned by an Ordinary Resolution of all Classes of Debt

then outstanding or the Note Trustee is of the opinion it would not be materially prejudicial to the interests of any Class of Debt then outstanding.

#### 13.4 Quorum

- (a) Subject as provided below, the quorum at any meeting of Noteholders of any Class or Classes for passing an Ordinary Resolution will be one or more persons holding or representing not less than 25 per cent. of the aggregate Principal Amount Outstanding of such Class or Classes of Notes then outstanding.
- (b) Subject as provided below, the quorum at any meeting of Noteholders of any Class or Classes for passing an Extraordinary Resolution will be one or more persons holding or representing not less than 50 per cent. of the aggregate Principal Amount Outstanding of such Class or Classes of Notes then outstanding.
- (c) Subject to the more detailed provisions set out in the Trust Deed, the quorum at any meeting of any holders of any Class or Classes of Notes or holders of any Residual Certificates passing an Extraordinary Resolution to (i) sanction a modification of the date of maturity of the Debt, (ii) sanction a modification of the date of payment of principal or interest in respect of the Debt, or, where applicable, of the method of calculating the date of payment of principal or interest in respect of the Debt, or of the method of calculating the date of payment in respect of the Residual Certificates, (other than pursuant to Condition 13.6(a)(vi) (*Additional Right of Modification*)) (iii) sanction a modification of the amount of principal or the rate of interest payable in respect of the Debt (other than pursuant to Condition 13.6(a)(vi) (*Additional Right of Modification*)) or, where applicable, of the method of calculating the amount payable of any principal or interest in respect of the Debt (other than pursuant to Condition 13.6(a)(vi) (*Additional Right of Modification*)), or of the method of calculating the amounts payable in respect of the Residual Certificates (including, in relation to any Class of Debt or the Residual Certificates, if any such modification is proposed for any Class of Debt ranking senior to such Class or the Residual Certificates in the Post-Enforcement Priority of Payments), (iv) alter the currency in which payments under any Class of Debt or the Residual Certificates are to be made, (v) alter the quorum or majority required in relation to this exception, (vi) sanction any scheme or proposal for the sale, conversion or cancellation of any Class of Debt or the Residual Certificates, (vii) any change to the definition of a Basic Terms Modification, or (viii) alter any of the provisions contained in this exception (each a "**Basic Terms Modification**") shall be one or more persons holding or representing in aggregate not less than (A) three-quarters of the aggregate Principal Amount Outstanding of such Class of Notes then outstanding or (B) three-quarters of the Residual Certificates then in issue. Any Extraordinary Resolution in respect of a Basic Terms Modification shall only be effective if duly passed at separate meetings (or by separate resolutions in writing or, in the case of the Class A Loan Note, consent in writing or, in respect of the Rated Notes only, by separate resolutions passed by way of electronic consents received through the relevant Clearing System(s)) of each relevant affected Class of Debt Holders and (if affected) the Certificateholders in accordance with the Residual Certificates Conditions.
- (d) Subject as provided below, the quorum at any adjourned meeting of Noteholders of any Class or Classes for passing an Ordinary Resolution will be one or more persons holding or representing not less than 10 per cent. of the aggregate Principal Amount Outstanding of such Class or Classes of Notes then outstanding.
- (e) Subject as provided below, the quorum at any adjourned meeting of Noteholders of any Class or Classes for passing an Extraordinary Resolution will be one or more persons holding or representing not less than 25 per cent. of the aggregate Principal Amount Outstanding of such Class or Classes of Notes then outstanding.

- (f) Subject to the more detailed provisions set out in the Trust Deed, the quorum at any adjourned meeting of any holders of any Class or Classes of Notes or holders of any Residual Certificates passing an Extraordinary Resolution to sanction a Basic Terms Modification shall be one or more persons holding or representing in aggregate not less than (i) 50 per cent. of the aggregate Principal Amount Outstanding of such Class of Notes then outstanding or (ii) 50 per cent. of the number of Residual Certificates then in issue. Any Extraordinary Resolution in respect of a Basic Terms Modification shall only be effective if duly passed at separate meetings (or by separate resolutions in writing or, in the case of the Class A Loan Note, consent in writing or, in respect of the Rated Notes only, by separate resolutions passed by way of electronic consents received through the relevant Clearing System(s)) of each relevant affected Class of Debt Holders and (if affected) the Certificateholders in accordance with the Residual Certificates Conditions.
- (g) The Class A Loan Noteholders will not be required to convene or attend meetings or form or count in a quorum at any meeting of Debt Holders but may pass resolutions (including Extraordinary Resolutions and Ordinary Resolutions) by consenting in writing to the relevant matter to which such resolutions relate. The Note Trustee or the Security Trustee (on behalf of the Note Trustee) shall be entitled to request and rely on a written confirmation from or on behalf of the Class A Loan Noteholders on any matter that requires the consent of the Class A Loan Noteholders without further enquiry or liability to any person.

The terms of the Trust Deed, the Deed of Charge and (in the case of the Class A Loan Noteholders, the Class A Loan Note Agreement) provide for the Debt Holders to give directions in writing to the Note Trustee and the Security Trustee upon which the Note Trustee or, as the case may be, the Security Trustee is bound to act.

### **13.5 Modification to the Transaction Documents**

The Note Trustee or, as the case may be, the Security Trustee (acting on the directions of the Note Trustee) may at any time and from time to time, with the written consent of the Secured Creditors which are a party to the relevant Transaction Document (such consent to be conclusively demonstrated by such Secured Creditor entering into any deed or document purporting to modify such Transaction Document) but without the consent or sanction of the Debt Holders, the Certificateholders or any other Secured Creditors agree with the Issuer and any other parties in making or sanctioning any modification:

- (a) other than in respect of a Basic Terms Modification, to these Conditions, the Residual Certificates Conditions, the Trust Deed or any other Transaction Document, which in the opinion of the Note Trustee (acting in accordance with the Trust Deed) or, as the case may be, the Security Trustee (acting on the directions of the Note Trustee), will not be materially prejudicial to the interests of the Debt Holders (or, if there is no Debt outstanding, the interests of the Certificateholders), or the interests of the Note Trustee or the Security Trustee and, for the avoidance of doubt, any modification of the Collection Accounts Declaration of Trust which does not affect the manner in which the Issuer's Trust Share (as defined in the Collection Accounts Declaration of Trust) is calculated will not be materially prejudicial to the interests of the Debt Holders (or if there is no Debt outstanding, the interests of the Certificateholders) or the interests of the Note Trustee or the Security Trustee; or
- (b) to these Conditions, the Residual Certificates Conditions, the Trust Deed or any other Transaction Document if in the opinion of the Note Trustee (acting in accordance with the Trust Deed) or, as the case may be, the Security Trustee (acting on the directions of the Note Trustee), such modification is of a formal, minor or technical nature or to correct a manifest error.

### 13.6 Additional Right of Modification

- (a) Notwithstanding the provisions of Condition 13.5 (*Modification to the Transaction Documents*), the Note Trustee or, as the case may be, the Security Trustee, shall be obliged, without any consent or sanction of the Debt Holders, the Certificateholders or any other Secured Creditor, subject to written consent of the Secured Creditors which are a party to the relevant Transaction Documents (such consent to be conclusively demonstrated by such Secured Creditor entering into any deed or document purporting to modify such Transaction Document), to concur with the Issuer in making any modification (other than in respect of a Basic Terms Modification) to these Conditions, the Residual Certificates Conditions, the Trust Deed or any other Transaction Document to which it is a party or in relation to which it holds security or to enter into any new, supplemental or additional documents that the Issuer (in each case) considers necessary:
- (i) for the purpose of complying with, or implementing or reflecting, any change in the criteria of one or more of the Rating Agencies which may be applicable from time to time, provided that:
- (A) the Issuer (or the Cash Administrator on behalf of the Issuer) certifies in writing to the Note Trustee and the Security Trustee that such modification is necessary to comply with such criteria or, as the case may be, is solely to implement and reflect such criteria; and
- (B) in the case of any modification to a Transaction Document proposed by any of the Seller, the Servicer, the Cash Administrator, the Agent Bank, the Principal Paying Agent and the Issuer Account Bank (for the purpose of this Condition 13.6 only, each a "**Relevant Party**"), in order (x) to remain eligible to perform its role in such capacity in conformity with such criteria and/or (y) to avoid taking action which it would otherwise be required to take to enable it to continue performing such role (including, without limitation, posting collateral or advancing funds):
- I. the Relevant Party certifies in writing to the Issuer, the Note Trustee and the Security Trustee that such modification is necessary for the purposes described in sub-paragraphs (B)(x) and/or (B)(y) above; and
- II. either:
- (aa) the Issuer, the Relevant Party or the Cash Administrator (on behalf of the Issuer) obtains from each of the Rating Agencies, a confirmation that such modification would not result in a downgrade, withdrawal or suspension of the then current ratings assigned to any Class of the Debt by such Rating Agency and would not result in any Rating Agency placing any Class of the Debt on rating watch negative (or equivalent) and delivers a copy of each such confirmation to the Issuer (in the case of the Relevant Party or the Cash Administrator), the Note Trustee and the Security Trustee; or
- (bb) the Issuer, the Relevant Party or the Cash Administrator (on behalf of the Issuer) certifies in writing to the Note Trustee and the Security Trustee that the Rating Agencies have been informed of the proposed modification and none of the Rating Agencies has indicated within 30 calendar days that such modification would result in (x) a downgrade, withdrawal or suspension of the then current ratings assigned to any Class of the Debt by such Rating

Agency or (y) such Rating Agency placing any Class of the Debt on rating watch negative (or equivalent) and, if requested by the Note Trustee or the Security Trustee, procures that an Issuer Certificate and/or a Cash Administrator Certificate are provided to the Note Trustee and the Security Trustee in accordance with Condition 18 (*Non-Responsive Rating Agency*); and

- III. the Relevant Party pays all costs and expenses (including legal fees) incurred by the Issuer, the Note Trustee and the Security Trustee in connection with such modification;
- (ii) for the purpose of complying with any changes in the requirements of, and/or enabling the Issuer and/or the Seller to comply with any obligation in respect of, the UK Securitisation Regulation or the EU Securitisation Regulation (including, but not limited to (i) risk retention, transparency and/or investor due diligence requirements and/or (ii) such other requirement which the Issuer and/or the Seller has in its discretion elected to comply with under the EU Securitisation Regulation) after the Closing Date, together with any relevant laws, regulations, technical standards, rules, other implementing legislation, official guidance or policy statements in relation thereto, in each case as amended, varied or substituted from time to time after the Closing Date, **provided that** the Issuer certifies to the Note Trustee and the Security Trustee in writing that such modification is required solely for such purpose and has been drafted solely to such effect;
- (iii) for the purpose of enabling the Notes to be (or to remain) listed on Euronext Dublin, provided that the Issuer certifies to the Note Trustee and the Security Trustee in writing that such modification is required solely for such purpose and has been drafted solely to such effect;
- (iv) for the purposes of enabling the Issuer or any of the other parties to the Transaction Documents to comply with FATCA, provided that the Issuer or the Relevant Party, as applicable, certifies to the Note Trustee and the Security Trustee in writing that such modification is required solely for such purpose and has been drafted solely to such effect;
- (v) for the purpose of complying with any changes in the requirements of the UK CRA Regulation and/or the CRA Regulation after the Closing Date, including as a result of the adoption of regulatory technical standards in relation to the UK CRA Regulation and/or the CRA Regulation and the Commission Delegated Regulation 2015/3 (including, any associated regulatory technical standards and advice, guidance or recommendations from relevant supervisory regulators), as amended from time to time (the “**CRA Requirements**”), or any other obligation which applies under the CRA Requirements and/or regulations or official guidance in relation thereto **provided that** the Issuer certifies to the Note Trustee and the Security Trustee in writing that such modification is required solely for such purpose and has been drafted solely to such effect,

(the certificate to be provided by the Issuer, the Cash Administrator (on behalf of the Issuer), the Servicer and/or the Relevant Party and/or Party, as the case may be, pursuant to Conditions 13.6(a)(i) to 13.6(a)(v) being a “**Modification Certificate**”); or

- (vi) for the purpose of changing the reference rate or the base rate in respect of the Debt from SONIA to an alternative base rate (including where such base rate may remain linked to SONIA but may be calculated in a different manner) (any such rate, an “**Alternative Base Rate**”) and make such other amendments as are necessary or advisable in the reasonable judgment of the Issuer (or the Cash Administrator on its behalf) to facilitate such change (a “**Base Rate Modification**”), provided that the Cash Administrator, on behalf of the Issuer,

certifies to the Note Trustee and the Security Trustee in writing (such certificate, a “**Base Rate Modification Certificate**”) that: –

- (A) such Base Rate Modification is being undertaken due to:
- I. a material disruption to SONIA, an adverse change in the methodology of calculating SONIA or SONIA ceasing to exist or be published;
  - II. the insolvency or cessation of business of the SONIA administrator (in circumstances where no successor SONIA administrator has been appointed);
  - III. a public statement by the SONIA administrator that it will cease publishing SONIA permanently or indefinitely (in circumstances where no successor SONIA administrator has been appointed that will continue publication of SONIA) and such cessation is reasonably expected by the Issuer to occur prior to the Final Maturity Date;
  - IV. a public statement by the supervisor of the SONIA administrator that SONIA has been or will be permanently or indefinitely discontinued or will be changed in an adverse manner and such discontinuation or change is reasonably expected by the Issuer to occur prior to the Final Maturity Date;
  - V. a public statement by the supervisor of the SONIA administrator that means SONIA may no longer be used or that its use is subject to restrictions or adverse consequences;
  - VI. an alternative manner of calculating a SONIA-based rate being introduced and becoming a standard means of calculating interest for similar transactions;
  - VII. a change in the generally accepted market practice in the publicly listed asset backed floating rate notes market to refer to a benchmark rate endorsed in a public statement by the Bank of England, the FCA or the PRA or any relevant committee or other body established, sponsored or approved by any of the foregoing, including the Working Group on Sterling Risk-Free Reference Rates, despite the continued existence of SONIA;
  - VIII. following the implementation of a Base Rate Modification, it becomes generally accepted market practice in the publicly listed asset backed floating rate notes market to use a benchmark rate of interest which is different from the Alternative Base Rate which had already been adopted by the Issuer in respect of the Debt pursuant to a Base Rate Modification; or
  - IX. the reasonable expectation of the Cash Administrator that any of the events specified in sub-paragraphs (I) to (VIII) above will occur or exist within six months of the proposed effective date of such Base Rate Modification; and

- (B) such Alternative Base Rate is:
- I. a base rate published, endorsed, approved or recognised by the Bank of England, any regulator in the United Kingdom or the European Union or any stock exchange on which the Notes are listed (or any relevant committee or other body established, sponsored or approved by any of the foregoing);
  - II. a base rate utilised in a material number of publicly-listed new issues of Sterling-denominated asset backed floating rate notes prior to the effective date of such Base Rate Modification;
  - III. a base rate utilised in a publicly-listed new issue of Sterling-denominated asset backed floating rate notes where the originator of the relevant assets is an affiliate of the Seller; or
  - IV. such other base rate as the Cash Administrator reasonably determines,

**provided that** (in the case of each of sub-paragraphs (i) to (vi) above):

- (aa) at least 30 calendar days' prior written notice of any such proposed modification has been given to the Note Trustee and the Security Trustee;
- (bb) the Modification Certificate or Base Rate Modification Certificate in relation to such modification shall be provided to the Note Trustee and the Security Trustee both at the time the Note Trustee and the Security Trustee is notified of the proposed modification and on the date that such modification takes effect; and
- (cc) the consent of each Secured Creditor which is party to the relevant Transaction Document has been obtained,

**and provided further that:**

- (i) other than in the case of a modification pursuant to Condition 13.6(a)(i)(B), either:
  - (A) the Issuer, the Relevant Party or the Cash Administrator (on behalf of the Issuer) obtains from each of the Rating Agencies a confirmation that such modification would not result in (x) a downgrade, withdrawal or suspension of the then current ratings assigned to any Class of the Debt by such Rating Agency or (y) such Rating Agency placing any Class of the Debt on rating watch negative (or equivalent) and delivers each such confirmation to the Issuer (in the case of the Relevant Party or the Cash Administrator), the Note Trustee and the Security Trustee; or
  - (B) the Issuer, the Relevant Party or the Cash Administrator (on behalf of the Issuer) certifies in the Modification Certificate, or the Base Rate Modification Certificate that it has informed the Rating Agencies of the proposed modification and none of the Rating Agencies has indicated within 30 calendar days that such modification would result in (x) a downgrade, withdrawal or suspension of the then current ratings assigned to any Class of the Debt by such Rating Agency or (y) such Rating Agency placing any



Class of the Debt on rating watch negative (or equivalent) and, if requested by the Note Trustee or the Security Trustee, procures that an Issuer Certificate and/or a Cash Administrator Certificate are provided to the Note Trustee and the Security Trustee in accordance with Condition 18 (*Non-Responsive Rating Agency*); and

- (ii) the Issuer certifies in writing to the Note Trustee and the Security Trustee that (X) the Issuer has provided at least 30 calendar days' notice to the Debt Holders of each Class of the proposed modification in accordance with Condition 16 (*Notice to Noteholders*) or the Class A Loan Note Agreement (as applicable) and, in relation to the Notes, by publication on Bloomberg on the "Company News" screen relating to the Notes, and (Y) Debt Holders representing (where the Class A Loan Note is the Most Senior Class of Debt) at least 66<sup>2/3</sup> per cent. of the aggregate Principal Amount Outstanding of the Class A Loan Note or (where the Class A Loan Note is not the Most Senior Class of Debt) at least 10 per cent. of the aggregate Principal Amount Outstanding of the Most Senior Class of Debt then outstanding have not contacted the Issuer and the Note Trustee in writing (or otherwise in accordance with the then current practice of any applicable clearing system through which any Rated Notes may be held) within such notification period notifying the Issuer and the Note Trustee that such Debt Holders do not consent to the modification.

If Debt Holders representing (where the Class A Loan Note is the Most Senior Class of Debt) at least 66<sup>2/3</sup> per cent. of the aggregate Principal Amount Outstanding of the Class A Loan Note or (where the Class A Loan Note is not the Most Senior Class of Debt) at least 10 per cent. of the aggregate Principal Amount Outstanding of the Most Senior Class of Debt then outstanding have notified the Issuer and the Note Trustee in writing (or otherwise in accordance with the then current practice of any applicable clearing system through which any Rated Notes may be held) within the notification period referred to above that they do not consent to the modification, then such modification will not be made unless an Extraordinary Resolution of the holders of the Most Senior Class of Debt then outstanding is passed in favour of such modification in accordance with this Condition 13.

Objections made in writing other than, in respect of the Rated Notes, through the applicable clearing system must be accompanied by evidence to the Issuer's and the Note Trustee's satisfaction (having regard to prevailing market practices) of the relevant Debt Holder's holding of the Debt.

- (b) Other than where specifically provided in this Condition 13.6 or any Transaction Document:
  - (i) when implementing any modification pursuant to this Condition 13.6 (save to the extent the Note Trustee considers that the proposed modification would constitute a Basic Terms Modification), neither the Note Trustee nor the Security Trustee shall consider the interests of the Debt Holders, any other Secured Creditor or any other person but may act and rely solely and without further investigation on any certificate or evidence provided to it by the Issuer or the Servicer (as the case may be), the Cash Administrator or the Relevant Party or Party, as the case may be, pursuant to this Condition 13.6 and shall not be liable to the Debt Holders, the Certificateholders or any other Secured Creditor for so acting or relying, irrespective of whether any such modification is or may be materially prejudicial to the interests of any such person; and
  - (ii) neither the Note Trustee nor the Security Trustee shall be obliged to agree to any modification which, in the opinion of the Note Trustee and/or the Security Trustee would have the effect of (A) exposing the Note Trustee and/or the Security Trustee to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction

or (B) increasing the obligations or duties, or decreasing the rights or protection, of the Note Trustee and/or the Security Trustee in the Transaction Documents and/or these Conditions and/or the Residual Certificates Conditions.

- (c) Any such modification shall be binding on all Debt Holders and Certificateholders and shall be notified by the Issuer as soon as reasonably practicable to:
- (i) so long as any of the Debt rated by the Rating Agencies remains outstanding, each Rating Agency;
  - (ii) the Secured Creditors; and
  - (iii) the Debt Holders in accordance with Condition 16 (*Notice to Noteholders*) or the Class A Loan Note Agreement (as applicable).

### **13.7 Authorisation or Waiver of Breach**

The Note Trustee and/or the Security Trustee (acting on the direction of the Note Trustee), as applicable, may, without the consent or sanction of the Debt Holders, the Certificateholders or the other Secured Creditors and without prejudice to its rights in respect of any further or other breach, from time to time and at any time, on such terms and conditions (if any) as shall seem expedient to it determine that a Potential Event of Default or an Event of Default shall not, or shall not subject to any specified conditions, be treated as such or authorise or waive any proposed or actual breach of any of the covenants or provisions contained in or arising pursuant to these Conditions, the Residual Certificates Conditions or any of the Transaction Documents by any party thereto but only if (x) in the Note Trustee's sole opinion the interests of the holders of the Most Senior Class of Debt or, if no Debt is outstanding, the Certificateholders will not be materially prejudiced thereby or (y) if there is no Debt then outstanding and no Residual Certificates then in issue, in the sole opinion of the Security Trustee, the interests of all the Secured Creditors will not be materially prejudiced thereby, provided that the Note Trustee shall not exercise any powers conferred on it by this Condition 13.7 in contravention of any express direction given by Extraordinary Resolution of the holders of the Most Senior Class of Debt or by a direction under Condition 11 (*Events of Default*) but so that no such direction or request shall affect any waiver, authorisation or determination previously given or made.

### **13.8 Notification of modifications, waivers, authorisations or determinations**

Any such modification, waiver, authorisation or determination by the Note Trustee and/or the Security Trustee, as applicable, in accordance with these Conditions, the Residual Certificates Conditions or the Transaction Documents shall be binding on the Debt Holders, the Certificateholders and the Secured Creditors and shall be notified by the Issuer to the Debt Holders in accordance with Condition 16 (*Notice to Noteholders*) or the Class A Loan Note Agreement (as applicable), the Rating Agencies (while any Rated Debt remains outstanding) and the Secured Creditors as soon as practicable thereafter.

### **13.9 Additional modifications; rating agency confirmations; and regard to Debt Holder interests**

- (a) In connection with any such substitution of principal debtor referred to in Condition 8.4 (*Mandatory Redemption of the Debt for Taxation or Other Reasons*), the Note Trustee and the Security Trustee may also agree, without the consent of the Debt Holders or the other Secured Creditors, to a change of the laws governing the Debt, these Conditions and/or any of the Transaction Documents, provided that such change would not, in the opinion of the Note Trustee or, as the case may be, the Security Trustee, be materially prejudicial to the interests of the Debt Holders or the other Secured Creditors.

- (b) In determining whether a proposed action will not be materially prejudicial to the Debt Holders or any Class thereof, the Note Trustee and the Security Trustee may, among other things, have regard to whether the Rating Agencies have confirmed in writing to the Issuer or any other party to the Transaction Documents that any proposed action will not result in the withdrawal or reduction of, or entail any other adverse action with respect to, the then current ratings of the Rated Notes. It is agreed and acknowledged by the Note Trustee and the Security Trustee that, notwithstanding the foregoing, a credit rating is an assessment of credit and does not address other matters that may be of relevance to the Debt Holders. In being entitled to take into account that each of the Rating Agencies has confirmed that the then current ratings of the Debt would not be adversely affected, it is agreed and acknowledged by the Note Trustee and the Security Trustee this does not impose or extend any actual or contingent liability for each of the Rating Agencies to the Security Trustee, the Note Trustee, the Debt Holders or any other person, or create any legal relations between each of the Rating Agencies and the Security Trustee, the Note Trustee, the Debt Holders or any other person, whether by way of contract or otherwise.
- (c) Where, in connection with the exercise or performance by each of them of any right, power, trust, authority, duty or discretion under or in relation to these Conditions or any of the Transaction Documents (including in relation to any modification, waiver, authorisation, determination, substitution or change of laws as referred to above), the Note Trustee or the Security Trustee is required to have regard to the interests of the Debt Holders of any Class or Classes, it shall (i) have regard to the general interests of the Debt Holders of such Class or Classes but shall not have regard to any interests arising from circumstances particular to individual Debt Holders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise or performance for individual Debt Holders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof, and the Note Trustee or, as the case may be, the Security Trustee shall not be entitled to require, nor shall any Debt Holder be entitled to claim, from the Issuer, the Note Trustee or the Security Trustee or any other person any indemnification or payment in respect of any tax consequences of any such exercise upon individual Debt Holders and (ii) subject to the more detailed provisions of the Trust Deed and the Deed of Charge, as applicable, have regard to the interests of holders of each Class of Debt (except where expressly provided otherwise) but requiring the Note Trustee and the Security Trustee where there is a conflict of interests between one or more Classes of Debt and/or the Residual Certificates in any such case to have regard (except as expressly provided otherwise) to the interests of the holders of the Class or Classes of Debt ranking in priority to the other relevant Classes of Debt.
- (d) Other than in respect of any matter requiring an Extraordinary Resolution, Debt Holders are required to vote by way of an Ordinary Resolution.
- (e) "**Ordinary Resolution**" means:
- (i) in respect of the holders of the Class A Loan Note, consent given to the Note Trustee (in a form satisfactory to it) by the Class A Loan Noteholders representing at least 66<sup>2/3</sup> per cent. of the aggregate Principal Amount Outstanding of the Class A Loan Note (or by the Loan Facility Agent on their behalf);
- (ii) in respect of the holders of any Class of Rated Notes:
- (A) a resolution passed at a meeting duly convened and held in accordance with the Trust Deed and these Conditions by a clear majority of the Eligible Persons voting thereat on a show of hands or, if a poll is duly demanded, by a clear majority of the votes cast on such poll;

- (B) a resolution in writing signed by or on behalf of the Rated Noteholders of not less than a clear majority in aggregate Principal Amount Outstanding of the relevant Class of Rated Notes, which resolution may be contained in one document or in several documents in like form each signed by or on behalf of one or more of the Rated Noteholders of the relevant Class; or
  - (C) consent given by way of electronic consents through the relevant Clearing System(s) (in a form satisfactory to the Note Trustee) by or on behalf of the Rated Noteholders of not less than a clear majority in aggregate Principal Amount Outstanding of the relevant Class of Rated Notes; and
- (iii) in respect of the holders of any Class of Non-Rated Notes:
- (A) a resolution passed at a meeting duly convened and held in accordance with the Trust Deed and these Conditions by a clear majority of the holders of the Non-Rated Notes voting thereat on a show of hands or, if a poll is duly demanded, by a clear majority of the votes cast on such poll; or
  - (B) a resolution in writing signed by or on behalf of the holders of the Non-Rated Notes of not less than a clear majority in aggregate Principal Amount Outstanding of the relevant Class of Non-Rated Notes, which resolution may be contained in one document or in several documents in like form each signed by or on behalf of one or more of the holders of the Non-Rated Notes of the relevant Class.
- (f) **"Extraordinary Resolution"** means:
- (i) in respect of the holders of the Class A Loan Note, consent is given to the Note Trustee (in a form satisfactory to it) by the Class A Loan Noteholders representing:
    - (A) in respect of an Extraordinary Resolution (other than to approve a Basic Terms Modification), at least 66<sup>2/3</sup> per cent. of the aggregate Principal Amount Outstanding of the Class A Loan Note (or by the Loan Facility Agent on their behalf);
    - (B) in respect of an Extraordinary Resolution to approve a Basic Terms Modification, 100 per cent. of the aggregate Principal Amount Outstanding of the Class A Loan Note (or by the Loan Facility Agent on their behalf);
  - (ii) in respect of the holders of any Class of Rated Notes:
    - (A) a resolution passed at a meeting of Rated Noteholders duly convened and held in accordance with the Trust Deed and these Conditions by a majority consisting of not less than three-quarters of the Eligible Persons voting at such meeting upon a show of hands or, if a poll is duly demanded, by a majority consisting of not less than three quarters of the votes cast on such poll;
    - (B) a resolution in writing signed by or on behalf of the Rated Noteholders of not less than three quarters in aggregate Principal Amount Outstanding of the relevant Class of Rated Notes which resolution may be contained in one document or in several documents in like form each signed by or on behalf of one or more of the Rated Noteholders of the relevant Class; or
    - (C) consent given by way of electronic consents through the relevant Clearing System(s) (in a form satisfactory to the Note Trustee) by or on behalf of the Rated Noteholders

of not less than three quarters in aggregate Principal Amount Outstanding of the relevant Class of Rated Notes; and

(iii) in respect of the holders of the Class of Non-Rated Notes:

- (A) a resolution passed at a meeting of holders of the Non-Rated Notes duly convened and held in accordance with the Trust Deed and these Conditions by a majority consisting of not less than three-quarters of the holders of the Non-Rated Notes voting at such meeting upon a show of hands or, if a poll is duly demanded, by a majority consisting of not less than three quarters of the votes cast on such poll; or
- (B) a resolution in writing signed by or on behalf of the holders of the Non-Rated Notes of not less than three quarters in aggregate Principal Amount Outstanding of the Class of Non-Rated Notes which resolution may be contained in one document or in several documents in like form each signed by or on behalf of one or more of the holders of the Non-Rated Notes.

(g) "**Eligible Person**" means, in respect of the Rated Notes, any one of the following persons who shall be entitled to attend and vote at a meeting:

- (i) a bearer of any Voting Certificate; and
- (ii) a proxy specified in any Block Voting Instruction.

(h) "**Voting Certificate**" means an English language certificate issued in respect of the Rated Notes by a Paying Agent in which it is stated:

- (i) that on the date thereof the Rated Notes (not being the Rated Notes in respect of which a Block Voting Instruction has been issued and is outstanding in respect of the meeting specified in such Voting Certificate) are blocked in an account with a clearing system and that no such Rated Notes will cease to be so blocked until the first to occur of:
  - (A) the conclusion of the meeting specified in such Voting Certificate; and
  - (B) the surrender of the Voting Certificate to the Paying Agent who issued the same; and
- (ii) that the bearer thereof is entitled to attend and vote at such meeting in respect of the Rated Notes represented by such Voting Certificate.

(i) "**Block Voting Instruction**" means an English language document issued in respect of Rated Notes by a Paying Agent in which:

- (i) it is certified that on the date thereof Rated Notes (not being Rated Notes in respect of which a Voting Certificate has been issued and is outstanding in respect of the meeting specified in such Block Voting Instruction) are blocked in an account with a clearing system and that no such Rated Notes will cease to be so blocked until the first to occur of:
  - (A) the conclusion of the meeting specified in such Block Voting Instruction; and
  - (B) the Rated Notes ceasing with the agreement of the Paying Agent to be so blocked and the giving of notice by the Paying Agent to the Issuer of the necessary amendment to the Block Voting Instruction;

- (ii) it is certified that each holder of such Rated Notes has instructed such Paying Agent that the vote(s) attributable to the Rated Notes so blocked should be cast in a particular way in relation to the resolution(s) to be put to such meeting and that all such instructions are, during the period commencing 48 hours prior to the time for which such meeting is convened and ending at the conclusion or adjournment thereof, neither revocable nor capable of amendment;
- (iii) the aggregate principal amount or aggregate total amount of the Rated Notes so blocked is listed distinguishing with regard to each such resolution between those in respect of which instructions have been given that the votes attributable thereto should be cast in favour of the resolution and those in respect of which instructions have been so given that the votes attributable thereto should be cast against the resolution; and
- (iv) one or more persons named in such Block Voting Instruction (each hereinafter called a "**proxy**") is or are authorised and instructed by such Paying Agent to cast the votes attributable to the Rated Notes so listed in accordance with the instructions referred to in Condition 13.9(i)(iii) as set out in such Block Voting Instruction, provided that no such person shall be named as a proxy:
  - (A) whose appointment has been revoked and in relation to whom the relevant Paying Agent has been notified in writing of such revocation by the time which is 48 hours before the time fixed for such meeting; and
  - (B) who was originally appointed to vote at a meeting which has been adjourned for want of a quorum and who has not been re-appointed to vote at the meeting when it is resumed.
- (j) Details of any Extraordinary Resolution and any Ordinary Resolution passed in accordance with the provisions of the Trust Deed shall be notified to each of the Rating Agencies by the Issuer.

#### **13.10 Issuer Substitution Condition**

The Note Trustee and Security Trustee may agree, subject to such amendment of these Conditions and of any of the Transaction Documents, and to such other conditions as the Note Trustee and Security Trustee may require and subject to the terms of the Trust Deed, but without the consent of the Debt Holders, to the substitution of another body corporate in place of the Issuer as principal debtor under the Trust Deed, the Debt and the Residual Certificates and in respect of the other Secured Obligations, provided that the conditions set out in the Trust Deed are satisfied including, *inter alia*, that the Debt is unconditionally and irrevocably guaranteed by the Issuer (unless all of the assets of the Issuer are transferred to such body corporate) and that such body corporate is a single purpose vehicle and undertakes itself to be bound by provisions corresponding to those set out in Condition 5 (*Covenants*) (the "**Issuer Substitution Condition**"). In the case of a substitution pursuant to this Condition 13.10, the Note Trustee and Security Trustee may in their absolute discretion agree, without the consent of the Debt Holders, to a change in law governing the Debt and/or any of the Transaction Documents unless such change would, in the opinion of the Note Trustee and Security Trustee, be materially prejudicial to the interests of the Debt Holders.

#### **14. INDEMNIFICATION AND EXONERATION OF THE NOTE TRUSTEE AND THE SECURITY TRUSTEE**

The Trust Deed and the Deed of Charge contain provisions governing the responsibility (and relief from responsibility) of the Note Trustee and the Security Trustee respectively and providing for their indemnification in certain circumstances, including provisions relieving them from taking any steps,

actions or proceedings or, in the case of the Security Trustee, enforcing the Security, unless indemnified and/or prefunded and/or secured to their satisfaction.

The Trust Deed and the Deed of Charge also contain provisions pursuant to which the Note Trustee and the Security Trustee are entitled, *inter alia*, (a) to enter into business transactions with the Issuer and/or any other party to any of the Transaction Documents and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, the Issuer and/or any other party to any of the Transaction Documents, (b) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, individual Debt Holders and (c) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

## **15. REPLACEMENT OF NOTES**

If any Note is mutilated, defaced, lost, stolen or destroyed, it may be replaced at the specified office of the Registrar subject to all applicable laws and stock exchange requirements. Replacement of any mutilated, defaced, lost, stolen or destroyed Note will only be made on payment of such costs as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. A mutilated or defaced Note must be surrendered before a new one will be issued.

## **16. NOTICE TO NOTEHOLDERS**

### **16.1 Publication of Notice**

- (a) Subject to Condition 16.1(d), any notice to Noteholders shall be validly given if published in the *Financial Times* or, if such newspaper shall cease to be published or if timely publication therein is not practicable, in such other English newspaper or newspapers as the Note Trustee shall approve in advance having a general circulation in the United Kingdom, provided that if, at any time, (i) the Issuer procures that the information concerned in such notice shall appear on a page of the Reuters screen, the Bloomberg screen or any other medium for electronic display of data as may be previously approved in writing by the Note Trustee and notified to Noteholders (in each case a "**Relevant Screen**"), or (ii) Condition 16.1(c) applies and the Issuer has so elected, publication in the newspaper set out above or such other newspaper or newspapers shall not be required with respect to such notice. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication shall have been made in the newspaper or newspapers in which (or on the Relevant Screen) publication is required.
- (b) In respect of Notes in definitive form, notices to Noteholders will be sent to them by first class post (or its equivalent) or (if posted to an address outside the United Kingdom) by airmail at the respective addresses on the Register. Any such notice will be deemed to have been given on the fourth day after the date of posting.
- (c) While the Rated Notes are represented by Global Note, notices to holders of the Rated Notes will be valid if published as described above or, at the option of the Issuer, if submitted to Euroclear and/or Clearstream, Luxembourg for communication by them to Noteholders. Any notice delivered to Euroclear and/or Clearstream, Luxembourg, as aforesaid shall be deemed to have been given on the day of such delivery.
- (d) So long as the relevant Notes are admitted to trading on, and listed on the official list of, Euronext Dublin all notices to the Noteholders will be valid if published in a manner which complies with the rules and regulations of Euronext Dublin (which includes delivering a copy of such notice to

Euronext Dublin) and any such notice will be deemed to have been given on the date sent to Euronext Dublin.

- (e) The Note Trustee shall be at liberty to sanction any method of giving notice to the holders of the Class A Loan Note and the Non-Rated Notes if, in its opinion, such method is reasonable having regard to market practice then prevailing and provided that advance notice of such other method is given to the holders of the Class A Loan Note and/or Non-Rated Notes (as applicable) in such manner as the Note Trustee shall deem appropriate.

## **16.2 Note Trustee's Discretion to Select Alternative Method**

The Note Trustee shall be at liberty to sanction some other method of giving notice to the Noteholders or category of them if, in its sole opinion, such other method is reasonable having regard to market practice then prevailing and, in the case of the Notes, to the requirements of the stock exchanges, competent listing authorities and/or quotation systems on or by which the Notes are then listed, quoted and/or traded and provided that advance notice of such other method is given to the Noteholders in such manner as the Note Trustee shall require.

## **17. SUBORDINATION BY DEFERRAL**

### **17.1 Interest**

If, on any Interest Payment Date, the Issuer has insufficient funds to make payment in full of all amounts of interest (which shall, for the purposes of this Condition 17, include any interest previously deferred under this Condition 17.1 and accrued interest thereon) payable in respect of the Debt other than the Most Senior Class of Debt (except for Class X Notes, in respect of which interest deferral shall always apply) after having paid or provided for items of higher priority in the Pre-Enforcement Revenue Priority of Payments, then the Issuer shall be entitled to defer to the next Interest Payment Date the payment of interest (such interest, the "**Deferred Interest**") in respect of the Debt other than the Most Senior Class of Debt (except for Class X Notes, in respect of which interest deferral shall always apply) to the extent only of any insufficiency of funds.

### **17.2 General**

Any amounts of Deferred Interest in respect of a Class of Debt shall accrue interest ("**Additional Interest**") at the same rate and on the same basis as scheduled interest in respect of the corresponding Class of Debt, but shall not be capitalised. Such Deferred Interest and Additional Interest shall, in any event, become payable on the next Interest Payment Date (unless and to the extent that Condition 17.1 (*Interest*) applies) or on such earlier date as the relevant Class of Debt becomes due and payable in full in accordance with these Conditions.

### **17.3 Notification**

As soon as practicable after becoming aware that any part of a payment of interest on a Class of Notes will be deferred or that a payment previously deferred will be made in accordance with this Condition 17, the Issuer will give notice thereof to the relevant Class of Noteholders, as appropriate, in accordance with Condition 16 (*Notice to Noteholders*). Any deferral of interest in accordance with this Condition 17 will not constitute a Potential Event of Default or an Event of Default. The provisions of this Condition 17 shall cease to apply on the Final Maturity Date, or any earlier date on which the Notes are redeemed in full or, are required to be redeemed in full, at which time all deferred interest and accrued interest thereon shall become due and payable.



## 18. NON-RESPONSIVE RATING AGENCY

18.1 In respect of the exercise of any power, duty, trust, authority or discretion as contemplated hereunder or in relation to the Rated Debt and any of the Transaction Documents, the Note Trustee and the Security Trustee shall be entitled but not obliged to take into account any written confirmation or affirmation (in any form acceptable to the Note Trustee and the Security Trustee) from the relevant Rating Agencies that the then current ratings of the Rated Notes will not be reduced, qualified, adversely affected or withdrawn thereby (a "**Rating Agency Confirmation**").

18.2 If a Rating Agency Confirmation or other response by a Rating Agency is a condition to any action or step under any Transaction Document and a written request for such Rating Agency Confirmation or response is delivered to each Rating Agency by or on behalf of the Issuer (copied to the Note Trustee and the Security Trustee, as applicable) and:

- (a) (A) one Rating Agency (such Rating Agency, a "**Non-Responsive Rating Agency**") indicates that it does not consider such Rating Agency Confirmation or response necessary in the circumstances or that it does not, as a matter of practice or policy, provide such Rating Agency Confirmation or response or (B) within 30 calendar days of delivery of such request, no Rating Agency Confirmation or response is received and/or such request elicits no statement by such Rating Agency that such Rating Agency Confirmation or response could not be given; and
- (b) one Rating Agency gives such Rating Agency Confirmation or response based on the same facts,

then such condition to receive a Rating Agency Confirmation or response from each Rating Agency shall be modified so that there shall be no requirement for the Rating Agency Confirmation or response from the Non-Responsive Rating Agency if the Issuer provides to the Note Trustee and the Security Trustee a certificate signed by two directors certifying and confirming that each of the events in Condition 18.2(a)(A) or 18.2(a)(B) and 18.2(b) has occurred. If no such Rating Agency Confirmation is forthcoming and two directors of the Issuer have certified the same in writing to the Note Trustee and the Security Trustee (an "**Issuer Certificate**"), the Note Trustee and Security Trustee shall be entitled (but not obliged) to assume from a written certificate of the Cash Administrator to the Note Trustee and Security Trustee (a "**Cash Administrator Certificate**") that such proposed action:

- (i) (while any of the Rated Debt remains outstanding) has been notified to the Rating Agencies;
- (ii) would not adversely impact on the Issuer's ability to make payment when due in respect of the Debt;
- (iii) would not affect the legality, validity and enforceability of any of the Transaction Documents or any Security; and
- (iv) (while any of the Debt remains outstanding) the then current rating of the Rated Debt would not be reduced, qualified, adversely affected or withdrawn,

upon which confirmation from the Rating Agencies, Issuer Certificate and/or Cash Administrator Certificate, the Note Trustee and the Security Trustee shall be entitled to rely absolutely without liability to any person for so doing. In being entitled to take into account any such confirmation from the Rating Agencies, it is agreed and acknowledged by the Note Trustee and the Security Trustee that this does not impose or extend any actual or contingent liability for each of the Rating Agencies to the Security Trustee, the Note Trustee, the Debt Holders or any other person or create any legal

relations between each of the Rating Agencies and the Security Trustee, the Note Trustee, the Debt Holders or any other person whether by way of contract or otherwise.

## **19. JURISDICTION AND GOVERNING LAW**

- 19.1 The Courts of England (the "**Courts**") are to have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Notes and the Transaction Documents (including a dispute relating to non-contractual obligations or a dispute regarding the existence, validity or termination of any of the Notes or the Transaction Documents or the consequences of their nullity) and accordingly any legal action or proceedings arising out of or in connection with the Notes and/or the Transaction Documents may be brought in such Courts.
- 19.2 The Transaction Documents, the Notes and these Conditions (and any non-contractual obligations arising out of or in connection with them) are governed by, and shall be construed in accordance with, English law except that, to the extent that the provisions of the Mortgage Sale Agreement, the Deed of Charge and any documents supplemental thereto relate to the Scottish Mortgage Loans, such provisions and documents shall be construed in accordance with and (in certain cases) governed by Scots law.

## **20. RIGHTS OF THIRD PARTIES**

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of the Notes or these Conditions, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

## TERMS AND CONDITIONS OF THE RESIDUAL CERTIFICATES

*The following are the terms and conditions of the Residual Certificates in the form (subject to amendment) in which they will be set out in the Trust Deed (as defined below)*

*For the avoidance of doubt, the terms and conditions of the Class A Loan Note will be set out in the Class A Loan Note Agreement. Any references in these terms and conditions to the Class A Loan Note or the Debt have been included for the purpose of clarifying certain rights as between the Noteholders, the Certificateholders and the Class A Loan Noteholders.*

### 1. GENERAL

The 249,126,607 residual certificates (the "**Residual Certificates**") of Together Asset Backed Securitisation 2021–CRE2 PLC (the "**Issuer**") are constituted by a trust deed (the "**Trust Deed**") dated on or about 11 June 2021 (the "**Closing Date**") and made between, among others, the Issuer and U.S. Bank Trustees Limited as trustee for the registered holders for the time being of the Residual Certificates (the "**Certificateholders**") (in such capacity, the "**Note Trustee**").

Any reference in these residual certificates terms and conditions (the "**Residual Certificates Conditions**") to a "**Class**" of Debt or of Debt Holders shall be a reference to the Class A Loan Note, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class X Notes or the Class Z Notes, as the case may be, or to the respective holders thereof. The security for the Residual Certificates is constituted by and pursuant to a deed of charge and assignment (the "**Deed of Charge**") dated on the Closing Date and made between, among others, the Issuer and U.S. Bank Trustees Limited as trustee for the Secured Creditors (in such capacity, the "**Security Trustee**").

Pursuant to an agency agreement (the "**Agency Agreement**") dated on or prior to the Closing Date and made between the Issuer, the Note Trustee, the Security Trustee, Elavon Financial Services DAC, UK Branch as principal paying agent (in such capacity, the "**Principal Paying Agent**" and, together with any further or other paying agent appointed under the Agency Agreement, the "**Paying Agents**"), Elavon Financial Services DAC as registrar (in such capacity, the "**Registrar**") and Elavon Financial Services DAC, UK Branch as agent bank (in such capacity, the "**Agent Bank**"), provision is made for, *inter alia*, the payment of amounts in respect of the Residual Certificates.

The statements in these Residual Certificates Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed, the Deed of Charge, the Agency Agreement and a master definitions and construction schedule (the "**Master Definitions and Construction Schedule**") dated the Closing Date and the other Transaction Documents (as defined therein).

Physical copies of the Trust Deed, the Deed of Charge, the Agency Agreement, the Master Definitions and Construction Schedule and the other Transaction Documents are available for inspection by appointment during normal business hours at the specified office for the time being of each of the Paying Agents or at the relevant Paying Agent's option, such inspection may be provided electronically. The Certificateholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and are deemed to have notice of all the provisions of the other Transaction Documents applicable to them.

The Trust Deed and the Deed of Charge contain provisions requiring the Note Trustee and the Security Trustee, respectively, not to have regard to the interests of the Certificateholders equally with the rights of the Debt Holders as regards all rights, powers, trusts, authorities, duties and discretions of the Note Trustee and the Security Trustee (except where expressly provided otherwise) and instead requiring the Note Trustee and the Security Trustee in any such case to have regard

(except as expressly provided otherwise) to the interests of the Debt Holders for so long as there is any Class of Debt outstanding.

## **2. INTERPRETATION**

### **2.1 Definitions**

Capitalised terms not otherwise defined in these Residual Certificates Conditions shall bear the meanings given to them in the Master Definitions and Construction Schedule available as described above.

### **2.2 Interpretation**

These Residual Certificates Conditions shall be construed in accordance with the principles of construction set out in the Master Definitions and Construction Schedule.

## **3. FORM AND TITLE**

### **3.1 Form and Denomination**

The Residual Certificates will be issued in dematerialised registered form and will not be cleared. No certificates evidencing entitlement to the Residual Certificates will be issued. The Certificateholders recorded in the Register shall be entitled to payments in respect thereof.

### **3.2 Title**

Title to the Residual Certificates shall pass by and upon registration in the register (the "**Register**") which the Issuer shall procure to be kept by the Registrar, provided that no transferee shall be registered as a new Certificateholder unless that new Certificateholder has acceded to the terms of the Trust Deed as if that new Certificateholder had been an original party thereto. All transfers of Non-Rated Notes are subject to the detailed regulations concerning transfers in the Agency Agreement. The registered holders of the Residual Certificates may (to the fullest extent permitted by applicable laws) be deemed and treated at all times, by all persons and for all purposes (including the making of any payments), as the absolute owner of such Residual Certificates regardless of any notice of ownership, theft or loss or any trust or other interest therein or of any writing thereon (other than the endorsed form of transfer).

## **4. STATUS AND SECURITY**

### **4.1 Status of the Residual Certificates**

These Residual Certificates constitute direct, secured and (subject to the limited recourse provision in Residual Certificates Condition 11.4 (*Limited Recourse*)) unconditional obligations of the Issuer, and represent the Issuer's obligation to pay deferred consideration for its purchase of the Portfolio, consisting of the Residual Payments. The Residual Certificates rank *pro rata* and *pari passu* without preference or priority among themselves in relation to the Residual Payments. Residual Payments will be made subject to and in accordance with the Pre-Enforcement Revenue Priority of Payments and the Post-Enforcement Priority of Payments.

The Trust Deed and the Deed of Charge contain provisions requiring the Note Trustee and the Security Trustee, respectively, to have regard to the interests of the Certificateholders equally as regards all rights, powers, trusts, authorities, duties and discretions of the Note Trustee and the Security Trustee (except where expressly provided otherwise) but requiring the Note Trustee and the

Security Trustee in any such case to have regard (except as expressly provided otherwise) to the interests of the Debt Holders for so long as there is any Class of Debt outstanding.

## 4.2 Security

The security constituted by or pursuant to the Deed of Charge is granted to the Security Trustee for it to hold on trust for the Certificateholders and the other Secured Creditors, upon and subject to the terms and conditions of the Deed of Charge.

The Certificateholders and the other Secured Creditors will share in the benefit of the security constituted by or pursuant to the Deed of Charge, upon and subject to the terms and conditions of the Deed of Charge.

## 5. ISSUER COVENANTS

Save with the prior written consent of the Note Trustee or unless otherwise permitted under any of these Residual Certificates Conditions or any of the Transaction Documents, the Issuer shall not, so long as any Residual Certificate remains outstanding:

- (a) **Negative pledge:** create or permit to subsist any encumbrance (unless arising by operation of law) or other security interest whatsoever over any of its assets or undertaking;
- (b) **Restrictions on activities:** (i) engage in any activity whatsoever which is not incidental to or necessary in connection with any of the activities in which the Transaction Documents provide or envisage that the Issuer will engage or (ii) have any subsidiaries, any subsidiary undertaking (as defined in the Companies Act 1985 and the Companies Act 2006 (as applicable)) or any employees (but shall procure that, at all times, it shall retain at least one independent director) or premises;
- (c) **Disposal of assets:** assign, transfer, sell, lend, lease, part with or otherwise dispose of, or deal with, or grant any option or present or future right to acquire all or any of, its assets or undertakings or any interest, estate, right, title or benefit therein or attempt or purport to do any of the foregoing;
- (d) **Equitable and Beneficial Interest:** permit any person, other than itself and the Security Trustee, to have any equitable or beneficial interest in any of its assets or undertakings or any interest, estate, right, title or benefit therein;
- (e) **Dividends or distributions:** pay any dividend or make any other distribution to its shareholders except out of amounts of profit retained by the Issuer in accordance with the applicable Priority of Payments which are available for distribution in accordance with the Issuer's memorandum and articles of association and with applicable laws or issue any further shares;
- (f) **Indebtedness:** incur any financial indebtedness in respect of borrowed money whatsoever or give any guarantee or indemnity in respect of any indebtedness or of any other obligation of any person;
- (g) **Merger:** consolidate or merge with any other person or convey or transfer substantially all of its properties or assets to any other person;
- (h) **No modification or waiver:** permit any of the Transaction Documents to which it is a party to become invalid or ineffective or permit the priority of the security interests created or evidenced thereby or pursuant thereto to be varied, modified, terminated, postponed, waived

or agree to any modification of, or grant any consent, approval, authorisation or waiver pursuant to, or in connection with, any of the Transaction Documents to which it is a party or permit any party to any of the Transaction Documents to which it is a party to be released from its obligations or exercise any right to terminate any of the Transaction Documents to which it is a party;

- (i) **Bank accounts:** have an interest in any bank account other than the Issuer Accounts, unless such account or interest therein is charged to the Security Trustee on terms acceptable to the Security Trustee;
- (j) **Purchase Residual Certificates:** purchase or otherwise acquire any Residual Certificates; or
- (k) **U.S. activities:** engage in any activities in the United States (directly or through agents), or derive any income from United States sources as determined under United States income tax principles, or hold any property if doing so would cause it to be engaged in a trade or business within the United States as determined under United States income tax principles.

## 6. RESIDUAL PAYMENTS

### 6.1 Right to Residual Payments

Each Residual Certificate represents a *pro rata* entitlement to receive Residual Payments by way of deferred consideration for the purchase by the Issuer of the Portfolio.

### 6.2 Payment

A Residual Payment may be payable in respect of the Residual Certificates on each Interest Payment Date, other than an Interest Payment Date falling within a Determination Period (in accordance with the Pre-Enforcement Priority of Payments), and each date on which amounts are to be applied in accordance with the Post-Enforcement Priority of Payments.

- (a) **"Determination Period"** has the meaning set out in Condition 6.8 (*Determinations and Reconciliation*).
- (b) **"Interest Payment Date"** means each date determined as an Interest Payment Date in accordance with the Conditions of the Notes.
- (c) **"Residual Payment"** means payment, by way of deferred consideration for the Issuer's purchase of the Portfolio, of an amount equal to:
  - (i) prior to the delivery of an Enforcement Notice, in respect of each Interest Payment Date, the sum of the amount (if any) by which Available Revenue Receipts exceeds the amounts required to satisfy items (a) to (v) of the Pre-Enforcement Revenue Priority of Payments on that Interest Payment Date; and
  - (ii) following the delivery of an Enforcement Notice, in respect of each date on which amounts are to be applied in accordance with the Post-Enforcement Priority of Payments, the amount by which amounts available for payment in accordance with the Post-Enforcement Priority of Payments exceeds the amounts required to satisfy items (a) to (j) of the Post-Enforcement Priority of Payments on that date.
- (d) **"Residual Payment Amount"** means, for a Residual Certificate on any date on which amounts are to be applied in accordance with the applicable Priority of Payments, the Residual Payment for that date, divided by the number of Residual Certificates then in issue.

### **6.3 Determination of Residual Payment**

The Cash Administrator shall on each Calculation Date determine the Residual Payment payable on the immediately following Interest Payment Date and the Residual Payment Amount payable in respect of each Residual Certificate on such Interest Payment Date.

### **6.4 Publication of Residual Payment and Residual Payment Amount**

The Cash Administrator shall cause the Residual Payment and Residual Payment Amount (if any) for each Interest Payment Date to be notified to the Issuer, the Cash Administrator, the Note Trustee, the Registrar and the Paying Agents (as applicable) and to be published in accordance with Residual Certificates Condition 14 (*Notice to Certificateholders*) as soon as possible after their determination and in no event later than two Business Days prior to the immediately succeeding Interest Payment Date.

### **6.5 Notifications to be Final**

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Residual Certificates Condition 6 by the Cash Administrator will (in the absence of wilful default, gross negligence, fraud or manifest error) be binding on the Issuer, the Cash Administrator, the Note Trustee, the Registrar, the Paying Agents and all Certificateholders and (in the absence of wilful default, gross negligence or fraud) no liability to the Issuer or the Certificateholders shall attach to the Cash Administrator in connection with the exercise or non-exercise by any of them of their powers, duties and discretions under this Residual Certificates Condition 6.

### **6.6 Termination of Payments**

- (a) Following the redemption in full of the Debt, the realisation of the Charged Assets and payment of the proceeds of realisation in accordance with the applicable Priority of Payments, no more Residual Payments will be made by the Issuer and the Residual Certificates shall be cancelled.
- (b) Following the exercise of the Call Option, the application of the Optional Purchase Price as Available Revenue Receipts and payment of the Optional Purchase Collections to the Beneficial Title Transferee(s) pursuant to the Mortgage Sale Agreement, no more Residual Payments will be made by the Issuer and the Residual Certificates shall be cancelled.

## **7. PAYMENTS**

### **7.1 Payment of Residual Payment Amounts**

Payments in respect of the Residual Certificates shall be made by transfer to the account specified by the Certificateholders to the Registrar in accordance with the terms of the Agency Agreement.

### **7.2 Laws and Regulations**

Payments of any Residual Payment Amounts are subject, in all cases, to (i) any fiscal or other laws and regulations applicable thereto and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "**Code**") or otherwise imposed pursuant to Sections 1471 to 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof or any law implementing an intergovernmental approach thereto. Certificateholders will not be charged commissions or expenses on payments.

### 7.3 Change of Paying Agents

The Issuer reserves the right, subject to the prior written approval of the Note Trustee, at any time to vary or terminate the appointment of the Principal Paying Agent or the Registrar and to appoint additional or other agents, provided that there will at all times be a person appointed to perform the obligations of the Principal Paying Agent with a specified office in London, and a person appointed to perform the obligations of the Registrar with a specified office in Ireland or in London.

Except where otherwise provided in the Trust Deed or the Agency Agreement, the Issuer will cause notice of no more than 30 calendar days and no less than 15 calendar days of any change in or addition to the Paying Agents or the Registrar or their specified offices to be given to the Certificateholders in accordance with Residual Certificates Condition 14 (*Notice to Certificateholders*) and will notify the Rating Agencies of such change or addition.

### 7.4 No Payment on non-Business Day

If the date for payment of any amount in respect of a Residual Certificate is not a Presentation Date, Certificateholders shall not be entitled to payment until the next following Presentation Date and shall not be entitled to interest or other payment in respect of such delay. In this Residual Certificates Condition 7.4, the expression "**Presentation Date**" means a day which is (a) a Business Day and (b) a day on which banks are generally open for business in the relevant place.

## 8. TAXATION

All payments of Residual Payment Amounts by or on behalf of the Issuer shall be made without withholding or deduction for, or on account of, all present and future taxes, levies, imports, duties, fees or charges of any nature whatsoever and wheresoever imposed, including income tax, corporation tax, value added tax or other tax in respect of added value and any franchise, transfer, sales, gross receipts, use, business, occupation, excise, personal property, real property or other tax imposed by any national, local or supranational taxing or fiscal authority or agency together with any penalties, fines or interest thereon ("**Taxes**"), unless the withholding or deduction of the Taxes is required by applicable law. In that event, the Issuer or, as the case may be, the Paying Agent shall make such payment after the withholding or deduction has been made and shall account to the relevant authorities for the amount required to be withheld or deducted. Neither the Issuer nor any Paying Agent nor any other person shall be obliged to make any additional payments to Certificateholders in respect of such withholding or deduction.

## 9. PRESCRIPTION

Claims in respect of Residual Payment Amounts will be prescribed after ten years from the Relevant Date in respect of the relevant payment.

In this Residual Certificates Condition 9, the "**Relevant Date**", in respect of a payment, is the date on which such payment first becomes due or (if the full amount of the monies payable on that date has not been duly received by the Principal Paying Agent or the Note Trustee on or prior to such date) the date on which, the full amount of such monies having been received, notice to that effect is duly given to the relevant Certificateholders in accordance with Residual Certificates Condition 14 (*Notice to Certificateholders*).



## 10. EVENTS OF DEFAULT

### 10.1 Residual Certificates

The Note Trustee at its absolute discretion may, and, provided all of the Debt has been redeemed in full, if so directed in writing by the holders of at least 25 per cent. of the Residual Certificates in number or if so directed by an Extraordinary Resolution of the Certificateholders shall (subject to being indemnified and/or prefunded and/or secured to its satisfaction), give a notice (an "**Enforcement Notice**") to the Issuer (with a copy to the Cash Administrator, the Security Trustee, the Servicer, the Seller and the Issuer Account Bank) that any Residual Payments pursuant to the Residual Certificates are immediately due and payable, if any of the following events (each, an "**Event of Default**") occur:

- (a) if default is made in the payment of any amount due in respect of the Residual Certificates and the default continues for a period of 14 Business Days from the due date for payment (provided that all of the Debt has been redeemed in full); or
- (b) if the Issuer fails to perform or observe any of its other obligations under these Residual Certificates Conditions or any Transaction Document to which it is a party and the failure continues for a period of 30 calendar days (or such longer period as the Note Trustee may permit) following the service by the Note Trustee on the Issuer of notice requiring the same to be remedied (except in any case where the Note Trustee considers the failure to be incapable of remedy, in which case no continuation or notice as is aforementioned will be required); or
- (c) if any order is made by any competent court or any resolution is passed for the winding up or dissolution of the Issuer, save for the purposes of reorganisation on terms approved in writing by the Note Trustee or by Extraordinary Resolution of the Certificateholders; or
- (d) if (i) the Issuer ceases or threatens to cease to carry on the whole or a substantial part of its business, save for the purposes of reorganisation on terms approved in writing by the Note Trustee or by Extraordinary Resolution of the Certificateholders, or (ii) the Issuer stops or threatens to stop payment of, or is unable to, or admits inability to, pay its debts (or any class of its debts) as they fall due or the value of its assets falls to less than the amount of its liabilities (taking into account its contingent and prospective liabilities) or (iii) the Issuer is deemed unable to pay its debts pursuant to or for the purposes of any applicable law or is adjudicated or found bankrupt or insolvent; or
- (e) if proceedings are initiated against the Issuer under any applicable liquidation, insolvency, composition, reorganisation or other similar laws or an application is made (or documents filed with a court) for the appointment of an administrative or other receiver, manager, administrator or other similar official, or an administrative or other receiver, manager, administrator or other similar official is appointed, in relation to the Issuer or, as the case may be, in relation to the whole or any part of the undertaking or assets of the Issuer, and in any such case (other than the appointment of an administrator or an administrative receiver appointed following presentation of a petition for an administration order) unless initiated by the Issuer, is not discharged or within 30 calendar days; or
- (f) if the Issuer (or its directors or shareholders) initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or other similar laws or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors) or takes steps with a view to obtaining a moratorium in respect of any of its indebtedness or

any meeting is convened to consider a proposal for an arrangement or composition with its creditors generally (or any class of its creditors).

## **10.2 General**

Upon the service of an Enforcement Notice by the Note Trustee in accordance with Residual Certificates Condition 10.1 (*Residual Certificates*), any Residual Payments pursuant to the Residual Certificates shall thereby immediately become due and payable.

## **11. ENFORCEMENT**

### **11.1 General**

Each of the Note Trustee and the Security Trustee may, at any time, at its discretion and without notice, take such proceedings, actions or steps against the Issuer or any other party to any of the Transaction Documents as it may think fit to enforce the provisions of (in the case of the Note Trustee) the Residual Certificates or the Trust Deed (including these Residual Certificates Conditions) or (in the case of the Security Trustee) the Deed of Charge or (in either case) any of the other Transaction Documents to which it is a party and, at any time after the service of an Enforcement Notice, the Security Trustee may, at its discretion and without notice, take such proceedings, actions or steps as it may think fit to enforce the Security, but neither of them shall be bound to take any such proceedings, action or steps unless, if no Classes of Debt remain outstanding at that time:

- (a) it shall have been so directed by an Extraordinary Resolution of the holders of the Certificateholders or directed in writing by the holders of at least 25 per cent. of the number of Residual Certificates then in issue; and
- (b) in all cases, it shall have been indemnified and/or prefunded and/or secured to its satisfaction.

### **11.2 Preservation of Assets**

If the Security has become enforceable otherwise than by reason of a default in payment of any amount due on the Debt or the Residual Certificates, the Security Trustee will not be entitled to dispose of any of the Charged Assets or any part thereof unless the Security Trustee has received certification from (i) the Cash Administrator and/or (ii) any financial adviser or other professional adviser that the Security Trustee may appoint for the giving of such certification (or shall appoint if so directed by the holders of (where the Class A Loan Note is the Most Senior Class of Debt) at least 66<sup>2/3</sup> per cent. of the aggregate Principal Amount Outstanding of the Class A Loan Note or (where the Class A Loan Note is not the Most Senior Class of Debt) at least 25 per cent in aggregate of the Principal Amount Outstanding of the Most Senior Class of Debt or, if no Classes of Debt remain outstanding at that time, holders of at least 25 per cent. in aggregate of the number of Residual Certificates then in issue), which shall be binding on the Secured Creditors, that either in its/their opinion (acting reasonably) (a) a sufficient amount would be realised to allow discharge in full on a *pro rata* and *pari passu* basis of all amounts owing to the holders of the Debt (and all persons ranking in priority to the holders of the Debt), or (b) Principal Receipts and Revenue Receipts to be received by the Issuer will not be sufficient, having regard to any other relevant actual, contingent or prospective liabilities of the Issuer, to discharge in full in due course all amounts owing: (i) to the Debt Holders (and all persons ranking in priority to the Debt Holders as set out in the order of priority set out in the Post-Enforcement Priority of Payments); and (ii) once all the Debt Holders (and all such higher ranking persons) have been repaid, to the remaining Secured Creditors (other than the Certificateholders) in the order of priority set out in the Post-Enforcement Priority of Payments; and (iii) once all the Debt Holders and the Secured Creditors (other than the

Certificateholders) have been repaid, to the Certificateholders. The fees and expenses of the aforementioned financial adviser or other professional adviser appointed by the Security Trustee shall be paid by the Issuer. The Security Trustee shall be entitled to rely upon any certification and opinion referred to in this Residual Certificates Condition 11.2 without further enquiry and shall incur no liability to any person for so doing.

### **11.3 Limitations on Enforcement**

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

### **11.4 Limited Recourse**

Notwithstanding any other Residual Certificates Condition or any provision of any Transaction Document, all obligations of the Issuer to the Certificateholders are limited in recourse to the property, assets and undertakings of the Issuer the subject of any security created under and pursuant to the Deed of Charge (the "**Charged Assets**"). If:

- (a) there are no Charged Assets remaining which are capable of being realised or otherwise converted into cash;
- (b) all amounts available from the Charged Assets have been applied to meet or provide for the relevant obligations specified in, and in accordance with, the provisions of the Deed of Charge; and
- (c) there are insufficient amounts available from the Charged Assets to pay, in accordance with the provisions of the Deed of Charge, any further amounts under the Residual Certificates (including payments of Residual Payment Amounts),

then the Certificateholders shall have no further claim against the Issuer in respect of any further amounts due or to be paid in respect of the Residual Certificates (including, for the avoidance of doubt, payments of Residual Payment Amounts in respect of the Residual Certificates) and the Issuer shall be deemed to be discharged from making any further payments in respect of the Residual Certificates and any further payment rights shall be extinguished.

## **12. MEETINGS OF CERTIFICATEHOLDERS, MODIFICATION, WAIVER AND SUBSTITUTION**

12.1 The Trust Deed contains provisions for convening meetings of the Noteholders of each Class and, in certain cases, more than one Class and the Certificateholders, to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of these Residual Certificates Conditions, the Conditions or the provisions of any of the Transaction Documents. The Trust Deed also contains provisions for seeking the consent of the Class A Loan Noteholders in respect of any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the provisions of any of the Transaction Documents.

12.2 For the purposes of these Residual Certificates Conditions, "**Most Senior Class of Debt**" means the Class A Loan Note or, if there is no Class A Loan Note then outstanding, the Class B Notes or, if

there are no Class A Loan Note or Class B Notes then outstanding, the Class C Notes or, if there are no Class A Loan Note, Class B Notes or Class C Notes then outstanding, the Class D Notes or, if there are no Class A Loan Note, Class B Notes, Class C Notes or Class D Notes then outstanding, the Class E Notes, or, if there are no Class A Loan Note, Class B Notes, Class C Notes, Class D Notes or Class E Notes then outstanding, the Class X Notes or, if there is no Rated Debt then outstanding, the Class Z Notes.

### **12.3 Most Senior Class of Debt and Limitations on other Debt Holders and Certificateholders**

- (a) Other than in relation to a Basic Terms Modification, which additionally requires an Extraordinary Resolution of the holders of the relevant affected Class or Classes of Debt and/or Residual Certificates then in issue, as applicable:
- (i) subject to Residual Certificates Conditions 12.3(a)(ii) and 12.3(a)(iii), an Extraordinary Resolution passed at any meeting of the holders of the Most Senior Class of Debt (or, where the Most Senior Class of Debt is the Class A Loan Note, passed by the Class A Loan Noteholders in accordance with the Class A Loan Note Agreement) shall be binding on all other Classes of Debt Holders and the Certificateholders irrespective of the effect it has upon them;
  - (ii) subject to Residual Certificates Condition 12.3(a)(iii), an Extraordinary Resolution passed at any meeting of a relevant Class of Debt Holders (or, where the Most Senior Class of Debt is the Class A Loan Note, passed by the Class A Loan Noteholders in accordance with the Class A Loan Note Agreement) shall be binding on (A) all other Classes of Debt Holders ranking junior to such Class of Debt Holders in the Post-Enforcement Priority of Payments in each case and (B) the Certificateholders, irrespective of the effect it has upon them;
  - (iii) no Extraordinary Resolution of any Class of Debt Holders or the Certificateholders shall take effect for any purpose while any of the Most Senior Class of Debt remains outstanding (or in the case of the Residual Certificates, any of the Debt remains outstanding) unless it shall have been sanctioned by an Extraordinary Resolution of the holders of the Most Senior Class of Debt or, in the case of an Extraordinary Resolution of the Certificateholders, all Debt then outstanding or the Note Trustee is of the opinion that it would not be materially prejudicial to the interests of the holders of the Most Senior Class of Debt or, in the case of an Extraordinary Resolution of the Certificateholders, the holders of all Debt then outstanding; and
  - (iv) no Ordinary Resolution that is passed by the holders of any Class of Debt Holders or the Certificateholders shall take effect for any purpose while any of the Most Senior Class of Debt remains outstanding or (in the case of the Residual Certificates, any of the Debt remains outstanding) unless it shall have been sanctioned by an Ordinary Resolution of the holders of the Most Senior Class of Debt or, in the case of an Ordinary Resolution of the Certificateholders, the holders of all Debt then outstanding, or the Note Trustee is of the opinion that it would not be materially prejudicial to the interests of the holders of the Most Senior Class of Debt or, in the case of an Ordinary Resolution of the Certificateholders, the holders of all Debt then outstanding.
- (b) Other than in relation to Basic Terms Modifications and subject as provided in Residual Certificates Conditions 12.3(a) and 12.4 (*Quorum*), a resolution which, in the opinion of the Note Trustee, affects the interests of the holders of:
- (i) (A) any Class of Debt of one Class only or (B) the Residual Certificates shall be deemed to have been duly passed if passed at a meeting (or by a resolution in writing (or in the case of the Class A Loan Note, consent in writing) or, in respect of the Rated Notes only, by a

resolution passed by way of consents received through the relevant Clearing System(s)) of the holders of (x) that Class of Debt so affected or (y) the Residual Certificates;

- (ii) any two or more Classes of Debt, but does not give rise to an actual or potential conflict of interest between the holders of such Classes of Debt, shall be deemed to have been duly passed if passed at a single meeting (or by a single resolution in writing (or in the case of the Class A Loan Note, consent in writing) or, in respect of the Rated Notes, by a single resolution passed by way of consents received through the relevant Clearing System(s)) of the holders of each such Class of Debt; and
  - (iii) one or more Classes of Debt and/or the Residual Certificates, but does not give rise to an actual or potential conflict of interest between the holders of such Classes of Debt and/or the Residual Certificates, shall be deemed to have been duly passed if passed at a single meeting (or by a single resolution in writing (or in the case of the Class A Loan Note, consent in writing) or, in respect of the Rated Notes only, by a single resolution passed by way of consents received through the relevant Clearing System(s)) of the holders of such Classes of Debt so affected and/or the Residual Certificates.
  - (iv) Where such a resolution gives, or may give rise to an actual or potential conflict of interest between the holders of such Classes of Debt and/or the Residual Certificates, it shall be deemed to have been duly passed only if passed at separate meetings (or by separate resolutions in writing (or in the case of the Class A Loan Note, consent in writing) or, in respect of the Rated Notes only, by separate resolutions passed by way of electronic consents received through the relevant Clearing System(s)) of the holders of each such Class of Debt so affected and/or Residual Certificates.
- (c) No Extraordinary Resolution of the holders of a Class or Classes of Debt and/or the Residual Certificates which would have the effect of sanctioning a Basic Terms Modification in respect of any Class of Debt or Residual Certificates shall take effect unless it has been sanctioned by an Extraordinary Resolution of the holders of each affected Class of Debt then outstanding and/or the holders of the Residual Certificates then in issue which are affected by such Basic Terms Modification.
- (d) No Ordinary Resolution that is passed by the holders of the Residual Certificates shall take effect for any purpose while any of the Debt remains outstanding unless it shall have been sanctioned by an Ordinary Resolution of the holders of the Most Senior Class of Debt and all other Classes of Debt then outstanding, or the Note Trustee is of the opinion that it would not be materially prejudicial to the interests of the holders of the Most Senior Class of Debt or any other Classes of Debt then outstanding.

#### **12.4 Quorum**

- (a) Subject as provided below, the quorum at any meeting of Certificateholders for passing an Ordinary Resolution will be one or more persons holding or representing not less than 25 per cent. of the number of Residual Certificates then in issue.
- (b) Subject as provided below, the quorum at any meeting of Certificateholders for passing an Extraordinary Resolution will be one or more persons holding or representing not less than 50 per cent. of the number of Residual Certificates then in issue.
- (c) Subject to the more detailed provisions set out in the Trust Deed, the quorum at any meeting of any holders of any Residual Certificates passing an Extraordinary Resolution to (i) sanction a modification of the date of maturity of the Debt, (ii) sanction a modification of the date of payment of principal or interest in respect of the Debt, or where applicable, of the method of calculating the

date of payment of principal or interest in respect of the Debt or of the method of calculating the date of payment in respect of the Residual Certificates (other than pursuant to Condition 13.6(a)(vi) (*Additional Right of Modification*)), (iii) sanction a modification of the amount of principal or the rate of interest payable in respect of the Debt (other than pursuant to Condition 13.6(a)(vi) (*Additional Right of Modification*)), or where applicable, of the method of calculating the amount payable of any principal or interest in respect of the Debt (other than pursuant to Condition 13.6(a)(vi) (*Additional Right of Modification*)) or of the method of calculating the amounts payable in respect of the Residual Certificates, (iv) alter the currency in which payments under any Class of Debt or the Residual Certificates are to be made, (v) alter the quorum or majority required in relation to this exception, (vi) sanction any scheme or proposal for the sale, conversion or cancellation of any Class of Debt or the Residual Certificates, (vii) any change to the definition of Basic Terms Modification, or (viii) alter any of the provisions contained in this exception (each a "**Basic Terms Modification**"), shall be one or more persons holding or representing in aggregate not less than (A) three-quarters of the aggregate Principal Amount Outstanding of such Class of Notes then outstanding or (B) three-quarters of the Residual Certificates then in issue. Any Extraordinary Resolution in respect of a Basic Terms Modification shall only be effective if duly passed at separate meetings (or by separate resolutions in writing or, in the case of the Class A Loan Note, consent in writing or, in respect of the Rated Notes only, by separate resolutions passed by way of electronic consents received through the relevant Clearing System(s)) of each relevant affected Class of Debt Holders and (if affected) by a meeting of the Certificateholders.

- (d) Subject as provided below, the quorum at any adjourned meeting of Certificateholders for passing an Ordinary Resolution will be one or more persons holding or representing not less than 10 per cent. of the number of Residual Certificates then in issue.
- (e) Subject as provided below, the quorum at any adjourned meeting of Certificateholders for passing an Extraordinary Resolution will be one or more persons holding or representing not less than 25 per cent. of the Residual Certificates then in issue.
- (f) Subject to the more detailed provisions set out in the Trust Deed, the quorum at any adjourned meeting of any holders of any Residual Certificates passing an Extraordinary Resolution to sanction a Basic Terms Modification, shall be one or more persons holding or representing in aggregate not less than 50 per cent. of the number of Residual Certificates then in issue. Any Extraordinary Resolution in respect of a Basic Terms Modification shall only be effective if duly passed at separate meetings (or by separate resolutions in writing or, in the case of the Class A Loan Note, consent in writing or, in respect of the Rated Notes only, by separate resolutions passed by way of electronic consents received through the relevant Clearing System(s)) of each relevant affected Class of Debt Holders and (if affected) by a meeting of the Certificateholders.
- (g) The Class A Loan Noteholders will not be required to convene or attend meetings or form or count in a quorum at any meeting of Debt Holders but may pass resolutions (including Extraordinary Resolutions and Ordinary Resolutions) by consenting in writing to the relevant matter to which such resolutions relate. The Note Trustee or the Security Trustee (on behalf of the Note Trustee) shall be entitled to request and rely on a written confirmation from or on behalf of the Class A Loan Noteholders on any matter that requires the consent of the Class A Loan Noteholders without further enquiry or liability to any person.
- (h) The terms of the Trust Deed, the Deed of Charge and (in the case of the Class A Loan Noteholders, the Class A Loan Note Agreement) provide for the Debt Holders to give directions in writing to the Note Trustee and the Security Trustee upon which the Note Trustee or, as the case may be, the Security Trustee is bound to act.

## 12.5 Modification to the Transaction Documents

The Note Trustee or, as the case may be, the Security Trustee (acting on the directions of the Note Trustee) may at any time and from time to time, with the written consent of the Secured Creditors which are a party to the relevant Transaction Document (such consent to be conclusively demonstrated by such Secured Creditor entering into any deed or document purporting to modify such Transaction Document) but without the consent or sanction of the Debt Holders, the Certificateholders or any other Secured Creditors agree with the Issuer and any other parties in making or sanctioning any modification:

- (a) other than in respect of a Basic Terms Modification, to the Conditions, these Residual Certificates Conditions, the Trust Deed or any other Transaction Document, which in the opinion of the Note Trustee (acting in accordance with the Trust Deed) or, as the case may be, the Security Trustee (acting on the directions of the Note Trustee) will not be materially prejudicial to the interests of the Debt Holders (or if there is no Debt outstanding, the interests of the Certificateholders) or the interests of the Note Trustee or the Security Trustee and, for the avoidance of doubt, any modification of the Collection Accounts Declaration of Trust which does not affect the manner in which the Issuer's Trust Share (as defined in the Collection Accounts Declaration of Trust) is calculated will not be materially prejudicial to the interests of the Debt Holders (or if there is no Debt outstanding, the interests of the Certificateholders) or the interests of the Note Trustee or the Security Trustee; or
- (b) to the Conditions, these Residual Certificates Conditions, the Trust Deed or any other Transaction Document if in the opinion of the Note Trustee (acting in accordance with the Trust Deed) or, as the case may be, the Security Trustee (acting on the directions of the Note Trustee) such modification is of a formal, minor or technical nature or to correct a manifest error.

## 12.6 Additional Right of Modification

- (a) Notwithstanding the provisions of Residual Certificates Condition 12.5 (*Modification to the Transaction Documents*), the Note Trustee or, as the case may be, the Security Trustee, shall be obliged, without any consent or sanction of the Debt Holders, the Certificateholders or any other Secured Creditor, subject to written consent of the Secured Creditors which are a party to the relevant Transaction Documents (such consent to be conclusively demonstrated by such Secured Creditor entering into any deed or document purporting to modify such Transaction Document), to concur with the Issuer in making any modification (other than in respect of a Basic Terms Modification) to these Residual Certificates Conditions, the Conditions, the Trust Deed or any other Transaction Document to which it is a party or in relation to which it holds security or to enter into any new, supplemental or additional documents that the Issuer (in each case) considers necessary:
  - (i) for the purpose of complying with, or implementing or reflecting, any change in the criteria of one or more of the Rating Agencies which may be applicable from time to time, provided that:
    - (A) the Issuer (or the Cash Administrator on behalf of the Issuer) certifies in writing to the Note Trustee and the Security Trustee that such modification is necessary to comply with such criteria or, as the case may be, is solely to implement and reflect such criteria; and
    - (B) in the case of any modification to a Transaction Document proposed by any of the Seller, the Servicer, the Cash Administrator, the Agent Bank, the Principal Paying Agent and the Issuer Account Bank (for the purpose of this Residual Certificates Condition 12.6 only, each a "**Relevant Party**"), in order (x) to remain eligible to

perform its role in such capacity in conformity with such criteria and/or (y) to avoid taking action which it would otherwise be required to take to enable it to continue performing such role (including, without limitation, posting collateral or advancing funds)):

- I. the Relevant Party certifies in writing to the Issuer, the Note Trustee and the Security Trustee that such modification is necessary for the purposes described in sub-paragraphs (B)(x) and/or (B)(y) above; and
  - II. either:
    - (aa) the Issuer, the Relevant Party or the Cash Administrator (on behalf of the Issuer) obtains from each of the Rating Agencies, a confirmation that such modification would not result in a downgrade, withdrawal or suspension of the then current ratings assigned to any Class of the Debt by such Rating Agency and would not result in any Rating Agency placing any Class of the Debt on rating watch negative (or equivalent) and delivers a copy of each such confirmation to the Issuer (in the case of the Relevant Party or the Cash Administrator), the Note Trustee and the Security Trustee; or
    - (bb) the Issuer, the Relevant Party or the Cash Administrator (on behalf of the Issuer) certifies in writing to the Note Trustee and the Security Trustee that the Rating Agencies have been informed of the proposed modification and none of the Rating Agencies has indicated within 30 calendar days that such modification would result in (x) a downgrade, withdrawal or suspension of the then current ratings assigned to any Class of the Debt by such Rating Agency or (y) such Rating Agency placing any Class of the Debt on rating watch negative (or equivalent) and, if requested by the Note Trustee or the Security Trustee, procures that an Issuer Certificate and/or a Cash Administrator Certificate are provided to the Note Trustee and the Security Trustee in accordance with Condition 18 (*Non-Responsive Rating Agency*); and
  - III. the Relevant Party pays all costs and expenses (including legal fees) incurred by the Issuer, the Note Trustee and the Security Trustee in connection with such modification;
- (ii) for the purpose of complying with any changes in the requirements of, and/or enabling the Issuer and/or the Seller to comply with any obligation in respect of, the UK Securitisation Regulation or the EU Securitisation Regulation (including, but not limited to (i) risk retention, transparency and/or investor due diligence requirements and/or (ii) such other requirement which the Issuer and/or the Seller has in its discretion elected to comply with under the EU Securitisation Regulation) after the Closing Date, together with any relevant laws, regulations, technical standards, rules, other implementing legislation, official guidance or policy statements in relation thereto, in each case as amended, varied or substituted from time to time after the Closing Date, **provided that** the Issuer certifies to the Note Trustee and the Security Trustee in writing that such modification is required solely for such purpose and has been drafted solely to such effect;
  - (iii) for the purpose of enabling the Notes to be (or to remain) listed on Euronext Dublin, provided that the Issuer certifies to the Note Trustee and the Security Trustee in writing that



such modification is required solely for such purpose and has been drafted solely to such effect;

- (iv) for the purposes of enabling the Issuer or any of the other parties to the Transaction Documents to comply with FATCA, provided that the Issuer or the Relevant Party, as applicable, certifies to the Note Trustee and the Security Trustee in writing that such modification is required solely for such purpose and has been drafted solely to such effect; or
- (v) for the purpose of complying with any changes in the requirements of the UK CRA Regulation and/or the CRA Regulation after the Closing Date, including as a result of the adoption of regulatory technical standards in relation to the UK CRA Regulation and/or the CRA Regulation and the Commission Delegated Regulation 2015/3 (including, any associated regulatory technical standards and advice, guidance or recommendations from relevant supervisory regulators), as amended from time to time (the “**CRA Requirements**”), or any other obligation which applies under the CRA Requirements and/or regulations or official guidance in relation thereto **provided that** the Issuer certifies to the Note Trustee and the Security Trustee in writing that such modification is required solely for such purpose and has been drafted solely to such effect,

(the certificate to be provided by the Issuer, the Cash Administrator (on behalf of the Issuer) and/or the Relevant Party and/or Party, as the case may be, pursuant to Residual Certificates Conditions 12.6(a)(i) to 12.6(a)(v) being a "**Modification Certificate**"), **provided that** (in the case of each of Conditions 12.6(a)(i) to 12.6(a)(v) above):

- I. at least 30 calendar days' prior written notice of any such proposed modification has been given to the Note Trustee and the Security Trustee;
- II. the Modification Certificate shall be provided to the Note Trustee and the Security Trustee both at the time the Note Trustee and the Security Trustee is notified of the proposed modification and on the date that such modification takes effect; and
- III. the consent of each Secured Creditor which is a party to the relevant Transaction Document has been obtained,

and provided further that:

- (x) other than in the case of a modification pursuant to Residual Certificates Condition 12.6(a)(i)(B), either:
  - (aa) the Issuer, the Relevant Party or the Cash Administrator (on behalf of the Issuer) obtains from each of the Rating Agencies a Rating Agency Confirmation that such modification would not result in (x) a downgrade, withdrawal or suspension of the then current ratings assigned to any Class of the Debt by such Rating Agency or (y) such Rating Agency placing any Class of the Debt on rating watch negative (or equivalent) and delivers a copy of each such confirmation to the Issuer (in the case of the Relevant Party or the Cash Administrator), the Note Trustee and the Security Trustee; or
  - (bb) the Issuer, the Relevant Party or the Cash Administrator (on behalf of the Issuer) certifies in the Modification Certificate that it has informed the Rating Agencies of the proposed modification and none of the Rating Agencies has indicated within 30 calendar days that such modification

would result in (x) a downgrade, withdrawal or suspension of the then current ratings assigned to any Class of the Debt by such Rating Agency or (y) such Rating Agency placing any Class of the Debt on rating watch negative (or equivalent) and, if requested by the Note Trustee or the Security Trustee, procures that an Issuer Certificate and/or a Cash Administrator Certificate are provided to the Note Trustee and the Security Trustee in accordance with Condition 18 (*Non-Responsive Rating Agency*); and

- (y) the Issuer certifies in writing to the Note Trustee and the Security Trustee that (X) the Issuer has provided at least 30 calendar days' notice to the Debt Holders of each Class of the proposed modification in accordance with Condition 16 (*Notice to Noteholders*) or the Class A Loan Note Agreement (as applicable) and, in the case of the Notes, by publication on Bloomberg on the "Company News" screen relating to the Notes, and (Y) Debt Holders representing (where the Class A Loan Note is the Most Senior Class of Debt) at least 66<sup>2/3</sup> per cent. of the aggregate Principal Amount Outstanding of the Class A Loan Note or (where the Class A Loan Note is not the Most Senior Class of Debt) at least 10 per cent. of the aggregate Principal Amount Outstanding of the Most Senior Class of Debt then outstanding have not contacted the Issuer and the Note Trustee in writing (or otherwise in accordance with the then current practice of any applicable clearing system through which any Rated Notes may be held) within such notification period notifying the Issuer and the Note Trustee that such Debt Holders do not consent to the modification.

If Debt Holders representing (where the Class A Loan Note is the Most Senior Class of Debt) at least 66<sup>2/3</sup> per cent. of the aggregate Principal Amount Outstanding of the Class A Loan Note or (where the Class A Loan Note is not the Most Senior Class of Debt) at least 10 per cent. of the aggregate Principal Amount Outstanding of the Most Senior Class of Debt then outstanding have notified the Issuer and the Note Trustee in writing (or otherwise in accordance with the then current practice of any applicable clearing system through which any Rated Notes may be held) within the notification period referred to above that they do not consent to the modification, then such modification will not be made unless an Extraordinary Resolution of the holders of the Most Senior Class of Debt then outstanding is passed in favour of such modification in accordance with Condition 13 (*Meetings of Noteholders, Modification, Waiver and Substitution*).

Objections made in writing other than, in respect of the Rated Notes, through the applicable clearing system must be accompanied by evidence to the Issuer's and the Note Trustee's satisfaction (having regard to prevailing market practices) of the relevant Debt Holder's holding of the Debt.

- (b) Other than where specifically provided in this Residual Certificates Condition 12.6 or any Transaction Document:
  - (i) when implementing any modification pursuant to this Residual Certificates Condition 12.6 (save to the extent the Note Trustee considers that the proposed modification would constitute a Basic Terms Modification), neither the Note Trustee nor the Security Trustee shall consider the interests of the Certificateholders, any other Secured Creditor or any other person but may act and rely solely and without further investigation on any certificate or evidence provided to it by the Issuer or the Servicer (as the case may be), the Cash Administrator or the Relevant Party or Party, as the case may be, pursuant to this Residual Certificates Condition 12.6 and shall not be liable to the Debt Holders, or the Certificateholders or any other Secured Creditor for so acting or relying, irrespective of

whether any such modification is or may be materially prejudicial to the interests of any such person; and

- (ii) neither the Note Trustee nor the Security Trustee shall be obliged to agree to any modification which, in the opinion of the Note Trustee and/or the Security Trustee would have the effect of (A) exposing the Note Trustee and/or the Security Trustee to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction or (B) increasing the obligations or duties, or decreasing the rights or protection, of the Note Trustee and/or the Security Trustee in the Transaction Documents, the Conditions and/or these Residual Certificates Conditions.
- (c) Any such modification shall be binding on all Certificateholders and shall be notified by the Issuer as soon as reasonably practicable to:
- (i) so long as any of the Debt rated by the Rating Agencies remains outstanding, each Rating Agency;
  - (ii) the Secured Creditors; and
  - (iii) the Certificateholders in accordance with Residual Certificates Condition 14 (*Notice to Certificateholders*).

## **12.7 Authorisation or Waiver of Breach**

The Note Trustee and/or the Security Trustee (acting on the direction of the Note Trustee), as applicable, may, without the consent or sanction of the Debt Holders, the Certificateholders or the other Secured Creditors and without prejudice to its rights in respect of any further or other breach, from time to time and at any time, on such terms and conditions (if any) as shall seem expedient to it, determine that a Potential Event of Default or an Event of Default shall not, or shall not subject to any specified conditions, be treated as such or authorise or waive any proposed or actual breach of any of the covenants or provisions contained in or arising pursuant to the Conditions, these Residual Certificates Conditions or any of the Transaction Documents by any party thereto but only if (x) in the Note Trustee's sole opinion the interests of the holders of the Most Senior Class of Debt or, if no Debt is outstanding, the Certificateholders will not be materially prejudiced thereby or (y) if there is no Debt then outstanding and no Residual Certificates then in issue, in the sole opinion of the Security Trustee, the interests of all the Secured Creditors will not be materially prejudiced thereby. The Note Trustee shall not exercise any powers conferred on it by this Residual Certificates Condition 12.7 in contravention of any express direction given by Extraordinary Resolution of the holders of the Most Senior Class of Debt or by a direction under Residual Certificates Condition 10 (*Events of Default*) but so that no such direction or request shall affect any waiver, authorisation or determination previously given or made.

## **12.8 Notification of modifications, waivers, authorisations or determinations**

Any such modification, waiver, authorisation or determination by the Note Trustee and/or the Security Trustee, as applicable, in accordance with the Conditions, these Residual Certificates Conditions or the Transaction Documents shall be binding on the Certificateholders and the Secured Creditors shall be notified by the Issuer to the Certificateholders in accordance with Residual Certificates Condition 14 (*Notice to Certificateholders*), the Rating Agencies (while any Rated Debt remains outstanding) and the Secured Creditors as soon as practicable thereafter.

- (a) In connection with any such substitution of principal debtor referred to in Condition 8.4 (*Mandatory Redemption of the Debt for Taxation or Other Reasons*), the Note Trustee and the Security Trustee may also agree, without the consent of the Certificateholders or the

other Secured Creditors, to a change of the laws governing the Residual Certificates, these Residual Certificates Conditions and/or any of the Transaction Documents, provided that such change would not, in the opinion of the Note Trustee or, as the case may be, the Security Trustee be materially prejudicial to the interests of the Certificateholders or the other Secured Creditors.

- (b) Where, in connection with the exercise or performance by each of them of any right, power, trust, authority, duty or discretion under or in relation to these Residual Certificates Conditions or any of the Transaction Documents (including in relation to any modification, waiver, authorisation, determination, substitution or change of laws as referred to above), the Note Trustee or the Security Trustee is required to have regard to the interests of the Certificateholders, it shall have regard to the general interests of the Certificateholders but shall not have regard to any interests arising from circumstances particular to individual Certificateholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise or performance for individual Certificateholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof, and the Note Trustee or, as the case may be, the Security Trustee shall not be entitled to require, nor shall any Certificateholders be entitled to claim from the Issuer, the Note Trustee or the Security Trustee or any other person, any indemnification or payment in respect of any tax consequences of any such exercise upon individual Certificateholders.
- (c) Other than in respect of any matter requiring an Extraordinary Resolution, Certificateholders are required to vote by way of an Ordinary Resolution.
- (d) "**Ordinary Resolution**" means, in respect of the holders of the Residual Certificates:
  - (i) a resolution passed at a meeting duly convened and held in accordance with the Trust Deed and these Residual Certificates Conditions by a clear majority of the Certificateholders voting thereat on a show of hands or, if a poll is duly demanded, by a clear majority of the votes cast on such poll; or
  - (ii) a resolution in writing signed by or on behalf of the Certificateholders of not less than a clear majority in number of the Residual Certificates then in issue which resolution may be contained in one document or in several documents in like form each signed by or on behalf of one or more of the Certificateholders.
- (e) "**Extraordinary Resolution**" means, in respect of the holders of the Residual Certificates:
  - (i) a resolution passed at a meeting of Certificateholders duly convened and held in accordance with the Trust Deed and these Residual Certificates Conditions by a majority consisting of not less than three-quarters of the Certificateholders voting at such meeting upon a show of hands or, if a poll is duly demanded, by a majority consisting of not less than three quarters of the votes cast on such poll; or
  - (ii) a resolution in writing signed by or on behalf of the Certificateholders of not less than three quarters in number of the Residual Certificates then in issue which resolution may be contained in one document or in several documents in like form each signed by or on behalf of one or more of the Certificateholders.
- (f) Details of any Extraordinary Resolution and any Ordinary Resolution passed in accordance with the provisions of the Trust Deed shall be notified to each of the Rating Agencies by the Issuer.

## **12.9 Issuer Substitution Condition**

The Note Trustee and Security Trustee may agree, subject to such amendment of these Residual Certificates Conditions and of any of the Transaction Documents, and to such other conditions as the Note Trustee and Security Trustee may require and subject to the terms of the Trust Deed, but without the consent of the Certificateholders, to the substitution of another body corporate in place of the Issuer as principal debtor under the Trust Deed, the Debt and the Residual Certificates and in respect of the other Secured Obligations, provided that the conditions set out in the Trust Deed are satisfied including, *inter alia*, that the Residual Certificates are unconditionally and irrevocably guaranteed by the Issuer (unless all of the assets of the Issuer are transferred to such body corporate) and that such body corporate is a single purpose vehicle and undertakes itself to be bound by provisions corresponding to those set out in Residual Certificates Condition 5 (*Issuer Covenants*) (the "**Issuer Substitution Condition**"). In the case of a substitution pursuant to this Residual Certificates Condition 12.9, the Note Trustee and Security Trustee may in their absolute discretion agree, without the consent of the Certificateholders, to a change in law governing the Residual Certificates and/or any of the Transaction Documents unless such change would, in the opinion of the Note Trustee and Security Trustee, be materially prejudicial to the interests of the Certificateholders.

## **13. INDEMNIFICATION AND EXONERATION OF THE NOTE TRUSTEE AND THE SECURITY TRUSTEE**

The Trust Deed and the Deed of Charge contain provisions governing the responsibility (and relief from responsibility) of the Note Trustee and the Security Trustee respectively and providing for their indemnification in certain circumstances, including provisions relieving them from taking steps, proceedings or actions or, in the case of the Security Trustee, enforcing the Security, unless indemnified and/or prefunded and/or secured to their satisfaction.

The Trust Deed and the Deed of Charge also contain provisions pursuant to which the Note Trustee and the Security Trustee are entitled, *inter alia*, (a) to enter into business transactions with the Issuer and/or any other party to any of the Transaction Documents and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, the Issuer and/or any other party to any of the Transaction Documents, (b) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, individual Certificateholders and (c) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

## **14. NOTICE TO CERTIFICATEHOLDERS**

### **14.1 Publication of Notice**

Any notice to a Certificateholder shall be validly given if sent to the email address of such Certificateholder as notified in writing to the Issuer from time to time.

### **14.2 Note Trustee's Discretion to Select Alternative Method**

The Note Trustee shall be at liberty to sanction some other method of giving notice to the Certificateholders if, in its sole opinion, such other method is reasonable having regard to market practice then prevailing and to the requirements of the stock exchanges, competent listing authorities and/or quotation systems on or by which the Certificates are then listed, quoted and/or traded and provided that advance notice of such other method is given to the Certificateholders in such manner as the Note Trustee shall require.

## **15. JURISDICTION AND GOVERNING LAW**

- 15.1 The Courts of England (the "**Courts**") are to have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Residual Certificates and the Transaction Documents (including a dispute relating to non-contractual obligations or a dispute regarding the existence, validity or termination of any of the Residual Certificates or the Transaction Documents or the consequences of their nullity) and accordingly any legal action or proceedings arising out of or in connection with the Residual Certificates and/or the Transaction Documents may be brought in such Courts.
- 15.2 The Transaction Documents, the Residual Certificates and these Residual Certificates Conditions (and any non-contractual obligations arising out of or in connection with them) are governed by, and shall be construed in accordance with, English law except that, to the extent that the provisions of the Mortgage Sale Agreement, the Deed of Charge and any documents supplemental thereto relate to the Scottish Mortgage Loans, such provisions and documents shall be construed in accordance with and (in certain cases) governed by Scots law.

## **16. RIGHTS OF THIRD PARTIES**

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of the Residual Certificates or these Residual Certificates Conditions, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

## TAXATION

### *United Kingdom Taxation*

*The following two paragraphs apply only to persons who are the beneficial owners of the Notes and are a summary of the Issuer's understanding of current United Kingdom law and published HM Revenue & Customs ("HMRC") practice (which may not be binding on HMRC) relating only to the United Kingdom withholding tax treatment of payments of interest (as that term is understood for United Kingdom tax purposes) in respect of the Notes. They do not deal with any other United Kingdom taxation implications of acquiring, holding or disposing of the Notes. The United Kingdom tax treatment of prospective Noteholders depends on their individual circumstances and may be subject to change in the future (possibly with retrospective effect). Prospective Noteholders who may be subject to tax in a jurisdiction other than the United Kingdom or who may be unsure as to their tax position should seek professional advice. Neither the Class A Loan Note nor the Residual Certificates are considered in the following two paragraphs.*

Payments of interest on the Notes may be made without deduction of or withholding for or on account of United Kingdom income tax provided that the Notes carry a right to interest and the Notes are and continue to be listed on a "recognised stock exchange" within the meaning of Section 1005 of the Income Tax Act 2007. Euronext Dublin is a recognised stock exchange for such purposes. The Notes will satisfy this requirement if they are officially listed in Ireland in accordance with provisions corresponding to those generally applicable in Member States of the European Economic Area and are admitted to trading on the regulated market of Euronext Dublin. Provided, therefore, that the Notes carry a right to interest and are and remain so listed on a "recognised stock exchange", interest on the Notes will be payable without withholding of or deduction on account of United Kingdom income tax.

In other cases, an amount must generally be withheld from payments of interest on the Notes that has a United Kingdom source on account of United Kingdom income tax at the basic rate (currently 20 per cent.), subject to any available exemptions or reliefs. However, where an applicable double tax treaty provides for a lower rate of withholding tax (or for no tax to be withheld) in relation to a Noteholder, HMRC can issue a notice to the Issuer to pay interest to the Noteholder without deduction of tax (or for interest to be paid with tax deducted at the rate provided for in the relevant double tax treaty).

### *Foreign Account Tax Compliance Act*

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "**foreign financial institution**" (as defined by FATCA) may be required to withhold on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting or related requirements. The Issuer has registered as a foreign financial institution for these purposes. A number of jurisdictions (including the United Kingdom) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register and Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining foreign passthru payments are filed with the U.S. Federal Register generally would be grandfathered for purposes of FATCA withholding unless any such Note is materially modified after such date (including by reason of a substitution of the Issuer). Prospective Noteholders should consult their own

tax advisers regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.



## SUBSCRIPTION AND SALE

Citigroup Global Markets Limited (the “**Arranger**” and the “**Lead Manager**” in respect of the Rated Notes) and the Seller have, pursuant to a subscription agreement dated on or around 10 June 2021 between the Arranger, the Lead Manager, the Seller and the Issuer (the “**Subscription Agreement**”), agreed with the Issuer (subject to certain conditions) to subscribe and pay for:

- (a) in the case of the Lead Manager:
  - (i) £13,701,000 of the Class B Notes at the issue price of 100.00 per cent. of the aggregate principal amount of the Class B Notes;
  - (ii) £10,587,000 of the Class C Notes at the issue price of 100.00 per cent. of the aggregate principal amount of the Class C Notes;
  - (iii) £9,715,000 of the Class D Notes at the issue price of 100.00 per cent. of the aggregate principal amount of the Class D Notes; and
  - (iv) £8,968,000 of the Class E Notes at the issue price of 100.00 per cent. of the aggregate principal amount of the Class E Notes;
- (b) in the case of TFSL, £13,701,000 of the Class X Notes at the issue price of 100.00 per cent. of the aggregate principal amount of the Class X Notes; and
- (c) in the case of TCFL, £12,461,000 of the Class Z Notes at the issue price of 100.00 per cent. of the aggregate principal amount of the Class Z Notes,

respectively as at the Closing Date.

The Issuer has agreed to indemnify the Seller, the Arranger and the Lead Manager, and the Seller has agreed to indemnify the Arranger and the Lead Manager, against certain liabilities in connection with the issue of the Notes and the Residual Certificates.

Except with the prior written consent of the Seller in the form of a U.S. Risk Retention Consent and as permitted by the exemption provided under Section 20 of the U.S. Risk Retention Rules, the Notes sold on the Closing Date may not be purchased by, or for the account or benefit of Risk Retention U.S. Persons. Prospective investors should note that, although the definition of "U.S. persons" in the U.S. Risk Retention Rules is very similar to the definition of "U.S. person" in Regulation S, the definitions are not identical and that persons who are not "U.S. Persons" under Regulation S may be "U.S. Persons" under the U.S. Risk Retention Rules. Each purchaser of Notes, including beneficial interests therein, will, by its acquisition of a Note or beneficial interest therein, be deemed to have made certain representations and agreements, including that it (1) either (i) is not a Risk Retention U.S. Person or (ii) has obtained a U.S. Risk Retention Consent from the Seller, (2) is acquiring such Note or a beneficial interest therein for its own account and not with a view to distribute such Note; and (3) is not acquiring such Note or a beneficial interest therein as part of a scheme to evade the requirements of the U.S. Risk Retention Rules (including acquiring such Note through a non-Risk Retention U.S. Person, rather than a Risk Retention U.S. Person, as part of a scheme to evade the 10 per cent. Risk Retention U.S. Person limitation in the exemption provided for in Section 20 of the U.S. Risk Retention Rules described herein). Any Risk Retention U.S. Person wishing to purchase Notes must inform the Seller and the Lead Manager that it is a Risk Retention U.S. Person.

***This Prospectus does not constitute, and may not be used for the purpose of, an offer or a solicitation by anyone to subscribe for or purchase any of the Notes in or from any country or jurisdiction where such an offer or solicitation is not authorised or is unlawful.***

## ***United States***

The Notes have not been and will not be registered under the Securities Act or the securities laws or "blue sky" laws of any state or any other relevant jurisdiction of the United States and therefore may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) except pursuant to an exemption from registration requirements. Accordingly, the Notes are being offered and sold in offshore transactions in reliance on Regulation S. In addition, the Notes cannot be resold in the United States or to U.S. persons unless they are subsequently registered or an exemption from registration is available. Terms used in this paragraph have the meanings given to them by Regulation S.

Each of the Lead Manager (in respect of the Rated Notes only), TFSL (in respect of the Class X Notes only) and the Seller (in respect of the Class Z Notes only) has agreed that, except as permitted by the Subscription Agreement, it will not offer, sell or deliver the Notes (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 Closing Date (the "**Distribution Compliance Period**") within the United States or to, or for the account or benefit of, U.S. persons, except in accordance with Rule 903 or 904 of Regulation S, and it will have sent to each affiliate or other dealer (if any) to which it sells Notes during the Distribution Compliance Period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S. See the section entitled "*Transfer Restrictions and Investor Representations*".

In addition, until 40 days after the commencement of the offering, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than pursuant to an exemption from the registration requirements under the Securities Act.

This Prospectus has been prepared by the Issuer for use in connection with the offer and sale of the Notes outside the United States. The Issuer, the Lead Manager (in respect of the Rated Notes only) and the Seller (in respect of the Class Z Notes only) reserve the right to reject any offer to purchase the Notes, in whole or in part, for any reason. This Prospectus does not constitute an offer to any person in the United States or to any U.S. person. Distribution of this Prospectus by any non U.S. person outside the United States to any U.S. person or to any other person within the United States, other than those persons, if any, retained to advise such non U.S. person with respect thereto, is unauthorised and any disclosure without the prior written consent of the Issuer of any of its contents to any such U.S. person or other person within the United States, other than those persons, if any, retained to advise such non U.S. person, is prohibited.

## ***United Kingdom***

The Lead Manager (in respect of the Rated Notes only) and the Seller (in respect of the Class Z Notes only) has represented to and agreed with the Issuer that:

- (a) it has only communicated or caused to be communicated, and will only communicate or cause to be communicated, an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

## ***Ireland***

The Lead Manager (in respect of the Rated Notes only) and the Seller (in respect of the Class Z Notes only) has represented, warranted and undertaken to the Issuer that:

- (a) it will not underwrite the issuance of, or place the Notes, otherwise than in conformity with the provisions of the European Union (Markets in Financial Instruments) Regulations 2017 (as amended, the “**MiFID Regulations**”) including, without limitation, Regulation 5 (*Requirement for authorisation (and certain provisions concerning MTFs and OTFs)*) thereof, any codes of conduct made under the MiFID Regulations and any codes of conduct used in connection therewith and the provisions of the Investor Compensation Act 1998 (as amended);
- (b) it will not underwrite the issuance of, or place, the Notes, otherwise than in conformity with the provisions of the Companies Act 2014 (as amended, the “**Companies Act 2014**”), the Central Bank Acts 1942-2018 (as amended) and any codes of practice made under Section 117(1) of the Central Bank Act 1989 (as amended);
- (c) it will not underwrite the issuance of, or place, or do anything in Ireland with respect to, the Notes otherwise than in conformity with the provisions of the European Union (Prospectus) Regulations 2019 and any rules issued by the Central Bank of Ireland (the “**Central Bank**”) under Section 1363 of the Companies Act 2014; and
- (d) it will not underwrite the issuance of, place or otherwise act in Ireland with respect to, the Notes, otherwise than in conformity with the provisions of the Market Abuse Regulation (EU 596/2014) (as amended) and any rules and guidance issued by the Central Bank under Section 1370 of the Companies Act 2014.

### **Prohibition of Sales to EEA Retail Investors**

Each of the Arranger and the Lead Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the European Economic Area. For the purposes of this provision, the expression “**retail investor**” means a person who is one (or more) of the following:

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

### **Prohibition of Sales to UK Retail Investors**

Each of the Arranger and the Lead Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the United Kingdom. For the purposes of this provision, the expression “retail investor” means a person who is one (or more) of the following:

- (a) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or
- (b) a customer the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a

professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA.

***General***

Each of the Issuer, the Arranger, the Lead Manager and the Seller has acknowledged that, save for having obtained the approval of this Prospectus as a prospectus in accordance with the EU Prospectus Regulation, applying for the admission of the Notes to the Official List of Euronext Dublin and applying for the admission of the Notes to trading on its regulated market, no action has been taken by the Issuer, the Arranger, the Lead Manager or the Seller that would, or is intended to, permit a public offer of the Notes in any country or jurisdiction where any such action for that purpose is required. Accordingly, each of the Issuer, the Arranger and the Lead Manager (in respect of the Rated Notes only) and the Seller (in respect of the Class Z Notes only) has undertaken that it will not, directly or indirectly, offer or sell any Notes or have in its possession, distribute or publish any offering circular, prospectus, form of application, advertisement or other document or information in respect of the Notes in any country or jurisdiction except under circumstances that will, to the best of its knowledge and belief, result in compliance with any applicable laws and regulations and all offers and sales of Notes by it will be made on the same terms. Notwithstanding the foregoing, none of the Lead Manager will have any liability to the Issuer or the Seller for compliance by the Issuer or the Seller or any other person with the U.S. Risk Retention Rules.

## TRANSFER RESTRICTIONS AND INVESTOR REPRESENTATIONS

### Offers and Sales

The Notes (including interests therein represented by a Global Note, a Registered Definitive Note or a Book-Entry Interest) have not been and will not be registered under the Securities Act or the securities laws or “blue sky” laws of any state or other jurisdiction of the United States, and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) except pursuant to such registration requirements. Accordingly, the Notes are being offered and sold in offshore transactions to persons other than U.S. persons pursuant to Regulation S.

Any offers, sales or deliveries of the Notes in the United States or to U.S. persons by an investor purchasing in an offshore transaction pursuant to Regulation S prior to the date that is 40 days after the later of (i) the commencement of the offering of the Notes and (ii) the Closing Date, may constitute a violation of United States law.

### *Investor Representations and Restrictions on Resale*

Each purchaser of the Notes (which term for the purposes of this section will be deemed to include any interests in the Notes, including Book-Entry Interests) will be deemed to have represented and agreed as follows:

- (a) the Notes have not been and will not be registered under the Securities Act or the securities laws or “blue sky” laws of any state or other jurisdiction of the United States and such Notes are being offered only in a transaction that does not require registration under the Securities Act and, if such purchaser decides to resell or otherwise transfer such Notes, then it agrees that it will offer, resell, pledge or transfer such Notes only (i) to a purchaser who is not a U.S. person (as defined in Regulation S) or an affiliate of the Issuer or a person acting on behalf of such an affiliate, and who is not acquiring the Notes for the account or benefit of a U.S. person and who is acquiring the Notes in an offshore transaction pursuant to an exemption from registration in accordance with Rule 903 or Rule 904 of Regulation S, or (ii) pursuant to an effective registration statement under the Securities Act, in each case in accordance with any applicable state or local securities laws, provided, that the agreement of such purchaser is subject to any requirement of law that the disposition of the purchaser's property shall at all times be and remain within its control;
- (b) unless the relevant legend set out below has been removed from the Notes, such purchaser shall notify each transferee of Notes (as applicable) from it that (i) such Notes have not been registered under the Securities Act, (ii) the holder of such Notes is subject to the restrictions on the resale or other transfer thereof described in paragraph (a) above, (iii) such transferee shall be deemed to have represented that such transferee is acquiring the Notes in an offshore transaction and that such transfer is made pursuant to an exemption from registration in accordance with Rule 903 or Rule 904 of Regulation S and (iv) such transferee shall be deemed to have agreed to notify its subsequent transferees as to the foregoing; and
- (c) the Issuer, the Registrar, the Arranger, the Lead Manager and their affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements.

On the Closing Date, the Notes may only be purchased by persons that (a) are not Risk Retention U.S. Persons or (b) have obtained a U.S. Risk Retention Consent from the Seller. Each purchaser of the Notes (which term for the purposes of this section will be deemed to include any interest in the Notes, including, in respect of the Notes, Book-Entry Interests) during the initial syndication will be deemed to have represented to the Issuer, the Seller, the Arranger and the Lead Manager and agreed as follows: it (1) either (i) is not a Risk Retention U.S. Person or (ii) has obtained a U.S. Risk Retention Consent from the Seller, (2) is

acquiring such Note, Residual Certificate or a beneficial interest therein for its own account and not with a view to distribute such Notes or Residual Certificates and (3) is not acquiring such Note, Residual Certificate or a beneficial interest therein as part of a scheme to evade the requirements of the U.S. Risk Retention Rules (including acquiring such Note through a non-Risk Retention U.S. Person, rather than a Risk Retention U.S. Person, as part of a scheme to evade the 10 per cent. Risk Retention U.S. Person limitation in the exemption provided for in Section 20 of the U.S. Risk Retention Rules).

The Rated Notes bear a legend to the following effect:

"THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**") OR THE SECURITIES LAWS OR "BLUE SKY" LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND, ACCORDINGLY, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, A U.S. PERSON (AS DEFINED IN REGULATIONS UNDER THE SECURITIES ACT) (1) AS PART OF THEIR DISTRIBUTION AT ANY TIME OR (2) OTHERWISE PRIOR TO THE DATE THAT IS 40 DAYS AFTER THE LATER OF THE COMMENCEMENT OF THE OFFERING OF THE NOTES AND THE CLOSING OF THE OFFERING OF THE NOTES, EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH ANY APPLICABLE STATE OR LOCAL SECURITIES LAWS.

PRIOR TO THE DATE THAT IS 40 DAYS AFTER THE LATER OF THE COMMENCEMENT OF THE OFFERING OF THE NOTES AND THE CLOSING OF THE OFFERING OF THE NOTES, ANY TRANSFER OF THE NOTES MAY ONLY BE MADE TO A NON-U.S. PERSON IN AN OFFSHORE TRANSACTION EXCEPT PURSUANT TO AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF RULE 903 OR 904 OF REGULATIONS UNDER THE SECURITIES ACT (REGULATIONS). ANY PURPORTED TRANSFER OF THIS NOTE THAT DOES COMPLY WITH THE FOREGOING REQUIREMENTS SHALL BE NULL AND VOID AB INITIO. THE ISSUER HAS NOT BEEN REGISTERED AND DOES NOT INTEND TO REGISTER AS AN INVESTMENT COMPANY UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED.

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

EACH PURCHASER OR HOLDER OF THIS NOTE (OR ANY INTEREST HEREIN) SHALL BE DEEMED TO HAVE REPRESENTED, WARRANTED AND AGREED BY SUCH PURCHASE AND/OR

HOLDING THAT IT IS NOT AND IS NOT USING THE ASSETS OF, AND SHALL NOT AT ANY TIME HOLD THIS NOTE FOR OR ON BEHALF OF A BENEFIT PLAN INVESTOR OR A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN WHICH IS SUBJECT TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW OR REGULATION THAT IS SUBSTANTIALLY SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED, ("**ERISA**") OR SECTION 4975 OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**"). THE TERM "**BENEFIT PLAN INVESTOR**" SHALL MEAN (I) AN "EMPLOYEE BENEFIT PLAN" (AS DEFINED IN SECTION 3(3) OF ERISA), WHICH IS SUBJECT TO TITLE I OF ERISA, (II) A "PLAN" AS DEFINED IN AND SUBJECT TO SECTION 4975 OF THE CODE, OR (III) AN ENTITY WHOSE UNDERLYING ASSETS INCLUDE PLAN ASSETS BY REASON OF ANY SUCH EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN THE ENTITY UNDER U.S. DEPARTMENT OF LABOR REGULATIONS at 29 C.F.R. § 2510-101, AS MODIFIED BY SECTION 3(42) OF ERISA."

THE PURCHASER OR ACQUIROR ACKNOWLEDGES THAT THE ISSUER RESERVES THE RIGHT PRIOR TO ANY SALE OR OTHER TRANSFER TO REQUIRE THE DELIVERY OF SUCH CERTIFICATIONS, LEGAL OPINIONS AND OTHER INFORMATION AS THE ISSUER MAY REASONABLY REQUIRE TO CONFIRM THAT THE PROPOSED SALE OR OTHER TRANSFER COMPLIES WITH THE FOREGOING RESTRICTIONS.

*Because of the foregoing restrictions, purchasers of Notes should consult legal counsel prior to making any offer, resale, pledge or transfer of such securities offered and sold.*

## GENERAL INFORMATION

1. It is expected that the admission of the Notes to the Official List of Euronext Dublin and the admission of the Notes to trading on Euronext Dublin's regulated market will be granted on or around 11 June 2021.
2. The Issuer's legal entity identifier is: 635400VCYQSETGD3VB55. TCFL'S legal entity identifier is: 549300M9W6FPNWWKW054.
3. For the purposes of the UK Securitisation Regulation, the securitisation transaction unique identifier number is 549300M9W6FPNWWKW054N202102.
4. None of the Issuer or Holdings is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer or Holdings respectively is aware) since 23 April 2021 (being the date of incorporation of each of the Issuer and Holdings) which may have, or have had in the recent past, significant effects upon the financial position or profitability of the Issuer or Holdings (as the case may be).
5. No statutory or non-statutory accounts within the meaning of Sections 434 and 435 of the Companies Act 2006 (as amended) in respect of any financial year of the Issuer have been prepared. The accounting reference date of the Issuer is 30 June and the first statutory accounts of the Issuer will be drawn up to 30 June 2022. So long as the Notes are admitted to trading on Euronext Dublin's regulated market, the most recently published audited annual accounts of the Issuer from time to time shall be available at the specified office of the Principal Paying Agent in London. The Issuer does not publish interim accounts. Since the date of its incorporation the Issuer has not commenced operations and no financial statements have been made up as at the date of this Prospectus.
6. For so long as the Notes are admitted to the Official List of Euronext Dublin and to trading on Euronext Dublin's regulated market, the Issuer shall maintain a Paying Agent in the United Kingdom.
7. Since the date of its incorporation, the Issuer has not entered into any contracts or arrangements not being in the ordinary course of business.
8. Since 23 April 2021 (being the date of incorporation of each of the Issuer and Holdings), there has been (a) no material adverse change in the financial position or prospects of the Issuer or Holdings and (b) no significant change in the financial or trading position of the Issuer or Holdings.
9. The issue of the Debt and the Residual Certificates was authorised pursuant to a resolution of the board of directors of the Issuer passed on 8 June 2021.
10. The Rated Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg under the following ISINs and Common Codes:

| <b>Class of Notes</b> | <b>ISIN</b>  | <b>Common Code</b> |
|-----------------------|--------------|--------------------|
| Class B Notes         | XS2344464446 | 234446444          |
| Class C Notes         | XS2344464792 | 234446479          |
| Class D Notes         | XS2344465096 | 234446509          |
| Class E Notes         | XS2344465419 | 234446541          |
| Class X Notes         | XS2344465682 | 234446568          |



11. The Rated Notes have the following CFIs and FISNs:

| <b>Class of Notes</b> | <b>CFI</b> | <b>FISN</b>                            |
|-----------------------|------------|--|
| Class B Notes         | DAVXFR     | TOGETHER ASSET/VARASST<br>BKD 22001231 |
| Class C Notes         | DAVXFR     | TOGETHER ASSET/VARASST<br>BKD 22001231 |
| Class D Notes         | DAVXFR     | TOGETHER ASSET/VARASST<br>BKD 22001231 |
| Class E Notes         | DAVXFR     | TOGETHER ASSET/VARASST<br>BKD 22001231 |
| Class X Notes         | DAVXFR     | TOGETHER ASSET/VARASST<br>BKD 22001231 |

12. The Non-Rated Notes and the Residual Certificates have been granted the following ISINs and Common Codes in connection with their listing:

| <b>Class of Security</b> | <b>ISIN</b>  | <b>Common Code</b> |
|--------------------------|--------------|--------------------|
| Class Z Notes            | GB00BNVVDP84 | N/A                |
| Residual Certificates    | GB00BNVVDQ91 | N/A                |

13. The Non-Rated Notes and the Residual Certificates have the following CFIs and FISNs:

| <b>Class of Security</b> | <b>CFI</b> | <b>FISN</b>                            |
|--------------------------|------------|--|
| Class Z Notes            | DAZUFR     | TOGR AST/MTG BD 20520808<br>Z UNSEC/UN |
| Residual Certificates    | RMXXXX     | CERTS 08/08/52(RESIDUAL<br>PYMTS)GBP1  |

14. The Issuer confirms that the Mortgage Loans backing the issue of the Debt have characteristics that demonstrate capacity to produce funds to service any payments due and payable on the Debt. Investors are advised that this confirmation is based on the information available to the Issuer at the date of this Prospectus and may be affected by the future performance of such assets backing the issue of the Debt. Investors are advised to review carefully any disclosure in this Prospectus together with any amendments or supplements thereto.
15. Walkers Listing Services Limited is acting solely in its capacity as listing agent for the Issuer in relation to the Notes and is not itself seeking admission of the Notes to the Official List of Euronext Dublin or to trading on the regulated market of Euronext Dublin.
16. Any website referred to in this document does not form part of this Prospectus.

***Documents available for inspection***

17. From the date of this Prospectus and for so long as the Notes are listed on Euronext Dublin and admitted to trading on its regulated market, physical copies of the following documents may be inspected at the registered office of the Issuer (and, by appointment with the exception of paragraph (a) below, at the specified office of the Paying Agents, at the relevant Paying Agent's option, such inspection may be provided electronically) during usual business hours, on any weekday (public holidays excepted), and electronic copies of such documents can be inspected in electronic form online at <https://www.euroabs.com/IH.aspx?d=15825>:

- (a) the memorandum and articles of association of each of the Issuer and Holdings;

- (b) physical copies of the following documents:
  - (i) the Agency Agreement;
  - (ii) the Deed of Charge;
  - (iii) the Cash Administration Agreement;
  - (iv) the Master Definitions and Construction Schedule;
  - (v) the Mortgage Sale Agreement;
  - (vi) the Corporate Services Agreement;
  - (vii) the Bank Account Agreement;
  - (viii) the Collection Accounts Declaration of Trust;
  - (ix) the Servicing Deed;
  - (x) the Standby Servicing Agreement;
  - (xi) the Share Trust Deed;
  - (xii) the Trust Deed;
  - (xiii) the Class A Loan Note Agreement; and
  - (xiv) Scottish Declaration of Trust (with the schedule thereto duly redacted); and
  - (xv) the Scottish Trust Security.

18. From the date of this Prospectus and for so long as the Notes are listed on Euronext Dublin and admitted to trading on its regulated market, copies of the memorandum and articles of association of the Issuer (and any amendments thereto from time to time) will be available electronically at [www.euroabs.com](http://www.euroabs.com).

***General investor reporting***

19. The Cash Administrator on behalf of the Issuer will publish the Monthly Investor Report detailing, among other things, certain aggregated loan file data and loan level information in relation to the Portfolio in respect of the relevant Collection Period, information in relation to the Debt including, but not limited to, the ratings of the Rated Debt, amounts paid by the Issuer pursuant to the relevant Priority of Payments, and confirmation of the Seller's compliance with (i) Article 6(1) of the UK Securitisation Regulation and (ii) Article 6 of the EU Securitisation Regulation (as required for the purposes of Article 5(1)(d) of the EU Securitisation Regulation) not taking into account any relevant national measures, as if it were applicable to it but solely as such articles are interpreted and applied on the Closing Date.
20. Monthly Investor Reports will be published on the website of EuroABS at [www.euroabs.com](http://www.euroabs.com) on or around the Calculation Date. For the avoidance of doubt, such website and the contents thereof do not form part of this Prospectus.

### ***UK Securitisation Regulation reporting***

21. The Reporting Entity has undertaken in the Mortgage Sale Agreement that it will fulfil the requirements of Article 7 of the UK Securitisation Regulation either itself or shall procure that such requirements are fulfilled on its behalf.
22. The Reporting Entity will procure that:
  - (a) a quarterly investor report is prepared and published as required by and in accordance with Article 7(1)(e) of the UK Securitisation Regulation and the UK Article 7 Technical Standards (the “**Quarterly UK SR Investor Report**”); and
  - (b) (simultaneously with Quarterly UK SR Investor Report) certain loan-by-loan information in relation to the Portfolio in respect of the relevant period is published on a quarterly basis as required by and in accordance with Article 7(1)(a) of the UK Securitisation Regulation and the UK Article 7 Technical Standards (the “**Quarterly UK SR Data Tape**”); and
  - (c) any information required to be reported pursuant to Article 7(1)(g) of the UK Securitisation Regulation is prepared and published without delay.
23. The Reporting Entity confirms that it has made available this Prospectus and the Transaction Documents as required by Article 7(1)(b) of the UK Securitisation Regulation (in draft form) prior to the pricing date of the Debt and that it will procure that final documents are provided no later than 15 calendar days after the Closing Date.
24. The Reporting Entity will procure that the information referred to in paragraphs 22 and 23 above is made available to the Noteholders, the FCA, the Bank of England, the PRA and/or the Pensions Regulator and, upon request, to potential investors in the Debt on the website of EuroABS at [www.euroabs.com](http://www.euroabs.com) (or such other website as may be notified by the Cash Administrator to the Issuer, the Seller, the Note Trustee, each Rating Agency, the Noteholders and the Certificateholders from time to time). For the avoidance of doubt, such website and the contents thereof do not form part of this Prospectus.
25. The Reporting Entity will also procure that the private securitisation notification is made, if applicable, to the FCA, the Bank of England, the PRA and/or the Pensions Regulator.
26. The undertakings referred to in paragraphs 21 to 25 above are subject always to any requirement of law, and provided that: (i) the Reporting Entity will not be in breach of such undertaking if the Reporting Entity fails to so comply due to events, actions or circumstances beyond the Reporting Entity's control; and (ii) the Reporting Entity is only required to do so to the extent that the relevant disclosure requirements under Article 7 of the UK Securitisation Regulation remain in effect.

### ***EU Securitisation Regulation reporting***

27. The Seller has agreed that it will act as if it is the designated entity for the purposes of Article 7(2) of the EU Securitisation Regulation as such regulation is in force as at the Closing Date. The Seller has contractually agreed to procure that:
  - (a) a quarterly investor report is prepared and published as required by and in accordance with Article 7(1)(e) of the EU Securitisation Regulation and the EU Article 7 Technical Standards for the purposes of Article 5(1)(e) of the EU Securitisation Regulation not taking into account any relevant national measures, as if such requirement was applicable to it (the “**Quarterly EU SR Investor Report**”); and

- (b) (simultaneously with the Quarterly EU SR Investor Report) certain loan-by-loan information in relation to the Portfolio in respect of the relevant period is published on a quarterly basis as required by and in accordance with Article 7(1)(a) of the EU Securitisation Regulation and the EU Article 7 Technical Standards for the purposes of Article 5(1)(e) of the EU Securitisation Regulation not taking into account any relevant national measures, as if such requirement was applicable to it (the “**Quarterly EU SR Data Tape**”); and
- (c) any information required to be reported pursuant to Articles 7(1)(f) or 7(1)(g) of the EU Securitisation Regulation and the EU Article 7 Technical Standards is prepared and published without delay (for the purposes of Article 5(1)(e) of the EU Securitisation Regulation) not taking into account any relevant national measures, as if such requirements were applicable to it,

in each case,

- (i) as such articles and/or requirements under the EU Securitisation Regulation and the EU Article 7 Technical Standards described in paragraphs 27(a) to (c) above are interpreted and applied solely on the Closing Date (and, for the avoidance of doubt, neither TCFL nor the Cash Administrator will be under any obligation to comply with any amendments to applicable EU technical standards, guidance or policy statements introduced in relation to paragraphs 27(a) to (c) above after the Closing Date);
- (ii) in the form or template prescribed under the EU Securitisation Regulation and the EU Article 7 Technical Standards as at the Closing Date only or as otherwise adopted by the Seller (in its sole discretion) from time to time;
- (iii) until such time when the Seller is able to certify to the Issuer and the Note Trustee that a competent EU authority has confirmed that the satisfaction of the requirements detailed in paragraphs 22(a) to (c) above relating to the UK Securitisation Regulation will also satisfy the requirements of Article 7(2) of the EU Securitisation Regulation due to the application of an equivalency regime or similar analogous concept;
- (iv) subject always to any requirement of law; and
- (v) provided that:
  - (A) neither the Cash Administrator nor TCFL will be in breach of such obligation if it fails to so comply due to events, actions or circumstances beyond its control; and
  - (B) the Cash Administrator and TCFL is only required to comply with such obligation to the extent that the disclosure requirements under Article 7 of the EU Securitisation Regulation and EU Article 7 Technical Standards (in each case, as in force as at the Closing Date) remain in effect.

28. The Seller confirms that it has made available this Prospectus and the Transaction Documents (in draft form) in accordance with Article 7(1)(b) of the EU Securitisation Regulation (as if such requirement applied to it) prior to the pricing date of the Debt.

29. The Seller will procure that the information referred to in paragraphs 27 and 28 above is provided in a manner consistent with the requirements of Article 7(2) of the EU Securitisation Regulation as in force as at the Closing Date only and, for these purposes, until an ESMA-authorized securitisation

repository becomes available and is appointed, the information is made available to the Noteholders, the competent authorities and, upon request, to potential investors in the Debt on the website of EuroABS at [www.euroabs.com](http://www.euroabs.com) (or such other website as may be notified by the Cash Administrator to the Issuer, the Seller, the Note Trustee, each Rating Agency, the Noteholders and the Certificateholders from time to time, being a website that conforms to the requirements set out in Article 7(2) of the EU Securitisation Regulation as in force as at the Closing Date only)). For the avoidance of doubt, such website and the contents thereof do not form part of this Prospectus.

30. The undertakings referred to in paragraphs 27 to 29 above are subject always to any requirement of law, and provided that: (i) the Seller will not be in breach of such undertaking if the Seller fails to so comply due to events, actions or circumstances beyond the Seller's control; and (ii) the Seller is only required to do so to the extent that the relevant disclosure requirements under Article 7 of the EU Securitisation Regulation remain in effect.

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