

IMPORTANT NOTICE

NOT FOR DISTRIBUTION TO ANY U.S. PERSON (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT) OR TO ANY PERSON OR ADDRESS IN THE U.S.

IMPORTANT: You must read the following before continuing. The following applies to the prospectus attached to this electronic transmission, 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 at 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 NOTES AND THE CERTIFICATES 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 OR OTHER RELEVANT JURISDICTION AND THE NOTES AND THE CERTIFICATES MAY NOT BE OFFERED, SOLD, PLEDGED, DELIVERED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, A U.S. PERSON (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT) (A “**U.S. PERSON**”), UNLESS REGISTERED UNDER THE SECURITIES ACT, OR PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS OF THE UNITED STATES. ACCORDINGLY, THE NOTES AND CERTIFICATES WILL ONLY BE OFFERED AND SOLD OUTSIDE THE UNITED STATES TO NON-U.S. PERSONS PURSUANT TO REGULATION S OF THE SECURITIES ACT.

THE NOTES AND THE CERTIFICATES ARE NOT INTENDED TO BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO AND SHOULD NOT BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO ANY RETAIL INVESTOR IN THE EUROPEAN ECONOMIC AREA (“**EEA**”). FOR THESE PURPOSES, A RETAIL INVESTOR MEANS A PERSON WHO IS ONE (OR MORE) OF: (I) A RETAIL CLIENT AS DEFINED IN POINT (11) OF ARTICLE 4(1) OF DIRECTIVE 2014/65/EU (AS AMENDED, “**EU MIFID II**”); OR (II) A CUSTOMER WITHIN THE MEANING OF DIRECTIVE 2016/97 (THE “**EU INSURANCE DISTRIBUTION DIRECTIVE**”), WHERE THAT CUSTOMER WOULD NOT QUALIFY AS A PROFESSIONAL CLIENT AS DEFINED IN POINT (10) OF ARTICLE 4(1) OF EU MIFID II. CONSEQUENTLY NO KEY INFORMATION DOCUMENT REQUIRED BY REGULATION (EU) NO 1286/2014 (AS AMENDED, THE “**EU PRIIPS REGULATION**”) FOR OFFERING OR SELLING THE NOTES AND THE CERTIFICATES OR OTHERWISE MAKING THEM AVAILABLE TO RETAIL INVESTORS IN THE EEA HAS BEEN PREPARED AND THEREFORE OFFERING OR SELLING THE NOTES AND THE CERTIFICATES OR OTHERWISE MAKING THEM AVAILABLE TO ANY RETAIL INVESTOR IN THE EEA MAY BE UNLAWFUL UNDER THE EU PRIIPS REGULATION.

THE NOTES AND THE CERTIFICATES ARE NOT INTENDED TO BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO AND SHOULD NOT BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO ANY RETAIL INVESTOR IN THE UNITED KINGDOM. FOR THESE PURPOSES, A RETAIL INVESTOR MEANS A PERSON WHO IS ONE (OR MORE) OF (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 IN THE UNITED KINGDOM BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018 (THE “**EUWA**”); OR (II) A CUSTOMER WITHIN THE MEANING OF THE PROVISIONS OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (THE “**FSMA**”) AND ANY RULES OR REGULATIONS MADE UNDER THE FSMA TO IMPLEMENT THE EU INSURANCE DISTRIBUTION DIRECTIVE, WHERE THAT CUSTOMER WOULD NOT QUALIFY AS A PROFESSIONAL CLIENT, AS DEFINED IN POINT (8) OF ARTICLE 2(1) OF REGULATION (EU) NO 600/2014 AS IT FORMS PART OF DOMESTIC LAW OF THE UNITED KINGDOM BY VIRTUE OF THE EUWA. CONSEQUENTLY NO KEY INFORMATION DOCUMENT REQUIRED BY THE EU PRIIPS REGULATION AS IT FORMS PART OF DOMESTIC LAW IN THE UNITED KINGDOM BY VIRTUE OF THE EUWA (THE “**UK PRIIPS REGULATION**”) FOR OFFERING OR SELLING THE NOTES AND THE CERTIFICATES OR OTHERWISE MAKING THEM AVAILABLE TO RETAIL INVESTORS IN THE UNITED KINGDOM HAS BEEN PREPARED AND THEREFORE OFFERING OR SELLING THE NOTES AND THE CERTIFICATES OR OTHERWISE MAKING THEM AVAILABLE TO ANY RETAIL INVESTOR IN THE UNITED KINGDOM MAY BE UNLAWFUL UNDER THE UK PRIIPS REGULATION.

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 PROSPECTUS IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

THE FOLLOWING PROSPECTUS HAS BEEN DELIVERED TO YOU ON THE BASIS THAT YOU ARE A PERSON INTO WHOSE POSSESSION THE FOLLOWING PROSPECTUS MAY BE LAWFULLY DELIVERED IN ACCORDANCE WITH THE LAWS OF THE JURISDICTION IN WHICH YOU ARE LOCATED AND YOU MAY NOT, NOR ARE YOU AUTHORISED TO, DELIVER THE FOLLOWING PROSPECTUS TO ANY OTHER PERSON. IN ORDER TO BE ELIGIBLE TO VIEW THIS PROSPECTUS OR MAKE AN INVESTMENT DECISION WITH RESPECT TO THE SECURITIES, INVESTORS MUST NOT BE U.S. PERSONS (WITHIN THE MEANING OF REGULATIONS UNDER THE SECURITIES ACT). THE FOLLOWING PROSPECTUS IS BEING SENT AT YOUR REQUEST AND BY ACCESSING THE PROSPECTUS, YOU SHALL BE DEEMED TO HAVE CONFIRMED AND REPRESENTED TO US THAT (i) YOU HAVE UNDERSTOOD AND AGREE TO THE TERMS SET OUT HEREIN, (ii) YOU CONSENT TO DELIVERY OF THE PROSPECTUS BY ELECTRONIC TRANSMISSION, (iii) YOU ARE NOT A U.S. PERSON (WITHIN THE MEANING OF REGULATIONS UNDER THE SECURITIES ACT) OR ACTING FOR THE ACCOUNT OR BENEFIT OF A U.S. PERSON AND THE ELECTRONIC MAIL ADDRESS THAT YOU HAVE GIVEN TO US AND TO WHICH THIS E-MAIL HAS BEEN DELIVERED IS NOT LOCATED IN THE UNITED STATES, ITS TERRITORIES AND POSSESSIONS (INCLUDING PUERTO RICO, THE U.S. VIRGIN ISLANDS, GUAM, AMERICAN SAMOA, WAKE ISLAND AND THE NORTHERN MARIANA ISLANDS) OR THE DISTRICT OF COLUMBIA, (iv) SUCH ACCEPTANCE AND ACCESS TO THE DOCUMENT BY YOU AND ANY CUSTOMER THAT YOU REPRESENT IS NOT UNLAWFUL IN THE JURISDICTION WHERE IT IS BEING MADE TO YOU AND ANY CUSTOMERS YOU REPRESENT, (v) IF YOU ARE A PERSON OUTSIDE THE UNITED KINGDOM, THEN YOU ARE A “PROFESSIONAL CLIENT” OR “ELIGIBLE COUNTERPARTY” AND NOT A “RETAIL CLIENT” (EACH AS DEFINED IN EU MIFID II), (vi) IF YOU ARE A PERSON INSIDE THE UNITED KINGDOM, THEN YOU ARE (A) A “PROFESSIONAL CLIENT” OR “ELIGIBLE COUNTERPARTY” AND NOT A “RETAIL CLIENT” EACH AS DEFINED IN THE EU MIFID II AS IT FORMS PART OF DOMESTIC LAW OF THE UNITED KINGDOM BY VIRTUE OF THE EUWA, (B) A PERSON WHO HAS PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS WITHIN ARTICLE 19 OF THE FINANCIAL SERVICES AND MARKETS ACT (FINANCIAL PROMOTION) ORDER 2005 (THE “**FPO**”) OR (C) A PERSON WHO IS A HIGH NET WORTH ENTITY FALLING WITHIN ARTICLE 49(2)(A) TO (D) OF THE FPO, AND (vii) YOU CONSENT TO DELIVERY OF THE DOCUMENT BY ELECTRONIC TRANSMISSION.

The following 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 neither Tower Bridge Funding 2021-2 PLC, Barclays Bank PLC (acting through its investment bank or through its affiliates), Merrill Lynch International, NatWest Markets Plc nor Banco Santander, S.A. nor any person who controls any of them respectively (nor any director, officer, employee or agent of it 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 Barclays Bank PLC (acting through its investment bank or through its affiliates), Merrill Lynch International, NatWest Markets Plc and Banco Santander, S.A..

Prospectus

Tower Bridge Funding 2021-2 PLC

(Incorporated under the laws of England and Wales with limited liability under registered number 13381504)

| Notes | Initial Principal Amount | Issue Price | Floating Reference Rate* / Fixed Rate | Margin / Fixed Rate | | Final Maturity Date The Interest Payment Date falling in | Expected Ratings | |
|--------------------|--------------------------|-------------|---------------------------------------|-----------------------|-------------------|---|------------------|----------|
| | | | | Prior to Step-Up Date | From Step-Up Date | | DBRS | S&P |
| A | £258,000,000 | 100% | Compounded Daily SONIA | 0.78% | 1.17% | November 2063 | AAA(sf) | AAA(sf) |
| B | £13,200,000 | 100% | Compounded Daily SONIA | 1.10% | 1.65% | November 2063 | AA(sf) | AA+(sf) |
| C | £12,000,000 | 100% | Compounded Daily SONIA | 1.50% | 2.25% | November 2063 | A(low)(sf) | AA-(sf) |
| D | £9,300,000 | 100% | Compounded Daily SONIA | 1.80% | 2.70% | November 2063 | BBB(sf) | BBB+(sf) |
| X | £9,000,000 | 100% | Compounded Daily SONIA | 3.50% | 3.50% | November 2063 | BB(high)(sf) | B(sf) |
| Z1 | £7,500,000 | 100% | Fixed Rate | 0% | 0% | November 2063 | NR | NR |
| Z2 | £7,500,000 | 100% | Fixed Rate | 0% | 0% | November 2063 | NR | NR |
| RC1 Certificates . | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| RC2 Certificates . | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |

Note: the Rate of Interest on the Floating Rate Notes is subject to a floor of 0% per annum (see Note Condition 4(c)(i)).

Issue Date

The Issuer expects to issue the Notes and the Certificates in the Classes set out above on 9 July 2021 (the “**Issue Date**”).

Underlying Assets

The Issuer will make payments on the Notes and the Certificates from, *inter alia*, payments of principal and revenue received from a portfolio comprising mortgage loans originated by BGFL under its trading name Vida Homeloans secured over residential properties located in England and Wales, and Scotland which will be purchased by the Issuer on the Issue Date (the “**Completion Mortgage Pool**”) and, in relation to any Additional Loans, on any Additional Loans Purchase Date.

Please refer to the section entitled “*Constitution of the Mortgage Pool – The Mortgage Pool*” for further information.

Credit Enhancement

- In respect of each Class of Notes (other than the Z2 Notes), the over-collateralisation is funded by Notes ranking junior to such Notes in the Priority of Payments; and additionally
- following service of an Enforcement Notice, all amounts standing to the credit of the General Reserve Fund (if any) and the Liquidity Reserve Fund (if any) will be applied in accordance with the Post-Enforcement Priority of Payments.

Please refer to the section entitled “*Credit Structure*” for further information.

Joint Arrangers

NatWest Markets

Santander Corporate & Investment Banking

Joint Lead Managers

Barclays

BofA Securities

NatWest Markets

Santander Corporate & Investment Banking

The date of this Prospectus is 6 July 2021.

Liquidity Support

- In respect of interest payments on each Class of Notes (other than the Z2 Notes), the subordination of Notes ranking junior to such Notes.
- In respect of interest payments on the Rated Principal Backed Notes, prior to the service of an Enforcement Notice, amounts standing to the credit of the General Reserve Fund Ledger will be applied as Available Revenue Funds in accordance with the Pre-Enforcement Revenue Priority of Payments to make up any Shortfall.
- In respect of interest payments on the A Notes and the B Notes, after application of the General Reserve Fund, prior to the service of an Enforcement Notice, amounts standing to the credit of the Liquidity Reserve Fund Ledger will be applied to certain items in the Pre-Enforcement Revenue Priority of Payments to make up any Revenue Shortfall.
- In respect of interest payments on the A Notes and (if the A Notes have been redeemed in full) the Most Senior Class of Rated Principal Backed Notes, after application of the General Reserve Fund and the Liquidity Reserve Fund, Principal Addition Amounts will be applied to certain items in the Pre-Enforcement Revenue Priority of Payments to make up any Further Revenue Shortfall.

Please refer to the section entitled “*Credit Structure*” for further information.

Redemption Provisions

Information on any optional and mandatory redemption of the Notes is summarised in “*Transaction overview – Terms and Conditions of the Notes and Certificates – Redemption*” and set out in full in Note Condition 5 (*Redemption*).

Credit Rating Agencies

In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Community and registered under the EU CRA Regulation unless the rating is provided by a credit rating agency operating in the European Community before 7 June 2010 which has submitted an application for registration in accordance with the EU CRA Regulation and such registration is not refused.

Similarly, UK regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the United Kingdom 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: (i) endorsed by a UK registered credit rating agency; or (ii) issued by a third country credit rating agency that is certified in accordance with the UK CRA Regulation.

Each of DBRS and S&P is a credit rating agency established in the United Kingdom and registered under the UK CRA Regulation. The Financial Conduct Authority (the “FCA”) is obliged to maintain on its website, <http://www.fca.org.uk/>, a list of credit rating agencies registered and certified in accordance with the UK CRA Regulation. This list must be updated within five working days of the FCA’s adoption of any decision to withdraw the registration of a credit rating agency under the UK CRA Regulation. Therefore, such list is not conclusive evidence of the status of the relevant rating agency as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated FCA list. The contents of this website do not form part of this Prospectus and are not incorporated by reference into this Prospectus.

Each of DBRS and S&P are included on the list of registered and certified credit rating agencies that is maintained by the FCA. The rating that DBRS is expected to assign to the Rated Notes on or before the Issue Date will be endorsed by DBRS Ratings GmbH, which is established in the European Union and registered under the EU CRA Regulation. The rating that S&P is expected to assign to the Rated Notes on or before the Issue Date will be endorsed by S&P Global Ratings Europe

Limited, which is established in the European Union and registered under the EU CRA Regulation.

Credit Ratings

Ratings are expected to be assigned by each of DBRS and S&P to the A Notes, the B Notes, the C Notes and the D Notes (together the “**Rated Principal Backed Notes**”) and the X Notes (together with the Rated Principal Backed Notes, the “**Rated Notes**”) as set out above on or before the Issue Date.

The ratings expected to be assigned to the Rated Notes on or before the Issue Date by each Rating Agency address, *inter alia*:

- (a) the likelihood of full and timely payment of interest due to the holders of the A Notes on each Interest Payment Date;
- (b) in respect of the ratings assigned to the Rated Notes (excluding the A Notes), the likelihood of full and ultimate payment of interest due to the holders of those Rated Notes by or on the Final Maturity Date; and
- (c) the likelihood of full and ultimate payment of principal to the holders of the Rated Notes by or on the Final Maturity Date.

The assignment of ratings to the Rated Notes is not a recommendation to invest in the Rated Notes. Any credit rating assigned to the Rated Notes may be revised or withdrawn at any time.

Listing

This document comprises a prospectus (the “**Prospectus**”), for the purpose of Regulation (EU) 2017/1129 as it forms part of domestic law in the United Kingdom by virtue of the EUWA (the “**UK Prospectus Regulation**”).

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

Application has been made for the Notes to be admitted to the official list of the FCA as competent authority under the UK Prospectus Regulation (the “**Official List**”) and to trading on the main market of the London Stock Exchange plc (the “**London Stock Exchange**” or the “**Stock Exchange**”). The London Stock Exchange’s main market is a UK regulated market for the purposes of UK MiFIR.

There can be no assurance that any such approval by the FCA will be granted or, if granted, that such admission to the Official List and/or admission to trading on the London Stock Exchange’s main market will be granted or, if granted, be maintained.

The Certificates will not be listed or admitted to trading. Any website referred to in this document does not form part of the Prospectus and has not been scrutinised or approved by the FCA.

References in this Prospectus to the Notes being listed (and all related references) shall mean that such Notes have been admitted to the Official List and have been admitted to trading on the London Stock Exchange’s main market.

Form of Notes

The A Notes, the B Notes, the C Notes, the D Notes, the X Notes, Z1 Notes and the Z2 Notes will each be represented on issuance by a global note certificate in registered form and may be issued in definitive registered form in certain circumstances.

The Certificates will be represented on issuance by a global certificate in registered form and may be issued in definitive registered form in certain circumstances.

Obligations

The Notes and the Certificates will be obligations of the Issuer alone and will not be guaranteed by, or be the responsibility of, any other entity. The Notes and the Certificates will not be obligations of, and will not be guaranteed by, or be the responsibility of any Transaction Party other than the Issuer.

Definitions

Please refer to the section entitled “*Glossary of defined terms*” for definitions of defined terms.

UK Retention Undertaking and EU Retention Undertaking

On the Issue Date, BGFL will undertake that it will retain on an ongoing basis (save as described in the paragraph below in respect of the EU Retention Requirement) as an originator within the meaning of (a) the UK Securitisation Regulation, and (b) the EU Securitisation Regulation, a material net economic interest of not less than 5 per cent. in the securitisation, as required by (i) Article 6 of the UK Securitisation Regulation together with any binding technical standards as amended, varied or substituted from time to time after the Issue Date (the “**UK Retention Requirement**”), and (ii) Article 6 of the EU Securitisation Regulation together with any binding technical standards as in force on the Issue Date (the “**EU Retention Requirement**”), respectively.

As at the Issue Date, the UK Retention Requirement and EU Retention Requirement will each be satisfied by BGFL holding the first loss tranche, in this case a 100 per cent. interest in the Z1 Notes and the Z2 Notes, in accordance with Article 6(3)(d) of the UK Securitisation Regulation and Article 6(3)(d) of the EU Securitisation Regulation, respectively.

Certain undertakings are given by BGFL in the Subscription Agreement concerning the UK Retention Requirement and EU Retention Requirement.

Potential EU Affected Investors should note that the obligation of BGFL 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 together with any binding technical standards as in force on the Issue Date until such time when BGFL 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.

See the section entitled “*Certain Regulatory Requirements*”.

U.S. Retention Rules

BGFL (in its capacity as the U.S. Retention Holder), as a “sponsor” for the purposes of the U.S. Retention Rules, intends to satisfy the requirements of the U.S. Retention Rules by acquiring on the Issue Date and retaining, either directly and/or through one of its majority owned affiliates, not less than 5 per cent. of the credit risk of the “securitized assets” (as defined by the U.S. Retention Rules) of the Issuer (the “**U.S. Retained Interest**”) in the form of an eligible horizontal residual interest (an “**EHRI**”) in an amount equal to at least 5 per cent. of the fair value of the Notes and Certificates as determined under U.S. generally accepted accounting principles.

As at the Issue Date, the U.S. Retained Interest will be satisfied by BGFL acquiring and, to the extent required, retaining through the Sunset Date an EHRI, in this case 100 per cent. of the Z1 Notes, the Z2 Notes, the RC1 Certificates and the RC2 Certificates, in accordance with the U.S. Retention Rules.

Certain undertakings are given by BGFL in the Subscription Agreement concerning BGFL’s compliance with the U.S. Retention Rules.

Please refer to the section entitled “*U.S. Risk Retention*” below for further information regarding the U.S. Retention Rules and BGFL’s compliance with respect thereto.

| | |
|--|--|
| Volcker Rule | The Issuer is of the view that the Issuer is not now, and immediately following the issuance of the Notes and the application of the proceeds thereof it will not be, a “covered fund” under the final rule implementing 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 will satisfy all of the elements required for purposes of the exemption from registration as an “investment company” provided by Section 3(c)(5) of the Investment Company Act of 1940, as amended (the “ Investment Company Act ”). |
| Simple, Transparent and Standardised Securitisation | <p>As at the Issue Date, (a) no notification will be submitted to the European Securities and Markets Association (“ESMA”), in accordance with Article 27 of the EU Securitisation Regulation, that the requirements of Articles 19 to 22 of the EU Securitisation Regulation have been satisfied with respect to the Notes (such notification, an “EU STS Notification”), and (b) no notification will be submitted to the FCA in accordance with Article 27 of the UK Securitisation Regulation, that the requirements of Article 18 and Articles 19 to 22 of the UK Securitisation Regulation have been satisfied with respect to the Notes (such notification, a “UK STS Notification”).</p> <p>There is no intention that such a notification will be filed at any point during the life of the Notes.</p> |
| Benchmark Regulation | Amounts payable on the Notes (excluding the Z1 Notes and the Z2 Notes) are calculated by reference to SONIA. As at the date of this Prospectus, the administrator of SONIA is not included in FCA’s register of administrators under Article 36 of the Regulation (EU) No 2016/1011 as it forms part of domestic law by virtue of the EUWA (the “ BMR ”). The Bank of England, as administrator of SONIA, is exempt under Article 2 of the BMR but has issued a statement of compliance with the principles for financial benchmarks issued in 2013 by the International Organisation of Securities Commissions. |
| Significant Investor | On the Issue Date, BGFL will hold the entire Principal Amount Outstanding of the Z1 Notes, the Z2 Notes, the RC1 Certificates and the RC2 Certificates. As a result, BGFL, as at the Issue Date, will be able to pass or block Noteholder resolutions of such Classes of Notes and will be able to pass or block Certificateholder resolutions of such Classes of Certificates. |

THE “*RISK FACTORS*” SECTION CONTAINS DETAILS OF CERTAIN RISKS AND OTHER FACTORS THAT SHOULD BE GIVEN PARTICULAR CONSIDERATION BEFORE INVESTING IN THE NOTES AND/OR THE CERTIFICATES. PROSPECTIVE INVESTORS SHOULD BE AWARE OF THE ISSUES SUMMARISED WITHIN THAT SECTION.

THE NOTES AND THE CERTIFICATES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY OTHER U.S. REGULATORY AUTHORITY, NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF THIS OFFERING OR THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.

THE NOTES AND THE CERTIFICATES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT, OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. ACCORDINGLY, THE NOTES AND THE CERTIFICATES MAY NOT BE OFFERED, SOLD, PLEDGED, DELIVERED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATIONS UNDER THE SECURITIES ACT) UNLESS REGISTERED UNDER THE SECURITIES ACT, OR PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS. THE NOTES AND THE CERTIFICATES WILL ONLY BE OFFERED AND SOLD OUTSIDE THE UNITED STATES TO NON-U.S. PERSONS PURSUANT TO THE REQUIREMENTS OF REGULATIONS UNDER THE SECURITIES ACT.

Each initial and subsequent purchaser of Notes or Certificates will be deemed, by its acceptance of such Notes or Certificates to have made certain acknowledgements, representations and agreements intended to restrict the resale or other transfer thereof as set forth therein and described in this Prospectus and, in connection therewith, may be required to provide confirmation of its compliance with such resale or other transfer restrictions in certain cases.

The information contained in this Prospectus was obtained from the Issuer and other sources, but no assurance is or can be given by the Joint Arrangers, the Joint Lead Managers, the Note Trustee or the Security Trustee, the Agents, the Cash Administrator, the Swap Counterparty, the Swap Collateral Account Bank or anyone other than the Issuer as to the adequacy, accuracy or completeness of such information and this Prospectus does not constitute and shall not be construed as any representation or warranty by the Joint Arrangers, the Joint Lead Managers, the Note Trustee or the Security Trustee or anyone other than the Issuer as to the adequacy, accuracy or completeness of such information contained herein or in any document or agreement relating to the Notes or Certificates. None of the Joint Arrangers or the Joint Lead Managers shall be responsible for the execution, legality, effectiveness, adequacy, genuineness, enforceability or admissibility in evidence of any document or agreement relating to the Notes or Certificates. None of the Joint Arrangers, the Joint Lead Managers, the Note Trustee or the Security Trustee or anyone other than the Issuer has independently verified any of the information contained herein (financial, legal or otherwise) and in making an investment decision, investors must rely on their own examination of the terms of this Prospectus, including the merits and risks involved. Delivery of this Prospectus to any person other than the prospective investor and those persons, if any, retained to advise such prospective investor with respect to the possible offer and sale of the Notes or Certificates is unauthorised, and any disclosure of any of its contents for any purpose other than considering an investment in the Notes or Certificates is strictly prohibited. A prospective investor shall not be entitled to, and must not rely on, this Prospectus unless it was furnished to such prospective investor directly by the Issuer, the Joint Arrangers or the Joint Lead Managers.

The Issuer accepts responsibility for the information contained in this Prospectus. To the best of its knowledge, the information contained in this Prospectus is in accordance with the facts and the Prospectus does not omit anything likely to affect the import of such information.

The information contained in this Prospectus in the section headed “*Characteristics of the Provisional Completion Mortgage Pool*” has been extracted from information provided by the Mortgage Administrator. The Issuer accepts responsibility for the accuracy of such extracted information but accepts no further or other responsibility in respect of such information. So far as the Issuer is aware and/or able to ascertain from such information, no facts have been omitted which would render the information inaccurate or misleading. The Issuer has not been responsible for, nor has it undertaken, any investigation or verification of statements, including statements as to foreign law, contained in the information. The Issuer does not make any representation or warranty, expressed or implied, as to the accuracy or completeness of the information and prospective investors in the Notes and/or Certificates should not rely upon, and should make their own independent investigations and enquiries in respect of, the same.

Projections, forecasts and estimates

Any projections, forecasts and estimates provided to prospective investors of the Notes or Certificates are forward-looking statements. Projections are necessarily speculative in nature, and it can be expected that some or all of the assumptions underlying the projections will not materialise or will vary significantly from actual results.

Accordingly, the projections are only an estimate. Actual results may vary from the projections, and the variations may be material.

Some important factors that could cause actual results to differ materially from those in any forward-looking statements include changes in interest rates, market, financial or legal uncertainties, mismatches between the timing of accrual and receipt of interest and principal from the Loans, and the effectiveness of the Swap Agreement, among others.

None of the Issuer, the Seller, the Note Trustee, the Security Trustee, the Joint Arrangers, the Joint Lead Managers, the Account Bank, the Swap Collateral Account Bank, the Cash Administrator, the Mortgage Administrator, the Back-up Mortgage Administrator Facilitator, the Swap Counterparty, the Agents, the Corporate Services Provider or any of their respective affiliates has any obligation to update or otherwise revise any projections, including any revisions to reflect changes in economic conditions or other circumstances arising after the date hereof or to reflect the occurrence of unanticipated events, even if the underlying assumptions do not come to fruition.

Where third party information has been used in this Prospectus, the source of such information has been identified. In the case of the presented statistical information, similar statistics may be obtainable from other sources, although the underlying assumptions and methodology, and consequently the resulting data, may vary from source to source. Where information has been sourced from a third party, such publications generally state that the information they contain has been obtained from sources believed to be reliable but that the accuracy and completeness of such information is not guaranteed. As far as the Issuer is aware and able to ascertain from the information published by such third-party sources, this information has been accurately reproduced and no facts have been omitted that would render the reproduction of this information inaccurate or misleading.

None of the Issuer, the Seller, the Mortgage Administrator, the Back-up Mortgage Administrator Facilitator, the Joint Arrangers, the Joint Lead Managers, the Note Trustee, the Security Trustee, the Swap Counterparty, the Agents, the Account Bank, the Cash Administrator, the Swap Collateral Account Bank, the Corporate Services Provider or any other person makes any representation to any prospective investor or purchaser of the Notes and/or Certificates regarding the legality of investment therein by such prospective investor or purchaser under applicable legal investment or similar laws or regulations and prospective investors should consult their legal advisers to determine whether and to what extent the investment in the Notes and/or Certificates constitute a legal investment for them.

EACH PERSON RECEIVING THIS PROSPECTUS ACKNOWLEDGES THAT (i) SUCH PERSON HAS BEEN AFFORDED AN OPPORTUNITY TO REQUEST AND TO REVIEW, AND HAS RECEIVED, ALL ADDITIONAL INFORMATION CONSIDERED BY IT TO BE NECESSARY TO VERIFY THE ACCURACY OF OR TO SUPPLEMENT THE INFORMATION HEREIN, (ii) SUCH PERSON HAS NOT RELIED ON THE JOINT ARRANGERS, THE JOINT LEAD MANAGERS, OR ANY PERSON AFFILIATED WITH THE JOINT ARRANGERS OR THE JOINT LEAD MANAGERS IN CONNECTION WITH ITS INVESTIGATION OF THE ACCURACY OF SUCH INFORMATION OR ITS INVESTMENT DECISION, (iii) NO PERSON HAS BEEN AUTHORISED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION REGARDING THE NOTES OTHER THAN AS CONTAINED HEREIN, AND IF GIVEN OR MADE, ANY SUCH OTHER INFORMATION OR REPRESENTATION SHOULD NOT BE RELIED UPON AS HAVING BEEN AUTHORISED, AND (iv) NEITHER THE DELIVERY OF THIS PROSPECTUS NOR ANY SALE MADE HEREUNDER WILL CREATE ANY IMPLICATION THAT THE INFORMATION HEREIN IS CORRECT AS OF ANY TIME SINCE THE DATE HEREOF. EACH PROSPECTIVE INVESTOR SHOULD CONSULT ITS OWN BUSINESS, LEGAL AND TAX ADVISERS FOR INVESTMENT, LEGAL AND TAX ADVICE AND AS TO THE DESIRABILITY AND CONSEQUENCES OF AN INVESTMENT IN THE NOTES AND/OR CERTIFICATES.

This Prospectus comprises a prospectus for the purposes of the UK Prospectus Regulation and for the purpose of giving information with regard to the Issuer, the Notes, and the Certificates, which according to the particular nature of the Issuer, the Notes, and the Certificates, is necessary to enable prospective investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer.

EU PRIIPS Regulation / Prohibition of sales to EEA retail investors – Neither the Notes nor the Certificates are intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of EU MiFID II; or (ii) a customer within the meaning of Directive 2016/97 (as amended, the “**EU Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of EU MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the “**EU PRIIPs Regulation**”) for offering or selling the Notes or the Certificates or otherwise making them available to retail

investors in the EEA has been prepared and therefore offering or selling the Notes or the Certificates or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPS Regulation.

UK PRIIPS Regulation / Prohibition of sales to UK retail investors – Neither the Notes nor the Certificates are intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom. For these purposes, a retail investor means a person who is one (or more) of (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 in the United Kingdom by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the “**FSMA**”) and any rules or regulations made under the FSMA to implement the EU Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of UK MiFIR. Consequently no key information document required by the EU PRIIPS Regulation as it forms part of domestic law in the United Kingdom by virtue of the EUWA (the “**UK PRIIPS Regulation**”) for offering or selling the Notes or the Certificates or otherwise making them available to retail investors in the United Kingdom has been prepared and therefore offering or selling the Notes or the Certificates or otherwise making them available to any retail investor in the United Kingdom may be unlawful under the UK PRIIPS Regulation.

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

UK MiFIR product governance / Professional investors and ECPs only target market – In addition to what is indicated in the preceding paragraph, 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”, as defined in the FCA Handbook Conduct of Business Sourcebook (“**COBS**”), and “professional clients”, as defined in Article 2(1)(13A) of UK MiFIR; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any distributor should take into consideration the manufacturers’ target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers’ target market assessment) and determining appropriate distribution channels.

Each prospective investor in the Notes or the 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 Notes or Certificates, the merits and risks of investing in the Notes or 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 Certificates and the impact the Notes or 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 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 Notes or 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.

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

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 Notes or Certificates are legal investments for it, (b) the Notes or Certificates can be used as collateral for various types of borrowing and (c) other restrictions apply to its purchase or pledge of any Notes or Certificates. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

Amounts payable under the Notes will be calculated by reference to the Sterling Overnight Index Average (“SONIA”). As at the date of this Prospectus, the administrator of SONIA is not included on the register of administrators and benchmarks established and maintained by the FCA pursuant to Article 36 of the Benchmark Regulation (Regulation (EU) 2016/1011) as it forms part of domestic law by virtue of the EUWA (the “BMR”). The Bank of England, as administrator of SONIA is exempt under Article 2 of the BMR but has issued a statement of compliance with the principles for financial benchmarks issued in 2013 by the International Organisation of Securities Commissions.

This Prospectus does not constitute an offer of, or an invitation by or on behalf of the Issuer, the Joint Arrangers, or the Joint Lead Managers to subscribe for or purchase any of the Notes or the Certificates. The distribution of this Prospectus and the offering of the Notes and the Certificates in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer, the Joint Arrangers, and the Joint Lead Managers to inform themselves about and to observe any such restrictions.

For a description of further restrictions on offers and sales of the Notes and the Certificates and distribution of this Prospectus, see “*Purchase and Sale*” below.

No person is authorised to give any information or to make any representation not contained in this Prospectus and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of the Issuer, the Note Trustee, the Security Trustee, the Agents, the Cash Administrator, the Swap Counterparty, the Swap Collateral Account Bank, the Joint Arrangers or the Joint Lead Managers. Neither the delivery of this Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that the information contained in it or any other information supplied in connection with the Notes or Certificates is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

To the fullest extent permitted by law, none of the Joint Arrangers, the Joint Lead Managers, the Note Trustee, the Security Trustee, the Agents, the Cash Administrator, the Swap Counterparty, the Swap Collateral Account Bank or anyone other than the Issuer accepts any responsibility whatsoever for the contents of this Prospectus or any document or agreement relating to the Notes or any Transaction Document, or for any other statement, made or purported to be made by the Joint Arrangers, the Joint Lead Managers, the Note Trustee, the Security Trustee, the Agents, the Cash Administrator, the Swap Counterparty, the Swap Collateral Account Bank or any other person or on their behalf in connection with the Issuer, the Transaction Documents (including the effectiveness thereof) or the issue and offering of the Notes. Each of the Joint Arrangers, the Joint Lead Managers, the Note Trustee, the Security Trustee, the Agents, the Cash Administrator, the Swap Counterparty, the Swap Collateral Account Bank or anyone other than the Issuer accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Prospectus or any such statement, representation, warranty or covenant of the Issuer contained in the Notes or any Transaction Documents, or any other agreement or document relating to the Notes or any Transaction Document, or for the execution, legality, effectiveness, adequacy, genuineness, validity, enforceability or admissibility in evidence thereof.

None of the Joint Arrangers or the Joint Lead Managers has prepared any report or financial statement in respect of the transaction. None of the Joint Arrangers and Joint Lead Managers is responsible for any obligations of the Issuer under the UK Securitisation Regulation or the EU Securitisation Regulation.

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.

Payments of interest and principal in respect of the Notes and the Certificates will be subject to any applicable withholding taxes without the Issuer being obliged to pay additional amounts thereof. References in this Prospectus to “£”, “pounds” or “sterling” are to the lawful currency for the time being of the United Kingdom of Great Britain and Northern Ireland and references to “Euro”, “EUR” and “€” are to the lawful currency of the member

states (“**Member States**”) of the European Union (“**EU**”) that adopt the single currency in accordance with the Treaty on the Functioning of the European Union, as amended from time to time.

BGFL accepts responsibility for the information set out in the sections headed “*The Seller and the Mortgage Administrator*”, “*Constitution of the Mortgage Pool*”, “*Characteristics of the Provisional Completion Mortgage Pool*” and “*Title to the Mortgage Pool*”. To the best of the knowledge of BGFL (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.

U.S. Bank Trustees Limited, accepts responsibility for the information set out in the section headed “*The Note Trustee and the Security Trustee*”. To the best of the knowledge of U.S. Bank Trustees Limited (having taken all reasonable care to ensure that such is the case), the information contained in the relevant 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.

Banco Santander, S.A. accepts responsibility for the information set out in the section headed “*The Swap Counterparty*”. To the best of the knowledge of Banco Santander, S.A. (having taken all reasonable care to ensure that such is the case), the information contained in the relevant 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.

Elavon Financial Services DAC accepts responsibility for the information set out in the section headed “*The Agent Bank, the Principal Paying Agent and the Registrar*”. To the best of the knowledge of Elavon Financial Services DAC (having taken all reasonable care to ensure that such is the case), the information contained in the relevant 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.

Citibank, N.A., London Branch accepts responsibility for the information set out in the section headed “*The Account Bank and the Swap Collateral Account Bank*”. To the best of the knowledge of Citibank, N.A., London Branch (having taken all reasonable care to ensure that such is the case), the information contained in the relevant 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.

U.S. Bank Global Corporate Trust Limited accepts responsibility for the information set out in the section headed “*The Cash Administrator*”. To the best of the knowledge of U.S. Bank Global Corporate Trust Limited (having taken all reasonable care to ensure that such is the case), the information contained in the relevant 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.

Barclays Bank PLC accepts responsibility for the information set out in the section headed “*The Collection Account Provider*”. To the best of the knowledge of Barclays Bank PLC (having taken all reasonable care to ensure that such is the case), the information contained in the relevant 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.

CSC Capital Markets UK Limited accepts responsibility for the information set out in the section headed “*The Corporate Services Provider and the Back-up Mortgage Administrator Facilitator*”. To the best of the knowledge of CSC Capital Markets UK Limited (having taken all reasonable care to ensure that such is the case), the information contained in the relevant 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.

The information on the websites to which this Prospectus or any applicable supplement refers does not form part of this Prospectus or any applicable supplement and has not been scrutinised or approved by the FCA.

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RISK FACTORS

The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Notes and/or the Certificates.

Factors which the Issuer believes may be material for the purpose of assessing the market risks associated with the Notes are also described below.

The Issuer believes that the factors described below represent the principal risks inherent in investing in the Notes and Certificates, but the Issuer may be unable to pay interest, principal or other amounts on or in connection with the Notes and Certificates for other reasons, and the Issuer does not represent that the statements below regarding the risks of holding the Notes and/or Certificates are exhaustive.

Although the factors described below take into account the Issuer's assessment and views as to the likelihood of the relevant risks occurring, those factors are contingencies which may or may not occur and there is no assurance that the Issuer's assessment and views will reflect what happens and prospective investors should reach their own views prior to making any investment decision.

Prospective investors should also read the detailed information set out elsewhere in this Prospectus (including the detailed information set out in the section entitled "*Credit Structure*") and reach their own views prior to making any investment decision.

1. Risks related to the availability of funds to pay the Notes

1.1 The Issuer has a limited set of resources available to make payments on the Notes

The ability of the Issuer to meet its obligations to pay principal and interest on the Notes and its operating and administrative expenses will be dependent solely on receipts of principal, interest and fees from the Loans in the Mortgage Pool, payments due from the Swap Counterparty (if any), interest earned on the Bank Accounts, proceeds of any Authorised Investments and the availability of the General Reserve Fund and Liquidity Reserve Fund (subject to application in accordance with the relevant Priority of Payments). Other than the foregoing, the Issuer is not expected to have any other funds available to it to meet its obligations under the Notes and/or any other payment obligation ranking in priority to, or *pari passu* with, the Notes under the applicable Priority of Payments. If such funds are insufficient, any such insufficiency will be borne by the Noteholders and the other Secured Creditors, subject to the applicable Priority of Payments.

1.2 The Notes will be limited recourse obligations of the Issuer

The Notes and Certificates will be obligations solely of the Issuer and will not be guaranteed by, or be the responsibility of, any other entity. In particular, the Notes and Certificates will not be obligations of, and will not be guaranteed by, or be the responsibility of the Account Bank, the Swap Collateral Account Bank, the Collection Account Provider, the Joint Arrangers, the Cash Administrator, the Corporate Services Provider, the Note Trustee, the Security Trustee, the Swap Counterparty, the Mortgage Administrator, the Back-up Mortgage Administrator Facilitator, the Seller, the Agents, the Joint Arrangers, the Joint Lead Managers or anyone other than the Issuer.

The Notes and Certificates will be limited recourse obligations of the Issuer. If, and to the extent that, after the Charged Property has been realised and the proceeds thereof have been applied in accordance with the applicable Priority of Payments, the amounts recovered on realisation of the Charged Property are insufficient to pay or discharge amounts due from the Issuer to the Noteholders or Certificateholders in full for any reason, the Issuer will have no liability to pay or otherwise make good any such insufficiency or shortfall.

1.3 The timing and amount of payments on the loans could be affected by various factors which may adversely affect payments on the Notes

Factors in Borrowers' individual, personal or financial circumstances may affect the ability of Borrowers to repay the Loans. Please refer to section "*2.6 Non-standard Borrowers*" for further details. 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 (if, for example such payment is made after the end of the Determination Period immediately preceding the Interest Payment Date). This risk is addressed in respect of the Rated Principal Backed Notes by the provision of liquidity from alternative sources as described in the section entitled "*Credit Structure*". However, no assurance can be made as to the effectiveness of such liquidity features, or that such liquidity features will protect the holders of the Rated Principal Backed Notes from all risk of late payments.

In addition, interest in respect of the Loans is payable on various bases. As a result of the Loans having these different bases, the Issuer is subject to the risk of a mismatch between the interest rate received by the Issuer on the Loans, such potential mismatch being caused by the interest rates received by the Issuer on the Loans being

determined on different dates than that on which the interest rate payable on the Notes is determined (including, without limitation, the interest rates received by the Issuer on Loans being determined by reference to VVR or the Bank of England base rate and the interest rate payable on the Notes being determined by reference to Compounded Daily SONIA).

In addition, the Issuer is subject to the risk of the weighted average margin of interest received in respect of the Mortgage Pool being reduced due to Loans with higher interest margins being repaid more quickly than Loans with lower interest margins.

1.4 The Loans are subject to variable and fixed interest rates while the Issuer's liabilities under the Notes (save for the Z1 Notes and the Z2 Notes) are based on Compounded Daily SONIA

The Issuer is subject to the risk of the contractual interest rates on the Mortgages (including Mortgages with a fixed rate of interest and rates of interest linked to external benchmark rates) being lower than that required by the Issuer in order to meet its commitments under the Notes, the Certificates, and its other obligations. The Loans in the Mortgage Pool are subject to variable and fixed interest rates while the Issuer's liabilities under the Notes (save for the Z1 Notes and the Z2 Notes) are based on Compounded Daily SONIA. This risk is mitigated (but not obviated) by the fixed-floating Interest Rate Swap transactions that the Issuer will enter into with the Swap Counterparty under the Swap Agreement (see "*Credit Structure – The Swap Agreement*" below).

To hedge its interest rate exposure in respect of the Fixed Rate Mortgages in the Mortgage Pool and the amounts payable under the Notes, the Issuer will enter into the initial Interest Rate Swap with the Swap Counterparty on or around the Issue Date. As at the Issue Date, the Swap Notional Amount Schedule of the Interest Rate Swap will contemplate the hedging of the Fixed Rate Mortgages which are included in the Completion Mortgage Pool only. However, an additional Interest Rate Swap will be entered into in order to effect an Interest Rate Swap Adjustment on or before (a) each Additional Loans Purchase Date in respect of any Additional Loans which are Fixed Rate Mortgages; or (b) each Mortgage Pool Effective Date in respect of any Product Switch Loan which is a Fixed Rate Mortgage; or (c) each Mortgage Pool Effective Date in respect of any Further Advance Loan which is a Fixed Rate Mortgage, in each case in so far as necessary to comply with the Additional Loans Swap Condition, the Product Switch Swap Condition or the Further Advance Swap Condition (as applicable) (see "*Credit Structure – Interest rate risk for the Notes*" and "*Credit Structure – The Swap Agreement*" below).

The Fixed Rate Notional Amount of each Interest Rate Swap shall be determined by reference to an agreed Swap Notional Amount Schedule relating to that Interest Rate Swap (as specified in the Swap Agreement) calculated by reference to the projected amortisation profile of the relevant Fixed Rate Mortgages on the Issue Date or, in respect of each additional Interest Rate Swap entered into when an Interest Rate Swap Adjustment is made, the projected amortisation profile of the relevant Projected Fixed Rate Mortgage Principal Amount (taking into account the Swap Notional Amount Schedules in respect of each other Interest Rate Swap). As such, the aggregate Fixed Rate Mortgage balance of the Loans and the aggregate Fixed Rate Notional Amount under the Interest Rate Swap(s) may be different.

Furthermore, there is no assurance that the aggregate notional amounts under the Interest Rate Swap(s) (including following any Interest Rate Swap Adjustment) will match exactly the principal amount outstanding of the Fixed Rate Mortgages in the Mortgage Pool (See "*Credit Structure – The Swap Agreement*" below).

Where interest payable in respect of the Loans is set by reference to a variable rate (the "VVR"), the Mortgage Administration Agreement contains an obligation on the Mortgage Administrator to set such VVR at a rate which is not lower than Compounded Daily SONIA (as determined on the most recent Interest Determination Date) plus 1.50 per cent. (the "VVR Floor"), provided that the Mortgage Administrator shall only be under an obligation to apply the VVR Floor if it would not be reasonably likely to result in a breach of the applicable Loan Conditions or to be contrary to applicable laws, and applying such VVR Floor may be undertaken in accordance with the standards of a Prudent Mortgage Lender.

The Issuer has not entered into any interest rate swap or other hedging transaction in relation to Loans other than with respect to the Fixed Rate Mortgages, and as a result there is no hedge in respect of the risk of any variances in the floating rate of interest charged on Variable Rate Mortgages in the Mortgage Pool and interest set by reference to SONIA on the Notes, which in turn may result in insufficient funds being made available to the Issuer for the Issuer to meet its obligations. As such, the Issuer is subject to the risk of a mismatch between the rate of interest payable in respect of such Variable Rate Mortgages and the rate of interest payable in respect of the Notes.

Fluctuations in the value or the method of calculation of SONIA could potentially result in (a) the contractual interest rates on the Loans being lower than that required by the Issuer in order to meet its commitments under the Notes and its other obligations and (b) the risk that any cash held by or on behalf of the Issuer may earn a rate of return below the rate of interest payable on the Notes or a negative rate of interest.

1.5 Yield to maturity may be affected by the rate of repayment on the Loans, repurchase of the Loans or the Mortgage Pool Option Holder's ability to redeem the Notes on the Call Option Date

The yield to maturity of the Notes of each Class will depend on the price paid by the holders of the Notes and, among other things, the amount and timing of payment of principal in respect of the Loans in the Mortgage Pool (including prepayments and sale proceeds arising on enforcement of a Mortgage, whether or not any Additional Loans are acquired by the Issuer, the quantity of the Additional Loans acquired, the quantity of Further Advances acquired by the Issuer, the quantity of Product Switch Loans entered into in respect of the Loans and the timing of their acquisition and repurchase by the Seller or any affiliate thereof due to, for example, breach of representations and warranties).

- (a) *Rate of prepayment of Loans* - The rate of prepayment of Loans cannot be predicted and is influenced by a wide variety of economic, social and other factors, including prevailing mortgage market interest rates, the availability of alternative financing programmes, local and regional economic conditions and homeowner mobility. The Loans may be prepaid in full or in part at any time. Prepayments may result in connection with refinancings of Loans, sales of Properties by Borrowers voluntarily or as a result of enforcement proceedings under the relevant Mortgage, as well as the receipt of proceeds from building insurance and life insurance policies.

No assurance can be given as to the level of prepayment that the Mortgage Pool will experience and the yield to maturity of the Notes of each Class may be adversely affected by a higher or lower than anticipated rate of prepayments on the Loans. See "*Weighted Average Lives of the Notes*" below.

- (b) *Required repurchases of Loans* - The yield to maturity of the Notes of each Class may also be affected if the Seller or one of its affiliates is required to repurchase Loans from the Mortgage Pool (see "*Sale of the Mortgage Pool – Warranties and Repurchase*"). Additional Loans which do not comply or which cause non-compliance with the Additional Loan Criteria on an Additional Loans Purchase Date shall not be added to the Mortgage Pool. If a Product Switch Loan or Further Advance is to be made and the Product Switch Criteria or, as applicable, Further Advance Criteria are not satisfied, that Product Switch Loan or the relevant Further Advance Loan and the related Mortgage Rights will be required to be repurchased by the Seller or one of its affiliates under the Mortgage Sale Agreement on or prior to the applicable Mortgage Pool Effective Date (see "*Sale of the Mortgage Pool – Product Switch Loans and Further Advances*" below).
- (c) *Unapplied Pre-Funding Unused Amount* - The yield to maturity of the Notes of each Class will also depend on the extent to which the Pre-Funding Unused Amount is applied in accordance with item (i) of the Pre-Enforcement Principal Priority of Payments as *pro-rata* repayment of the Notes on the First Interest Payment Date.
- (d) *Product Switch Loans* - Borrowers may seek to refinance any Loan at or after the end of the relevant product period. The Seller by agreeing a Product Switch Loan with a Borrower may cause an extension of the fixed or discounted rate period. A Product Switch Loan is permitted to be made and the Seller will not be required to repurchase that Product Switch Loan provided that the Product Switch Criteria are satisfied on the applicable Mortgage Pool Effective Date (see "*Sale of the Mortgage Pool – Product Switch Loans and Further Advances*" below). Such Product Switch Loans may therefore cause the levels of prepayments to be higher or lower than anticipated and the yield to maturity of the Notes may be accordingly affected.

Product Switch Loans may (where the Seller has elected to repurchase), and in certain cases must, be repurchased by the Seller from the Issuer. Product Switch Loans in the Mortgage Pool will be required to be repurchased by the Seller on or prior to the applicable Mortgage Pool Effective Date if the Product Switch Loan does not comply with the applicable Product Switch Criteria as described in "*Sale of the Mortgage Pool – Product Switch Loans and Further Advances*" below. A repurchase of Product Switch Loans may therefore cause the levels of prepayments to be higher or lower than anticipated and the yield to maturity of the Notes may be accordingly affected.

- (e) *Further Advances* - Borrowers may apply for Further Advances at any time. A Further Advance is permitted to be acquired by the Issuer and the Seller will not be required to repurchase the relevant Further Advance Loan provided that the Further Advance Criteria are satisfied on the applicable Mortgage Pool Effective Date (see "*Sale of the Mortgage Pool – Product Switch Loans and Further Advances*" below). Such Further Advances may therefore cause the levels of prepayments to be higher or lower than anticipated and the yield to maturity of the Notes may be accordingly affected.

Loans subject to Further Advances may (where the Seller has elected to repurchase), and in certain cases must, be repurchased by the Seller from the Issuer. Loans in the Mortgage Pool subject to Further Advances will be required to be repurchased by the Seller on or prior to the applicable Mortgage Pool Effective Date if

on that Mortgage Pool Effective Date the relevant Further Advance and related Further Advance Loan does not comply with the applicable Further Advance Criteria as described in “*Sale of the Mortgage Pool – Product Switch Loans and Further Advances*” below. Repurchase of Loans subject to Further Advances may therefore cause the levels of prepayments to be higher or lower than anticipated and the yield to maturity of the Notes may be accordingly affected.

- (f) *Exercise of the Mortgage Pool Option* - Pursuant to the Deed Poll, the Mortgage Pool Option Holder has the option to purchase (or nominate a third-party purchaser to purchase) the Mortgage Pool and its related Mortgage Rights on any Call Option Date (being an Interest Payment Date falling in or after August 2025) for a purchase price which, after taking into account the application any amounts standing to the credit of the Transaction Account (including the General Reserve Fund and Liquidity Reserve Fund (if applicable)) and/or any other cash held by or on behalf of the Issuer (other than any Swap Excluded Receivable Amounts and any Issuer Profit Amount), equals the amount which would be required to pay any amounts required under the Pre-Enforcement Priority of Payments to be paid in priority to or *pari passu* with the Notes on such Interest Payment Date, to redeem all Notes then outstanding in full together with accrued and unpaid interest on such Notes and pay costs associated with the redemption.

The exercise of the Mortgage Pool Option by the Mortgage Pool Option Holder may also affect the yield to maturity of the Notes of each Class.

1.6 *The COVID-19 pandemic may have negative effects on the portfolio; COVID-19 payment deferrals*

As at the date of this Prospectus, the world is 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”.

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 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 Loans and, in the case of Buy-to-Let Loans, on the ability of Borrowers’ tenants to make payments of rent to such Borrowers when due.

As a result of such factors, a mortgage lender may offer, or be required through law, regulation, or regulatory 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 and the suspension of certain rights to enforce) to support borrowers who are facing financial difficulty or may potentially face financial difficulties.

The section entitled “*Further Information Relating to Regulation of Mortgages in the UK – Mortgages and coronavirus: FCA guidance for firms*” provides details of the FCA Payment Deferral Guidance and the FCA Tailored Support Guidance issued by the FCA to, among others, mortgage lenders and administrators in connection with the ongoing outbreak of COVID-19 in the UK, which applies to the Loans and the Mortgage Rights.

A Borrower was entitled to request from the Seller or the Mortgage Administrator (on behalf of the Seller) a “payment deferral” as a result of the direct or indirect impact of the COVID-19 pandemic (as at the date of this Prospectus, limited up to a six month period, with such deferrals available in certain circumstances for payments up to 31 July 2021) (a “**COVID-19 Payment Deferral**”). See further the FCA Payment Deferral Guidance and the Tailored Support Guidance described in the section entitled “*Further Information Relating to Regulation of Mortgages in the UK – Mortgages and coronavirus: FCA guidance for firms*” and the payment deferral measures outlined therein.

Any Loan which is subject to a COVID-19 Payment Deferral (any such Loan, a “**COVID-19 Payment Deferral Loan**”) following a successful application by the relevant Borrower will remain in the Portfolio and will not be required to be repurchased from the Issuer by the Seller solely on account of such payment deferral being granted. COVID-19 Payment Deferral Loans will not be classified as being “in arrears” unless arrears have accumulated outside of the COVID-19 Payment Deferral. Whether or not a COVID-19 Payment Deferral was granted was subject to the prevailing policies and procedures of the Seller or Mortgage Administrator at the relevant time. Further, the FCA in the FCA Payment Deferral Guidance and the FCA Tailored Support Guidance requires the

Servicer to act in a manner consistent with the FCA Payment Deferral Guidance and the FCA Tailored Support Guidance. In accordance with the FCA Payment Deferral Guidance and the FCA Tailored Support Guidance, any COVID-19 Payment Deferral Loan will not, as a result of the COVID-19 Payment Deferral, be considered in arrears (or further in arrears) or be subject to a debt restructuring process. See further section entitled “*Further Information Relating to Regulation of Mortgages in the UK – Mortgages and coronavirus: FCA guidance for firms*”.

In addition, the FCA Tailored Support Guidance provides in respect of deferral shortfalls (being amounts added to the shortfall because of any COVID-19 Payment Deferral) 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. It also provides that, if firms commence or re-commence and continue repossession proceedings and enforcement, firms nevertheless need to comply with applicable rules and pre-action protocols and should be mindful of the need for fair and appropriate treatment of customers who may be particularly vulnerable, including as a result of circumstances related to coronavirus, and firms should consider carefully the potential impacts on customers of ongoing repossession proceedings when considering whether it is appropriate to commence or pursue repossession proceedings in a particular case at a time when a warrant for possession will not be sought. 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. See further section entitled “*Further Information Relating to Regulation of Mortgages in the UK – Mortgage repossession*” below.

The FCA makes clear in the FCA Payment Deferral Guidance and the FCA Tailored Support Guidance that it expects lenders of both owner-occupied and buy-to-let mortgage loans to act in a manner consistent with that guidance.

As of the Provisional Pool Reference Date, approximately 1.24 per cent. of the Provisional Completion Mortgage Pool (based on the aggregate Current Balance of the Loans as at the Provisional Pool Reference Date) are COVID-19 Payment Deferral Loans. From 31 March 2021, in line with FCA Payment Deferral Guidance, no new COVID-19 Payment Deferral applications were accepted and all existing COVID-19 Payment Deferrals must end by 31 July 2021.

There can be no assurance that the FCA, or other UK government or regulatory bodies, will not take further steps in response to the coronavirus/COVID-19 outbreak in the UK (including, among other things, amending and/or supplementing the FCA Payment Deferral Guidance and the FCA Tailored Support Guidance) which may impact the performance of the Loans, including further amending and extending the scope of the FCA Payment Deferral Guidance and the FCA Tailored Support Guidance.

If the timing of the payments, as well as the quantum of such payments, in respect of the Loans is adversely affected by any of the risks described in this section, then payments on the Notes or Certificates could be reduced and/or delayed and could ultimately result in losses on the Notes or Certificates. Given the unpredictable effect such factors may have on the local, national or global economy, no assurance can be given as to the impact of any of the matters described in this section and, in particular, no assurance can be given that such matters would not adversely affect the ability of the Issuer to satisfy its obligations under the Notes or Certificates.

1.7 Revenue and Principal Deficiency

If, on any Interest Payment Date, following application of the Available Revenue Funds, the General Reserve Fund and the Liquidity Reserve Fund, there is a Further Revenue Shortfall, Available Principal Funds will be applied as Available Revenue Funds to the extent of the shortfall. In this event, the consequences set out in this section may result.

Any Losses and the application of any Principal Addition Amounts applied to meet Further Revenue Shortfall will be recorded as a debit, (a) *first*, to the Z1 Principal Deficiency Sub-Ledger up to the Principal Amount Outstanding of the Z1 Notes, (b) *second*, to the D Principal Deficiency Sub-Ledger up to the Principal Amount Outstanding of the D Notes, (c) *third*, to the C Principal Deficiency Sub-Ledger up to the Principal Amount Outstanding of the C Notes, (d) *fourth*, to the B Principal Deficiency Sub-Ledger up to the Principal Amount Outstanding of the B Notes and (e) *fifth*, to the A Principal Deficiency Sub-Ledger.

It is expected that during the course of the life of the Notes, any principal deficiencies will be recouped from Available Revenue Funds. Available Revenue Funds will be applied, after meeting prior ranking obligations as set out under the Pre-Enforcement Revenue Priority of Payments, as a credit to the respective Principal Deficiency Ledgers.

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

- (a) the interest and other net income of the Issuer may not be sufficient to pay, in full or at all, interest due on the Notes, after making the payments to be made in priority thereto; and
- (b) there may be insufficient funds to redeem the Notes on or prior to the Final Maturity Date unless the other net income of the Issuer is sufficient, after making other payments to be made in priority thereto, to reduce to nil the balance on the Principal Deficiency Ledgers.

2. Risks relating to the underlying assets

2.1 *Decline in house prices may adversely affect the performance and market value of the Notes*

An investment in securities such as the Notes and Certificates that generally represent a secured debt obligation (the security being in respect of Loans beneficially owned by the Issuer) may be affected by, among other things, a decline in real estate values and changes in the Borrowers' financial condition. All of the Properties are located in England, Wales or Scotland. See the table entitled "*Table 28: Distribution of Loans by Region*" under "*Characteristics of the Provisional Completion Mortgage Pool*". Certain areas of the United Kingdom may from time-to-time experience declines in real estate values such as has been seen in recent times. No assurance can be given that values of the Properties have remained or will remain at their levels on the dates of origination of the related Loans. If the residential real estate market in the United Kingdom (whether generally or in one or more particular regions) should experience an overall decline in property values such that the values of the Properties may have reduced during the period starting from the origination of the related Loans until the end of the maturity of the Notes, and the outstanding balances of the Loans become equal to or greater than the value of the Properties, such a decline could in certain circumstances result in the value of the interest in the Properties created by the Mortgages being significantly reduced. To that extent, holders of interests in the Notes will bear all risk of loss resulting from default by Borrowers and will have to look primarily to the value of the Properties for recovery of the outstanding principal and unpaid interest on the delinquent Loans.

2.2 *Geographic concentration risks*

To the extent that specific geographic regions have experienced or may experience in the future weaker regional economic conditions and housing markets than other regions, a concentration of the Loans in such a region and pertaining to certain property types may be expected to exacerbate all of the risks relating to the Loans described in this section. Certain property types in geographic regions within United Kingdom rely on different types of industries. Any downturn in a local economy or particular industry may adversely affect the regional employment levels and consequently the repayment ability of Borrowers of Loans pertaining to certain property types in that region or in the region that relies most heavily on that industry. Any natural disasters in a particular region may reduce the value of affected Properties. This may result in a loss being incurred upon the sale of such Properties. The Issuer cannot predict when and/or where such regional economic declines or natural disasters may occur, nor to what extent or for how long such conditions may continue, but if the timing and payment of the Loans are adversely affected as described above, the ability of the Issuer to make payments due under the Notes or Certificates could be reduced or delayed.

In addition, any widespread health crises or the fear of such crises (such as coronavirus/COVID-19, measles, SARS, Ebola, H1N1, Zika, avian influenza, swine flu, or other epidemic 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 Loans. In addition, governmental action or inaction in respect of, or responses to, any widespread health 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. This may result in a loss being incurred upon sale of the Property and/or otherwise affect receipts on the Loans.

If the timing of the payments, as well as the quantum of such payments, in respect of the Loans is adversely affected by any of the risks described in this paragraph, then payments on the Notes or Certificates could be reduced and/or delayed and could ultimately result in losses on the Notes or Certificates. Given the unpredictable effect such factors may have on the local, national or global economy, no assurance can be given as to the impact of any of the matters described in this paragraph and, in particular, no assurance can be given that such matters would not adversely affect the ability of the Issuer to satisfy its obligations under the Notes or Certificates.

2.3 *Additional Loans*

Additional Loans may be sold to the Issuer on any Business Day falling in the Pre-Funding Availability Period.

Any Additional Loan is required as at the date of its acquisition by the Issuer to comply with the representations and warranties specified in the Mortgage Sale Agreement.

There can be no certainty that, following the acquisition of any Additional Loans by the Issuer on each Additional Loans Purchase Date, the Mortgage Pool will have similar proportions or similar concentration characteristics as set out in the tables in the section entitled “*Characteristics of the Provisional Completion Mortgage Pool*” below in relation to the Loans constituting the Provisional Completion Mortgage Pool (although certain mitigants in this regard are contained in the criteria relating to the sale of the Additional Loans, as more fully set out in “*Sale of the Mortgage Pool*” below). The ratings assigned to the Rated Notes by each Rating Agency have been provided on the basis that some or all of the funds standing to the credit of the Pre-Funding Principal Reserve Ledger and the Pre-Funding Class X Reserve Ledger may be utilised to purchase Additional Loans similar to those included in the Provisional Completion Mortgage Pool on or after the Issue Date. If on the First Interest Payment Date the aggregate amounts applied by the Issuer to purchase Additional Loans during the Pre-Funding Availability Period is less than the amount of the Pre-Funding Principal Reserve on the Issue Date, the amount remaining standing to the credit of the Pre-Funding Principal Reserve Ledger and the Pre-Funding Class X Reserve Ledger will be applied as Available Principal Funds pursuant to the Pre-Enforcement Principal Priority of Payments on the First Interest Payment Date.

There is no guarantee that the Seller will be in possession of eligible loans or will be in a position to sell any such additional loans to the Issuer. Further, the Seller is under no obligation to sell any additional loans to the Issuer as Additional Loans, and the date of such sale may be any time during the period from the Issue Date up to and including the First Interest Payment Date. The quantity of loans sold (if any) and the timing of the sale would affect the amount of Revenue Collections and/or Principal Collections received by the Issuer in respect of any such additional loans which in turn may affect the yield to maturity and weighted average lives of the Notes and Certificates (as more fully set out in the “*1.5 Yield to maturity may be affected by the rate of repayment on the Loans, repurchase of the Loans or the Mortgage Pool Option Holder’s ability to redeem the Notes on the Call Option Date*” risk factor above and “*Weighted Average Lives of the Notes*” below).

See “*Sale of the Mortgage Pool*” for conditions applicable to the acquisition of Additional Loans by the Issuer.

2.4 *Searches, investigations and Warranties in relation to the Loans*

Neither the Issuer, the Note Trustee nor the Security Trustee has undertaken or will undertake any investigations, searches or other actions in respect of the Loans and their related Mortgages, and each will rely instead on the Warranties. The sole remedy (save as described below) of the Issuer, the Security Trustee and the Note Trustee in respect of a breach of Warranty which could have a Material Adverse Effect on the value of the relevant Loan and related Mortgage and which, if capable of remedy, is not so remedied by the Seller within 30 days of notification of such breach to the Seller, shall be the requirement that the Seller repurchase, or procure the repurchase by an affiliate, on a joint and several basis, of any Loan which is the subject of any breach in return for a cash payment equal to the Repurchase Price, *provided that* this shall not limit any other remedies available to the Issuer, the Note Trustee and/or the Security Trustee if the Seller or an affiliate thereof fails to repurchase a Loan or make a payment when obliged to do so. However, there can be no assurance that the Seller (or an affiliate thereof) will have the financial resources to honour such obligations under the Mortgage Sale Agreement. This may affect the quality of the Loans and their related Mortgage Rights in the Mortgage Pool and accordingly the ability of the Issuer to make payments due on the Notes and/or Certificates.

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

The sale by the Seller to the Issuer of the English Loans and their related Mortgage Rights (until legal title is conveyed) takes effect in equity only. The sale by the Seller to the Issuer of the Scottish Loans and their related Mortgage Rights is given effect to by the Seller declaring trusts in respect of the Scottish Loans and their related Mortgage Rights in favour of the Issuer. By virtue of each Scottish Declaration of Trust by the Seller (an initial Scottish Declaration of Trust to be entered into on the Issue Date and, in respect of any Additional Loans which are Scottish Loans, a further Scottish Declaration of Trust to be entered into on each relevant Additional Loans Purchase Date), the beneficial interest in the relevant Scottish Loans and their related Mortgage Rights is held on trust by the Seller for the benefit of the Issuer. The holding of a beneficial interest under each 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 Loans and their related Mortgage Rights in the Mortgage Pool will remain with BGFL until the occurrence of a Perfection Event. The legal title to the Loans will be transferred to the Issuer or a nominee of the Issuer as soon as reasonably practicable following the occurrence of a Perfection Event.

The Issuer has not applied, and prior to the occurrence of a Perfection Event will not apply, to the Land Registry to register or record its equitable interest in the English Loans, and cannot in any event apply to the Registers of Scotland to register or record its beneficial interest in Scottish Loans pursuant to any Scottish Declaration of Trust.

Following a Perfection Event, (a) notice of the transfer of legal title to the English Loans and their related Mortgage Rights to the Issuer or a nominee of the Issuer will be given to the Borrowers, and (b) notice of the assignation of the Scottish Loans and their related Mortgage Rights to the Issuer or a nominee of the Issuer will be given to the Borrowers. Until the time such notice is given to the relevant Borrowers, equitable or independent set-off rights may accrue in favour of any Borrower against his or her obligation to make payments to BGFL under the relevant Loan. Loans and their related Mortgage Rights will continue to be subject to any prior rights any applicable Borrower may become entitled to after the transfer. However, following notice of the assignment or assignation to the Issuer or its nominee being given to the Borrowers, some rights of set-off (being those rights that are not connected with or related to the relevant 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.

As a consequence of the Issuer not obtaining legal title to the Loans and their related Mortgage Rights or the Properties secured thereby, a *bona fide* purchaser for value of any of such Loans and their related Mortgage Rights 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 Loan and its related Mortgage Rights, and it would not be entitled to payments by a Borrower in respect of that Loan.

The transfer of legal title to the Loans following the occurrence of a Perfection Event could result in the Mortgage Administrator’s fees being subject to VAT. This could adversely affect the ability of the Issuer to make payments in full on the Notes.

The Issuer would not be able to enforce any Borrower’s obligations under a Loan or its related Mortgage Rights itself but to the extent that the Mortgage Administrator failed to take any or appropriate enforcement action against the relevant Borrower, the Issuer or the Security Trustee would be able to take action (under the power of attorney to be entered into pursuant to the Mortgage Sale Agreement) or would have to join BGFL as a party to any legal proceedings. Borrowers will also have the right to redeem their Loan by repaying the relevant Loan directly to BGFL. However, the Seller and the Mortgage Administrator undertakes, pursuant to the Mortgage Administration Agreement or the Mortgage Sale Agreement, to hold any money repaid to it in respect of the relevant Loan on trust for the Issuer.

As described above, the sale by the Seller to the Issuer of the English Loans and their related Mortgage Rights will be given effect by an equitable assignment and the sale by the Seller to the Issuer of the Scottish Loans and their related Mortgage Rights will be given effect by way of each Scottish Declaration of Trust. As a result, legal title to the Loans and their related Mortgage Rights will remain with the Seller until the occurrence of certain trigger events under the terms of the Mortgage Sale Agreement (see “*Triggers tables – Non-Rating Triggers Table – Perfection Events*”) or until the Seller exercises its discretion to transfer legal title in the Loans to an authorised third party or a substitute entity, subject to receipt of a Rating Agency Confirmation. Therefore, the rights of the Issuer may be subject to “**transaction set-off**”, being the direct rights of the Borrowers against the Seller.

By way of example, the relevant Borrower may set-off any claim for damages arising from the Seller’s breach of contract against the Seller’s (and, as equitable assignee of or holder of the beneficial interest in the Loans and the Mortgages in the Mortgage Pool, the Issuer’s) claim for payment of principal and/or interest under the relevant Loan as and when it becomes due. These set-off claims will constitute transaction set-off, as described in the immediately preceding paragraph.

The amount of any such claim against the Seller will, in many cases, be the cost to the Borrower of finding an alternative source of funds. The Borrower may obtain a mortgage loan elsewhere, in which case the damages awarded could be equal to any difference in the borrowing costs together with any direct losses arising from the Seller’s breach of contract, namely the associated costs of obtaining alternative funds (for example, legal fees and survey fees).

If the Borrower is unable to obtain an alternative mortgage loan, he or she may have a claim in respect of other indirect losses arising from the Seller’s breach of contract where there are special circumstances communicated by the Borrower to the Seller at the time the Borrower entered into the Loan or which otherwise were reasonably foreseeable. A Borrower may also attempt to set-off an amount greater than the amount of his or her damages claim against his or her mortgage payments. In that case, the Seller will be entitled to take enforcement proceedings against the Borrower, although the period of non-payment by the Borrower is likely to continue until a judgment is obtained.

If any of the risks described above were to occur, then the realisable value of the Mortgage Pool or any part thereof and/or the ability of the Issuer to make payments under the Notes and Certificates may be affected. If the Seller were to become a deposit-taking institution that provides savings accounts to customers of third-party institutions or advisers, the set-off risk analysis would be different.

2.6 *Non-standard Borrowers*

Some of the borrowers do not satisfy the lending criteria of traditional sources of residential mortgage capital. Borrowers may default on their obligations due under Loans for a variety of financial and personal reasons, including loss or reduction of earnings (and self-employed Borrowers may have more volatile earnings), illness (including any illness arising in connection with an epidemic or a pandemic), divorce and other similar factors which may, individually or in combination, lead to an increase in delinquencies by and bankruptcies of Borrowers. Certain national and international macroeconomic factors may also contribute to or hinder the economic health of a Borrower and thus the economic performance of the Loans.

Investors should note in particular in this regard, the description in the section entitled “*1.6 The COVID-19 pandemic may have negative effects on the portfolio; COVID-19 payment deferrals*” above of the FCA COVID-19 guidance, in response to the on-going outbreak of coronavirus/COVID-19 in the UK, and the payment deferral and repossession forbearance measures outlined therein.

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 (if, for example such payment is made after the end of the Determination Period immediately preceding the Interest Payment Date) or enforcement action having to be taken against Borrowers who default on their obligations under their Loans and Mortgages and the rate of delinquencies and/or defaults may be higher in respect of Borrowers who generally do not satisfy the lending criteria of traditional sources of residential mortgage capital. Such delinquencies and/or defaults may result in the Issuer having insufficient funds to make payments due on the Notes and in turn this could result in payments due to Noteholders not being made on time and/or a shortfall in such payments, resulting in loss to the Noteholders.

2.7 *Interest Only Loans*

Approximately 68.47 per cent. of the aggregate number of Loans (representing 78.36 per cent. of the aggregate Current Balance of the Loans) in the Provisional Completion Mortgage Pool constitute Interest Only Loans. Interest Only Loans are originated with a requirement that the Borrower pay scheduled interest payments only. There is no scheduled amortisation of principal. Consequently, upon the maturity of an Interest Only Loan, the Borrower will be required to make a “bullet” repayment that will represent the entirety of the principal amount outstanding thereof. Approximately, 0.25 per cent. of the aggregate number of Loans (representing 0.29 per cent. of the aggregate Current Balance of the Loans) in the Provisional Completion Mortgage Pool constitute Part and Part Loans.

It is required that Borrowers of Owner Occupied Loans ensure that some repayment mechanism is put in place, such as an investment policy, 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 will not have the benefit of any investment policies taken out by Borrowers. The ability of such a Borrower to repay an Interest Only Loan at maturity may often depend on such Borrower’s ability to refinance the Property or obtain funds from another source such as pension policies, personal equity plans or endowment policies. 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 financial condition of the Borrower and general economic conditions at the time. If a Borrower cannot repay an Interest Only Loan, a loss may occur and this may affect payments on the Notes and/or Certificates.

As a result of recent UK government attention, Borrowers of Owner Occupied Loans with interest-only loans which are mortgages have been encouraged to switch to a repayment loan, whereby the principal of the loan is repaid over its term.

It is general practice for Borrowers of Buy-to-Let Loans to finance their borrowings on an interest-only basis and rely on their ability to refinance the Buy-to-Let Loan elsewhere at the end of a term or otherwise sell the Property to repay the related Buy-to-Let Loan.

Should a Borrower elect, subject to the consent of the Seller and the Mortgage Administrator, to amend the terms of its Loan from an Interest Only Loan to a Repayment Loan, the relevant Loan would remain with the Issuer as part of the Mortgage Pool, resulting in the Issuer and Noteholders receiving principal payments on the relevant Loan and the relevant Notes respectively, earlier than would otherwise be the case.

2.8 *Buy-to-Let Loans*

Approximately 70.33 per cent. of the aggregate number of the Loans (representing 78.15 per cent. of the aggregate Current Balance of the Loans) in the Provisional Completion Mortgage Pool are Buy-to-Let Loans secured by non-owner occupied freehold, heritable or leasehold properties charged as security for the repayment of a Loan (each a “**Property**”). Although it is intended that the Properties will be let by the relevant Borrower to tenants, there can be no guarantee that each such Property will be the subject of an existing tenancy when the relevant Mortgage is acquired by the Issuer or that any tenancy which is granted will subsist throughout the life of the Mortgage and/or that the rental income achievable from tenancies of the relevant Property will be sufficient to provide the Borrower with sufficient income to meet the Borrower’s interest obligations in respect of the Mortgage.

As such, the security for the Notes will also from time to time be affected by the condition of the private residential rental market in England, Wales and Scotland and, in particular, the condition of the private rental market within the various regional areas in England, Wales and Scotland where the relevant Properties are located. The condition of the rental market will influence both the ability of Borrowers to find tenants and the amount of rental income which may be achieved by the relevant Borrower in any letting.

Upon enforcement of a Mortgage in respect of a Property which is the subject of an existing tenancy, the Mortgage Administrator (or its replacement or delegate, as applicable) may not be able to obtain vacant possession of the Property, in which case the Mortgage Administrator (or its replacement or delegate, as applicable) will only be able to sell the Property as an investment property with one or more sitting tenants. This may affect the amount which such administrator could realise upon enforcement of the Mortgage and a sale of the Property. However, in England and Wales, Enforcement Procedures in relation to such Mortgages allow for the appointment of a receiver of rent, in which case such a receiver must collect any rents payable in respect of the Property and apply them accordingly in payment of any interest and arrears accruing under the Mortgage.

The Coronavirus Act 2020 put measures in place in England for the period from 26 March 2020 until 30 September 2020 that stated that where landlords do need to issue notices seeking possession, the notice period must be for three months. On 29 August 2020, this period was then extended until 31 March 2021. Further, for the period from 29 August 2020 to 31 March 2021 the notice period had to be for six months. 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 and The Coronavirus Act 2020 (Residential Tenancies: Protection from Eviction) (Amendment) (England) (No. 2) Regulations 2021 came into force on 31 May 2021 and further extended this period to 30 September 2021.

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 6 month notice period will apply to notices issued on or after 24 July 2020 under section 8 of the Housing Act 1988 (HA 1988), except those that specify grounds 7A or 14 (relating to anti-social behaviour). A 3 month notice period will continue to apply to notices that specify grounds 7A or 14. A 6 month notice period will apply to notices issued on or after 24 July 2020 under section 21 of the HA 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 currently ends on 31 September 2021. The relevant period may be extended by the Welsh Ministers beyond 31 September 2021 using the power set out in paragraph 1(2) of Schedule 29.

The Coronavirus (Scotland) Act 2020 amended the Private Housing (Tenancies) (Scotland) Act 2016 such that various mandatory grounds for eviction, including the landlord’s intention to sell the property, are now discretionary, to allow the First Tier Tribunal flexibility in dealing with eviction cases during the pandemic. The minimum notice period remains 28 days where the tenant no longer occupies the property, but otherwise the notice period has been extended from 84 days to three or six months, depending on the grounds for eviction. In addition, in assessing whether it is reasonable to make an eviction order on the grounds of rent arrears during the period when that Act is in force, the First Tier Tribunal must consider the extent to which the landlord has complied with pre-action requirements before applying for the eviction order. The Coronavirus (Extension and Expiry) (Scotland) Act 2021 has extended the application of these provisions to 31 March 2022. There are similar provisions for assured and other tenancies. Delays to landlords seeking possession of a Property may result in less rental income being available to meet the Borrower’s repayment obligations in respect of the Loans.

The UK Government has 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 tax. Such restriction was introduced on a phased transitional basis and has applied with full effect from 6 April 2020.

From 1 April 2016, a higher rate of stamp duty land tax (“**SDLT**”) (and, from 1 April 2018, Welsh Land Transaction Tax (“**WLT**”)) has applied to the purchase of additional residential properties (such as buy-to-let properties). The Scottish government has implemented a similar additional dwelling supplement in respect of

purchases of residential properties with a total purchase price of £40,000 or more (the “**Additional Dwelling Supplement**”) with effect from 1 April 2016 in respect of land and buildings transaction tax (“**LBTT**”) (broadly speaking, the equivalent in Scotland to SDLT). For properties located in England and Wales, the current additional rate is 3 per cent. above the current SDLT and WLTT rates. For Scottish Properties, in addition to the current LBTT rates, the Additional Dwelling Supplement currently imposes a further 4 per cent. of the full chargeable consideration of the property.

On 11 March 2020, the government announced that it would introduce a 2 per cent. SDLT surcharge on non-UK residents purchasing residential property in England and Northern Ireland with effect from 1 April 2021. This will apply in addition to the 3 per cent. additional rate that applies to the purchase of additional residential properties described above.

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

2.9 *Accuracy of property valuations*

Property valuations are conducted for all Loans as part of the underwriting process. Property valuations are only an estimate of the value of a property at the time the valuation is completed. If such valuations overvalue the properties securing the Loans, the LTV of each Loan may actually be higher than what the Mortgage Administrator’s records reflect, which could materially adversely affect the amounts received by the Issuer which could, in turn, have an adverse effect on the Issuer’s ability to make payments in respect of the Notes. Nevertheless, as part of the underwriting process in relation to the Loans, each relevant property has been valued in accordance with the standards and practices of the Royal Institution of Chartered Surveyors (“**RICS**”) as further described in the section entitled “*Constitution of the Mortgage Pool – Valuation*”.

2.10 *Insurance policies*

The Seller has certain title insurance and building insurance policies in place as described under “*Constitution of the Mortgage Pool – Title Insurance*”.

Whilst the Seller requires the Borrower to have valid insurance in place at any time, verification processes are limited.

No assurance can be given that the Issuer will always receive the benefit of any claims made under any applicable insurance contracts relating to the Loans or that the amounts received in respect of a successful claim will be sufficient to reinstate the affected Property. This could adversely affect the Issuer’s ability to redeem the Notes in full.

2.11 *Limitations on enforcement*

As indicated in the section entitled “*Further Information Relating to Regulation of Mortgages in the UK – Mortgage repossession*” below, there are constraints upon a lender seeking possession of a Property. In particular, the FCA Tailored Support Guidance published by the FCA in response to the COVID-19 outbreak in the UK provides 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. It also provides that, if firms commence or re-commence and continue repossession proceedings and enforcement, firms nevertheless need to comply with applicable rules and pre-action protocols and should be mindful of the need for fair and appropriate treatment of customers who may be particularly vulnerable, including as a result of circumstances related to coronavirus, and firms should consider carefully the potential impacts on customers of ongoing possession proceedings when considering whether it is appropriate to commence or pursue repossession proceedings in a particular case at a time when a warrant for possession will not be sought. 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. Additionally, any Covid-19 Payment Deferrals are likely to have a negative impact on a lender’s ability to repossess properties – see 1.6 *The COVID-19 pandemic may have negative effects on the portfolio; COVID-19 payment deferrals* above.

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

In order to realise its security in respect of a Property, the relevant mortgagee, or in Scotland, heritable creditor, (be it the legal owner (the Seller), the beneficial owner (the Issuer) or the Security Trustee or its appointee (if the Security Trustee has taken enforcement action against the Issuer)) will need to obtain possession. In England and Wales, there are two means of obtaining possession for this purpose: first, by taking physical possession (seldom done in practice) and secondly, by applying for, obtaining and enforcing a court order.

The court has a very wide discretion and may adopt a sympathetic attitude towards a Borrower at risk of eviction. If a possession order in favour of the relevant mortgagee 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 has a duty to the Borrower to take reasonable care to obtain a proper price for the Property. Any failure to do so will put the relevant mortgagee at risk of an action for breach of such duty by the Borrower, although it is for the Borrower to prove breach of such duty. There is also a risk that a Borrower may also take court action to force the relevant mortgagee to sell the Property within a reasonable time.

If a mortgagee takes physical possession it will, as mortgagee 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 or may incur certain financial liabilities in respect of the Property. 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 or to remedy any default consisting of a breach of any other obligation arising under or by virtue of the Mortgage.

The courts in Scotland formerly had considerably less discretion than those in England and Wales to modify or postpone the heritable creditor's (the Scottish equivalent of mortgagee) rights of enforcement but as a result of legislative changes in Scotland the position is now broadly equivalent in each jurisdiction (see "*Further Information Relating to Regulation of Mortgages in the UK – Scottish Loans*").

Proceedings for the repossession and/or sale of the relevant property may be initiated when the aggregate arrears amount to at least three scheduled monthly payments. Any delays in enforcement and recovery in respect of the Loans may in turn adversely affect the rate at which the Notes will be redeemed and the ability of the Issuer to make timely payments on the Notes.

The Note Trustee and the Security Trustee has the absolute discretion, at any time, to refrain from taking any action under the Trust Deed or the Deed of Charge or any of the Transaction Documents including becoming a mortgagee (or, as appropriate, security holder) in possession in respect of any property contained within the Mortgage Pool, unless it is satisfied at that time that it is indemnified and/or secured and/or pre-funded to its satisfaction against any liability which it may incur by so acting.

2.12 Underwriting standards

The Loans have been underwritten generally in accordance with underwriting standards described in "*Constitution of the Mortgage Pool – Lending Criteria*" below. These underwriting standards consider, among other things, a Borrower's credit history, employment history and status, repayment ability and income multiple or debt service-to-income ratio, as well as the suitability and value of the Property.

There can be no assurance that these underwriting standards will not be varied or that loans originated under different criteria may not become part of the Mortgage Pool.

For a description of the underwriting standards, see "*Constitution of the Mortgage Pool – Lending Criteria*" below. For a detailed analysis of the Loans constituting the Mortgage Pool on the Issue Date, see "*Characteristics of the Provisional Completion Mortgage Pool*" below.

2.13 Loans are subject to certain legal and regulatory risks

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

2.14 *External wall safety*

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

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

If any of these risks materialise they could have an adverse effect on the ability of the Issuer to satisfy its obligations under the Notes.

3. **Other risks relating to the Notes and the structure**

3.1 *Subordination*

- (a) The B Notes are subordinated in right of payment of principal and interest to the A Notes;
- (b) the C Notes are subordinated in right of payment of principal and interest to the A Notes and the B Notes;
- (c) the D Notes are subordinated in right of payment of principal and interest to the A Notes, the B Notes and the C Notes;
- (d) the X Notes are subordinated in right of payment of principal (which is payable from the Pre-Enforcement Revenue Priority of Payments) and interest to the A Notes, the B Notes, the C Notes and the D Notes, and subordinated in right of payment of principal to the Z1 Notes and the Z2 Notes,
- (e) the Z1 Notes are subordinated in right of payment of principal and (if any) interest to the A Notes, the B Notes, the C Notes and the D Notes and subordinated in right of payment of interest (if any) to the X Notes; and
- (f) the Z2 Notes are subordinated in right of payment of principal and (if any) interest to the A Notes, the B Notes, the C Notes, the D Notes and the Z1 Notes and subordinated in right of payment of interest (if any) to the X Notes,

provided that the Pre-Funding Unused Amount will be applied in accordance with item (i) of the Pre-Enforcement Principal Priority of Payments as *pro rata* repayment of the Principal Backed Notes and the X Notes) and, in addition, prior to a Redemption Event payments of principal on the X Notes shall be payable out of Available Revenue Funds in accordance with the Pre-Enforcement Revenue Priority of Payments and to that extent rank in priority to (and are not subordinated to) payments of principal on the other Notes. No interest is payable in respect of the Z1 Notes and the Z2 Notes.

There is no assurance that these subordination provisions will protect the holders of the A Notes, the B Notes, the C Notes, the D Notes, the X Notes, the Z1 Notes or the Z2 Notes from all risk of loss.

Each Certificate represents a *pro rata* entitlement to receive any residual balance following payment of all senior items in the relevant Priority of Payments by way of deferred consideration for the purchase by the Issuer of the Completion Mortgage Pool. Payments in respect of the Certificates shall only be payable out of Available Revenue Funds available under and in accordance with the Pre-Enforcement Revenue Priority of Payments (or on or after (i) the date on which the Note Trustee serves an Enforcement Notice on the Issuer pursuant to Note Condition 9 (*Events of Default*) declaring the Notes to be due and repayable or (ii) the occurrence of a Redemption Event, out of available funds under and in accordance with the Post-Enforcement Priority of Payments).

For further information on the payment of principal on the Notes, please see Note Condition 5 (*Redemption*).

3.2 *Deferral of interest payments on the Notes*

To the extent that, on any Interest Payment Date, the Issuer does not have sufficient funds to pay in full interest due on the B Notes, the C Notes or the D Notes, this payment may, provided such Class is not the Most Senior Class, be deferred. To the extent that, on any Interest Payment Date, the Issuer does not have sufficient funds to pay in full interest on the X Notes, this payment may be deferred. The non-payment of any deferred interest on any of the B Notes to D Notes (inclusive) will not be an Event of Default unless such Notes are the Most Senior Class at the time of non-payment. No Event of Default prior to the Final Maturity Date will occur if there is a non-payment of deferred interest on the X Notes. No interest is payable on the Z1 Notes and the Z2 Notes.

Holders of interests in the Notes will bear all risk of deferral of interest payments on the Notes.

3.3 *Weighted average lives of the Notes*

The weighted average lives of the Notes refer to the average amount of time that elapses from the date of issuance of the Notes to the Noteholders to the date of distribution to such Noteholders of payments in net reduction of principal under the Notes (assuming no losses).

The weighted average lives of the Notes will be directly influenced by, amongst other things, the actual rate of redemption of the Mortgages, which in turn, is influenced by the Borrowers' ability to redeem the Mortgages. Where certain Borrowers are able to redeem the Mortgages only through refinancing, the actual rate of redemption may be reduced if such Borrowers experience difficulties in refinancing the relevant Loans. Any failure to make timely redemption of the Mortgages will reduce the CPR and increase the average weighted lives of the Notes.

For other factors and assumptions which may affect the weighted average lives of the Notes, see "1.5 Yield to maturity may be affected by the rate of repayment on the Loans, repurchase of the Loans or the Mortgage Pool Option Holder's ability to redeem the Notes on the Call Option Date" above and "Weighted Average Lives of the Notes".

3.4 *Risk that the Mortgage Pool Option Holder will not exercise the Mortgage Pool Option which may result in the Notes not being redeemed on any Call Option Date*

No guarantee can be given that the Mortgage Pool Option Holder will on any of the Call Option Dates exercise the Mortgage Pool Option, subject to and in accordance with the provisions of the Deed Poll.

The exercise by the Mortgage Pool Option Holder of the Mortgage Pool Option will depend on the ability and desire of the Mortgage Pool Option Holder to:

- (a) request the Issuer to sell, assign and transfer all Mortgage Pool Option Loans; and
- (b) provide the Issuer with sufficient funds to repay the Noteholders as further described in Condition 5(d)(iii) (*Mandatory Redemption in Full*).

Consequently, this may result in the Notes not being redeemed on the first Call Option Date or any later Call Option Date.

4. **Risks related to changes to the structure and documents**

4.1 *Meetings of Noteholders and Certificateholders, modification and waiver*

An initial meeting of the Noteholders may be held on 21 clear days' notice. The requisite quorum in respect of Ordinary Resolutions is one or more persons holding Notes or representing Noteholders holding Notes in aggregate of not less than 25 per cent. of the Principal Amount Outstanding of the relevant Class(es) of Notes for the initial meeting. The requisite quorum in respect of Extraordinary Resolutions is one or more persons holding or representing Noteholders holding Notes in aggregate of not less than 50 per cent. of the Principal Amount Outstanding of the relevant Class(es) of Notes for the initial meeting, except in relation to a Notes Basic Terms Modification. The requisite quorum in respect of Extraordinary Resolutions to approve a Notes Basic Terms Modification requires one or more persons holding Notes or representing Noteholders holding Notes in aggregate of not less than 75 per cent. of the Principal Amount Outstanding of the relevant Class(es) of Notes for the initial meeting.

An adjourned meeting of the Noteholders may be held on not less than 14 nor more than 42 clear days' notice. The requisite quorum at an adjourned meeting in respect of Ordinary Resolutions is one or more persons holding Notes or representing Noteholders holding Notes in aggregate of not less than 10 per cent. of the Principal Amount Outstanding of the relevant Class(es) of Notes for the adjourned meeting. The requisite quorum in respect of Extraordinary Resolutions is one or more persons holding or representing Noteholders holding Notes in aggregate of not less than 25 per cent. of the Principal Amount Outstanding of the relevant Class(es) of Notes for the adjourned meeting, except in relation to a Notes Basic Terms Modification. The requisite quorum in respect of Extraordinary Resolutions to approve a Notes Basic Terms Modification requires one or more persons holding Notes or representing Noteholders holding Notes in aggregate of more than a clear majority of the Principal Amount Outstanding of the relevant Class(es) of Notes for the adjourned meeting.

As a result of these requirements, it is possible that a valid Noteholder meeting may be held without the attendance of Noteholders who may have wished to attend and/or vote.

In addition, the Note Trustee shall be obliged, without any consent or sanction of the Noteholders or any of the other Secured Creditors, or, (subject to the receipt of consent from any of the Secured Creditors party to the Transaction Document being modified or who would need to be a party to a new, supplemental or additional

agreement, or which, as a result of the relevant amendment, would be further contractually subordinated to any Secured Creditor than would otherwise have been the case prior to such amendment) to concur with the Issuer and any other relevant parties in making any modification (other than in respect of a Notes Basic Terms Modification or a Certificates Basic Terms Modification) to the Note Conditions and/or any other Transaction Document to which it is a party or in relation to which it holds security or enter into any new, supplemental or additional documents that the Issuer considers necessary 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) facilitating the appointment of a replacement Cash Administrator (iii) complying with certain requirements applicable to it under UK EMIR or EU EMIR, (iv) complying with certain risk retention legislation, regulations or official guidance in relation thereto, (v) enabling the Rated Notes to be (or to remain) listed on the Official List and admitted to trading on the London Stock Exchange's main market, (vi) complying with any disclosure or reporting requirements under the EU Securitisation Regulation or UK Securitisation Regulation, (vii) enabling the Issuer or any of the other Transaction Parties to comply with FATCA, (viii) complying with any changes in the requirements of the EU CRA Regulation or the UK CRA Regulation after the Issue Date, and (ix) amending the reference rate of the Floating Rate Notes where Compounded Daily SONIA is no longer a suitable reference rate (each a "**Proposed Amendment**"), without the consent of Noteholders pursuant to and in accordance with the detailed provisions of Note Condition 11(c) (*Additional Right of Modification*).

In relation to any such Proposed Amendment (other than a Proposed Amendment relating to UK EMIR or EU EMIR), the Issuer is required to, amongst other things, give at least 30 calendar days' notice to the Noteholders of the proposed modification in accordance with Note Condition 13 (*Notice to Noteholders*) and by publication on Bloomberg on the "Company News" screen relating to the Notes. However, Noteholders should be aware that, in relation to each Proposed Amendment, unless Noteholders representing at least 10 per cent. of the aggregate Principal Amount Outstanding of the Most Senior Class of Notes then outstanding have contacted the Note Trustee in writing (or, in the case of the A Notes, otherwise in accordance with the then current practice of any applicable clearing system through which such A Notes may be held) within such notification period notifying the Note

Trustee that such Noteholders do not consent to the modification, the modification can be made without Noteholder consent.

The full requirements in relation to the modifications discussed above are set out in Note Condition 11(c) (*Additional Right of Modification*).

Furthermore, pursuant to Note Condition 11(e) (*Modification and Waiver*), the Note Trustee may agree, without the consent or sanction of any of, or any liability to, the Noteholders, to:

- (a) any modification to the Trust Deed, the Conditions or other Transaction Documents of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of law or regulation;
- (b) any other modification (excluding a Notes Basic Terms Modification), and any waiver or authorisation of any breach or proposed breach of the Notes of such Class, of any of the provisions of the Trust Deed, the Conditions or any of the other Transaction Documents which in the opinion of the Note Trustee is not materially prejudicial to the interests of the holders of the Most Senior Class (other than any Noteholders of the Most Senior Class who have confirmed their consent in writing to the relevant modification, waiver or authorisation); or
- (c) determine that an Event of Default or Potential Event of Default will not be treated as such where in the opinion of the Note Trustee such waiver, authorisation or determination is not materially prejudicial to the interests of the holders of the Most Senior Class (other than any Noteholders of the Most Senior Class who have confirmed their consent in writing to the relevant modification, waiver or authorisation),

provided that the Note Trustee will not do so in contravention of an express direction given by an Extraordinary Resolution of the holders of the Most Senior Class or a request made pursuant to Note Condition 9 (*Events of Default*) and Certificate Condition 6 (*Events of Default*).

Any such modifications permitted above shall be binding on the Noteholders, Certificateholders or other Secured Creditors and, unless the Note Trustee otherwise agrees, the Issuer shall cause such modification to be notified to the Noteholders and Certificateholders as soon as practicable thereafter in accordance with Note Condition 13 (*Notice to Noteholders*) and Certificate Condition 11 (*Notice to Certificateholders*). So long as the Rated Notes, or any of them, are rated by the Rating Agencies the Issuer shall notify each of the Rating Agencies of any modification made by it in accordance with the above as soon as reasonably practicable thereafter.

Neither the Note Trustee nor the Security Trustee shall be obliged to agree to any modification of the Trust Deed, the Conditions or any other Transaction Document which (in the sole opinion of the Note Trustee or the Security Trustee (as applicable)) would have the effect of: (x) exposing it to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction; or (y) increasing the obligations or duties, or decreasing the protections of the Note Trustee or Security Trustee (as applicable) in the Transaction Documents, the Trust Deed and/or the Conditions. The full requirements in relation to the modifications discussed above are set out in Note Condition 11(e) (*Modification and Waiver*).

4.2 *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 by the holders of the Most Senior Class (if they hold at least 25 per cent. of the Principal Amount Outstanding of the Most Senior Class or if they pass an Extraordinary Resolution), shall give an Enforcement Notice to the Issuer pursuant to which each Class of Notes shall become immediately due and repayable at their respective Principal Amount Outstanding together with any Accrued Interest and the Note Trustee shall give such Enforcement Notice to the Issuer subject to the Note Trustee being indemnified and/or secured and/or pre-funded to its satisfaction.

At any time after an Enforcement Notice has been served, the Note Trustee may, in its absolute discretion and without further notice, take such proceedings and/or other action or steps against or in relation to the Issuer or any other person as it may think fit to enforce the provisions of the Notes, the Trust Deed, the Note Conditions and the other Transaction Documents to which it is a party, but it shall not be bound to do so unless:

- (a) it shall have been directed by a notice in writing by holders of Notes outstanding constituting at least 25 per cent. of the aggregate in Principal Amount Outstanding of the Most Senior Class or if so directed by an Extraordinary Resolution of the Noteholders of the Most Senior Class then outstanding; and
- (b) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction.

No Noteholder shall be entitled to proceed directly against the Issuer unless the Note Trustee (or as the case may be, the Security Trustee), having become bound so to do, fails or is unable to do so within 60 days and such failure or inability shall be continuing.

See further “*Terms and Conditions of the Notes – Note Condition 10 (Enforcement of Security, Limited Recourse and Non-Petition)*” below.

In addition, the Note Trustee benefits from indemnities given to it by the Issuer pursuant to the Transaction Documents which rank in priority to the payments of interest and principal on the Notes.

In relation to the covenants to be given by the Seller to the Issuer, the Security Trustee and the Note Trustee in the Transaction Documents regarding the UK Retained Interest to be retained by it in accordance with the UK Securitisation Regulation, the EU Retained Interest to be retained by it in accordance with the EU Securitisation Regulation, the U.S. Retained Interest to be retained by it in accordance with the U.S. Retention Rules and certain requirements as to providing investor information in connection therewith, neither the Note Trustee nor the Security Trustee will be under any obligation to monitor the compliance by the Seller with such covenants and will not be under any obligation to take any action in relation to non-compliance with such covenants.

4.3 *Conflict between Noteholders, Certificateholders and other Secured Creditors*

So long as any of the Notes are outstanding, the Note Trustee will have regard solely to the interest of the Noteholders and shall not have regard to the interests of the Certificateholders or other Secured Creditors, subject to the provisions of the Trust Deed. If there are no Notes outstanding, the Note Trustee is to have sole regard to the interest of the RC1 Certificateholders prior to the Step-Up Date, and the RC2 Certificateholders on or after the Step-Up Date and shall not have regard to the interests of the other Secured Creditors, subject to the provisions of the Trust Deed.

4.4 *Conflict between Noteholders*

The Trust Deed contains provisions requiring the Note Trustee to have regard to the interests of the Noteholders and Certificateholders equally as regards all powers, trusts, authorities, duties and discretions of the Note Trustee (except where expressly provided otherwise).

If, in the Note Trustee’s opinion, there is a conflict between the interests of:

- (a) (i) the A Noteholders and (ii) the B Noteholders, the C Noteholders, the D Noteholders, the X Noteholders, the Z1 Noteholders, the Z2 Noteholders and/or the Certificateholders, the Note Trustee shall give priority to the interests of the A Noteholders whose interests shall prevail;

- (b) (i) the B Noteholders and (ii) the C Noteholders, the D Noteholders, the X Noteholders, the Z1 Noteholders and the Z2 Noteholders, and/or the Certificateholders, the Note Trustee shall give priority to the interests of the B Noteholders whose interests shall prevail;
- (c) (i) the C Noteholders and (ii) the D Noteholders, the X Noteholders, the Z1 Noteholders, the Z2 Noteholders and/or the Certificateholders, the Note Trustee shall give priority to the interests of the C Noteholders whose interests shall prevail;
- (d) (i) the D Noteholders and (ii) the X Noteholders, the Z1 Noteholders, the Z2 Noteholders and/or the Certificateholders, the Note Trustee shall give priority to the interests of the D Noteholders whose interests shall prevail;
- (e) (i) the X Noteholders and (ii) the Z1 Noteholders, the Z2 Noteholders and/or the Certificateholders, the Note Trustee shall give priority to the interests of the X Noteholders whose interests shall prevail;
- (f) (i) the Z1 Noteholders and (ii) the Z2 Noteholders and/or the Certificateholders, the Note Trustee shall give priority to the interests of the Z1 Noteholders whose interests shall prevail; and
- (g) (i) the Z2 Noteholders and (ii) the Certificateholders, the Note Trustee shall give priority to the interests of the Z2 Noteholders whose interests shall prevail.

4.5 *Certain material interests*

Certain of the Transaction Parties 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 or any of their respective affiliates acting in any capacity.

In addition to the interests described in this Prospectus, the Joint Arrangers and the Joint Lead Managers and their respective related entities, associates, officers or employees (each a “**Joint Arrangers Related Person**”) may:

- (a) from time to time be a Noteholder and/or Certificateholder or have other interests with respect to the Notes or Certificates and they may also have interests relating to other arrangements with respect to a Noteholder or a Note, a Certificateholder or a Certificate, or any other Transaction Party;
- (b) receive (and will not have to account to any person for) fees, brokerage and commissions or other benefits and act as principal with respect to any dealing with respect to any Notes or Certificates;
- (c) purchase all or some of the Notes or Certificates and resell them in individually negotiated transactions with varying terms; and
- (d) 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 Notes, the Certificates, the Issuer or any other Transaction Party or any related entity, both on its own account and for the account of other persons.

Prospective investors should be aware that:

- (a) each Joint Arrangers Related Person in the course of its business (including in respect of interests described above) may act independently of any other Joint Arrangers Related Person or Transaction Party;
- (b) to the maximum extent permitted by applicable law, the duties of each Joint Arrangers Related Person in respect of the Notes and/or 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 Joint Arrangers Related Person shall have any obligation to account to the Issuer, any Transaction Party or any Noteholder for any profit as a result of any other business that it may conduct with either the Issuer or any Transaction Party;
- (c) a Joint Arrangers Related Person may have or come into possession of information not contained in this Prospectus that may be relevant to any Noteholder or Certificateholder or to any decision by a prospective investor to acquire the Notes or Certificates and which may or may not be publicly available to prospective investors (“**Relevant Information**”);

- (d) to the maximum extent permitted by applicable law no Joint Arrangers Related Person is under any obligation to disclose any Relevant Information to any other Joint Arrangers Related Person, to any Transaction Party or to any prospective investor and this Prospectus and any subsequent conduct by a Joint Arrangers Related Person should not be construed as implying that such person is not in possession of such Relevant Information; and
- (e) each Joint Arrangers 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 Joint Arrangers Related Person's dealings with respect to a Note and/or a Certificate, the Issuer or a Transaction Party, may affect the value of a Note or Certificate.

Prospective investors should note that certain Joint Arrangers Related Persons have provided financing indirectly to Belmont Green Finance Limited through certain warehousing vehicles. As such, the proceeds of the issuance of the Notes will be used on or about the Issue Date to refinance such financing by Belmont Green Finance Limited using a portion of the initial purchase price in respect of the Loans and Mortgage Rights in the Mortgage Pool to purchase the relevant Loans from the warehousing vehicles before on-selling such part of the Mortgage Pool to the Issuer. The warehousing vehicles will ultimately use such funds to repay certain Joint Arrangers Related Persons. Other than where required in accordance with applicable law, the Joint Arrangers Related Persons have no obligation to act in any particular manner as a result of their prior, indirect involvement with the Mortgage Pool and any information in relation thereto. With respect to the refinancing, each of the Joint Arrangers Related Persons will act in its own commercial interest.

These interests may conflict with the interests of a Noteholder or Certificateholder, and the Noteholder or Certificateholder may suffer loss as a result. To the maximum extent permitted by applicable law, a Joint Arrangers Related Person is not restricted from entering into, performing or enforcing its rights in respect of the Transaction Documents, the Notes, the 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 Noteholders, the Certificateholders, and the Joint Arrangers 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.

For certain purposes, including the determination as to whether Notes are deemed outstanding or Certificates are deemed in issue, for the purposes of convening a meeting of Noteholders or Certificateholders, those Notes or Certificates (if any) which are for the time being held by or on behalf of or for the benefit of the Seller or any of its affiliates (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 Notes of any Classes or all of the Certificates are held by or on behalf of or for the benefit of one or more Relevant Persons, in which case such Classes of Notes (the "**Relevant Class of Notes**") or such Certificates shall be deemed to remain outstanding or in issue (as the case may be), except that, if there is any other Class of Notes ranking *pari passu* with, or junior to, the Relevant Class of Notes and one or more Relevant Persons are not the beneficial owners of all the Notes of such Class, then the Relevant Class of Notes shall be deemed not to remain outstanding and *provided that* in relation to a matter relating to a Basic Terms Modification any Notes or the 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.

4.6 The Seller as Noteholder and Certificateholder

The Seller has a right to purchase and hold any Notes or Certificates. As holder of any Notes or Certificates, the Seller will have a right to vote on any resolution or determination put to Noteholders or Certificateholders and the interests of the Seller may differ from those of other Noteholders or Certificateholders.

5. Counterparty risk

5.1 Early termination payments under the Swap Transaction(s) in certain circumstances

Subject to the following, the Swap Agreement will provide that, upon the occurrence of certain events, the Interest Rate Swap(s) may terminate and a termination payment by either the Issuer or the Swap Counterparty may be payable, depending on, among other things, the terms of the Swap Agreement and the cost of entering into one or more replacement transactions at the time. Any termination payment due by the Issuer (other than any Swap Excluded Payable Amounts, any Swap Subordinated Amounts or, in certain circumstances and/or to a limited extent, any excess collateral amounts standing to the credit of the Swap Collateral Account) will rank prior to payments in respect of the Notes. If any termination amount is payable, payment of such termination amounts may affect amounts available to pay interest and principal on the Notes.

If a termination payment is due by the Swap Counterparty to the Issuer, no assurance can be given that the Swap Collateral standing to the credit of the Swap Collateral Account would be sufficient to cover such termination payment.

Any additional amounts required to be paid by the Issuer following termination of the Interest Rate Swap(s) (including any extra costs incurred in entering into any replacement interest rate swap(s)) will also rank prior to payments in respect of the Notes. This may affect amounts available to pay interest on the Notes and, following service of an Enforcement Notice on the Issuer (which has not been revoked), interest and principal on the Notes.

No assurance can be given as to the ability of the Issuer to enter into one or more replacement transactions, or if one or more replacement transactions are entered into, as to the credit rating or creditworthiness of the interest rate swap counterparty for the replacement transaction(s).

5.2 Change of counterparties

In addition, in the event that the rating by any of the Rating Agencies of the Collection Account Provider or the Account Bank or the Swap Collateral Account Bank or the Swap Counterparty is downgraded, it is possible that such Collection Account Provider, Account Bank, Swap Collateral Account Bank or the Swap Counterparty (as the case may be) may no longer meet the rating requirements as set out in the sections entitled “*Triggers tables – Rating Triggers Table – Collection Account Provider, Account Bank, Swap Collateral Account Bank and Swap Counterparty*”. There can be no assurance that the Collection Account Provider, Account Bank, the Swap Collateral Account Bank, the Swap Counterparty or the Issuer will be able to procure that the Collection Account Provider, the Account Bank, the Swap Collateral Account Bank or the Swap Counterparty (as applicable) be replaced within 30 days of the downgrade of the relevant entity and there is therefore a risk that the Rated Notes will be downgraded in such circumstances.

Investors should note that upon the occurrence of a Mortgage Administrator Termination Event, the Issuer (prior to the service of an Enforcement Notice and with the consent of the Security Trustee) or the Security Trustee (after the service of an Enforcement Notice) may terminate the agency (and, simultaneously, the rights) of the Mortgage Administrator. If a Mortgage Administrator Termination Event occurs, the Issuer (prior to the service of an Enforcement Notice and with the consent of the Security Trustee) or the Security Trustee (after the service of an Enforcement Notice) shall (as soon as practicable after such event has come to its attention) give notice in writing to the Mortgage Administrator (with a copy to the Back-up Mortgage Administrator Facilitator) of such occurrence and terminate the appointment of the Mortgage Administrator. If, following the occurrence of a Mortgage Administrator Termination Event, the Issuer (prior to the service of an Enforcement Notice and with the consent of the Security Trustee) or, the Security Trustee (following delivery of an Enforcement Notice), so requests in writing, the Mortgage Administrator shall (if it is able to do so) continue to provide the Services under the Mortgage Administration Agreement until a replacement Mortgage Administrator is appointed and such replacement Mortgage Administrator has assumed performance of all the Services.

On receipt of the notice of termination of the Mortgage Administrator, the Back-up Mortgage Administrator Facilitator will undertake in the Mortgage Administration Agreement to use reasonable endeavours to identify and select a replacement Mortgage Administrator within 30 days. However, no assurance can be given that a replacement Mortgage Administrator can be identified upon the occurrence of a Mortgage Administrator Termination Event.

Accordingly, the identity of the Mortgage Administrator may change, and consequently, the counterparty exposure of the Issuer, the Noteholders and the Certificateholders to the Mortgage Administrator will also change.

As a result of the risk highlighted in the preceding paragraph, the inclusion of this right of replacement may mean that the value of the Notes or Certificates from time to time may be lower than their value would otherwise have been had no such replacement right been included.

5.3 Issuer reliance on other third parties

The Issuer has engaged BGFL to administer the Mortgage Pool pursuant to the Mortgage Administration Agreement and the holders of Notes or Certificates will have no right to consent to, or approve of, any actions set forth in the Mortgage Administration “*Administration, Servicing and Cash Management of the Mortgage Pool – Mortgage Administration Agreement*”. While BGFL is under contract to perform certain mortgage settlement and related administration services under the Mortgage Administration Agreement, there can be no assurance that they will be willing or able to perform these services in the future. In the event BGFL is replaced as Mortgage Administrator, there may be losses or delays in processing payments on the Mortgage Pool due to a disruption in mortgage administration during a transfer to a successor Mortgage Administrator. This may cause delays in payments or losses under the Notes. In order to reduce this risk, the Mortgage Administrator has agreed to delegate certain of its obligations pursuant to the terms of the Mortgage Administration Agreement.

5.4 Counterparty risk in relation to interest rate risk

Pursuant to the Swap Agreement, the Swap Counterparty will enter one or more Interest Rate Swap(s) with the Issuer which will allow the Issuer to hedge certain risks in connection with amounts to be paid by or to it in connection with the Notes (see “*Risk Factors – 1. Risks related to the availability of funds to pay the Notes – 1.4 The Loans are subject to variable and fixed interest rates while the Issuer’s liabilities under the Notes (save for the Z1 Notes and the Z2 Notes) are based on Compounded Daily SONIA*” above and “*Credit Structure – The Swap Agreement*” below). In the event that the Swap Agreement terminates or the Swap Counterparty was to fail to perform its obligations under the Swap Agreement, investors may be adversely affected.

The Effective Date (as defined in the Swap Agreement) of the initial Interest Rate Swap is the Issue Date. Additional Interest Rate Swaps may be entered into on or prior to an Additional Loans Purchase Date (with respect to any Additional Loans which are Fixed Rate Mortgage Loans), or on or prior to a Mortgage Pool Effective Date (with respect to any Further Advance Loans or Product Switch Loans which are Fixed Rate Mortgage Loans). The Termination Date (as defined in the Swap Agreement) of the Interest Rate Swap(s) shall be the earliest of (a) the Final Maturity Date in respect of the Notes; and (b) the date on which the notional amount of the relevant Interest Rate Swap is zero, other than due to an Additional Termination Event in respect of such swap transaction.

A failure by the Swap Counterparty to make timely payments of amounts due under the Swap Agreement will constitute a default thereunder (subject to any applicable grace period). The Swap Agreement provides that the sterling amounts owed by the Swap Counterparty on any payment date under the Interest Rate Swap(s) (which corresponds to an Interest Payment Date) may be netted against the sterling amounts owed by the Issuer on the same payment date. Accordingly, if the amounts owed by the Issuer to the Swap Counterparty on a payment date are greater than the amounts owed by the Swap Counterparty to the Issuer on the same payment date, then the Issuer will pay the difference to the Swap Counterparty on such payment date; if the amounts owed by the Swap Counterparty to the Issuer on a payment date are greater than the amounts owed by the Issuer to the Swap Counterparty on the same payment date, then the Swap Counterparty will pay the difference to the Issuer on such payment date; and if the amounts owed by both parties are equal on a payment date, neither party will make a payment to the other on such payment date. To the extent that the Swap Counterparty defaults on its obligations under the Swap Agreement to make payments to the Issuer in sterling on any payment date under an Interest Rate Swap (which corresponds to an Interest Payment Date), the Issuer will be exposed to the possible variance between the fixed rates payable on the Fixed Rate Mortgages in the Mortgage Pool and Compounded Daily SONIA. Unless one or more comparable replacement interest rate swaps are entered into, the Issuer may have insufficient funds to make payments due on the Notes and in turn this could result in payments due to Noteholders not being made on time and/or a shortfall in such payments, resulting in loss to the Noteholders.

If the Swap Counterparty posts any Swap Collateral, such Swap Collateral will be utilised solely for the purpose of supporting the Swap Counterparty’s obligations under the Swap Agreement and shall be returned directly to the Swap Counterparty (and not in accordance with the relevant Priority of Payments) in accordance with the terms of the Swap Agreement. Following the termination of the Swap Agreement, any Swap Collateral or the liquidation proceeds thereof which are not returned to the Swap Counterparty as part of the termination payment shall constitute Available Revenue Funds unless applied in entering into one or more replacement swaps. Depending on the circumstances prevailing at the time of termination (and, if applicable, the terms of any replacement swap agreement), any such termination payment could be substantial and may adversely affect the funds available to pay amounts due to the Noteholders (see “*Credit Structure – The Swap Agreement*” below).

5.5 Insolvency of the Swap Counterparty

In the event of the insolvency of the Swap Counterparty, the Issuer will be treated as a general creditor of the Swap Counterparty. Consequently, the Issuer will be subject to the credit risk of the Swap Counterparty. To mitigate this risk, under the terms of the Swap Agreement, in the event that the relevant ratings of the Swap Counterparty fail to meet the relevant required ratings, the Swap Counterparty will, in accordance with the terms of the Swap Agreement, be required to elect to take certain remedial measures within the applicable time frame stipulated in the Swap Agreement (at its own cost), which may include providing Swap Collateral for its obligations under the Swap Agreement, arranging for its obligations under the Swap Agreement to be transferred to an entity with the relevant required ratings, procuring another entity with the required ratings to become co-obligor or guarantor, as applicable, in respect of its obligations under the Swap Agreement, or taking such other action (which may include inaction) as would result in the Rating Agencies maintaining the then current rating of the Most Senior Class of Rated Notes. However, no assurance can be given that, at the time that such actions are required, the Swap Counterparty will be able to provide collateral or that another entity with the required ratings will be available to become a replacement Swap Counterparty, co-obligor or guarantor or that the Swap Counterparty will be able to take the requisite other action.

Accordingly, if any of the Floating Rate Notes remain outstanding in circumstances where the Swap Counterparty is insolvent and fails to make any payment to the Issuer required under the Swap Agreement, the Issuer will be subject to the potential variation between the rates of interest payable in respect of the Mortgages in the Mortgage Pool with fixed rates of interest and Compounded Daily SONIA. Unless one or more comparable replacement swaps are entered into, the Issuer may have insufficient funds to make payments due on the Notes after that date.

5.6 Risk relating to Swap Counterparty consent for modification

The Swap Counterparty's prior written consent is required to modify or supplement any provision of the Transaction Documents, the Note Conditions or the Certificate Conditions if the Swap Counterparty determines that such modification or supplement would: (a) cause, in the reasonable opinion of the Swap Counterparty, (i) the Swap Counterparty to pay more or receive less under the Swap Agreement or (ii) a decrease (from the Swap Counterparty's perspective) in the value of an Interest Rate Swap; (b) result in any of the Issuer's obligations to the Swap Counterparty under the Swap Agreement to be further contractually subordinated, relative to the level of subordination of such obligations as of the Issue Date, to the Issuer's obligations to any other Secured Creditor; (c) result in a change to the timing of any payment or delivery from either party to the other party under the Swap Agreement; (d) if the Swap Counterparty were to replace itself as swap counterparty under the Swap Agreement, require the Swap Counterparty to pay more or receive less in the reasonable opinion of the Swap Counterparty, in connection with such replacement, as compared to what the Swap Counterparty would have been required to pay or would have received had such modification or amendment not been made; (e) cause any adverse modification to the Swap Counterparty's rights in relation to any security (howsoever described, and including as a result of changing the nature or the scope of, or releasing such security) granted by the Issuer in favour of the Security Trustee on behalf of the Secured Creditors pursuant to the Deed of Charge; (f) result in an amendment of Note Condition 11(f) (*Swap Counterparty Consent for Modification*), Certificate Condition 11(f) (*Swap Counterparty Consent for Modification*) or Clause 18.3 (*Swap Counterparty Consent for Modification*) of the Trust Deed where, in the reasonable opinion of the Swap Counterparty, such amendment would have an adverse effect on it; or (g) result in an amendment to, or waiver of the undertakings of the Issuer as set out in, Clause 14.2.6 (*Disposal of Assets*) of the Trust Deed related to a refinancing, sale, transfer or disposal of assets of the Issuer with a view to prematurely redeeming the Notes in circumstances not expressly permitted or provided for in the Transaction Documents as at the Issue Date where, in the reasonable opinion of the Swap Counterparty, such amendment or waiver would have an adverse effect on it, unless such modification, amendment, consent or waiver is in relation to a Reference Rate Modification made in accordance with Note Condition 11(c)(viii).

5.7 Risks relating to the Cash Administrator and incorrect payments

The Conditions provide that if, for whatever reason, an incorrect payment is made to any party entitled thereto (including the Noteholders of any Class and/or the Certificateholders) pursuant to the Pre-Enforcement Priority of Payments, the Cash Administrator will, to the extent the same is possible, use reasonable endeavours to rectify the same by increasing or reducing payments to such party (including the Noteholders of any Class), as appropriate, on subsequent Interest Payment Dates to the extent required to correct the same (as set out in the Cash Administration Agreement). Accordingly, increased or reduced payments may be made to Noteholders and/or Certificateholders.

In circumstances where the Monthly Report or other relevant information is not available, such that the Cash Administrator cannot determine the Revenue Collections and Principal Collections in respect of any Determination Period, the amount of Revenue Receipts and Principal Receipts for the purposes of such determination shall be estimated by reference to the 3 most recent Monthly Reports.

If a Monthly Report is subsequently delivered in respect of any subsequent Determination Period and for the Determination Periods where no such information was available, then: (i) the Revenue Collections and the Principal Collections will be calculated on the basis of the information in such Monthly Report; and (ii) one or more reconciliation payments in respect of a Reconciliation Amount may be required to be made by the Issuer on the related and subsequent Interest Payment Dates in order to account for any overpayment(s) and/or underpayment(s) made on any Interest Payment Date during the Relevant Period of estimations in accordance with Note Condition 4(j) (*Determinations and Reconciliation*) and the Cash Administration Agreement.

6. Macro-economic and market risks

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

The ability of the Issuer to redeem all of the Notes in full, including following the occurrence of an Event of Default in relation to the Notes while any of the Loans are still outstanding, may depend upon whether the Loans can be realised to obtain an amount sufficient to redeem the Notes.

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. There is not, at present, an active and liquid secondary market for the Notes, and there can be no assurance that a secondary market for the Notes will develop. To date, none of the Joint Lead Managers have indicated that they intend to establish a secondary market in 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, such investor may only be able to sell the Notes at a discount to the original purchase price of those Notes.

The secondary market for mortgage-backed securities has in the past experienced significant disruptions resulting from, among other things, reduced investor demand for such securities. This has resulted in the secondary market for mortgage-backed securities similar to the Notes experiencing very limited liquidity during such severe disruptions. Limited liquidity in the secondary market could have a material adverse effect on the market value of mortgage-backed securities including the Notes issued by the Issuer, especially those securities that are more sensitive to prepayment, credit or interest rate risk and those securities that have been structured to meet the investment requirements of limited categories of investors. It is not known whether such disruptions to the market will reoccur. This uncertainty may have implications for the liquidity of the Notes in the secondary market.

6.2 Increases in prevailing market interest rates may adversely affect the performance and market value of the Notes

Although interest rates are currently close to historical lows, this may change in the future and an increase in interest rates may adversely affect Borrowers’ ability to pay interest or repay principal on their Mortgages. Borrowers with a mortgage loan subject to a variable rate of interest or with a mortgage loan for which the related interest rate adjusts following an initial fixed rate or low introductory rate, as applicable, will 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 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 rate) by refinancing their mortgage loans may no longer be able to find available replacement loans at comparably low interest rates. Any decline in housing prices may also leave Borrowers with insufficient equity in the relevant properties to permit them to refinance.

These events, alone or in combination, may contribute to higher delinquency rates and Losses on the Mortgage Pool, which in turn may affect the ability of the Issuer to make payments of interest and principal on the Notes.

6.3 Bank of England funding scheme eligibility

Certain investors in the Class A Notes may wish to consider the use of the Class A 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 Class A 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 Class A Notes do not satisfy such criteria, there is a risk that the Class A Notes will not be eligible collateral under such schemes. None of the Issuer, the Joint Lead Managers, the Joint Arrangers, the Seller, the Note Trustee, the Security Trustee, the Agents, the Cash Administrator, the Registrar, the Swap Counterparty, the Mortgage Administrator, the Corporate Services Provider or the Back-up Mortgage Administrator Facilitator or the Swap Collateral Account Bank makes any representation, warranty, confirmation or guarantee to any investor in the Class A Notes that the Class A 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 Class A Notes should make its own determinations and seek its own advice with respect to whether or not the Class A Notes constitute eligible collateral for such schemes. No assurance can be given that the Class A 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.

6.4 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 SONIA as a reference rate in the capital markets. 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 Notes that reference a SONIA rate issued under this Prospectus. Interest on Notes which reference a SONIA rate is only capable of being determined at the end of the relevant Observation Period and immediately prior to the

relevant Interest Payment Date. It may be difficult for investors in the Notes which reference a SONIA rate to reliably estimate the amount of interest which will be payable on such Notes.

6.5 Changes or uncertainty in respect of SONIA may affect the value of Loans, the Notes and the payment of interest thereunder

Various interest rates and other indices which are deemed to be “benchmarks”, including SONIA, are the subject of recent national, international and other regulatory reforms and proposals for reform, including the BMR. These reforms may cause such benchmarks to perform differently than in the past (as a result of a change in methodology or otherwise), disappear entirely, create disincentives for market participants to continue to administer or participate in certain benchmarks or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes referencing such a benchmark.

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

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

Based on the foregoing, prospective investors should in particular 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;
- (b) while an amendment may be made under Note Condition 11(c) (*Additional Right of Modification*) to change the SONIA rate on the Notes to an alternative 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 Notes or (ii) be made prior to any date on which any of the risks described in this risk factor may become relevant; and
- (c) if SONIA is discontinued, and whether or not an amendment is made under Note Condition 11(c) (*Additional Right of Modification*) to change the SONIA rate on the Notes as described in paragraph (b) above, there can be no assurance that the applicable fall-back provisions under the Swap Agreement would operate so as to ensure that the base floating interest rate used to determine payments under the Interest Rate Swap(s) are the same as that used to determine interest payments under the Notes, or that any such amendment made under Note Condition 11(c) (*Additional Right of Modification*) would allow the Interest Rate Swap(s) to effectively mitigate interest rate risk on the Notes. This, in turn, could cause a risk of mismatch of interest and reduced payments on the Notes.

Investors should note the various circumstances under which a Reference Rate Modification may be made, which are specified in Note Condition 11(c) (*Additional Right of Modification*). As noted above, these events broadly relate to SONIA’s disruption or discontinuation, but also include, *inter alia*, any public statements by the SONIA administrator or its supervisor to that effect, and a Reference Rate Modification may also be made if the Mortgage Administrator (on behalf of the Issuer) reasonably expects any of these events to occur within six months of the proposed effective date of such Reference Rate Modification. A Reference Rate Modification may also be made if an alternative means of calculating a SONIA-based base rate is introduced which becomes a standard means of calculating interest for similar transactions. Investors should also note the various options permitted as an Alternative Reference Rate as set out in Note Condition 11(c) (*Additional Right of Modification*), which include, *inter alia*, 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 BGFL or such other base rate as the Mortgage Administrator (on behalf of the Issuer) reasonably determines. Investors should also note the negative consent requirements in relation to a Reference Rate Modification.

When implementing any Reference Rate Modification, the Note Trustee shall not consider the interests of the Noteholders, 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 Reference Rate Modification Certificate) or other evidence (including, but not limited to, a ratings confirmation) provided to them by the Issuer or the Mortgage Administrator, as the case may be, pursuant to Note Condition 11(c) (*Additional Right of Modification*) and shall not be liable to the Noteholders, 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.

Note Condition 4(c) (*Floating Rate of Interest*) contains provisions for the calculation of such underlying rates, in respect of the Notes, based on rates given by various market information sources and Note Condition 4(c) (*Floating Rate of Interest*) contains an alternative method of calculating the underlying rate should any of those market information sources be unavailable. The market information sources might become unavailable for various reasons, including suspensions or limitations on trading, events which affect or impair the ability of market participants in general, or early closure of market institutions. These could be caused by physical threats to the publishers of the market information sources, market institutions or market participants in general, or unusual trading, or matters such as currency changes.

More generally, any of the above matters (including an amendment to change the SONIA rate as described 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 Notes and/or could have a material adverse effect on the value or liquidity of, and the amount payable under, the Notes. Changes in the manner of administration of SONIA could result in adjustment to the Conditions, early redemption, delisting or other consequence in relation to the Notes. No assurance may be *provided that* relevant changes will not 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.

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

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

In addition to the economic and market uncertainty (see “6.7 *Market uncertainty*” below), there are a number of potential risks for the Transaction that Noteholders should consider:

(a) *Political uncertainty*

The UK is experiencing a period of political uncertainty connected to the ongoing negotiations with the EU following the end of the transition period on 31 December 2020 in respect of the UK’s departure from the EU. Such uncertainty could lead to a high degree of economic and market disruption and legal uncertainty. It is not possible to ascertain how long this period will last and the impact it will have on the UK in general and the market, including market value and liquidity, for asset-backed securities similar to the Notes in particular. The Issuer cannot predict when or if political stability will return, or what the market conditions relating to asset-backed securities similar to the Notes might be at that time. In addition, future UK political developments and/or any changes in government structure and policies, could affect the fiscal, monetary and regulatory landscape.

(b) *Legal uncertainty*

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

Prospective investors should also note that the regulatory treatment, including the availability of any preferential regulatory treatment, of the Notes may be affected (as to which, please refer to “7.2 *Regulatory initiatives may have an adverse impact on the regulatory treatment of the Notes*” below).

A significant proportion of English law and Scots law currently derives from or is designed to operate in concert with EU law. This is especially true of both English law and Scots law relating to financial markets,

financial services, prudential and conduct regulation of financial institutions, bank recovery and resolution, payment services and systems, settlement finality, market infrastructure, and mortgage credit regulation. The EUWA aims to incorporate into UK law, with some exceptions and qualifications, the EU law that was applicable within the UK law the moment before the UK ceased to be a member of the EU, with the intention of limiting immediate legal change. The EUWA grants the UK Government wide powers to make secondary legislation in order to, among other things, implement the Trade and Cooperation Agreement and to adapt those laws that would otherwise not function sensibly now that the UK has left the EU, on the whole with minimal parliamentary scrutiny. The Issuer cannot predict what changes to English law and Scots law may occur in areas relevant to the Transaction and the parties to the Transaction and how they may affect payments of principal and interest to the Noteholders.

(c) *Rating actions*

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

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

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

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

(d) *Break-up of the United Kingdom*

The end of the transition period on 31 December 2020 in respect of the UK's departure 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 European Union. Leading figures in both Scotland and Northern Ireland have suggested that they have a mandate from their voters to remain in the EU and might seek to leave the United Kingdom in order to achieve that outcome. The border between Northern Ireland and Ireland has been a particularly difficult and contentious issue. The Issuer cannot predict the outcome of this continuing constitutional tension or how the potential future departure of Scotland and/or Northern Ireland from the UK would affect the transaction and the ability of the Issuer to pay the Noteholders.

As at the Provisional Pool Reference Date approximately 1.10 per cent. of the aggregate number of Loans in the Provisional Completion Mortgage Pool are Scottish Loans. A future departure of Scotland from the UK could impact the fiscal, monetary and regulatory landscape to which the Seller is subject. While the operational consequences of independence remain uncertain, it could (i) result in changes to the economic climate in Scotland and political and policy developments which could affect Borrowers' ability to pay amounts when due on the Scottish Loans and which may adversely affect payments on the Notes and the Certificates, (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 Mortgage Pool being redenominated and therefore the Notes potentially being subject to currency risk.

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

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

secondary market (see also “6.1 Lack of liquidity in the secondary market may adversely affect the market value of the Notes” above).

6.7 **Market uncertainty**

At the date of this Prospectus, there continues to be volatility and disruption of the capital, currency and credit markets, including the market for asset-backed securities. Potential investors should be aware that these prevailing market conditions affecting asset-backed securities could lead to reductions in the market value and/or a severe lack of liquidity in the secondary market for instruments similar to the Notes. Such falls in market value and/or lack of liquidity may result in investors suffering losses on the Notes in secondary resales even if there is no decline in the performance of the securitised portfolio. The Issuer cannot predict when these circumstances will change and whether, if and when they do change, there would be an increase in the market value and/or there will be a more liquid market for the Notes and instruments similar to the Notes at that time.

6.8 **Ratings of the Rated Notes and confirmation of ratings**

The ratings assigned to the Rated Notes are based on the Loans, the Security, the Mortgage Pool and relevant structural features of the transaction, which may include, among other things, the short-term unsecured, unguaranteed and unsubordinated debt ratings and the long-term ratings of the Account Bank, the Swap Collateral Account Bank and the Swap Counterparty. The ratings assigned to the Rated Notes by each Rating Agency have been provided on the basis that funds standing to the credit of the Pre-Funding Principal Reserve will be utilised to purchase Additional Loans after the Issue Date. These ratings reflect only the views of the Rating Agencies in respect of the Rated Notes.

Any Rating Agency may also lower or withdraw its rating with respect to the Swap Counterparty. Under the terms of the Swap Agreement, if the relevant credit rating of the Swap Counterparty is withdrawn or reduced below certain thresholds, the Swap Counterparty shall be required to:

- (a) provide collateral in support of its obligations under the Swap Agreement;
- (b) procure a guarantee of its obligations under the Swap Agreement;
- (c) procure an appropriately rated replacement counterparty; or
- (d) take such other action (which may include inaction) necessary so that the rating of the Most Senior Class of Rated Notes following such action will be rated no lower than the Most Senior Class of Rated Notes would be rated but for the downgrade of the Swap Counterparty.

It cannot be assured, however, that the Swap Counterparty would be able to take any of the above actions upon the occurrence of this event or that the ratings of the Rated Notes will not be lowered or withdrawn upon the occurrence of this event.

The ratings that are assigned to the Rated Notes do not represent any assessment of the yield to maturity that a holder of a Rated Note may experience.

The ratings assigned to the Rated Notes by each Rating Agency address, *inter alia*:

- (a) subject to paragraph (b) below, the likelihood of full and timely payment of interest due to the holders of the A Notes on each Interest Payment Date;
- (b) in respect of the ratings assigned to the Rated Notes (excluding the A Notes), the likelihood of full and ultimate payment of interest due to the holders of those Rated Notes by or on the Final Maturity Date; and
- (c) the likelihood of full and ultimate payment of principal to the holders of the Rated Notes by or on the Final Maturity Date.

A rating in respect of the Rated Notes is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time. A qualification, downgrade or withdrawal of any of the ratings mentioned above may impact upon the other ratings, the market value and/or the liquidity of the Rated Notes.

Credit rating agencies other than DBRS or S&P could seek to rate the Rated Notes without having been requested to do so by the Issuer and, if such unsolicited ratings are lower than the comparable ratings assigned to the Rated Notes by DBRS and/or S&P those unsolicited ratings could have an adverse effect on the market value and/or liquidity of the Rated Notes. In addition, the mere possibility that a rating could be issued may affect price levels in any secondary market that may develop. In this Prospectus, all references to ratings are to ratings assigned by the relevant Rating Agencies.

A Rating Agency may lower, withdraw or qualify its rating if, in the sole judgement of that Rating Agency, the credit quality of the Rated Notes has declined or is in question. 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 Notes. If any rating assigned to the Rated Notes is downgraded or withdrawn, the market value and/or liquidity of the Rated Notes may be reduced.

6.9 Rating Agencies' confirmations

Where it is necessary for the Security Trustee or the Note Trustee to determine, in its opinion, for the purposes of exercising any right, power, trust, authority, duty or discretion under or in relation to the Notes, the Conditions or any of the Transaction Documents, whether or not such exercise will be materially prejudicial to the interests of the Noteholders or any Class of Noteholders, the Note Trustee and the Security Trustee shall be entitled, in making such a determination, to take into account any other things it may, in its absolute discretion, consider necessary and/or appropriate, any confirmation by a Rating Agency (if available) that the then current ratings of the Rated Notes or, as the case may be, the Rated Notes of such Class will not be downgraded, withdrawn or qualified, and that, where any original rating of the Rated Notes or, as the case may be, the Rated Notes of such Class has been and continues to be downgraded, restoration of such original rating would not be prevented, as a result of such exercise. For the avoidance of doubt, such rating confirmation shall not be construed to mean that any such exercise by the Note Trustee and the Security Trustee of any right, power, trust, authority, duty or discretion under or in relation to the Rated Notes, the Conditions or any of the Transaction Documents is not materially prejudicial to the interests of the holders of the Rated Notes or, as the case may be, the Rated Notes of the relevant Class; and the non-receipt of such rating confirmation shall not be construed to mean that any such exercise by the Note Trustee and the Security Trustee as aforesaid is materially prejudicial to the interests of the holders of the Rated Notes or, as the case may be, the Rated Notes of the relevant Class.

No assurance can be given that any or all of the Rating Agencies will provide any such confirmation or that, depending on the timing of the delivery of the request and any information needed to be provided, it may be the case that the Rating Agencies cannot provide their confirmation in the time available and, in either case, the Rating Agencies will not be responsible for the consequences thereof. However, if a confirmation is provided, it should be noted that a Rating Agency's decision to reconfirm a particular rating may be made on the basis of a variety of factors. In particular, the holders of Rated Notes should be aware that the Rating Agencies owe no duties whatsoever to any parties to the transaction (including the Noteholders) in providing any confirmation of ratings. No assurance can be given that a requirement to seek ratings confirmation will not have a subsequent impact upon the business of the Borrowers. In addition, it should be noted that any confirmation of ratings:

- (a) only addresses the effect of any relevant event, matter or circumstance on the current ratings assigned by the relevant Rating Agency to the Rated Notes;
- (b) does not address whether any relevant event, matter or circumstance is permitted by the Transaction Documents and the Subscription Agreement; and
- (c) does not address whether any relevant event, matter or circumstance is in the best interests of, or prejudicial to, some or all of the Noteholders or other Secured Creditors.

No assurance can be given that any such reconfirmation will not be given in circumstances where the relevant proposed matter would materially adversely affect the interests of Noteholders of a particular Class.

The Rating Agencies, in assigning credit ratings, do not comment upon the interests of the holders of securities (such as the Rated Notes).

The implementation of certain matters pursuant to the Transaction Documents is subject to the receipt of written confirmation from each Rating Agency (or certification from the Issuer to the Note Trustee and the Security Trustee that the Issuer has been unable to obtain written confirmation, but has received oral confirmation from an appropriately authorised person at each of the Rating Agencies) that such modification would not result in the then current ratings of each Class of Notes rated thereby being qualified, downgraded, suspended or withdrawn, or such Rating Agency placing any Notes on rating watch negative (or equivalent) and, if relevant, the Issuer delivers a copy of each such confirmation to the Note Trustee and the Security Trustee (a "**Rating Agency Confirmation**"). It is possible that, in certain circumstances, amendments are made to the Transaction Documents notwithstanding the fact that a Rating Agency Confirmation is not obtained.

6.10 Limited secondary market for Loans

While the Issuer primarily expects to apply amounts of principal and interest received on the Loans in order to meet its payments on the Notes, in certain circumstances the ability of the Issuer to redeem all of the Notes in full, including following the occurrence of an Event of Default while any of the Loans are still outstanding, may depend

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

7. Legal and regulatory risks relating to the structure and the Notes

7.1 Noteholders' interests may be adversely affected by a change of law

The structure of the transaction and, *inter alia*, the issue of the Notes, the Certificates, and the ratings which are to be assigned to the Rated Notes are based on the relevant law, tax, accounting, regulatory and administrative requirements and practice, in effect as at the date of this Prospectus and having due 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 the relevant law, tax, regulatory, accounting (and any change in regulation which may occur without a change in primary legislation), administrative practice or tax treatment after the date of this Prospectus nor can any assurance be given as to whether any such change would adversely affect the ability of the Issuer to make payments under the Notes or Certificates.

7.2 Regulatory initiatives may have an adverse impact on the regulatory treatment of the Notes

Regulatory initiatives may result in increased regulatory capital requirements for certain investors and/or decreased liquidity in respect of the Notes and Certificates. In Europe, the U.S. and elsewhere there is increased political and regulatory scrutiny of the asset-backed securities industry. This has resulted in a raft of measures for increased regulation which are currently at various stages of implementation and which may have an adverse impact on the regulatory capital charge to certain investors in securitisation exposures and/or the incentives for certain investors to hold asset-backed securities, and may thereby affect the liquidity of such securities. Investors in the Notes and Certificates are responsible for analysing their own regulatory position and none of the Issuer, the Joint Arrangers, the Joint Lead Managers or the Seller makes any representation to any prospective investor or purchaser of the Notes or Certificates regarding the regulatory capital treatment of their investment (or the liquidity of such investment as a result thereof) on the Issue Date or at any time in the future.

7.3 Prudential regulation reforms under Basel or other frameworks may have an adverse impact on the regulatory capital treatment and/or liquidity of the Notes

Investors should note that the Basel Committee on Banking Supervision (the “**Basel Committee**”) approved significant changes to the Basel II regulatory capital and liquidity framework in 2011 (such changes being commonly referred to as “**Basel III**”). In particular, Basel III provides for a substantial strengthening of existing prudential rules, including requirements intended to reinforce capital standards (with heightened requirements for global systemically important banks) and to establish a leverage ratio “backstop” for financial institutions and certain minimum liquidity standards (referred to as the “**Liquidity Coverage Ratio**” and the “**Net Stable Funding Ratio**”). The European Commission published the final version of the *Delegated Regulation for the Liquidity Coverage Ratio* in October 2014, which was published in the Official Journal of the EU on 17 January 2015 and applies from 1 October 2015. The minimum Liquidity Coverage Ratio requirement of 100 per cent. applies from 1 January 2018. The Net Stable Funding Ratio also applies from January 2018. Implementation of Basel III requires national legislation and therefore the final rules and the timetable for their implementation in each jurisdiction may be subject to some level of national variation. The Basel Committee has also published certain proposed revisions to the securitisation framework, including proposed new hierarchies of approaches to calculating risk weights and a new risk weight floor of 15 per cent. It should also be noted that changes to regulatory capital requirements have been made for insurance and reinsurance undertakings through participating jurisdiction initiatives, such as the Solvency II framework in Europe.

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

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

7.4 *The UK Securitisation Regulation regime applies to the Notes and non-compliance with that regime may have an adverse impact on the regulatory treatment of Notes and/or decrease the liquidity of the Notes*

As indicated in “*Certain Regulatory Requirements – UK Securitisation Regulation*” below, the UK Securitisation Regulation applies to the Transaction and the Notes. Among other things, the UK Securitisation Regulation includes risk retention and transparency requirements (imposed variously on the issuer, originator, sponsor and/or original lender of a securitisation) and due diligence requirements which are imposed, under the UK Securitisation Regulation on UK Affected Investors in a securitisation.

UK Affected Investors should be aware of their due diligence requirements in respect of the UK Securitisation Regulation in relation to the Transaction and the Notes. Among other things, such requirements restrict a UK Affected Investor (other than the originator, sponsor, or original lender) from investing in asset-backed securities unless (i) that UK Affected Investor is able to demonstrate that it has undertaken certain due diligence in respect of various matters (including, among other things, the position of its Note in the relevant priorities of payment and the structural features of the securitisation), (ii) the originator, sponsor or original lender in respect of the relevant securitisation has explicitly disclosed to the investor that, amongst other things, it will retain, on an on-going basis, a qualifying material net economic interest of not less than 5 per cent. in respect of the relevant securitisation determined in accordance with Article 6 of the UK Securitisation Regulation (referred to as the UK Retention Requirement), and (iii) that UK Affected Investor is able to demonstrate that it verified that the Issuer has, where applicable, made available and will make available information which it is required to make available in accordance with Article 5(1)(e) of the UK Securitisation Regulation.

A UK Affected Investor (other than the originator, sponsor or original lender) holding a securitisation position is required to at least establish appropriate written procedures that are proportionate to the risk profile of the securitisation position and, where relevant, to the UK Affected Investor’s trading and non-trading book, in order to monitor, on an ongoing basis, compliance with its due diligence requirements and the performance of the securitisation position and of the underlying exposures.

With respect to the commitment of BGFL, as Risk Retention Holder, to retain a material net economic interest in the securitisation (being a UK Retained Interest) for the purpose of complying with the UK Retention Requirement, please see the statements set out in “*Certain Regulatory Requirements – UK and EU risk retention requirements – Compliance with UK Retention Requirement*” below.

With respect to the information to be made available by the Issuer or another relevant party (or, after the Issue Date, by the Cash Administrator, and/or the Mortgage Administrator on the Issuer’s behalf) for the purpose of complying with the UK Transparency and Reporting Requirements, please see the statements set out in “*Certain Regulatory Requirements – Transparency and Reporting Requirements – UK Transparency and Reporting Requirements*” below.

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

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

Prospective investors are themselves responsible for knowing, assessing and monitoring requirements of the UK Securitisation Regulation, any relevant national measures or any other legal, regulatory or other requirements applicable to them, the consequences of any non-compliance with those requirements (including, among other things, any negative effect on the regulatory position of, and the capital charges on, the Notes and liquidity and price of the Notes) and, where appropriate, for taking independent advice on those requirements and consequences.

In particular, each prospective investor is required independently to assess and determine the sufficiency of the information described above and in this Prospectus generally for the purposes of complying with the UK Securitisation Regulation, any relevant national measures or any other applicable legal, regulatory or other requirements and none of the Issuer, the Seller, BGFL, the Cash Administrator, the Mortgage Administrator, the Back-up Mortgage Administrator Facilitator, the Note Trustee, the Security Trustee, the Swap Counterparty, the

Joint Arrangers, the Joint Lead Managers, the Agents, the Cash Administrator, the Corporate Services Provider, the Swap Collateral Account Bank or any other Transaction Party: (i) makes any representation that the information described above or in this Prospectus is sufficient in all circumstances for such purposes, (ii) have any liability to any prospective investor or any other person for any insufficiency of such information or any failure of the transactions contemplated herein to comply with or otherwise satisfy the requirements of the UK Securitisation Regulation, any relevant national measures or any other applicable legal, regulatory or other requirements, or (iii) shall have any obligation to ensure compliance with the requirements of the UK Securitisation Regulation, any relevant national measures or any other applicable legal, regulatory or other requirements (other than the obligations of the applicable Transaction Parties in respect of the UK Securitisation Regulation described in “*Certain Regulatory Requirements*” below).

7.5 *The EU Securitisation Regulation regime applies to the Notes and non-compliance with that regime may have an adverse impact on the regulatory treatment of Notes and/or decrease the liquidity of the Notes*

As indicated in “*Certain Regulatory Requirements – EU Securitisation Laws*” below, the EU Securitisation Regulation applies to the Transaction and the Notes. Among other things, the EU Securitisation Regulation includes risk retention and transparency requirements (imposed variously on the issuer, originator, sponsor and/or original lender of a securitisation) and due diligence requirements which are imposed, under the EU Securitisation Regulation on EU Affected Investors in a securitisation.

EU Affected Investors should be aware of their due diligence requirements in respect of the EU Securitisation Regulation in relation to the Transaction and the Notes. Among other things, such requirements restrict an EU Affected Investor (other than the originator, sponsor, or original lender) from investing in asset-backed securities unless (i) that EU Affected Investor is able to demonstrate that it has undertaken the required due diligence in respect of various matters (including, among other things, the position of its Note in the relevant priorities of payment and the structural features of the securitisation), (ii) the originator, sponsor or original lender in respect of the relevant securitisation has explicitly disclosed to the investor that, amongst other things, it will retain, on an on-going basis, a qualifying material net economic interest of not less than 5 per cent. in respect of the relevant securitisation determined in accordance with Article 6 of the EU Securitisation Regulation (referred to as the EU Retention Requirement), and (iii) that EU Affected Investor is able to demonstrate that it verified that the Issuer has, where applicable, made available and will make available information which is substantially the same (and with such frequency and modalities as are substantially the same) as the Issuer would have been required to make available in accordance with Article 5(1)(e) of the EU Securitisation Regulation, had it been established in the EU.

An EU Affected Investor (other than the originator, sponsor or original lender) holding a securitisation position is required to at least establish appropriate written procedures that are proportionate to the risk profile of the securitisation position and, where relevant, to the EU Affected Investor’s trading and non-trading book, in order to monitor, on an ongoing basis, compliance with its due diligence requirements and the performance of the securitisation position and of the underlying exposures.

With respect to the commitment of BGFL, as Risk Retention Holder, to retain a material net economic interest in the securitisation (being an EU Retained Interest) for the purpose of complying with the EU Retention Requirement, please see the statements set out in “*Certain Regulatory Requirements – UK and EU risk retention requirements – Compliance with EU Retention Requirement*” below. Potential EU Affected Investors should note that the obligation of BGFL 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 together with any binding technical standards in force on the Issue Date until such time when BGFL 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. In addition, to the extent that Article 6 of the EU Securitisation Regulation is amended or new binding technical standards are introduced, BGFL will be under no obligation to comply with such amendments to the extent they impact on BGFL’s ability to comply with its obligation to comply with the EU Retention Requirement.

With respect to the information to be made available by the Issuer or another relevant party (or, after the Issue Date, by the Cash Administrator, and/or the Mortgage Administrator on the Issuer’s behalf) for the purpose of complying with the EU Transparency and Reporting Requirements, please see the statements set out in “*Certain Regulatory Requirements – Transparency and Reporting Requirements – EU Transparency and Reporting Requirements*” below.

Failure to comply with one or more of the requirements of the EU Securitisation Regulation may result in various penalties including, in the case of those investors subject to regulatory capital requirements, the imposition of a penal capital charge on the Notes acquired by the relevant investor. In addition, there is a risk that the consequences

of non-compliance with applicable requirements of the EU Securitisation Regulation may include, but is by no means limited to, a decrease in demand for the Notes in the secondary market, which may lead to a decreased price for the Notes, or decreased liquidity and increased volatility in the secondary market and, therefore, an investor's ability to resell the Notes may be limited by market conditions and an investor must be prepared to bear the risk of holding its Notes until maturity.

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

Prospective investors are themselves responsible for knowing, assessing and monitoring requirements of the EU Securitisation Regulation, any relevant national measures or any other legal, regulatory or other requirements applicable to them, the consequences of any non-compliance with those requirements (including, among other things, any negative affect on the regulatory position of, and the capital charges on, the Notes and liquidity and price of the Notes) and, where appropriate, for taking independent advice on those requirements and consequences.

In particular, each prospective investor is required independently to assess and determine the sufficiency of the information described above and in this Prospectus generally for the purposes of complying the EU Securitisation Regulation, any relevant national measures or any other applicable legal, regulatory or other requirements and none of the Issuer, the Seller, BGFL, the Cash Administrator, the Mortgage Administrator, the Back-up Mortgage Administrator Facilitator, the Note Trustee, the Security Trustee, the Swap Counterparty, the Joint Arrangers, the Joint Lead Managers, the Agents, the Cash Administrator, the Corporate Services Provider, the Swap Collateral Account Bank or any other Transaction Party: (i) makes any representation that the information described above or in this Prospectus is sufficient in all circumstances for such purposes, (ii) have any liability to any prospective investor or any other person for any insufficiency of such information or any failure of the transactions contemplated herein to comply with or otherwise satisfy the requirements of the EU Securitisation Regulation, any relevant national measures or any other applicable legal, regulatory or other requirements, or (iii) shall have any obligation to ensure compliance with the requirements of the EU Securitisation Regulation, any relevant national measures or any other applicable legal, regulatory or other requirements (other than the obligations of the applicable Transaction Parties in respect of the EU Securitisation Regulation described in "*Certain Regulatory Requirements*" below).

7.6 Not a Simple, Transparent and Standardised (STS) securitisation

As indicated in "*Certain Regulatory Requirements – Not a Simple, Transparent and Standardised (STS) Securitisation*" below the Transaction is not and is not expected to be designated as an EU STS Securitisation or a UK STS Securitisation and, accordingly, the Notes will not benefit from any more favourable regulatory treatment, including reduced risk weightings for EU Affected Investors or, as applicable, UK Affected Investors, that would apply to a securitisation transaction that is designated as an EU STS Securitisation or a UK STS Securitisation.

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

7.7 U.S. risk retention requirements

As explained in more detail in the section entitled "*U.S. Risk Retention*" below, the U.S. Retention Rules became effective with respect to residential mortgage backed securities on 24 December 2015 and generally require the "sponsor" of a "securitization transaction" (as defined by the U.S. Retention Rules) to acquire and retain (either directly and/or through one of its "majority-owned affiliates" (as defined by the U.S. Retention Rules)) not less than 5 per cent. of the credit risk of the "securitized assets" (as defined by the U.S. Retention Rules) of the Issuer 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. Retention Rules provide that the securitizer of an asset backed securitization is its sponsor. The U.S. Retention Rules also provide for certain exemptions from the risk retention obligation that they generally impose.

This securitisation transaction will be subject to the U.S. Retention Rules, and the U.S. Retention Holder will hold the required U.S. Retained Interest as described in "*U.S. Risk Retention*" below. As at the Issue Date, the U.S. Retained Interest will be satisfied by the U.S. Retention Holder acquiring and, to the extent required, retaining

through the Sunset Date an EHRI, in this case 100 per cent. of the Z1 Notes, the Z2 Notes, the RC1 Certificates and the RC2 Certificates, in accordance with the U.S. Retention Rules. If, however, the U.S. Retention Holder or a majority-owned affiliate fails to retain credit risk in accordance with the U.S. Retention Rules, or engages in a hedging transaction with respect to the U.S. Retained Interest prior to the Sunset Date, the value and liquidity of the Notes may be adversely affected. In addition, no assurance can be given as to whether a failure by the U.S. Retention Holder to comply with the U.S. Retention Rules (regardless of the reason for such failure to comply) may give rise to regulatory action which may adversely affect the Notes or the market value of the Notes. Furthermore, the impact of the U.S. Retention Rules on the securitisation market generally is uncertain, and a failure by the U.S. Retention Holder to comply with the U.S. Retention Rules could therefore negatively affect the market value and secondary market liquidity of the Notes.

None of the Joint Arrangers or the Joint Lead Managers or any of their 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. Retention Rules on the Issue Date or at any time in the future.

Investors should therefore make themselves aware of the U.S. Retention Rules, changes and requirements thereto, and consult their own advisers as to the U.S. Retention Rules. No predictions can be made as to the precise effects of such matters on any investor or otherwise.

7.8 Raising of financing by the Seller against Notes held by it for risk retention

On or after the Issue Date, BGFL (in its capacity as Risk Retention Holder and U.S. Retention Holder, as applicable) may directly or indirectly obtain funding to finance its economic exposure to some or all of (i) the UK Retained Interest and/or EU Retained Interest required to be retained in compliance with the UK Retention Requirement and/or EU Retention Requirement, and (ii) the U.S. Retained Interest required to be retained in compliance with the U.S. Retention Rules. Such financing may be provided by one or more of the Joint Arrangers, the Joint Lead Managers or the Joint Arrangers Related Persons and may require the grant of a security interest over such financed UK Retained Interest and/or EU Retained Interest and U.S. Retained Interest and result in the financing counterparty having enforcement rights and remedies in case of an event of default which may include the right to appropriate or sell the UK Retained Interest and/or EU Retained Interest and the U.S. Retained Interest. In carrying out any such appropriation or sale, the financing counterparty would not be required to have regard for the UK Retention Requirement and/or EU Retention Requirement and the U.S. Retention Rules and any such sale or appropriation may therefore cause BGFL (in its capacity as Risk Retention Holder and U.S. Retention Holder, as applicable) to be in non-compliance with the UK Retention Requirement and/or EU Retention Requirement and the U.S. Retention Rules. In such an event, with respect to the UK Retention Requirement and/or EU Retention Requirement, Notes held by other investors could be subject to an increased regulatory capital charge levied by a relevant regulator with jurisdiction over any such investor, and, also, with respect to the U.S. Retention Rules, the UK Retention Requirement and the EU Retention Requirement, the price and liquidity of the Notes held by an investor in the secondary market could be negatively impacted.

7.9 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 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 Noteholders and Certificateholders.

7.10 Insolvency proceedings and subordination provisions

There is uncertainty as to the validity and/or enforceability of a provision which (based on contractual and/or trust principles) subordinates certain payment rights of a creditor to the payment rights of other creditors of its counterparty upon the occurrence of insolvency proceedings relating to that creditor. In particular, recent cases have focused on provisions involving the subordination of the Swap Counterparty's payment rights in respect of certain termination payments upon the occurrence of insolvency proceedings or other default on the part of such counterparty. Such provisions are similar in effect to the terms which will be included in the Transaction Documents, including those relating to the Swap Subordinated Amounts.

The UK Supreme Court has affirmed that such a subordination provision is valid under English law. Contrary to the determination of the UK Supreme Court, the US Bankruptcy Court recently held that such a subordination provision is unenforceable under US bankruptcy law and that any action to enforce such provision would violate the automatic stay which applies under such law in the case of a US bankruptcy of the counterparty.

Based on the findings of the US Bankruptcy Court, there is a risk that a Secured Creditor in US debtor-in-possession bankruptcy proceedings could successfully challenge the subordination provisions contemplated by the Deed of Charge to the extent that such provisions provide for certain payment rights of a creditor to be conditional upon whether or not an Event of Default related to the commencement of insolvency or bankruptcy proceedings or a deterioration of financial condition has occurred with respect to that creditor.

If a creditor of the Issuer (such as the Swap Counterparty) or a related entity becomes subject to insolvency proceedings in any jurisdiction outside England and Wales (including, but not limited to, the US), and it is owed a payment by the Issuer, a question arises as to whether the insolvent creditor or any insolvency official appointed in respect of that creditor could successfully challenge the validity and/or enforceability of subordination provisions included in the English law governed Transaction Documents. Laws may be relevant in certain circumstances with respect to a range of entities, including US established entities and certain non-US established entities with assets or operations in the US (although the scope of any such proceedings may be limited if the relevant non-US entity is a bank with a licensed branch in a US state). In general, if a subordination provision included in the Transaction Documents (such as the subordination of the Swap Subordinated Amounts) was successfully challenged under the insolvency laws of any relevant jurisdiction outside England and Wales and any relevant foreign judgment or order was recognised by the English courts, there can be no assurance that such actions would not adversely affect the rights of the Noteholders, the Certificateholders, the market value of the Notes, the Certificates, and/or the ability of the Issuer to satisfy its obligations under the Notes or Certificates.

Lastly, given the general relevance of the issues under discussion in the judgments referred to above and that the Transaction Documents will include terms providing for the subordination of the payments due to certain parties in certain circumstances post-enforcement, there is a risk that the final outcome of the dispute in such judgments (including any recognition action by the English courts) may result in negative rating pressure in respect of the Notes. If any rating assigned to the Notes is lowered, the market value of the Notes may be adversely affected.

7.11 *Company voluntary arrangement and small companies moratorium*

The ability to realise the Security granted may be delayed if an administrator is appointed or in the context of a company voluntary arrangement in respect of the Issuer. In this regard, it should be noted that:

- (a) in general, an administrator may not be appointed in respect of a company if an administrative receiver is in office. Amendments were made to the Insolvency Act 1986 in September 2003 which restrict the right of the holder of a floating charge to appoint an administrative receiver, unless an exception applies. Significantly, one of the exceptions allows for the appointment of an administrative receiver in relation to certain transactions in the capital markets. While it is anticipated that the requirements of this exception will be met, it should be noted that the Secretary of State for Business, Energy and Industrial Strategy may by regulation modify the capital market exception and/or provide that the exception shall cease to have effect; and
- (b) under the Insolvency Act 1986 (as amended by the Insolvency Act 2002), certain “small” companies (which are defined by reference to certain financial and other tests) are entitled to seek protection from their creditors for a limited period for the purposes of putting together a company voluntary arrangement. The position as to whether or not a company is a small company may change from time to time and consequently no assurance can be given that the Issuer will not, at any given time, be determined to be a small company. However, certain companies are excluded from the optional moratorium provisions, including a company which is party to certain transactions in the capital markets and/or which has a liability in excess of a certain amount. While the Issuer should fall within the current exceptions, it should be noted that the Secretary of State for Business, Energy and Industrial Strategy may by regulation modify these exceptions.

Accordingly, the provisions described above will serve to limit the Security Trustee’s ability to enforce the Security to the extent that: firstly, if the Issuer falls within the criteria for eligibility for a moratorium at the time a moratorium is sought; secondly, if the directors of the Issuer seek a moratorium in advance of a company voluntary arrangement; and, thirdly, if the Issuer is considered not to fall within the capital market exception (as expressed or modified at the relevant time) or any other applicable exception at the relevant time; in those circumstances, the enforcement of any security by the Security Trustee will be for a period as prohibited by the imposition of the moratorium. In addition, the other effects resulting from the imposition of a moratorium described above may impact the transaction in a manner detrimental to the Noteholders.

7.12 *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 Notes and Certificates. In certain circumstances, including the occurrence of certain insolvency events in respect of the Issuer, the ability to realise the Security may be delayed and/or the value of the 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 of the new moratorium regime and the ban on ipso facto clauses, there is no guidance on how the new legislation will be interpreted and the Secretary of State may by regulations modify the exceptions. For the purposes of the Restructuring Plan, it should also be noted that there are currently no exemptions, but the Secretary of State may by regulations provide for exclusion of certain companies providing financial services and the UK government has expressly provided for changes to the Restructuring Plan to be effected through secondary legislation, particularly in relation to the cross-class cram-down procedure. It is therefore possible that aspects of the legislation may change. While the transaction structure is designed to minimise the likelihood of the Issuer becoming insolvent and/or subject to pre-insolvency restructuring proceedings, no assurance can be given that any modification of the exceptions from the application of the new insolvency reforms referred to above will not be detrimental to the interests of the Noteholders and, there can be no assurance that the Issuer will not become insolvent and/or the subject of insolvency or pre-insolvency restructuring proceedings and/or that the Noteholders and/or the Certificateholders would not be adversely affected by the application of insolvency laws (including English and, if applicable, Scottish insolvency laws or the laws affecting the creditors’ rights generally).

In addition, it should be noted that, to the extent that the assets of the Issuer are subject only to a floating charge (including any fixed charge recharacterised by the courts as a floating charge), in certain circumstances under the provisions of sections 174A, 176ZA and 176A of the Insolvency Act 1986, certain floating charge realisations which would otherwise be available to satisfy the expenses of the insolvency proceeding, any claims of secured creditors or creditors who otherwise take priority over floating charge recoveries under the Deed of Charge may be used to satisfy any claims of unsecured creditors. 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 question of fact as to whether the Issuer has any other such creditors at any time. There can be no assurance that the Noteholders and Certificateholders will not be adversely affected by any such reduction in floating charge realisations upon the enforcement of the Security. (See “7.14 Liquidation expenses payable on floating charge realisation will reduce amounts available to satisfy the claims of secured creditors of the Issuer” below).

7.13 Fixed charges may take effect under English law as floating charges

Pursuant to the terms of the Deed of Charge, the Issuer has purported to grant fixed charges over, amongst other things, its interests in the English Loans and their related Mortgage Rights and its rights and benefits in the Bank Accounts, and its beneficial interests in the Collection Account.

The law in England and Wales relating to the characterisation of fixed charges is not settled. The fixed charges purported to be granted by the Issuer may take effect under English law as floating charges only, if, for example, it is determined that the Security Trustee does not exert sufficient control over the charged property for the security to be said to “fix” over those assets. It should be assumed by Noteholders that the fixed charges will take effect as floating charges. If the charges take effect as floating charges instead of fixed charges, 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. In particular, the expenses of any administration, and the claims of any preferential creditors and the claims of unsecured creditors would rank ahead of the claims of the Security Trustee in this regard. The Enterprise Act 2002 abolished the preferential status of certain Crown debts (including the claims of the United Kingdom tax authorities). However, certain employee claims (in respect of contributions to pension schemes and wages) still have preferential status. In this regard, it should be noted that the Issuer has agreed in the Transaction Documents not to have any employees.

In addition, any administrative receiver, administrator or liquidator appointed in respect of the Issuer will be required to set aside the prescribed percentage or percentages of the floating charge realisations in respect of the floating charges contained in the Deed of Charge (as described in more detail above under “7.12 English law security and insolvency considerations”).

Under Scots law the concept of fixed charges taking effect as floating charges does not arise and accordingly there is no equivalent risk in relation to the Scottish Loans and their related Mortgage Rights.

7.14 *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, it is now the case that, in general 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 Rules 2016.

On this basis and as a result of the changes described above, in a winding-up of the Issuer, floating charge realisations which would otherwise be available to satisfy the claims of Secured Creditors under the Deed of Charge may be reduced by at least a significant proportion of any liquidation expenses. There can be no assurance that the holders of the Notes and Certificates will not be adversely affected by such a reduction in floating charge realisations.

7.15 *Banking Act 2009*

Under the Banking Act 2009 (as amended and supplemented, including pursuant to the Bank Recovery and Resolution (Amendment) (EU Exit) Regulations 2020, the “**Banking Act**”), substantial powers have been granted to HM Treasury, the Bank of England and the FCA and the PRA, as part of the special resolution regime (the “**SRR**”). These powers (which apply regardless of any contractual provisions) enable the above authorities to deal with and stabilise United Kingdom-incorporated institutions with permission to accept deposits pursuant to Part 4A of the FSMA (such as the Account Bank, the Collection Account Provider, the Swap Counterparty and the Swap Collateral Account Bank) (each a “**relevant entity**”) that are failing or are likely to fail to satisfy the threshold conditions (within the meaning of Section 41 of the FSMA). The SRR consists of 5 stabilisation options: (i) transfer of all or part of the business of the relevant entity or the shares of the relevant entity to a private sector purchaser; (ii) transfer of all or part of the business of the relevant entity to a “bridge bank” wholly-owned by the Bank of England; (iii) temporary public ownership of the relevant entity; (iv) writing down (including to zero) certain claims of unsecured creditors of the relevant entity (including Notes) and/or converting certain unsecured debt claims (including Notes) to equity (the bail-in option), which equity could also be subject to any cancellation, transfer or dilution; and (v) transfer of all or part of the business of the relevant entity to an asset management vehicle owned and controlled by the Bank of England or HM Treasury. HM Treasury may also take a parent company of a relevant entity into temporary public ownership where certain conditions are met. In general, there is considerable uncertainty about the scope of the powers afforded to the Authorities under the Banking Act and how the Authorities may choose to exercise them. Further, UK authorities have a wide discretion in exercising their powers under the special resolution regime, including modifying or setting aside any Act of Parliament by order of HM Treasury to facilitate its Banking Act objectives. Certain ancillary powers include the power to modify certain contractual arrangements in certain circumstances. It is possible that one of the stabilisation options could be exercised prior to the point at which any application for an insolvency or administration order with respect to the relevant entity could be made.

In general, the Banking Act requires the 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 transfer instruments and orders made under it.

If an instrument or order were to be made under the Banking Act in respect of a relevant entity, 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 modifications to such documents. In particular, modifications may be made pursuant to powers permitting certain trust arrangements to be removed or modified and/or via powers which permit provision to be included in an instrument or order such that the relevant instrument or order (and certain related events) is required to be disregarded in determining whether certain widely defined “default events” have occurred (which events would include certain trigger events included in the Transaction Documents in respect of the relevant entity, including termination and acceleration events). As a result, the making of an instrument or order in respect of a relevant entity may affect the ability of the Issuer to meet its obligations in respect of the Notes. While there is provision for compensation in certain circumstances under the Banking Act, there can be no assurance that Noteholders would recover compensation promptly and equal to any loss actually incurred.

At present, the Authorities have not made an instrument or order under the Banking Act in respect of the relevant entities referred to above and there has been no indication that it will make any such instrument or order, but there can be no assurance that this will not change and/or that Noteholders will not be adversely affected by any such instrument or order if made.

7.16 *Withholding Tax under the Notes*

Provided that the Notes are and continue to be “listed on a recognised stock exchange” (within the meaning of section 1005 of the Income Tax Act 2007), 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 on payments in respect of the Notes, neither the Issuer nor any other person is obliged to gross up or otherwise compensate the Noteholders for such withholding or deduction. However, in such circumstances, the Issuer may redeem all (but not some only) of the Notes subject to the requirements of and in accordance with Condition 5(e) (*Optional Redemption for Taxation or Other Reasons*) if the Issuer has sufficient funds available, thereby shortening the average lives of 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 “*UK Taxation Position of the Issuer*” below.

7.17 *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 “**Taxation of Securitisation Regulations**”)), and as such should be taxed only on the amount of its “retained profit” (as that term is defined in the Taxation of Securitisation Regulations) for so long as it satisfies the conditions of the Taxation of Securitisation Regulations. However, if the Issuer does not in fact satisfy the conditions to be taxed in accordance with the Taxation of Securitisation 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 Notes and the Certificates and may result in investors receiving less interest and/or principal than expected.

7.18 *Effects of the Volcker Rule on the Issuer*

Section 619 of the Dodd-Frank Act of 2010 added a new section 13 to the Bank Holding Company Act of 1956, commonly referred to as the “**Volcker Rule**”. The Volcker Rule and its related regulations generally prohibit “banking entities” (broadly defined to include U.S. banks, bank holding companies and foreign banking organisations, together with their respective subsidiaries and other affiliates from (i) engaging in proprietary trading, (ii) acquiring or retaining any “ownership interest” in, or “sponsoring”, a “covered fund” and (iii) entering into certain transactions with such funds subject to certain exemptions and exclusions).

The Issuer has been structured so as not to constitute a “covered fund” for purposes of the Volcker Rule and its implementing regulations. If the Issuer is considered a “covered fund”, the liquidity of the market for the Notes may be materially and adversely affected, since banking entities could be prohibited from, or face restrictions in, investing in the Notes. The Volcker Rule and any similar measures introduced in another relevant jurisdiction may, in addition, have a negative impact on the price and liquidity of the Notes in the secondary market. See “*Certain Regulatory Requirements – Volcker Rule*” below for more detail.

There is limited interpretive guidance regarding the Volcker Rule and its implementing regulations. The Volcker Rule’s prohibitions and lack of interpretive guidance could negatively impact the liquidity and value of the Notes and the Certificates. Any entity that is a “banking entity” as defined under the Volcker Rule and considering an investment in the Notes and the Certificates should consider the potential impact of the Volcker Rule in respect of such investment and on its portfolio generally. Each prospective investor must determine for itself whether it is a “banking entity” subject to regulation under the Volcker Rule. None of the Issuer, the Joint Lead Managers or any other person makes any representation regarding (i) the application of the Volcker Rule to the Issuer or (ii) the ability of any purchaser to acquire or hold the Notes and the Certificates, now or at any time in the future.

7.19 *UK European Market Infrastructure Regulation and EU European Market Infrastructure Regulation*

The EU regulatory framework and legal regime relating to derivatives is primarily set out in Regulation (EU) No 648/2012 of the European Parliament and Council on OTC derivatives, central counterparties and trade repositories dated 4 July 2012, as amended by Regulation (EU) 2019/834 of the European Parliament and of the

Council dated 20 May 2019 (“EU EMIR”). A similar regime applies in the UK under EU EMIR as it forms part of domestic law in the UK by virtue of the EUWA (“UK EMIR”).

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

Investors should be aware of the following:

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

If the Issuer enters into an Interest Rate Swap with an EU established Swap Counterparty, the Issuer will require such Swap Counterparty to co-operate with the Issuer to ensure the applicable rules under UK EMIR are complied with and such Swap Counterparty will require the Issuer to co-operate with such Swap Counterparty to ensure the applicable rules under EU EMIR are complied with.

The Issuer considers itself to be (i) a “non-financial counterparty” below the clearing threshold for the purposes of UK EMIR and (ii) a “third country entity” for the purposes of EU EMIR (that would be a “non-financial counterparty” below the clearing threshold under EU EMIR if it were established in the EU). Neither of (i) or (ii) are subject to the clearing or the margin-posting requirements or the requirement to trade on an exchange or other electronic platform. Should the status of the Issuer change to a “non-financial counterparty” above the clearing threshold (“NFC+”) or “financial counterparty” (“FC”) for the purposes of UK EMIR and/or a third country equivalent to a FC or NFC+ for the purposes of EU EMIR, this may result in the application of the relevant clearing obligation or (more likely) the relevant collateral exchange obligation and relevant daily valuation obligation under the risk mitigation requirements, as it seems unlikely that any of the swap agreements would be a relevant type of OTC derivative contract that would be subject to the clearing obligation under UK EMIR and EU EMIR to date.

Prospective investors should be aware however that regulatory changes arising from UK EMIR and EU EMIR may adversely affect the Issuer’s ability to engage in derivative transactions and the costs to the Issuer in doing so (including entering into additional Interest Rate Swaps to effect Interest Rate Swap Adjustments from time to time). Given that no material differences have applied between the applicable EU and UK regulatory rules since 1 January 2021, the Issuer will likely bear the same costs in meeting its and any Swap Counterparty’s requirements when entering into derivative transactions on or around the Issue Date, regardless of whether such Swap Counterparty is established in the EU or the UK. However, over time, divergences between the UK EMIR and the EU EMIR rules may arise and this may ultimately lead to additional costs being incurred by the Issuer to the extent that it continues to enter into derivative transactions (including to effect Interest Rate Swap Adjustments from time to time) with any Swap Counterparty established in both the UK and the EU.

7.20 *Equitable interest and each Scottish Declaration of Trust*

Legal title to the Mortgages in the Mortgage Pool is, or is in the course of being, registered in the name of the Seller, and will remain with the Seller. The sale by the Seller to the Issuer of the English Loans will take effect in equity only. The sale by the Seller to the Issuer of the Scottish Loans will be given effect by way of each Scottish Declaration of Trust. Save in the circumstances set out in “2.5 *Seller to initially retain legal title to the Loans and risks relating to set-off*” above, no application will be made to the Land Registry (or in the case of Scottish Mortgages, the Registers of Scotland) to register the Issuer as legal owner of such Mortgages. Neither the Issuer nor the Security Trustee will apply to the Land Registry (or in the case of Scottish Mortgages, the Registers of Scotland) to register their interest in such Mortgages. See “2.5 *Seller to initially retain legal title to the Loans and risks relating to set-off*” above.

As a consequence of neither the Issuer nor the Security Trustee obtaining legal title to the Mortgages by not registering or recording their respective interest in the Land Registry (or in the case of Scottish Mortgages, the Registers of Scotland) (where applicable), a *bona fide* purchaser for value of any of such Mortgages without notice of any of the interests of the Seller, the Issuer or the Security Trustee (and certain similar third parties) might obtain a good title free of any such interest. Further, the rights of the Issuer and the Security Trustee may be or become

subject to equities (for example, rights of set-off as between the relevant Borrowers or insurance companies and the Seller). However, the risk of third party claims obtaining priority to the interests of the Seller, the Issuer or the Security Trustee would be likely to be limited to circumstances arising from a breach by the Seller or the Mortgage Administrator (or any delegate or replacement thereof, as the case may be) of its contractual obligations, representations or warranties or fraud, negligence or mistake on the part of the Seller or the Mortgage Administrator (or any delegate or replacement thereof, as the case may be) or their respective personnel or agents. (See “2.5 Seller to initially retain legal title to the Loans and risks relating to set-off” above). Furthermore, for so long as neither the Issuer nor the Security Trustee have obtained legal title, they must join the Seller as a party to any legal proceedings which they may wish to take against any Borrower or in relation to the enforcement of any Mortgage. In this regard, the Seller will undertake, for the benefit of the Issuer and the Security Trustee, that it will lend its name to, and take such other steps as may reasonably be required by the Issuer or may be required by the Security Trustee in relation to, any legal proceedings in respect of any Mortgage. In the event that the Seller is in administration, discretionary leave of the court may be required to join the Seller as a party to such proceedings.

7.21 Credit Rating Agencies

Prospective investors are responsible for ensuring that an investment in the Notes or 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 the EU CRA Regulation which became effective on 20 June 2013. The EU 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. Additionally, the EU CRA Regulation requires certain additional disclosure to be made in respect of structured finance transactions.

The FCA is obliged to maintain on its website, <http://www.fca.org.uk/>, a list of credit rating agencies registered and certified in accordance with the UK CRA Regulation. This list must be updated within five working days of the FCA’s adoption of any decision to withdraw the registration of a credit rating agency under the UK CRA Regulation. Therefore, such list is not conclusive evidence of the status of the relevant rating agency as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated FCA list. The contents of this website do not form part of this Prospectus and are not incorporated by reference into this Prospectus. In general, European regulated investors are restricted under the EU CRA Regulation from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the EU CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances whilst the registration application is pending.

Similarly, UK regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the United Kingdom 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: (i) endorsed by a UK registered credit rating agency; or (ii) issued by a third country credit rating agency that is certified in accordance with the UK CRA Regulation.

Each of DBRS and S&P are included on the list of registered and certified credit rating agencies that is maintained by the FCA. The rating that DBRS is expected to assign to the Rated Notes on the Issue Date will be endorsed by DBRS Ratings GmbH, which is established in the European Union and registered under the EU CRA Regulation. The rating that S&P is expected to assign to the Rated Notes on the Issue Date will be endorsed by S&P Global Ratings Europe Limited, which is established in the European Union and registered under the EU CRA Regulation.

8. Risks relating to the characteristics of the Notes

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

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.

8.2 Book-Entry Interests

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

A nominee for the Common Safekeeper will be considered the registered holder of the Notes as shown in the records of Euroclear or Clearstream, Luxembourg and will be the sole legal holder of the Global Notes under the

Trust Deed while the Notes are represented by the Global Notes. 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 Notes will be made by the Principal Paying Agent to a nominee of the Common Safekeeper. Upon receipt of any payment from the relevant 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, the Cash Administrator, any Agent or any of their respective agents 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 Notes, holders of Book-Entry Interests will be restricted to acting through Euroclear and Clearstream, Luxembourg unless and until 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.

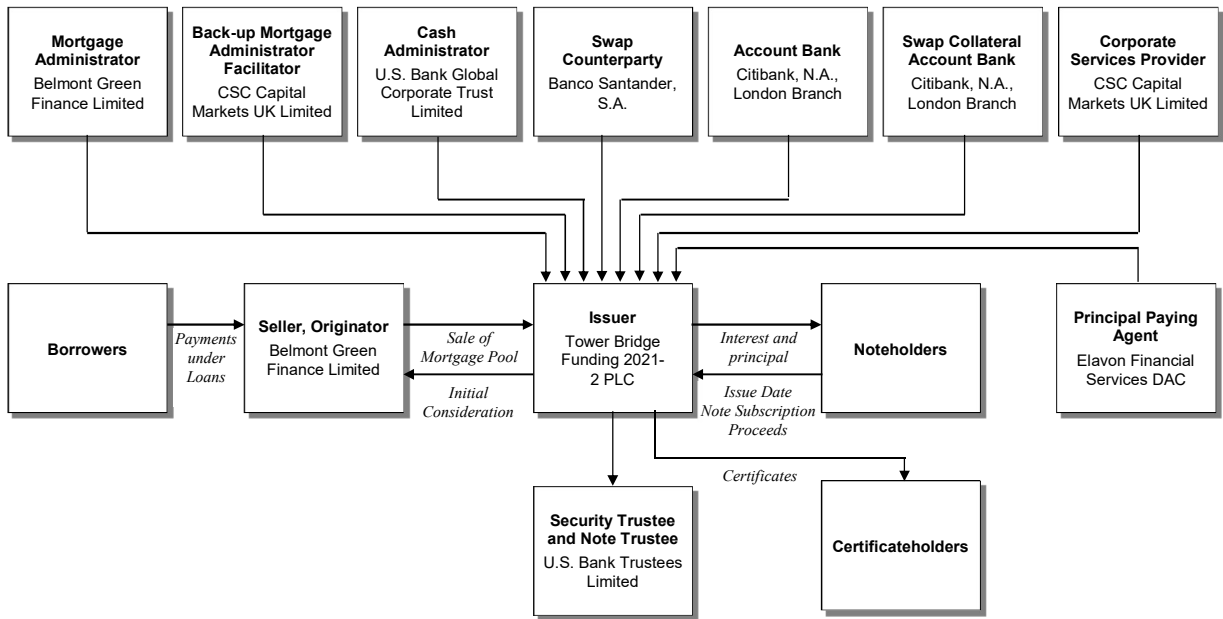
Although Euroclear and Clearstream, Luxembourg have agreed to certain procedures to facilitate transfers of Book-Entry Interests among participants of Euroclear and Clearstream, Luxembourg, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, the Agents, the Cash Administrator, the Note Trustee or the Security Trustee or any of their agents will have any responsibility for the performance by Euroclear or Clearstream, Luxembourg or their respective participants 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.

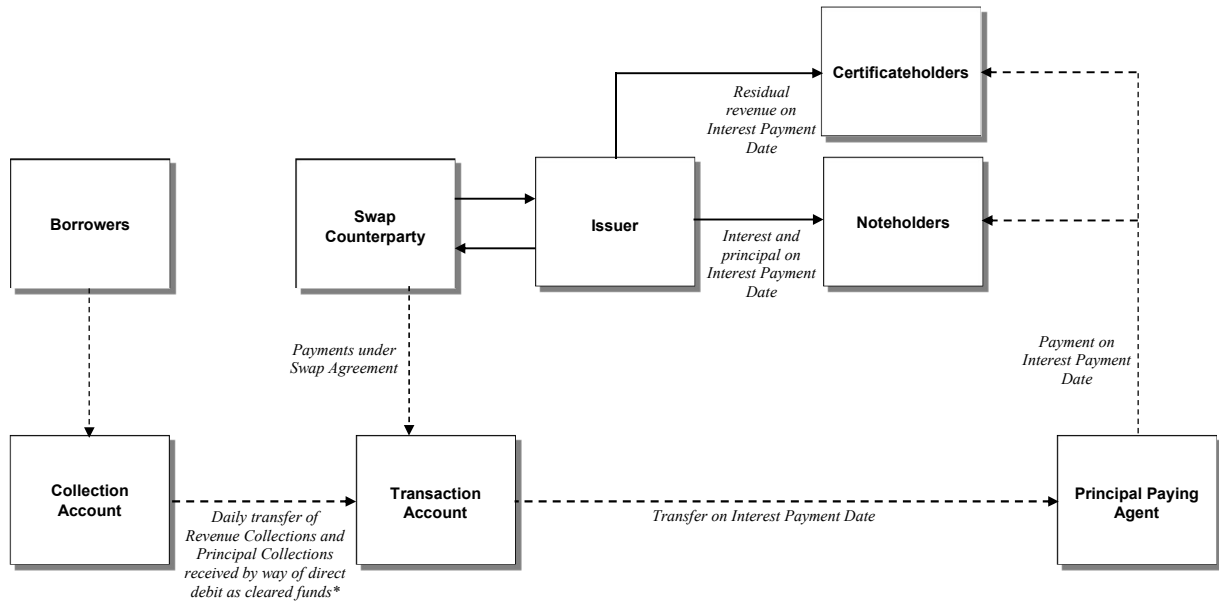
Certain transfers of Notes or interests therein may only be affected in accordance with, and subject to, certain transfer restrictions and certification requirements.

The Issuer believes that the risks described above are the principal risks inherent in the transaction for the Noteholders and Certificateholders, but the inability of the Borrowers to pay interest, principal or other amounts on the Loans and consequently the inability of the Issuer to pay interest, principal or other amounts on or in connection with the Notes and Certificates may occur for other reasons and the Issuer does not represent that the statements above regarding the risks of holding the Notes are exhaustive. Although the Issuer believes that the various structural elements described in this Prospectus lessen some of the risks for the Noteholders and Certificateholders, there can be no assurance that these measures will be sufficient to ensure payment to the Noteholders and Certificateholders of interest, principal or any other amounts on or in connection with the Notes and Certificates on a timely basis or at all.

DIAGRAMMATIC OVERVIEW OF THE TRANSACTION



DIAGRAMMATIC OVERVIEW OF ONGOING CASH FLOW

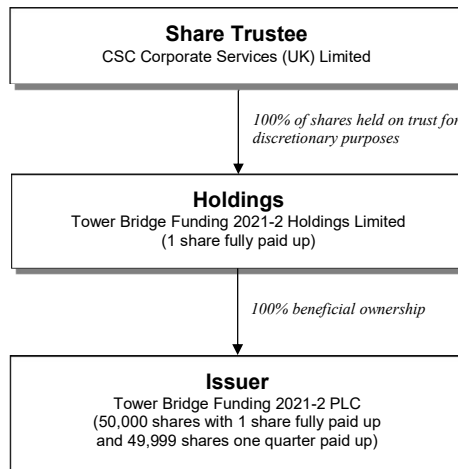


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Contractual obligations

- - - - -
Cashflows

*Where Revenue Collections or Principal Collections are received other than by way of direct debit, such amounts will be transferred to the Transaction Account within 3 Business Days of receipt as cleared funds into the Collection Account.

DIAGRAMMATIC OVERVIEW OF THE OWNERSHIP STRUCTURE



The entire issued share capital of the Issuer is owned by Holdings. The Issuer is legally and beneficially owned and controlled directly by Holdings. The rights of Holdings as a shareholder in the Issuer are contained in the articles of association and the memorandum of association of the Issuer and the Issuer will be managed in accordance with those articles and with the provisions of English law.

The entire issued share capital of Holdings is held on trust by the Share Trustee under the terms of a discretionary 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 BGFL or any member of the group of companies containing BGFL.

TRANSACTION OVERVIEW – TRANSACTION PARTIES ON THE ISSUE DATE

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

| Party | Name | Address | Document under which appointed /Further information |
|--|--|---|--|
| Joint Arrangers | Banco Santander, S.A. | 2 Triton Square Regent's Place London NW1 3AN | N/A |
| | NatWest Markets Plc | 250 Bishopsgate London EC2M 4AA | |
| Joint Lead Managers | Banco Santander, S.A. | 2 Triton Square Regent's Place London NW1 3AN | Subscription Agreement. |
| | Barclays Bank PLC | 5 The North Colonnade London E14 4BB | Subscription Agreement. |
| | Merrill Lynch International ¹ | 2 King Edward Street London EC1A 1HQ | Subscription Agreement. |
| | NatWest Markets Plc | 250 Bishopsgate London EC2M 4AA | Subscription Agreement. |
| Issuer | Tower Bridge Funding 2021-2 PLC | 10th Floor, 5 Churchill Place, London E14 5HU | N/A. |
| Holdings | Tower Bridge Funding 2021-2 Holdings Limited | 10th Floor, 5 Churchill Place, London E14 5HU | N/A. |
| UK Reports Repository | EuroABS Limited | 4 Rectory Lane, Sidcup, Kent DA14 4QE | N/A. |
| EU Reports Repository | SecRep B.V. | Corkstraat 46, 3047 AC, Rotterdam, The Netherlands | N/A. |
| Seller | Belmont Green Finance Limited | 1 Bridge Street, Staines-upon-Thames, Surrey TW18 4TW, United Kingdom | N/A. |
| Mortgage Administrator | Belmont Green Finance Limited | 1 Bridge Street, Staines-upon-Thames, Surrey TW18 4TW, United Kingdom | Mortgage Administration Agreement. See the sections entitled " <i>The Seller and the Mortgage Administrator</i> " and " <i>Administration, Servicing and Cash Management of the Mortgage Pool</i> " for further information. |
| Back-up Mortgage Administrator Facilitator | CSC Capital Markets UK Limited | 10th Floor, 5 Churchill Place, London E14 5HU | Mortgage Administration Agreement. See the section entitled " <i>Administration, Servicing and Cash Management of the Mortgage Pool</i> " for further information. |
| Note Trustee and Security Trustee | U.S. Bank Trustees Limited | 125 Old Broad Street, Fifth Floor London EC2N 1AR | Trust Deed and Deed of Charge. See the Note Conditions for further information. |
| Corporate Services Provider | CSC Capital Markets UK Limited | 10th Floor, 5 Churchill Place, London E14 5HU | Corporate Services Agreement. |

¹ BofA Securities is a trading name of Merrill Lynch International.

| Party | Name | Address | Document under which appointed /Further information |
|---|--|--|--|
| Cash Administrator | U.S. Bank Global Corporate Trust Limited | 125 Old Broad Street, Fifth Floor, London EC2N 1AR, United Kingdom | Cash Administration Agreement. See the section entitled “ <i>The Cash Administrator</i> ” for further information. |
| Swap Counterparty | Banco Santander, S.A. | Ciudad Grupo Santander, Avenida de Cantabria s/n, Edificio Encinar, 28660, Boadilla del Monte, Madrid, Spain | Swap Agreement. See the sections entitled “ <i>The Swap Agreement</i> ” and “ <i>The Swap Counterparty</i> ” for further information. |
| Collection Account Provider | Barclays Bank PLC | 1 Churchill Place, London E14 5HP, United Kingdom | Collection Account Agreement. See the section entitled “ <i>The Collection Account Provider</i> ” for further information. |
| Account Bank and Swap Collateral Account Bank | Citibank, N.A., London Branch | Citigroup Centre, Canada Square, London E14 5LB | Bank Agreement. See the section entitled “ <i>The Account Bank and the Swap Collateral Account Bank</i> ” for further information. |
| Principal Paying Agent and Agent Bank | Elavon Financial Services DAC | 125 Old Broad Street, Fifth Floor, London EC2N 1AR, United Kingdom | Paying Agency Agreement. See the section entitled “ <i>The Agent Bank, the Principal Paying Agent and the Registrar</i> ” for further information. |
| Registrar | Elavon Financial Services DAC | Building 8, Cherrywood Business Park, Loughlinstown, Dublin 18, D18 W319, Ireland | Paying Agency Agreement. See the section entitled “ <i>The Agent Bank, the Principal Paying Agent and the Registrar</i> ” for further information. |

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

| Party | Name | Address | Further information |
|-------------------|-------------------------------------|--|---------------------|
| Share Trustee | CSC Corporate Services (UK) Limited | 10th Floor, 5 Churchill Place, London E14 5HU | N/A. |
| Listing Authority | FCA | 12 Endeavour Square, London E20 1JN | N/A. |
| Stock Exchange | London Stock Exchange plc | 10 Paternoster Square, London EC4M 7LS | N/A. |
| Clearing Systems | Euroclear Bank SA/NV | 1 Boulevard du Roi Albert II, 1210, Brussels, Belgium | N/A. |
| | Clearstream Banking S.A. | 42 Avenue JF Kennedy, L-1855 Luxembourg | N/A. |
| Rating Agencies | DBRS Ratings Limited | 20 Fenchurch Street, 31st Floor, London EC3M 3BY, United Kingdom | N/A. |
| | S&P Global Ratings UK Limited | 20 Canada Square, Canary Wharf, London E14 5LH, United Kingdom | N/A. |
| Auditors | Deloitte LLP | 2 New Street Square, London EC4A 3BZ | N/A. |

TRANSACTION OVERVIEW – MORTGAGE POOL AND SERVICING

Please refer to the sections entitled “*Constitution of the Mortgage Pool*”, “*Title to the Mortgage Pool*” and “*Sale of the Mortgage Pool*” for further detail in respect of the characteristics of the Mortgage Pool and the sale and the servicing arrangements in respect of the Mortgage Pool.

Mortgage Pool The Mortgage Pool comprises Loans secured over properties located in England, Wales and Scotland.

The English Loans and their related Mortgage Rights are governed by English law. The Scottish Loans and their related Mortgage Rights are governed by Scots law.

Sale of Mortgage Pool The Mortgage Pool will consist of the Loans, the Mortgage Rights, and all monies derived therein from time to time, which will be sold by the Seller to the Issuer on (i) the Issue Date (in the case of the Scottish Loans and their related Mortgage Rights, pursuant to an initial Scottish Declaration of Trust), and (ii) each Additional Loans Purchase Date (in the case of Scottish Loans and their related Mortgage Rights, pursuant to each further Scottish Declaration of Trust), pursuant to the Mortgage Sale Agreement.

In this Prospectus, unless otherwise noted, all references to specified percentages of the Loans are references to those Loans as a percentage of the aggregate Current Balances of the Provisional Completion Mortgage Pool.

Features of Loans The following is a summary of certain features of the Loans as at the Provisional Pool Reference Date and investors should refer to, and carefully consider, further details in respect of the Loans set out in “*Characteristics of the Provisional Completion Mortgage Pool*”.

Type of Loan: Repayment Loans or Interest Only Loans or a combination of both

Charge ranking: First charge mortgages only

Buy-to-let Loans: 78.15 per cent. of the aggregate Current Balance

Number of Loans: 1,183

Loans to Borrowers with CCJs: 9.87 per cent. of the aggregate Current Balance

Loans to self-employed Borrowers: 41.43 per cent. of the aggregate Current Balance

Loans to Borrowers subject to bankruptcy/IVA: 0.00 per cent. of the aggregate Current Balance

See the section entitled “*Characteristics of the Provisional Completion Mortgage Pool*” for further information.

The Issuer confirms that the Loans backing the issue of the Notes have characteristics that demonstrate capacity to produce funds to service any payments due and payable on the Notes. 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 Notes. Investors are advised to review carefully any disclosure in the Prospectus together with any amendments or supplements thereto.

Consideration for purchase The consideration payable by the Issuer in respect of the purchase of the Mortgage Pool shall be (i) in respect of the Completion Mortgage Pool, the Initial Cash Purchase Price plus (if any) the Excess Consideration payable on the Issue Date and delivery of, and the right to Residual Payments under the Certificates and (ii) in respect of the Additional Loans, the Additional Loans Cash Consideration for the Additional Loans and the right to Residual Payments under the Certificates.

Proceeds of the Notes

The proceeds of the Notes will be used to fund the purchase by the Issuer from the Seller of the Completion Mortgage Pool on the Issue Date at an amount equal to the Initial Cash Purchase Price and to: (i) fund the Start-Up Costs Ledger; (ii) fund the General Reserve Fund up to the General Reserve Fund Required Amount; (iii) fund the Pre-Funding Principal Reserve; (iv) fund the Pre-Funding Class X Reserve; and (v) following the funding and payment of items (i) to (iv) (inclusive), pay the remainder of the proceeds of the Notes to the Seller as Excess Consideration.

An amount equal to the Issuer Costs and Expenses shall on the Issue Date be credited to a separate ledger within the Transaction Account (the “**Start-Up Costs Ledger**”) from part of the proceeds of the issuance of the Notes. On and from the Issue Date, the Issuer will apply amounts standing to the credit of the Start-Up Costs Ledger in payment of the Issuer Costs and Expenses. Any remaining excess balance standing to the credit of the Start-Up Costs Ledger shall be applied, on the Determination Date immediately prior to second Interest Payment Date, as Available Revenue Funds and applied in accordance with the relevant Priority of Payments. There is no upfront payment by the Issuer to the Swap Counterparty or by the Swap Counterparty to the Issuer as consideration for entering into the initial Interest Rate Swap on the Issue Date; instead, the Issuer understands that payments will be made on or prior to the Issue Date in connection with the termination and/or recalibration of interest rate swaps applicable to the Seller’s warehouse funding transactions with the commercial effect of such interest rate swap(s) being blended into the initial Interest Rate Swap to be entered into by the Issuer on the Issue Date without the Issuer or the Swap Counterparty having to make a payment to the other on or prior to the Issue Date to reflect such adjusted terms.

Pre-Funding

On each Additional Loans Purchase Date (being any date provided that there shall be a maximum of three Additional Loans Purchase Dates during the Pre-Funding Availability Period) the Issuer may purchase Additional Loans (in aggregate up to the amount of the Pre-Funding Principal Reserve at the Issue Date) from the pool of Pre-Funding Eligible Loans (which satisfy the Representations and Warranties, the Pre-Funding Criteria and the Pre-Funding Portfolio Tests) from the Seller. The Issuer will pay the Seller an amount equal to the Additional Loans Cash Consideration using funds standing to the credit of the Pre-Funding Principal Reserve and the Pre-Funding Class X Reserve.

Pre-Funding Principal Reserve

On the Issue Date, the Issuer will credit an amount equal to the Pre-Funding Maximum Principal Percentage multiplied by the Principal Amount Outstanding of the Principal Backed Notes to the Pre-Funding Principal Reserve Ledger (the “**Pre-Funding Principal Reserve**”). On each Additional Loans Purchase Date, the Issuer will apply amounts (if any) standing to the credit of the Pre-Funding Principal Reserve Ledger as part of the Additional Loans Cash Consideration in purchasing Additional Loans from the Seller. The amount debited from the Pre-Funding Principal Reserve on each Additional Loans Purchase Date will be equal to the Pre-Funding Excess Principal Amount. The Pre-Funding Excess Principal Amount will be an amount equal to the Current Balance of the relevant Additional Loans as at the relevant Additional Loans Cut-Off Date.

Pre-Funding Class X Reserve

On the Issue Date, the Issuer will credit an amount equal to the Pre-Funding Maximum Principal Percentage multiplied by the Principal Amount Outstanding of the Class X Notes to the Pre-Funding Class X Reserve Ledger (the “**Pre-Funding Class X Reserve**”). On each Additional Loans Purchase Date, the Issuer will apply amounts (if any) standing to the credit of the Pre-Funding Class X Reserve Ledger as part of the Additional Loans Cash Consideration in purchasing Additional Loans from the Seller on each Additional Loans Purchase Date. The amount debited from the Pre-Funding Class X Reserve on each Additional Loans Purchase Date will be equal to the Pre-Funding Excess Class X Amount. The Pre-Funding Excess Class X Amount will be an amount equal to 3 per cent. of the

Current Balance of the relevant Additional Loans as at the relevant Additional Loans Cut-Off Date.

Pre-Funding Unused Amount

On the First Interest Payment Date, the aggregate outstanding balance (if any) of, in each case, the Pre-Funding Principal Reserve and the Pre-Funding Class X Reserve, form the “**Pre-Funding Unused Amount**”. The Pre-Funding Unused Amount shall form part of the Available Principal Funds which will be applied in accordance with item (i) of the Pre-Enforcement Principal Priority of Payments as *pro rata* repayment of the Principal Backed Notes and the X Notes.

Repurchase of Additional Loans

In relation to each Additional Loan purchased by the Issuer, if the first regular monthly instalment that becomes due in respect of that Additional Loan following completion of that Additional Loan is not paid in full by the relevant Borrower within one month of the date it became due, the Seller will repurchase that Additional Loan for a price equal to the Current Balance of the relevant Additional Loan as at the end of the Business Day before the repurchase date and pay the reasonable legal costs of the Issuer incurred in relation to the sale, re-transfer or re-assignment.

Representations and Warranties

The Seller will make the Warranties to the Issuer, the Note Trustee and the Security Trustee on (i) the Issue Date, in relation to the relevant Loans in the Mortgage Pool on the Issue Date, (ii) each Additional Loans Purchase Date, in relation to the Additional Loans, (iii) each Mortgage Pool Effective Date in relation to Product Switch Loans, and (iv) each Mortgage Pool Effective Date in relation to Further Advance Loans.

See the section entitled “*Sale of the Mortgage Pool – Warranties and Repurchase*” for further information.

Repurchase of the Loans and Mortgage Rights for breach of Warranty

In the event of a breach of a warranty given in respect of the Loans in the Mortgage Pool which could have a Material Adverse Effect on the relevant Loan and the related Mortgage, and which if capable of remedy, is not so remedied by the Seller within 30 days of notification of such breach, the Seller will be required to (x) make a cash payment equal to the Repurchase Price to the Issuer for such breach of warranty or (y) repurchase, or procure that an affiliate repurchases, the relevant Loan which is subject to a breach of warranty and its Mortgage Rights for an amount equal to the Repurchase Price, within 15 Business Days after such notification.

See the section entitled “*Sale of the Mortgage Pool – Warranties and Repurchase*” for further information.

Consideration for Mortgage Pool Option purchase The repurchase price for the Mortgage Pool under the Mortgage Pool Option (being the Mortgage Pool Purchase Price) shall be the amount which, after taking into account the application any amounts standing to the credit of the Transaction Account (including the General Reserve Fund and Liquidity Reserve Fund (if applicable)) and/or any other cash held by or on behalf of the Issuer (other than any Swap Excluded Receivable Amounts and any Issuer Profit Amount), equals the amount which would be required to pay any amounts required under the Pre-Enforcement Priority of Payments to be paid in priority to or *pari passu* with the Notes on such Interest Payment Date, to redeem all Notes then outstanding in full together with accrued and unpaid interest on such Notes and pay costs associated with the redemption, as calculated on the Determination Date immediately preceding the relevant Call Option Date. See the section entitled “*Sale of the Mortgage Pool – Mortgage Pool Option*” below for further information.

Product Switch Loans Should a Product Switch Loan be agreed between the Mortgage Administrator (acting on the instructions of the Seller in its capacity as Legal Title Holder and lender of record) and a Borrower, that Product Switch Loan may be retained within the Mortgage Pool if it satisfies the Product Switch Criteria on the applicable Mortgage Pool Effective Date.

See “*Sale of the Mortgage Pool – Product Switch Loans and Further Advances*” below.

Further Advances Should a Further Advance be agreed between the Mortgage Administrator (acting on the instructions of the Seller in its capacity as Legal Title Holder and lender of record) and a Borrower, that Further Advance may be purchased by the Issuer (and such Further Advance and its related Further Advance Loan will be comprised within the Mortgage Pool) if it satisfies the Further Advance Criteria on the applicable Mortgage Pool Effective Date.

See “*Sale of the Mortgage Pool – Product Switch Loans and Further Advances*” below.

Perfection Events Legal title to the Loans will be vested in and held by BGFL and will not be vested in or held by the Issuer until certain perfection events occur under the terms of the Mortgage Sale Agreement (“**Perfection Events**”). Prior to the completion of the transfer of the legal title to the Loans, the Issuer will be subject to certain risks as set out in the sections entitled “*Risk Factors – 2.5 Seller to initially retain legal title to the Loans and risks relating to set-off*” and “*Risk Factors – 7.20 Equitable interest and each Scottish Declaration of Trust*”.

See “*Perfection Events*” in the section entitled “*Triggers tables – Non-Rating Triggers Table*” below.

Servicing of the Mortgage Pool, the Mortgage Administrator The Mortgage Administrator agrees to service the Loans on behalf of the Issuer and the Legal Title Holder in accordance with the Mortgage Administration Agreement.

In respect of certain specified items, such as the discretionary, as opposed to the procedural, aspects of the enforcement of Loans and their Mortgage Rights against Borrowers in default and other discretionary matters, the Issuer and BGFL (as Legal Title Holder) has delegated certain decision-making powers to the Mortgage Administrator, who will retain those discretionary powers and exercise such discretionary powers pursuant to and in accordance with the Mortgage Administration Agreement.

Under the Mortgage Administration Agreement, the Issuer and BGFL (as Legal Title Holder) will grant the Mortgage Administrator full right, liberty and authority from time to time to determine and set the rate or rates of interest applicable to the Loans in accordance with the terms of such Loans and subject to the terms and conditions of the Mortgage Administration Agreement.

The Mortgage Administrator has delegated certain of its responsibilities and obligations as Mortgage Administrator to Homeloan Management Limited as delegate mortgage administrator.

Other than in respect of those services delegated by the Mortgage Administrator to Homeloan Management Limited on the Issue Date, provided prior notification has been given to the Issuer, the Security Trustee and the Rating Agencies, the Mortgage Administrator is permitted to sub-contract or delegate its obligations under the Mortgage Administration Agreement subject to the condition that, *inter alia*, a Rating Agency Confirmation is obtained.

See the sections entitled “*The Seller and the Mortgage Administrator*” and “*Administration, Servicing and Cash Management of the Mortgage Pool*”.

Upon the occurrence of a Mortgage Administrator Termination Event, the Issuer (prior to the service of an Enforcement Notice and with the consent of the Security Trustee) or the Security Trustee (after the service of an Enforcement Notice) may terminate the agency (and, simultaneously, the rights) of the Mortgage Administrator (such termination to be effective once a replacement Mortgage Administrator is appointed). If a Mortgage Administrator Termination Event occurs the Issuer (prior to the service of an Enforcement Notice and with the consent of the Security Trustee) or the Security Trustee (after the service of an Enforcement Notice) shall (as soon as practicable after such event has come to its attention) give notice in writing to the Mortgage Administrator (with a copy to the Back-up Mortgage Administrator Facilitator) of such occurrence and terminate the appointment of the Mortgage Administrator. If, following the occurrence of a Mortgage Administrator Termination Event, the Issuer (prior to the service of an Enforcement Notice and with the consent of the Security Trustee) or the Security Trustee (following delivery of an Enforcement Notice), so requests in writing, the Mortgage Administrator shall (if it is able to do so) continue to provide the Services under the Mortgage Administration Agreement until a replacement Mortgage Administrator is appointed and such replacement Mortgage Administrator has assumed performance of all the Services.

The Mortgage Administrator may also resign upon giving 12 months’ notice provided, *inter alia*, a substitute mortgage administrator has been appointed.

See “*Mortgage Administrator Termination Events*” in the section entitled “*Triggers tables – Non-Rating Triggers Table*” below.

FULL CAPITAL STRUCTURE OF THE NOTES AND CERTIFICATES

Please refer to the section entitled “*Terms and Conditions of the Notes*” for further detail in respect of the terms of the Notes and refer to the section entitled “*Terms and Conditions of the Certificates*” for further detail in respect of the terms of the Certificates.

| | Class A | Class B | Class C | Class D | Class X | Class Z1 | Class Z2 | RC1 Certificates | RC2 Certificates | |
|--------------------------|--|---|--|---|---|--|--|---|------------------|-----|
| Currency | £ | £ | £ | £ | £ | £ | £ | £ | £ | |
| Initial Principal Amount | 258,000,000 | 13,200,000 | 12,000,000 | 9,300,000 | 9,000,000 | 7,500,000 | 7,500,000 | N/A | N/A | |
| Credit Enhancement | Over-collateralisation funded by the B Notes, C Notes, D Notes, Z1 Notes and Z2 Notes; Revenue Collections; and additionally, following service of an Enforcement Notice, the General Reserve Fund and the Liquidity Reserve Fund. | Over-collateralisation funded by the C Notes, D Notes, Z1 Notes and Z2 Notes; Revenue Collections; and additionally, following service of an Enforcement Notice, the General Reserve Fund and the Liquidity Reserve Fund. | Over-collateralisation funded by the D Notes, Z1 Notes and Z2 Notes; Revenue Collections; and additionally, following service of an Enforcement Notice, the General Reserve Fund and the Liquidity Reserve Fund. | Over-collateralisation funded by the Z1 Notes and Z2 Notes; Revenue Collections; and additionally, following service of an Enforcement Notice, the General Reserve Fund and the Liquidity Reserve Fund. | Over-collateralisation funded by the Z1 Notes and Z2 Notes; Revenue Collections; and additionally, following service of an Enforcement Notice, the General Reserve Fund and the Liquidity Reserve Fund. | Over-collateralisation funded by the Z2 Notes; Revenue Collections; and additionally, following service of an Enforcement Notice, the General Reserve Fund and the Liquidity Reserve Fund. | Over-collateralisation funded by the Z2 Notes; Revenue Collections; and additionally, following service of an Enforcement Notice, the General Reserve Fund and the Liquidity Reserve Fund. | Revenue Collections; and additionally, following service of an Enforcement Notice, the General Reserve Fund and the Liquidity Reserve Fund. | N/A | N/A |
| Liquidity Support | Subordination in payment of the B Notes, the C Notes, the D Notes, the X Notes, the Z1 Notes, and the Z2 Notes; the General Reserve Fund; the Liquidity Reserve Fund; and Available | Subordination in payment of the C Notes, the D Notes, the X Notes, and the Z2 Notes; the General Reserve Fund; the Liquidity Reserve Fund; and Available Principal Funds | Subordination in payment of the D Notes, the X Notes, and the Z2 Notes; the General Reserve Fund; and Available Principal Funds to make up Further Revenue Shortfall, or | Subordination in payment of the X Notes, the Z1 Notes, and the Z2 Notes; the General Reserve Fund; and Available Principal Funds to make up Further Revenue Shortfall, or | Subordination in payment of the Z1 Notes and the Z2 Notes | Subordination in payment of the Z2 Notes | N/A | N/A | N/A | |

| | Class A | Class B | Class C | Class D | Class X | Class Z1 | Class Z2 | RC1 Certificates | RC2 Certificates |
|--|---|---|--|--|--|--|--|--------------------|--------------------|
| | Principal Funds to make up Further Revenue Shortfall, Revenue Shortfall, or Shortfall | to make up Further Revenue Shortfall, Revenue Shortfall, or Shortfall | Revenue Shortfall | Revenue Shortfall | | | | | |
| Issue Price | 100% | 100% | 100% | 100% | 100% | 100% | 100% | N/A | N/A |
| Interest Reference Rate on Floating Rate Notes / Interest Rate on Fixed Rate Notes | Compounded Daily SONIA | Compounded Daily SONIA | Compounded Daily SONIA | Compounded Daily SONIA | Compounded Daily SONIA | 0% | 0% | N/A | N/A |
| Relevant Margin prior to Step-Up Date | 0.78% | 1.10% | 1.50% | 1.80% | 3.50% | N/A | N/A | N/A | N/A |
| Relevant Margin on and following Step-Up Date | 1.17% | 1.65% | 2.25% | 2.70% | 3.50% | N/A | N/A | N/A | N/A |
| Step-Up Date | August 2025 | August 2025 | August 2025 | August 2025 | August 2025 | N/A | N/A | N/A | N/A |
| Interest Accrual Method | Actual/365 (Fixed) | Actual/365 (Fixed) | Actual/365 (Fixed) | Actual/365 (Fixed) | Actual/365 (Fixed) | N/A | N/A | N/A | N/A |
| Rate of Interest for Fixed Rate Notes | N/A | N/A | N/A | N/A | N/A | 0% | 0% | N/A | N/A |
| Interest Payment Dates | Interest will be payable in respect of the Notes quarterly in arrear on 20th February, May, August and November | | | | | | | N/A | N/A |
| Business Day Convention | Modified Following | Modified Following | Modified Following | Modified Following | Modified Following | Modified Following | Modified Following | Modified Following | Modified Following |
| First Interest Payment Date | The Interest Payment Date falling in November 2021 | The Interest Payment Date falling in November 2021 | The Interest Payment Date falling in November 2021 | The Interest Payment Date falling in November 2021 | The Interest Payment Date falling in November 2021 | The Interest Payment Date falling in November 2021 | The Interest Payment Date falling in November 2021 | N/A | N/A |
| Pre-Enforcement Redemption Profile | Sequential pass through redemption. Please refer to Note Condition 5 (<i>Redemption</i>), with the X Notes redeemed through the Pre-Enforcement Revenue Priority of Payments | | | | | | | N/A | N/A |
| Post-Enforcement Redemption Profile | Pass-through redemption in accordance with the Post-Enforcement Priority of Payments. Please refer to Note Condition 2(d) (<i>Post-Enforcement Priority of Payments</i>) | | | | | | | N/A | N/A |
| Call Option Date | Any Interest Payment Date falling on or after the Interest Payment Date falling in August 2025 | | | | | | | N/A | N/A |
| Call option | On a Call Option Date (being the Step-Up Date and any Interest Payment Date thereafter), the Issuer may redeem the Notes with the proceeds of a sale of the Charged Property pursuant to the Deed Poll <i>provided that</i> such sale proceeds, together with amounts | | | | | | | N/A | N/A |

| | Class A | Class B | Class C | Class D | Class X | Class Z1 | Class Z2 | RC1 Certificates | RC2 Certificates |
|---------------------------------------|---|---|---|---|---|---|---|------------------|------------------|
| | standing to the credit of the Bank Accounts and any other funds available to the Issuer, are sufficient to (I) redeem all of the Notes then outstanding in full together with accrued and unpaid interest on such Notes and, (II) pay amounts required under the Pre-Enforcement Revenue Priority of Payments to be paid in priority to or <i>pari passu</i> with the Rated Notes on such Interest Payment Date, and (III) any other costs associated with the exercise of the optional redemption on the relevant Call Option Date. See Note Condition 5(d)(i) (<i>Mandatory Redemption in Full - Call Option Date</i>). | | | | | | | | |
| Clean Up Call | Applicable | Applicable | Applicable | Applicable | Applicable | Applicable | Applicable | Applicable | Applicable |
| Pre-Call Redemption Profile | Sequential pass through redemption. Please refer to Note Condition 5 (<i>Redemption</i>), with the X Notes redeemed through the Pre-Enforcement Revenue Priority of Payments and the Pre-Enforcement Principal Priority of Payments | | | | | | | N/A | N/A |
| Post-Call Redemption Profile | Sequential pass through redemption. Please refer to Note Condition 5 (<i>Redemption</i>), with the X Notes redeemed through the Pre-Enforcement Revenue Priority of Payments | | | | | | | N/A | N/A |
| Other Early Redemption in Full Events | Tax call. Please refer to Note Condition 5(e) (<i>Optional Redemption for Taxation or Other Reasons</i>). | | | | | | | | |
| Final Maturity Date | The Interest Payment Date falling in November 2063 | The Interest Payment Date falling in November 2063 | The Interest Payment Date falling in November 2063 | The Interest Payment Date falling in November 2063 | The Interest Payment Date falling in November 2063 | The Interest Payment Date falling in November 2063 | The Interest Payment Date falling in November 2063 | N/A | N/A |
| Form of the Notes | Registered Global Notes | Registered Global Notes | Registered Global Notes | Registered Global Notes | Registered Global Notes | Registered Global Notes | Registered Global Notes | N/A | N/A |
| Application for Listing | London Stock Exchange | London Stock Exchange | London Stock Exchange | London Stock Exchange | London Stock Exchange | London Stock Exchange | London Stock Exchange | N/A | N/A |
| Reg S ISIN | XS2360876465 | XS2360876549 | XS2360876622 | XS2360877190 | XS2360877273 | XS2360877356 | XS2360877430 | XS2360878164 | XS2360878321 |
| Reg S Common Code | 236087646 | 236087654 | 236087662 | 236087719 | 236087727 | 236087735 | 236087743 | 236087816 | 236087832 |
| Clearance/ Settlement | Euroclear/ Clearstream, Luxembourg | Euroclear/ Clearstream, Luxembourg | Euroclear/ Clearstream, Luxembourg | Euroclear/ Clearstream, Luxembourg | Euroclear/ Clearstream, Luxembourg | Euroclear/ Clearstream, Luxembourg | Euroclear/ Clearstream, Luxembourg | N/A | N/A |
| Minimum Denomination | £100,000 and integral multiples of £1,000 in excess thereof | £100,000 and integral multiples of £1,000 in excess thereof | £100,000 and integral multiples of £1,000 in excess thereof | £100,000 and integral multiples of £1,000 in excess thereof | £100,000 and integral multiples of £1,000 in excess thereof | £100,000 and integral multiples of £1,000 in excess thereof | £100,000 and integral multiples of £1,000 in excess thereof | N/A | N/A |
| Retained Amount | (a) A holding a 100% interest in the Z1 Notes and the Z2 Notes, in accordance with Article 6(3)(d) of the UK Securitisation Regulation and Article 6(3)(d) of the EU Securitisation Regulation, respectively, such interest being at least equal to 5 per cent. of the nominal value of the Mortgage Pool as at the Issue Date, and (b) BGFL acquiring and, to the extent required, retaining through the Sunset Date an EHRI, in this case 100 per cent. of the Z1 Notes, the Z2 Notes, the RC1 Certificates and the RC2 Certificates, in accordance with the U.S. Retention Rules. | | | | | | | | |

TRANSACTION OVERVIEW – TERMS AND CONDITIONS OF THE NOTES AND CERTIFICATES

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

Form, registration and transfer of the Notes

The Notes of each Class will be represented on issue by beneficial interests in one or more Global Notes in fully registered form, without interest or principal receipts.

The Notes will be deposited on or about the Issue Date with, and registered in the name of, a nominee of a Common Safekeeper for Euroclear and Clearstream, Luxembourg.

Ownership interests in the Global Notes will be shown on, and transfers thereof will only be effected through, records maintained by Euroclear, Clearstream, Luxembourg and their respective participants. See “*Summary of Provisions relating to the Notes While in Global Form*” below.

Except in the limited circumstances described herein, Notes in definitive, certificated, fully registered form (“**Definitive Notes**”) will not be issued in exchange for beneficial interests. See “*Summary of Provisions relating to the Notes While in Global Form – Issuance of Definitive Notes*”.

Transfers of interests in the Notes are subject to certain restrictions and must be made in accordance with the procedures set forth in the Trust Deed. See “*Form*” and “*Book-Entry Interests*”. Each purchaser of Notes in making its purchase will be required to make, or will be deemed to have made, certain acknowledgements, representations and agreements. The transfer of Notes in breach of certain of such representations and agreements will result in affected Notes becoming subject to certain forced transfer provisions. See Note Condition 1(b) (*Title and Transfer*).

Ranking

The Notes within each Class will rank *pari passu* and rateably without any preference or priority among themselves as to payment of interest and principal at all times.

The A Notes will rank senior to the other Classes of Notes as to payments of interest at all times and senior to the other Classes of Notes (other than the X Notes, prior to service of an Enforcement Notice) as to payments of principal. Prior to the service of an Enforcement Notice, interest and principal on the X Notes shall be repaid out of the Available Revenue Funds under and in accordance with the Pre-Enforcement Revenue Priority of Payments. Following service of an Enforcement Notice, the A Notes will rank senior to all other Classes of Notes as to payments of principal.

The Most Senior Class is:

- (a) the A Notes whilst they remain outstanding;
- (b) thereafter the B Notes whilst they remain outstanding;
- (c) thereafter the C Notes whilst they remain outstanding;
- (d) thereafter the D Notes whilst they remain outstanding;
- (e) thereafter the X Notes whilst they remain outstanding;
- (f) thereafter the Z1 Notes whilst they remain outstanding;
- (g) thereafter the Z2 Notes whilst they remain outstanding; and
- (h) thereafter the Certificates whilst they remain outstanding.

Ranking of Payments of Interest

Payments of interest on the Notes will be made in the following order of priority:

- (a) *first*, to the A Notes;

- (b) *second*, to the B Notes;
- (c) *third*, to the C Notes;
- (d) *fourth*, to the D Notes; and
- (e) *fifth*, to the X Notes.

No interest is payable on the Z1 Notes and the Z2 Notes.

See Note Condition 4 (*Interest*) for further information.

Ranking of Payments of Principal

Payments of principal on the Notes will be made in the following order of priority:

- (a) *first*, to the A Notes;
- (b) *second*, to the B Notes;
- (c) *third*, to the C Notes;
- (d) *fourth*, to the D Notes;
- (e) *fifth*, to the Z1 Notes; and
- (f) *sixth*, to the Z2 Notes; and
- (g) *seventh*, to the X Notes,

provided that the Pre-Funding Unused Amount will be applied in accordance with item (i) of the Pre-Enforcement Principal Priority of Payments as *pro rata* repayment of the Principal Backed Notes and the X Notes) and, in addition, prior to a Redemption Event payments of principal on the X Notes shall be payable out of Available Revenue Funds in accordance with the Pre-Enforcement Revenue Priority of Payments and to that extent rank in priority to payments of principal on the other Notes.

Redemption Event

Payments of interest and principal on the Notes will be made in accordance with the Post-Enforcement Priority of Payments from (and including) (i) the date on which the Note Trustee serves an Enforcement Notice on the Issuer pursuant to Note Condition 9 (*Events of Default*) declaring the Notes to be due and repayable, (ii) the Final Maturity Date, (iii) the Interest Payment Date on which the relevant Notes are redeemed in accordance with Note Condition 5(d)(ii) (*Mandatory Redemption in Full - 10% clean up call*) or Note Condition 5(e) (*Optional Redemption for Taxation or Other Reasons*) and (iv) the date on which the D Notes have been redeemed in full (each such date referred to in items (ii) to (iv) above (inclusive), a “**Redemption Event**”).

See Note Condition 5 (*Redemption*) for further information.

Payments on the X Notes

Investors in the X Notes should also be aware that prior to (a) the date on which the Note Trustee serves an Enforcement Notice on the Issuer pursuant to Note Condition 9 (*Events of Default*) declaring the Notes to be due and repayable or (b) the occurrence of a Redemption Event, payments of principal and interest in respect of the X Notes shall be payable out of Available Revenue Funds in accordance with the Pre-Enforcement Revenue Priority of Payments.

Following (i) the date on which the Note Trustee serves an Enforcement Notice on the Issuer pursuant to Note Condition 9 (*Events of Default*) declaring the Notes to be due and repayable or (ii) the occurrence of a Redemption Event, payments in respect of the X Notes will be made in accordance with the Post-Enforcement Priority of Payments.

Payments in respect of the X Notes will only be payable to the extent there are residual funds under the relevant Priority of Payments.

Payments on the Certificates

Each RC1 Certificate represents a *pro rata* entitlement to receive prior to the Step-Up Date and each RC2 Certificate represents a *pro rata* entitlement to receive on or after the Step-Up Date, in each case, by way of deferred consideration for the purchase by the Issuer of the Completion Mortgage Pool and any Additional Loans, any residual balance following payment of all senior items in the relevant Priority of Payments in each case out of residual Available Revenue Funds under the Pre-Enforcement Revenue Priority of Payments (or on or after (i) the date on which the Note Trustee serves an Enforcement Notice on the Issuer pursuant to Note Condition 9 (*Events of Default*) declaring the Notes to be due and repayable or (ii) the occurrence of a Redemption Event, under the Post-Enforcement Priority of Payments). For the avoidance of doubt any residual balance following payment of all more senior items in the Pre-Enforcement Revenue Priority of Payments or the Post-Enforcement Priority of Payments will first be payable to the holders of the X Notes, the Z1 Notes and the Z2 Notes.

Security

The Notes and Certificates are secured and will share the Security with other Secured Creditors as set out in, and created pursuant to, the Deed of Charge described in Note Condition 2(b) (*Security*). The Security granted by the Issuer pursuant to the Deed of Charge includes:

- (a) first fixed equitable charges and security in favour of the Security Trustee over the Issuer's present and future right, title, benefit and interest present and future in, to and under the Loans, the Mortgages and their related Mortgage Rights (other than in respect of the Scottish Loans, the Scottish Mortgages and their related Mortgage Rights);
- (b) an equitable assignment in favour of the Security Trustee of the Issuer's interests in the Insurance Contracts to the extent that they relate to the Loans;
- (c) an assignment in favour of the Security Trustee of the Issuer's right, title, interest and benefit in, to and under the Charged Obligation Documents;
- (d) pursuant to each Scottish Supplemental Charge to be entered into pursuant to the Deed of Charge, each assignment in security of the Issuer's interest in the Scottish Loans and their related Mortgage Rights (comprising the Issuer's beneficial interest under the trust declared by the Seller over such Scottish Loans and their related Mortgage Rights for the benefit of the Issuer pursuant to each Scottish Declaration of Trust);
- (e) a first fixed charge in favour of the Security Trustee over (i) the Issuer's interest in the Bank Accounts and any Authorised Investments, (ii) the Issuer's beneficial interest in the trust declared over the Collection Account pursuant to the Collection Account Declaration of Trust, (iii) the Issuer's interest in the Swap Collateral Account and (iv) the Issuer's interest in any other accounts with any bank or financial institution in which the Issuer now or in the future has an interest (to the extent of its interest); and
- (f) a first floating charge in favour of the Security Trustee (ranking after the security referred to in (a) to (e) (inclusive) above) over the whole of the undertaking, property, assets and rights of the Issuer.

In the event of the delivery of a Scottish Transfer pursuant to the Mortgage Sale Agreement, fixed security will be created in favour of the Security Trustee over the property, rights and assets referred to in paragraph (d) above by means of a Scottish Sub-Security granted by the Issuer pursuant to the Deed of Charge.

Some of the other secured obligations rank senior to the Issuer's obligations under the Notes and Certificates in respect of the allocation of proceeds as set out in the Post-Enforcement Priority of Payments.

See also the Risk Factor "*Risk Factors – 7.13 Fixed charges may take effect under English law as floating charges*".

Interest Provisions

Please refer to “*Transaction Overview – Mortgage Pool and Servicing – Full Capital Structure of the Notes and Certificates*” and Note Condition 4 (*Interest*).

Interest Deferral

To the extent that, on any Interest Payment Date, the Issuer does not have sufficient funds to pay in full interest due on the B Notes, the C Notes or the D Notes, this payment may, provided such Class is not the Most Senior Class, be deferred. To the extent that, on any Interest Payment Date, the Issuer does not have sufficient funds to pay in full interest on the X Notes, this payment may be deferred. Any amounts of Interest Shortfall will accrue additional interest as described in Note Condition 4(i) (*Deferral of Interest*) and payment of any additional interest will also be deferred. The non-payment of any deferred interest on any of the B Notes to D Notes (inclusive) will not be an Event of Default unless such Notes are the Most Senior Class at the time of non-payment. No Event of Default prior to the Final Maturity Date will occur if there is a non-payment of deferred interest on the X Notes. No interest is payable on the Z1 Notes and the Z2 Notes.

Provided the relevant Class is not the Most Senior Class, payment of any Interest Shortfall and such additional interest will be deferred until the First Interest Payment Date on which the Issuer has sufficient funds, provided further that the payment of such shortfall shall not be deferred beyond the Final Maturity Date, as described in Note Condition 4(i) (*Deferral of Interest*). On the Final Maturity Date, any amount which has not by then been paid in full shall become due and payable.

Gross-up

None of the Issuer, the Principal Paying Agent, any other Paying Agent nor any other person will be obliged to gross up payments to the Noteholders or Certificateholders if there is any withholding or deduction for or on account of taxes, or in connection with FATCA, from any payments made to the Noteholders or Certificateholders.

Redemption

The Notes are subject to the following optional or mandatory redemption events:

- (a) mandatory redemption in whole on the Final Maturity Date, as fully set out in Note Condition 5(a) (*Final Redemption of the Notes*);
- (b) mandatory redemption in part on any Interest Payment Date commencing on the First Interest Payment Date, (i) subject to the availability of Available Principal Funds on the basis of sequential pass through redemption, as fully set out in Note Condition 5(b) (*Mandatory Redemption of the Notes*), and (ii) subject to the availability of Available Revenue Funds on the basis of sequential pass through redemption, as fully set out in Note Condition 2(c) (*Pre-Enforcement Revenue Priority of Payments*);
- (c) in the event the option set out in the Deed Poll is exercised, mandatory redemption of the Notes in whole (but not in part) on the Step-Up Date or any Interest Payment Date thereafter (the “**Call Option Date**”) with the proceeds of a sale of the Charged Property pursuant to the Deed Poll (together with any amounts then standing to the credit of the Bank Accounts and any other funds available to the Issuer) (as fully set out in Note Condition 5(d)(i) (*Mandatory Redemption in Full - Call Option Date*));
- (d) mandatory redemption in whole with the proceeds of a sale of the Charged Property to the Certificateholders (together with any amounts then standing to the credit of the Transaction Account and any other funds available to the Issuer), if the aggregate Principal Amount Outstanding of the Rated Principal Backed Notes is less than or equal to 10 per cent. of the aggregate Principal Amount Outstanding of the Rated Principal Backed Notes upon issue, as fully set out in Note Condition 5(d)(ii) (*Mandatory Redemption in Full - 10% clean up call*); and

- (e) optional redemption exercisable by the Issuer in whole (but not in part) for tax reasons, as fully set out in Note Condition 5(e) (*Optional Redemption for Taxation or Other Reasons*).

Any Note redeemed pursuant to the above redemption provisions will be redeemed at an amount equal to the Principal Amount Outstanding of the relevant Note together with accrued (and unpaid) interest on the Principal Amount Outstanding of the relevant Notes to be redeemed, in each case up to (but excluding) the date of redemption.

Furthermore, the Pre-Funding Unused Amount shall be used to redeem the Notes on a *pro rata* basis on the First Interest Payment Date.

| | | |
|-----------------------------------|----------------------------------|---|
| Relevant Dates and Periods | Issue Date: | The date of initial issuance for the Notes and the Certificates will be 9 July 2021 (or such other date as the Issuer and the Joint Lead Managers may agree). |
| | Interest Payment Date: | Each interest-bearing Note will bear interest on its Principal Amount Outstanding from, and including, the Issue Date. Interest will be payable in respect of the Notes quarterly in arrear on 20 February, 20 May, 20 August and 20 November in each year unless such day is not a Business Day, in which case interest shall be payable on the following Business Day unless it would thereby fall into the next calendar month in which case it shall be brought forward to the immediately preceding Business Day. The First Interest Payment Date in respect of the Notes will be the Interest Payment Date falling in November 2021 (the “ First Interest Payment Date ”). |
| | Interest Period: | The period from (and including) an Interest Payment Date to (but excluding) the next Interest Payment Date <i>provided that</i> the first Interest Period shall be the period from (and including) the Issue Date to (but excluding) the First Interest Payment Date. |
| | Business Day: | A day on which commercial banks and foreign exchange markets settle payments in London. |
| | Determination Date: | The Business Day which falls 3 Business Days prior to an Interest Payment Date. The Determination Date is the date on which the Cash Administrator will be required to calculate, among other things, the amounts required to pay interest and principal in respect of the Notes (as set out in the Cash Administration Agreement). |
| | Determination Period: | The quarterly period commencing on (and including) a Determination Period Start Date and ending on (and including) the Determination Period End Date, except that the first Determination Period will commence on (and include) 9 July 2021 and end on (and include) the Determination Period End Date falling on 31 October 2021. |
| | Determination Period Start Date: | The first calendar day immediately following the preceding Determination Period End Date. |
| | Determination Period End Date: | The last calendar day of the calendar month immediately preceding the month in which a Determination Date falls. |
| | Interest Determination Date: | The Agent Bank will as soon as practicable on the fifth London Banking Day before the Interest Payment Date for which the relevant Rate of Interest will apply, |

determine the rate of SONIA applicable to, and calculate the amount of interest payable on, the relevant Notes for the Interest Period which ends immediately following such Interest Determination Date.

Additional Loans Cut-Off Date: With respect to the purchase of Additional Loans, the date specified as such in the Additional Loans Sale Notice, which shall be the last calendar day of the month prior to such Additional Loans Purchase Date.

Pre-Funding Availability Period: The period from the Issue Date up to (and including) the First Interest Payment Date.

Events of Default

As fully set out in Note Condition 9 (*Events of Default*), which includes (where relevant subject to the applicable grace period):

- (a) non-payment by the Issuer of interest or principal due in respect of the Most Senior Class (other than the X Notes, the Z1 Notes and the Z2 Notes) and such default continues (i) for a period of 5 Business Days in respect of principal; or (ii) 3 Business Days in respect of interest;
- (b) breach of contractual obligations by the Issuer under the Notes, the Notes Conditions, the Trust Deed or any other Transaction Documents where such failure continues for a period of 30 days;
- (c) certain insolvency events of the Issuer (as more fully set out in Note Conditions 9(iii) to (v) (*Events of Default*)); or
- (d) it is or will become unlawful for the Issuer to perform or comply with its obligations,

provided that, in respect of (b) above, the Note Trustee shall have certified to the Issuer that such event is, in its opinion, materially prejudicial to the interests of the holders of the Most Senior Class.

Enforcement

The Security Trustee will not, and will not be bound to take any steps to, institute any proceedings, exercise its rights and/or to take any other action under or in connection with any of the Transaction Documents unless the Security Trustee is directed to do so by the Note Trustee or, if there are no Notes outstanding, all of the Secured Creditors. Upon being so directed, the Security Trustee will, subject to being indemnified and/or secured and/or pre-funded to its satisfaction, be bound to take the relevant action(s) in the manner directed by the Note Trustee or the Secured Creditors (as the case may be).

The Note Trustee may, at any time while any Notes are outstanding, at its discretion and without notice, take (or instruct the Security Trustee to 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 Notes, the Certificates or the Trust Deed (including these 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 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 directed by a notice in writing by holders of Notes outstanding constituting at least 25 per cent. of the aggregate in Principal Amount Outstanding of the Most Senior Class or if so directed by an Extraordinary Resolution of the Noteholders of the Most Senior Class then outstanding; and
- (b) in all cases it shall have been indemnified and/or secured and/or pre-funded to its satisfaction.

No Noteholder shall be entitled to proceed directly against the Issuer unless the Note Trustee (or as the case may be, the Security Trustee), having become bound so to do, fails or is unable to do so within a 60 day period and such failure or inability shall be continuing.

Limited Recourse

All the Notes and Certificates are limited recourse obligations of the Issuer and, if the Issuer has insufficient funds to pay amounts in full, amounts outstanding will cease to be due and payable as described in more detail in Note Condition 10(b) (*Limited Recourse*) and Certificate Condition 7(b) (*Limited Recourse*).

Non-Petition

The Noteholders or Certificateholders shall not be entitled to take any corporate action or other steps or legal proceedings for the winding- up, dissolution, arrangement or compromise, reconstruction or reorganisation of the Issuer unless the Note Trustee or, as the case may be, the Security Trustee, having become bound to do so, fails or is unable to do so within a 60 day period and such failure or inability is continuing. Please see Note Condition 10(c) (*Non-Petition*) and Certificate Condition 7(c) (*Non-Petition*).

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 any Transaction Documents specific to the Scottish Loans, which shall be governed by Scots Law.

RIGHTS OF NOTEHOLDERS AND CERTIFICATEHOLDERS AND RELATIONSHIP WITH OTHER SECURED CREDITORS

Please refer to the section entitled “*Terms and Conditions of the Notes*” and “*Terms and Conditions of the Certificates*” for further detail in respect of the rights of Noteholders and Certificateholders, conditions for exercising such rights and relationships with other Secured Creditors.

Convening a meeting

The Issuer or the Note Trustee may convene Noteholder meetings (at the cost of the Issuer) for any purpose, including consideration of Extraordinary Resolutions and Ordinary Resolutions and the Note Trustee shall be obliged to do so, subject to it being indemnified and/or secured and/or pre-funded to its satisfaction, upon the request in writing of a Class or Classes of Noteholders holding not less than 10 per cent. of the aggregate Principal Amount Outstanding of the Notes then outstanding of the relevant Class or Classes.

However, the Noteholders are not entitled to instruct or direct the Issuer to take any action, 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 action under the relevant Transaction Documents.

Right to direct the Note Trustee to give an Enforcement Notice

If an Event of Default occurs and is continuing, the holders of the Most Senior Class may, if they hold at least 25 per cent. of the Principal Amount Outstanding of the Most Senior Class or if they pass an Extraordinary Resolution, direct the Note Trustee to give an Enforcement Notice to the Issuer pursuant to which each Class of Notes shall become immediately due and repayable at their respective Principal Amount Outstanding together with any accrued interest and the Note Trustee shall give such Enforcement Notice to the Issuer subject to the Note Trustee being indemnified and/or secured and/or pre-funded to its satisfaction.

Noteholders Meeting Provisions

| | Initial Meeting | Adjourned Meeting |
|--|--|--|
| Notice period: | 21 clear days for the initial meeting. | 10 days for meeting adjourned through want of quorum. Adjourned meeting must be convened not less than 14 nor more than 42 clear days later than the initial meeting. |
| Quorum for Ordinary Resolution: | Subject to more detailed provisions of the Trust Deed, 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 outstanding for the initial meeting. | Subject to more detailed provisions of the Trust Deed, one or more persons present and representing in aggregate not less than 10 per cent. of the aggregate Principal Amount Outstanding of the relevant Class or Classes of Notes outstanding for the adjourned meeting. |
| Quorum for Certificates Ordinary Resolution: | Subject to more detailed provisions of the Trust Deed, one or more persons present and representing in aggregate not less than 25 per cent. of the outstanding Certificates for the initial meeting. | One or more persons holding or representing any proportion of the Certificates which the person constituting the quorum is holding or representing for the adjourned meeting. |

| | | |
|---|---|--|
| Quorum for Extraordinary Resolution (other than to approve a Notes Basic Terms Modification): | Subject to more detailed provisions of the Trust Deed, one or more persons present and representing in aggregate not less than 50 per cent. of the aggregate Principal Amount Outstanding of the relevant Class or Classes of Notes outstanding for the initial meeting. | Subject to more detailed provisions of the Trust Deed, 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 outstanding for the adjourned meeting. |
| Quorum for Certificates Extraordinary Resolution (other than to approve a Certificates Basic Terms Modification): | Subject to more detailed provisions of the Trust Deed, one or more persons present and representing in aggregate not less than 50 per cent. of the outstanding Certificates for the initial meeting. | One or more persons holding or representing any proportion of the Certificates which the person constituting the quorum is holding or representing for the adjourned meeting. |
| Quorum for Extraordinary Resolution to approve a Notes Basic Terms Modification: | Subject to more detailed provisions of the Trust Deed, one or more persons present and representing in aggregate not less than 75 per cent. of the aggregate Principal Amount Outstanding of the relevant Class or Classes of Notes outstanding for the initial meeting. | Subject to more detailed provisions of the Trust Deed, one or more persons present and representing in aggregate not less than 50 per cent. of the aggregate Principal Amount Outstanding of the relevant Class or Classes of Notes outstanding for the adjourned meeting. |
| Quorum for Extraordinary Resolution to approve a Certificates Basic Terms Modification: | Subject to more detailed provisions of the Trust Deed, one or more persons present and representing in aggregate not less than 75 per cent. of the outstanding Certificates for the initial meeting. | Subject to more detailed provisions of the Trust Deed, one or more persons present and representing in aggregate not less than 25 per cent. of the outstanding Certificates for the adjourned meeting. |
| Required majority for Ordinary Resolution: | Not less than 50.1 per cent. of the persons voting at the meeting upon a show of hands or, if a poll is demanded, not less than 50.1 per cent. of the votes cast on such poll. | |
| Required majority for Extraordinary Resolution: | Not less than 75 per cent. of the persons voting at the meeting upon a show of hands or, if a poll is demanded, not less than 75 per cent. of the votes cast on such poll. | |
| Written Resolution: | In the case of an Extraordinary Resolution, not less than 75 per cent. of the Principal Amount Outstanding of the relevant Class or Classes of Notes. In the case of an Ordinary Resolution, not less than 50.1 per cent. of the Principal Amount Outstanding of the relevant Class or Classes of Notes. A written resolution has the same effect as an Ordinary Resolution or an Extraordinary Resolution (as applicable). There is no requirement as to the minimum number of Noteholders of any Class who must vote in favour of a written resolution. | |

Notes Basic Terms Modification

Any amendment to the following matters would be a Notes Basic Terms Modification which requires an Extraordinary Resolution of each Class of Notes and a Certificates Extraordinary Resolution (if such Class of Notes or Certificates is affected, economically or otherwise):

- (a) the maturity of the Notes or the dates on which interest is payable in respect of the Notes;
- (b) the amount due in respect of, or cancellation of the principal amount of or interest on or any other payment in respect of the Notes, or variation of the method of calculating the Floating Rate of Interest on the Floating Rate Notes (other than any Reference Rate Modification made in accordance with Note Condition 11(c)(viii));
- (c) the priority of payment of interest or principal on the Notes;
- (d) the currency of payment of the Notes;
- (e) the definition of Notes Basic Terms Modification; or
- (f) the provisions concerning the quorum required at any meeting of Noteholders or the majority required to effect a Notes Basic Terms Modification or to pass an Extraordinary Resolution.

Certificates Basic Terms Modification

Any amendment to the following matters would be a Certificates Basic Terms Modification which requires a Certificates Extraordinary Resolution:

- (a) the priority of Residual Payments payable on the Certificates;
- (b) the currency of payment of the Certificates;
- (c) the definition of Certificates Basic Terms Modification;
- (d) the provisions concerning the quorum required at any meeting of Certificateholders or the majority required to effect a Certificates Basic Terms Modification or to pass a Certificates Extraordinary Resolution; or
- (e) the definition of Notes Basic Terms Modification.

Matters Requiring Extraordinary Resolution

The following matters require an Extraordinary Resolution or a Certificates Extraordinary Resolution unless otherwise specified or contemplated in the Transaction Documents:

- (a) a Notes Basic Terms Modification or a Certificates Basic Terms Modification;
- (b) a modification of the Transaction Documents;
- (c) a modification of the Conditions;
- (d) directing the Note Trustee to serve an Enforcement Notice;
- (e) removing the Note Trustee and/or the Security Trustee;
- (f) approving the appointment of a new Note Trustee and/or Security Trustee;
- (g) approving the appointment of a substitute mortgage administrator in circumstances where a Mortgage Administrator has resigned and the appointment of the substitute mortgage administrator in the opinion of the Security Trustee could have an adverse effect on the rating of the Rated Notes or if it is not clear to the Security Trustee whether the rating for the Rated Notes will be maintained as the rating before the termination of that Mortgage Administrator; and
- (h) sanctioning any scheme or proposal for the exchange, sale, conversion or cancellation of the Notes or the 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.

Relationship between Classes of Noteholders and Certificateholders

Subject to the provisions in respect of a Notes Basic Terms Modification, a resolution of Noteholders of the Most Senior Class shall be binding on all other Classes and the Certificates and would override any resolutions to the contrary of the Classes ranking behind such Most Senior Class and the Certificates in the Post-Enforcement Priority of Payments.

A Notes Basic Terms Modification requires an Extraordinary Resolution of each relevant affected Class of Notes then outstanding and a Certificates Extraordinary Resolution (if applicable).

Seller as Noteholder or Certificateholder

For certain purposes, including the determination as to whether Notes are deemed outstanding or Certificates are deemed in issue, for the purposes of convening a meeting of Noteholders or Certificateholders, those Notes or Certificates (if any) which are for the time being held by or on behalf of or for the benefit of the Seller or any of its affiliates (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 Notes of any Classes or all of the Certificates are held by or on behalf of or for the benefit of one or more Relevant Persons, in which case such Classes of Notes (the “**Relevant Class of Notes**”) and such Certificates shall be deemed to remain outstanding or in issue (as the case may be), except that, if there is any other Class of Notes ranking *pari passu* with, or junior to, the Relevant Class of Notes and one or more Relevant Persons are not the beneficial owners of all the Notes of such Class, then the Relevant Class of Notes shall be deemed not to remain outstanding and *provided that* in relation to a matter relating to a Basic Terms Modification, any Notes or the 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.

Relationship between Noteholders, Certificateholders and other Secured Creditors

So long as any Notes are outstanding and there is a conflict between the interests of the Noteholders, the Certificateholders and the other Secured Creditors, the Note Trustee will have regard only to the interests of the Noteholders and none of the Certificateholders or the other Secured Creditors shall have any claim against the Note Trustee for so doing. After the Notes have been redeemed in full and so long as there are any Certificates outstanding and there is a conflict between the interest of the Certificateholders and the other Secured Creditors, the Note Trustee will have regard solely to the interests of the Certificateholders and shall have regard to the interests of the other Secured Creditors only to pay such parties any monies received and payable to it and to act in accordance with the applicable Priority of Payments and the Secured Creditors shall have no claim against the Note Trustee for doing so.

Provision of Information to the Noteholders and Certificateholders

For the purposes of Article 7(2) of the EU Securitisation Regulation and Article 7(2) of the UK Securitisation Regulation, the Issuer has been designated as the entity responsible for compliance with the requirements of Article 7 in each case and will either fulfil such requirements itself or shall procure that such requirements are complied with on its behalf.

UK Securitisation Regulation transparency and reporting

As indicated in, “*Certain Regulatory Requirements – Transparency and Reporting Requirements – UK Transparency and Reporting Requirements*” below, in connection with its obligations under the UK Securitisation Regulation, the Issuer will procure that the Mortgage Administrator will:

- (a) from the date of this Prospectus publish:
 - (i) a UK SR Investor Report (prepared by the Cash Administrator on behalf of the Issuer) each month (to the extent required under Article 7(1) of the UK Securitisation Regulation); and

- (ii) a UK SR Loan-by-Loan Report (prepared by the Mortgage Administrator on behalf of the Issuer) each quarter (to the extent required under Article 7(1) of the UK Securitisation Regulation),
- (b) publish each quarter and, at any other required time, without delay, any UK SR Inside Information and Significant Event Report (prepared by the Cash Administrator on the instructions of the Issuer or by the Mortgage Administrator on behalf of the Issuer); and
- (c) within 15 days of the issuance of the Notes, make available copies of the Transaction Documents and this Prospectus,

in each case through the UK Reports Repository and in the form or manner prescribed as at such time under the UK Securitisation Regulation, and will be available to the Noteholders and Certificateholders, relevant competent authorities and, upon request, to potential investors in the Notes or the Certificates through the UK Reports Repository. Any information required to be made available prior to pricing to potential investors in the Notes pursuant to Article 7 of the UK Securitisation Regulation will be made available through the UK Reports Repository.

EU Securitisation Regulation transparency and reporting

As indicated in, “*Certain Regulatory Requirements – Transparency and Reporting Requirements – EU Transparency and Reporting Requirements*” below, in connection with its obligations under the EU Securitisation Regulation, the Issuer will procure that the Mortgage Administrator will:

- (a) from the date of this Prospectus publish:
 - (i) (save to the extent that the Issuer is permitted by ESMA to provide only a UK SR Investor Report) an EU SR Investor Report (prepared by the Cash Administrator on behalf of the Issuer) each month (to the extent required under Article 7(1) of the EU Securitisation Regulation); and
 - (ii) (save to the extent that the Issuer is permitted by ESMA to provide only a UK SR Loan-by-Loan Report) an EU SR Loan-by-Loan Report (prepared by the Mortgage Administrator on behalf of the Issuer) each quarter (to the extent required under Article 7(1) of the EU Securitisation Regulation),
- (b) (save to the extent that the Issuer is permitted by ESMA to provide only a UK SR Inside Information and Significant Event Report) publish each quarter and, at any other required time, without delay, any EU SR Inside Information and Significant Event Report (prepared by the Cash Administrator on the instructions of the Issuer or by the Mortgage Administrator on behalf of the Issuer); and
- (c) within 15 days of the issuance of the Notes, make available copies of the Transaction Documents and this Prospectus,

in each case through the EU Reports Repository in the form or manner prescribed as at such time under the EU Securitisation Regulation, and will be available to the Noteholders and Certificateholders, relevant competent authorities and, upon request, to potential investors in the Notes or the Certificates through the EU Reports Repository. Any information required to be made available prior to pricing to potential investors in the Notes pursuant to Article 7 of the EU Securitisation Regulation will be made available through the EU Reports Repository.

Based upon the requirements of the UK Securitisation Regulation and EU Securitisation Regulation that are applicable as at the date of the Prospectus, until the Cash Administrator is notified in writing by the Issuer of any differences and/or deviations from the prescribed templates to be used pursuant to the EU Securitisation Regulation or the UK Securitisation Regulation (as applicable) it is

expected that each UK SR Investor Report will be the same as each EU SR Investor Report (in which case the Cash Administrator will only be required to produce one report for both requirements).

UK Reports Repository and EU Reports Repository

As at the date of this Prospectus, the sole UK Reports Repository is the website of EuroABS Limited (via its website at www.euroabs.com) and the sole EU Reports Repository is SecRep B.V. (via its website at www.secprep.eu). Each UK Reports Repository and EU Reports Repository and the contents available within the UK Reports Repository and EU Reports Repository do not form part of this Prospectus and are not incorporated by reference into, and do not form part of the information provided for the purposes of, the Prospectus and disclaimers may be posted with respect to the information available within them. Registration may be required for access to the UK Reports Repository and EU Reports Repository and persons wishing to access the information within the UK Reports Repository and EU Reports Repository will be required to certify that they are entitled to access the information within them.

Cash Flow Model

As indicated in, “*Administration, Servicing and Cash Management of the Mortgage Pool – Mortgage Administration Agreement*” below, the Seller (as the “originator” under the UK Securitisation Regulation) shall make available or procure on demand, from the Issue Date until the date the last Note is redeemed in full, a Cash Flow Model to investors, either directly or indirectly through one or more entities which provide such Cash Flow Models, which precisely represents the contractual relationship between the Loans and the payments flowing between the Seller, investors in the Notes, other third parties and the Issuer. The Cash Flow Model shall be made available (i) prior to pricing of the Notes to potential investors, and (ii) to investors in the Notes on an ongoing basis and to potential investors in the Notes upon request through the UK Reports Repository and the EU Reports Repository.

Bank of England’s Sterling monetary framework

As indicated in, “*Administration, Servicing and Cash Management of the Mortgage Pool – Mortgage Administration Agreement*” below, for so long as the Notes are outstanding, the Mortgage Administrator will, on behalf of the Issuer, prepare on a quarterly basis a report in the form required by the Bank of England for the purpose of the Bank of England’s Sterling monetary framework (the “**BoE Loan-by-Loan Report**”) which will be made available through the UK Reports Repository.

Investor Report

The Issuer will or will procure that from the Issue Date until the earlier of redemption in full of the last outstanding Note or the Final Maturity Date, the Cash Administrator will prepare on a monthly basis an Investor Report (containing information in relation to the Notes and Certificates including, but not limited to, ratings of the Rated Notes, amounts paid by the Issuer pursuant to the relevant Priority of Payments in respect of the relevant period and required counterparty information) which will be made available by the Issuer (or on its behalf) through the UK Reports Repository and the EU Reports Repository in electronic form and accessible to investors.

Mandatory Modification

Pursuant to Note Condition 11(c) (*Additional Right of Modification*), the Note Trustee shall be obliged, without any consent or sanction of the Noteholders or any of the other Secured Creditors, or, (subject to the receipt of consent from any of the Secured Creditors party to the Transaction Document being modified or who would need to be a party to a new, supplemental or additional agreement, or which, as a result of the relevant amendment, would be further contractually subordinated to any Secured Creditor than would otherwise have been the case prior to such amendment) to concur with the Issuer and any other relevant parties in making any modification (other than in respect of a Notes Basic Terms

Modification, Certificates Basic Terms Modification or any provisions of the Trust Documents referred to in the definition of Notes Basic Terms Modification or Certificates Basic Terms Modification) to the Note Conditions and/or any other Transaction Document to which it is a party or in relation to which it holds security or enter into any new, supplemental or additional documents that the Issuer considers necessary for the purpose of:

- (a) 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;
- (b) facilitating the appointment of a replacement Cash Administrator;
- (c) complying with requirements applicable to it under UK EMIR or EU EMIR;
- (d) complying with certain risk retention legislation, regulations or official guidance in relation thereto;
- (e) enabling the Rated Notes to be (or to remain) listed on the Official List and admitted to trading on the London Stock Exchange's main market;
- (f) complying with any disclosure or reporting requirements under the EU Securitisation Regulation or UK Securitisation Regulation;
- (g) enabling the Issuer or any of the other Transaction Parties to comply with FATCA;
- (h) complying with any changes in the requirements of the EU CRA Regulation and UK CRA Regulation after the Issue Date; and
- (i) amending the reference rate of the Floating Rate Notes where SONIA is no longer a suitable reference rate,

without the consent of Noteholders pursuant to and in accordance with the detailed provisions of Note Condition 11(c) (*Additional Right of Modification*).

In relation to any such Proposed Amendment pursuant to Note Condition 11(c) (*Additional Right of Modification*) (other than certain Proposed Amendments relating to UK EMIR or EU EMIR), the Issuer is required to, amongst other things, give at least 30 calendar days' notice to the Noteholders of the proposed modification in accordance with Note Condition 13 (*Notice to Noteholders*) and by publication on Bloomberg on the "Company News" screen relating to the Notes. However, Noteholders should be aware that, in relation to each Proposed Amendment, unless Noteholders representing at least 10 per cent. of the aggregate Principal Amount Outstanding of the Most Senior Class of Notes then outstanding have contacted the Note Trustee in writing (or, in the case of the A Notes, otherwise in accordance with the then current practice of any applicable clearing system through which such A Notes may be held) within such notification period notifying the Note Trustee that such Noteholders do not consent to the modification, the modification can be made without Noteholder consent.

Optional Modification

The Note Trustee may, without the consent or sanction of any of, or any liability to, the Noteholders or Certificateholders:

- (a) concur with the Issuer and any other relevant parties in making or sanctioning:
 - (i) any modification of any of the provisions of the Trust Deed, the Conditions or any of the other Transaction Documents which is, in the opinion of the Note Trustee, of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of law or regulation; or
 - (ii) any other modification (excluding a Notes Basic Terms Modification or a Certificates Basic Terms Modification), and any waiver or authorisation of any breach or proposed breach of the Notes of such

Class, of any of the provisions of the Trust Deed, the Conditions or any of the other Transaction Documents which is in the opinion of the Note Trustee not materially prejudicial to the interests of the holders of the Most Senior Class (other than any Noteholders of the Most Senior Class who have confirmed their consent in writing to the relevant modification, waiver or authorisation);

- (b) determine that an Event of Default or Potential Event of Default will not be treated as such where in the opinion of the Note Trustee such waiver, authorisation or determination is not materially prejudicial to the interests of the holders of the Most Senior Class (other than any Noteholders of the Most Senior Class who have confirmed their consent in writing to the relevant waiver, authorisation or determination),

provided that the Note Trustee will not do so in contravention of an express direction given by an Extraordinary Resolution of holders of the Most Senior Class or a request made pursuant to Note Condition 9 (*Events of Default*) and Certificate Condition 6 (*Events of Default*).

Any such modifications permitted above shall be binding on the Noteholders, Certificateholders or other Secured Creditors and, unless the Note Trustee otherwise agrees, the Issuer shall cause such modification to be notified to the Noteholders and Certificateholders as soon as practicable thereafter in accordance with Note Condition 13 (*Notice to Noteholders*) and Certificate Condition 11 (*Notice to Certificateholders*). So long as the Rated Notes, or any of them, are rated by the Rating Agencies the Issuer shall notify each of the Rating Agencies of any modification made by it in accordance with the above as soon as reasonably practicable thereafter.

Neither the Note Trustee nor the Security Trustee shall be obliged to agree to any modification of the Trust Deed, the Conditions or any other Transaction Document which (in the sole opinion of the Note Trustee or the Security Trustee (as applicable)) would have the effect of: (x) exposing it to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction; or (y) increasing the obligations or duties, or decreasing the protections of the Note Trustee or Security Trustee (as applicable) in the Transaction Documents, the Trust Deed and/or the Conditions.

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) for so long as the Notes are listed on the Official List and admitted to trading on the London Stock Exchange's main market, all notices to the Noteholders will be valid if published in a manner which complies with the rules and regulations of the London Stock Exchange (which includes delivering a copy of such notice to the London Stock Exchange) and any such notice will be deemed to have been given on the date so published;
- (b) for so long as the Notes are in global form:
 - (i) by delivery to Euroclear and/or Clearstream, Luxembourg for communication by them to their participants and for communication by such participants to entitled account holders; and
 - (ii) by delivery to the electronic communications systems maintained by Bloomberg L.P. for publication on the relevant page for the Notes (or such other medium for electronic display of data as may be approved in writing by the Note Trustee); or
- (c) if the Notes are in definitive form, if published in a leading daily newspaper printed in the English language and with general circulation in the United Kingdom (which is expected to be *The Financial Times*);

- (d) the Note Trustee shall be at liberty to sanction any method of giving notice to the holders of the Z1 Notes and the Z2 Notes, in its opinion, such method is reasonable having regard to market practice then prevailing and *provided that* notice of such other method is given to the holders of the Z1 Notes and the Z2 Notes in such manner as the Note Trustee shall deem appropriate.

A copy of each notice given in accordance with Note Condition 13 (*Notice to Noteholders*) will be provided to (for so long as any Rated Note is outstanding) the Rating Agencies.

The Issuer will give notice to the Noteholders in accordance with Note Condition 13 (*Notice to Noteholders*) of any additions to, deletions from or alterations to such methods from time to time.

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* notice of such other method is given to Noteholders in such manner as the Note Trustee shall require.

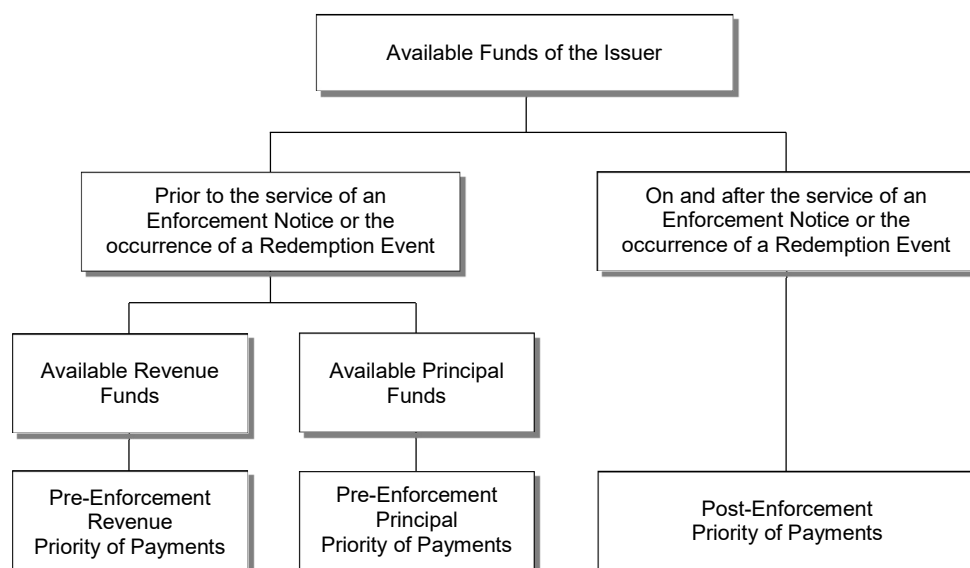
**Rating Agency
Confirmation and Non-
Responsive Rating Agencies**

The implementation of certain matters will, pursuant to the Transaction Documents, be subject to the receipt of written confirmation from each Rating Agency that such modification would not result in the then current ratings of each Class of Notes rated thereby being qualified, downgraded, suspended or withdrawn, or such Rating Agency placing any Notes on rating watch negative (or equivalent).

The Note Conditions provide that 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, and (i) (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 days of delivery of such request, no Rating Agency Confirmation or response is received, and (ii) one Rating Agency gives such Rating Agency Confirmation or response based on the same facts, then, subject to certain certifications to be made by the Issuer, such condition to receive a Rating Agency Confirmation or response from each Rating Agency shall be modified so that there shall be no requirement for the Rating Agency Confirmation or response from a Non-Responsive Rating Agency. See Note Condition 15 (*Non-Responsive Rating Agency*) for further details.

OVERVIEW OF CREDIT STRUCTURE AND CASH FLOW

Please refer to sections entitled “*Credit Structure*” and “*Administration, Servicing and Cash Management of the Mortgage Pool*” for further detail in respect of the credit structure and cash flows of the transaction.



Available Funds of the Issuer

The Issuer expects to have Available Revenue Funds and Available Principal Funds for the purposes of making interest and principal payments under the Notes and the other Transaction Documents.

“**Available Revenue Funds**” will include the following amounts:

- (a) interest (if any) earned on the amounts in the Bank Accounts (other than the Swap Collateral Account) for the Determination Period immediately preceding the relevant Determination Date;
- (b) the Revenue Collections received for the Determination Period immediately preceding the relevant Determination Date, other than in respect of an Interest Payment Date immediately following an Estimation Period;
- (c) any amounts received by the Issuer under the Swap Agreement or any replacement Swap Agreement on the relevant Interest Payment Date (excluding Swap Excluded Receivable Amounts, any amounts credited to the Swap Collateral Account and any excess Swap Collateral (and any interest thereto) in the Swap Collateral Account);
- (d) amounts (which would otherwise constitute Available Principal Funds) determined to be applied as Available Revenue Funds in accordance with item (x) of the Pre-Enforcement Principal Priority of Payments;
- (e) for so long as there are any Rated Principal Backed Notes outstanding (including on the Interest Payment Date on which the Rated Principal Backed Notes are redeemed in full), such amount equal to any Shortfall standing to the credit of the General Reserve Fund Ledger if and to the extent there would otherwise be a Shortfall on the immediately following Interest Payment Date;
- (f) for so long as there are any A Notes or B Notes outstanding (including on the Interest Payment Date on which the A Notes and the B Notes are redeemed in full), such amount equal to any Revenue Shortfall standing to the credit of the Liquidity Reserve Fund Ledger if and to the extent there will be a Revenue Shortfall on the relevant Interest Payment Date;

- (g) any Principal Addition Amounts if and to the extent there will be a Further Revenue Shortfall on the immediately following Interest Payment Date to be applied to items (i) to (vi) and (if the A Notes have been redeemed in full) the relevant item corresponding to the payment of amounts (other than in respect of principal) in respect of the Most Senior Class of Rated Principal Backed Notes, in each case of the Pre-Enforcement Revenue Priority of Payments;
- (h) in respect of an Interest Payment Date immediately following an Estimation Period, any Revenue Receipts and, if the Reconciliation Amount in respect of the relevant Estimation Period is a negative number, an amount equal to the absolute value of such Reconciliation Amount, each as determined in accordance with Note Condition 4(j) (*Determinations and Reconciliation*);
- (i) any amounts credited to the Transaction Account on the previous Interest Payment Date in accordance with item (xxi) of the Pre-Enforcement Revenue Priority of Payments;
- (j) in respect of the Call Option Date in respect of which the Mortgage Pool Option is exercised, the proportion of the Mortgage Pool Purchase Price (as applicable) allocable to revenue; and
- (k) income from any Authorised Investments in respect of the Determination Period ending immediately prior to the relevant Determination Date; and
- (l) in respect of the second Interest Payment Date, any remaining amounts standing to the credit of the Start-Up Costs Ledger on the Determination Date immediately prior thereto,

less any Third Party Amounts that the Mortgage Administrator chooses to exclude and any amounts which are to be applied as item (e) of Available Principal Funds on the relevant Interest Payment Date.

“**Third Party Amounts**” will include amounts (which would otherwise constitute Available Revenue Funds) applied from time to time during the immediately preceding Determination Period in making payment of certain monies which properly belong to third parties (including the Seller) such as (but not limited to):

- (a) certain costs and expenses charged by the Mortgage Administrator in respect of its servicing of the Loans, other than the fee payable to such mortgage administrator and not otherwise covered by the items below;
- (b) payments of certain insurance premiums in respect of the insurance policies (to the extent referable to the Loans);
- (c) 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
- (d) 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.

“**Available Principal Funds**” will include the following amounts:

- (a) the Principal Collections received for the preceding Determination Period other than in respect of an Interest Payment Date following an Estimation Period;
- (b) any Liquidity Reserve Fund Excess Amount;
- (c) in respect of the Interest Payment Date on which the B Notes are redeemed in full (and, prior to the service of an Enforcement Notice, after the application of Available Revenue Funds in accordance with the Pre-Enforcement Revenue Priority of Payments), all amounts standing to the credit of the Liquidity Reserve Fund Ledger;

- (d) in respect of the Interest Payment Date on which the Rated Principal Backed Notes are redeemed in full (and, prior to the service of an Enforcement Notice, after the application of Available Revenue Funds in accordance with the Pre-Enforcement Revenue Priority of Payments), all amounts standing to the credit of the General Reserve Fund Ledger;
- (e) the amount (if any) calculated on that Determination Date pursuant to the Pre-Enforcement Revenue Priority of Payments to be the amount by which the debit balance on any of the Principal Deficiency Ledgers is expected to be reduced by the application of the Available Revenue Funds on the immediately succeeding Interest Payment Date;
- (f) in respect of an Interest Payment Date immediately following an Estimation Period, any Principal Receipts and if the Reconciliation Amount in respect of the relevant Estimation Period is a positive number, an amount equal to such Reconciliation Amount, as determined in accordance with Note Condition 4(j) (*Determinations and Reconciliation*);
- (g) on the Call Option Date in respect of which the Mortgage Pool Option is exercised, the proportion of the Mortgage Pool Purchase Price allocable to principal; and
- (h) after the Step-Up Date until the redemption in full of the Rated Principal Backed Notes, any Available Revenue Funds applied as Available Principal Funds in accordance with item (xix) of the Pre-Enforcement Revenue Priority of Payments; and
- (i) in respect of the First Interest Payment Date only, the Pre-Funding Unused Amount,

less any amounts which are to be applied as item (h) (*Post Estimation Period Reconciliation Amount*) of Available Revenue Funds on the relevant Interest Payment Date.

“**Shortfall**” means an amount, if greater than zero, by which the required payment pursuant to items (i) to (xiv) of the Pre-Enforcement Revenue Priority of Payments exceeds all Available Revenue Funds (excluding items (e) (*General Reserve Fund Ledger for Shortfall*), (f) (*Liquidity Reserve Fund Ledger*) and (g) (*Principal Addition Amounts*)) of the definition thereof).

“**Revenue Shortfall**” means an amount, if greater than zero, by which the required payment pursuant to items (i) (*Note Trustee and Security Trustee*) to (vi) (*A Notes interest*) (inclusive) and (viii) (*B Notes interest*) of the Pre-Enforcement Revenue Priority of Payments exceeds all Available Revenue Funds (excluding items (f) (*Liquidity Reserve Fund Ledger*) and (g) (*Principal Addition Amounts*)) of the definition thereof).

“**Further Revenue Shortfall**” means an amount, if greater than zero, by which the aggregate amounts required to pay items (i) (*Note Trustee and Security Trustee*) to (vi) (*A Notes interest*) of the Pre-Enforcement Revenue Priority of Payments and (if the A Notes have been redeemed in full) any interest payment due on the Most Senior Class of Rated Principal Backed Notes exceeds all Available Revenue Funds (excluding item (g) (*Principal Addition Amounts*)).

Summary of Priority of Payments

Below is a summary of the Priority of Payments. Full details of the Pre-Enforcement Revenue Priority of Payments are set out in Note Condition 2(c) (*Pre-Enforcement Revenue Priority of Payments*). Full details of the Pre-Enforcement Principal Priority of Payments are set out in Note Condition 5(b) (*Mandatory Redemption of the Notes*). Full details of the Post-Enforcement Priority of Payments are set out in Note Condition 2(d) (*Post-Enforcement Priority of Payments*).

Priority of payments

| Pre-Enforcement Revenue Priority of Payments | Pre-Enforcement Principal Priority of Payments | Post-Enforcement Priority of Payments |
|--|---|--|
| Trustee fees and expenses | Pre-Funding Unused Amount | Trustee and receiver fees and expenses |
| Transaction Parties' fees | Before the Liquidity Reserve Initial Funding Date, funding the Liquidity Reserve Fund | Transaction Parties' fees |
| Other senior expenses incurred by the Issuer | Principal Addition Amounts | Issuer Profit Amount |
| Issuer Profit Amount | Principal on A Notes | Certain amounts due to Swap Counterparty |
| Certain amounts due to Swap Counterparty | Principal on B Notes | A Notes interest and principal |
| Interest on A Notes | Principal on C Notes | B Notes interest and principal |
| A Principal Deficiency Sub-Ledger | Principal on D Notes | C Notes interest and principal |
| Interest on B Notes | Principal on Z1 Notes | D Notes interest and principal |
| While A Notes and B Notes remain outstanding, funding the Liquidity Reserve Fund up to the Liquidity Reserve Fund Required Amount | Principal on Z2 Notes | X Notes interest |
| B Principal Deficiency Sub-Ledger | Applied as Available Revenue Funds | Z1 Notes principal |
| Interest on C Notes | | Z2 Notes principal |
| C Principal Deficiency Sub-Ledger | | X Notes principal |
| Interest on D Notes | | Amounts owing to third parties |
| D Principal Deficiency Sub-Ledger | | Swap Subordinated Amounts |
| While the Rated Principal Backed Notes remain outstanding, funding the General Reserve Fund Ledger up to the General Reserve Fund Required Amount | | Surplus to Certificateholders |
| Z1 Principal Deficiency Sub-Ledger | | |
| Interest on X Notes | | |
| Principal on X Notes | | |
| On and after the Step-Up Date until the redemption in full of the Rated Principal Backed Notes, all remaining Available Revenue Funds to be applied as Available Principal Funds | | |
| Swap Subordinated Amounts | | |
| On an Interest Payment Date immediately following an Estimation Period, retaining all remaining amounts | | |
| Surplus to Certificateholders | | |

General Credit Structure

The general credit structure of the transaction includes the following elements:

- (a) availability of the General Reserve Fund in the event there is a Shortfall. The General Reserve Fund will be initially funded by the proceeds from the Notes in an amount equal to the General Reserve Fund Required Amount. See the section entitled “*Credit Structure – Application of the General Reserve Fund, the Liquidity Reserve Fund and Principal Addition Amounts – Shortfall, Revenue Shortfall and Further Revenue Shortfall*” below for limitations on availability of the use of the General Reserve Fund;
- (b) availability of the Liquidity Reserve Fund in the event there is a Revenue Shortfall. See the section entitled “*Credit Structure – Application of the General Reserve Fund, the Liquidity Reserve Fund and Principal Addition Amounts – Shortfall, Revenue Shortfall and Further Revenue Shortfall*” below for limitations on availability of the use of the Liquidity Reserve Fund;
- (c) availability of Available Principal Funds in the event there is a Further Revenue Shortfall. See the section entitled “*Credit Structure – Application of the General Reserve Fund, the Liquidity Reserve Fund and Principal Addition Amounts – Shortfall, Revenue Shortfall and Further Revenue Shortfall*” below for limitations on availability of the use of Available Principal Funds; and
- (d) availability of the Pre-Funding Principal Reserve to fund the purchase of Additional Loans by the Issuer on each Additional Loans Purchase Date.

General Reserve Fund

The General Reserve Fund will, on the Issue Date, be funded by the proceeds from the Notes up to the General Reserve Fund Required Amount. The Issuer is required to maintain at all times a minimum balance standing to the credit of the General Reserve Fund.

The General Reserve Fund Required Amount is:

- (a) prior to the redemption in full of the Rated Principal Backed Notes, an amount equal to 2.5 per cent. of the Principal Amount Outstanding of the Principal Backed Notes as at the Issue Date; and
- (b) on the Interest Payment Date on which the Rated Principal Backed Notes are to be redeemed in full, zero.

The General Reserve Fund Ledger will, from time to time, be credited in accordance with the Pre-Enforcement Revenue Priority of Payments.

On and from the First Interest Payment Date, the Issuer shall apply amounts standing to the credit of the General Reserve Fund as Available Revenue Funds to cure any Shortfalls in accordance with the Pre-Enforcement Revenue Priority of Payments.

The General Reserve Fund shall be maintained until such time as the Rated Principal Backed Notes are redeemed in full. On the Interest Payment Date on which the Rated Principal Backed Notes are redeemed in full, following application of the General Reserve Fund to cover any Shortfall, any remaining balance in the General Reserve Fund shall be applied as Available Principal Funds in accordance with the relevant Priority of Payments.

Liquidity Reserve Fund

The Liquidity Reserve Fund will not be funded on the Issue Date, but will instead be funded in accordance with the relevant Priority of Payments on each Interest Payment Date.

On any Interest Payment Date, the Liquidity Reserve Fund Required Amount shall be calculated as follows:

- (a) while the A Notes or the B Notes remain outstanding, an amount equal to 1.5 per cent. of the aggregate Principal Amount Outstanding of the A Notes

and the B Notes on the Determination Date immediately prior to such Interest Payment Date; and

- (b) on the Interest Payment Date on which the A Notes and the B Notes are to be redeemed in full, zero.

On an Interest Payment Date falling prior to the Liquidity Reserve Initial Funding Date, the Liquidity Reserve Fund will be funded from Available Principal Funds in accordance with the Pre-Enforcement Principal Priority of Payments.

On an Interest Payment Date where there was a Revenue Shortfall on any previous Interest Payment Dates, the Liquidity Reserve Fund will be replenished from Available Revenue Funds in accordance with the Pre-Enforcement Revenue Priority of Payments.

The Liquidity Reserve Fund shall be maintained until the Interest Payment Date on which the B Notes are to be redeemed in full. On the Interest Payment Date on which the B Notes are redeemed in full, following application of the Liquidity Reserve Fund to cover any Revenue Shortfall, any remaining balance in the Liquidity Reserve Fund shall be applied as Available Principal Funds in accordance with the relevant Priority of Payments.

In addition, the Liquidity Reserve Fund Excess Amount shall be applied as Available Principal Funds in accordance with the relevant Priority of Payments.

Application of Reserve Funds and Principal Addition Amounts

Where there is a Shortfall, the Issuer shall first pay or provide for that Shortfall to the extent of such Shortfall by drawing amounts from the General Reserve Fund and applying them as Available Revenue Funds.

Thereafter, if there remains a Revenue Shortfall, the Issuer shall pay or provide for that Revenue Shortfall to the extent of such Revenue Shortfall by drawing amounts from the Liquidity Reserve Fund and applying such amounts as Available Revenue Funds to certain items in the Pre-Enforcement Revenue Priority of Payment.

Thereafter, if there remains a Further Revenue Shortfall, the Issuer shall pay or provide for such Further Revenue Shortfall to the extent of such Further Revenue Shortfall by applying Principal Addition Amounts as Available Revenue Funds to certain items in the Pre-Enforcement Revenue Priority of Payments.

Principal Deficiency Ledger

The Principal Deficiency Ledger comprises a number of sub-ledgers, known as the A Principal Deficiency Sub-Ledger, the B Principal Deficiency Sub-Ledger, the C Principal Deficiency Sub-Ledger, the D Principal Deficiency Sub-Ledger and the Z1 Principal Deficiency Sub-Ledger which will be established to record as a debit any Losses and/or the use of any Available Principal Funds as Available Revenue Funds pursuant to the Pre-Enforcement Principal Priority of Payments.

Available Revenue Funds will be credited to the sub-ledgers of the Principal Deficiency Ledger on each Interest Payment Date to reduce the debit balance of the Principal Deficiency Ledger in accordance with the Pre-Enforcement Revenue Priority of Payments.

Any Losses and the application of any Principal Addition Amounts to meet a Further Revenue Shortfall will be recorded as a debit to the Principal Deficiency Ledger on each Determination Date as follows:

- (a) *firstly*, to the Z1 Principal Deficiency Sub-Ledger (up to an amount (including all other debits to the Z1 Principal Deficiency Sub-Ledger) equal to the aggregate Principal Amount Outstanding of the Z1 Notes) (as calculated on the immediately preceding Determination Date);
- (b) *secondly*, to the D Principal Deficiency Sub-Ledger (up to an amount (including all other debits to the D Principal Deficiency Sub-Ledger) equal

to the aggregate Principal Amount Outstanding of the D Notes) (as calculated on the immediately preceding Determination Date);

- (c) *thirdly*, to the C Principal Deficiency Sub-Ledger (up to an amount (including all other debits to the C Principal Deficiency Sub-Ledger) equal to the Principal Amount Outstanding of the C Notes) (as calculated on the immediately preceding Determination Date);
- (d) *fourthly*, to the B Principal Deficiency Sub-Ledger (up to an amount (including all other debits to the B Principal Deficiency Sub-Ledger) equal to the Principal Amount Outstanding of the B Notes) (as calculated on the immediately preceding Determination Date); and
- (e) *fifthly*, to the A Principal Deficiency Sub-Ledger (up to an amount (including all other debits to the A Principal Deficiency Sub-Ledger) equal to the Principal Amount Outstanding of the A Notes) (as calculated on the immediately preceding Determination Date).

**Collection Account and
Transaction Account**

All Revenue Collections and Principal Collections in respect of the Loans are received by the Seller in the Collection Account. On or about the Issue Date, the Seller will declare the Collection Account Declaration of Trust in favour of the Issuer over amounts credited to the Collection Account.

The Mortgage Administrator is obliged to instruct the Collection Account Provider to transfer from the Collection Account to the Transaction Account on a daily basis all amounts received via direct debit credited in cleared funds to the Collection Account in respect of the Loans during the previous Business Day, and where amounts had been received other than by way of direct debit, the Mortgage Administrator shall procure that such amounts received in cleared funds are transferred from the Collection Account to the Transaction Account within 3 Business Days of such cleared funds being credited to the Collection Account.

TRIGGERS TABLES

Rating Triggers Table

| Transaction party | Required Ratings | Possible effects of Ratings Trigger being breached include the following: |
|--|--|---|
| <i>Account Bank</i> | <ul style="list-style-type: none"> (a) <i>DBRS</i>: a long-term, deposit rating of at least “A” by DBRS or if no DBRS ratings are currently maintained in respect of the Account Bank, a DBRS Equivalent Rating at least equal to “A”; (b) <i>S&P</i>: a long-term, unsecured and unsubordinated debt or counterparty ratings of at least “A” by S&P; and (c) alternatively to each of the above, such other ratings that are consistent with the then published criteria of the relevant Rating Agency as being the minimum ratings that are required to support the then rating of the Rated Notes. | <p>The consequences for the Account Bank of a breach under the Bank Agreement include a requirement for the Issuer to use commercially reasonable endeavours to replace the Account Bank within 30 calendar days of the downgrade of the relevant entity.</p> |
| <i>Swap Collateral Account Bank</i> | <ul style="list-style-type: none"> (a) <i>DBRS</i>: a long-term, deposit rating of at least “A” by DBRS or if no DBRS ratings are currently maintained in respect of the Swap Collateral Account Bank, a DBRS Equivalent Rating at least equal to “A”; (b) <i>S&P</i>: a long-term, unsecured and unsubordinated debt or counterparty ratings of at least “A” by S&P; and (c) alternatively to each of the above, such other ratings that are consistent with the then published criteria of the relevant Rating Agency as being the minimum ratings that are required to support the then rating of the Rated Notes. | <p>The consequences for the Swap Collateral Account Bank of a breach under the Bank Agreement include a requirement for the Issuer to use commercially reasonable endeavours to replace the Swap Collateral Account Bank within 30 calendar days of the downgrade of the relevant entity.</p> |
| <i>Collection Account Provider</i> | <ul style="list-style-type: none"> (a) <i>DBRS</i>: a long-term, deposit rating of at least “BBB(low)” by DBRS or if no DBRS ratings are currently maintained in respect of the Collection Account Provider, a DBRS Equivalent Rating at least equal to “BBB(low)”; (b) <i>S&P</i>: a long-term, unsecured, unguaranteed and unsubordinated debt rating of at least “BBB” by S&P; and (c) alternatively to each of the above, such other ratings that are consistent with the then published criteria of the relevant Rating Agency as being the minimum ratings that are required to | <p>If the Collection Account Provider fails or is unable to maintain the Required Ratings as set out in this section “<i>Triggers tables</i>” (the “Collection Account Required Ratings”) (such failure a “Collection Account Provider Downgrade Event”), the Issuer will use its commercially reasonable endeavours to procure that the Collection Account shall be transferred to another institution authorised under FSMA which has the Collection Account Rating Agency Required Ratings pursuant to an agreement with such institution in substantially the form of the Collection Account Agreement as soon as possible but within 60 calendar days (or such longer period as the Security Trustee and the Rating Agencies may agree, <i>provided that</i></p> |

| Transaction party | Required Ratings | Possible effects of Ratings Trigger being breached include the following: |
|--------------------------|---|---|
| | support the then rating of the Rated Notes. | such transfer and replacement is not required to take place within 30 calendar days of the relevant Collection Account Provider Downgrade Event) from the date on which such downgrade occurs, and the Collection Account Provider will, at the request and cost of the Issuer, use its commercially reasonable endeavours to assist with the same. |
| Swap Counterparty | <p data-bbox="445 566 695 586"><i>DBRS required ratings</i></p> <p data-bbox="445 618 903 887">(i) COR of at least “A” by DBRS, or long-term unsecured, unguaranteed and unsubordinated debt obligations which are rated by DBRS at least “A” (by way of a public rating), <i>provided that</i> if the Swap Counterparty is not rated by DBRS, a DBRS Equivalent Rating at least equal to “A” (the “DBRS First Trigger Required Ratings”); and</p> <p data-bbox="445 909 903 1391">(ii) if the Swap Counterparty breaches the DBRS First Trigger Required Ratings, but complies with the relevant contractual requirements that apply on the occurrence of such breach, then if such breach is in respect of the relevant DBRS required ratings, then (a) a COR of at least “BBB” by DBRS, or (b) long-term unsecured, unguaranteed and unsubordinated debt obligations which are rated by DBRS at least “BBB” (by way of a public rating), provided that if the Swap Counterparty is not rated by DBRS, a DBRS Equivalent Rating at least equal to “BBB” (the “DBRS Second Trigger Required Ratings”).</p> | <p data-bbox="932 566 1409 1200">Subject to the terms of the Swap Agreement, the consequence of a breach of the DBRS First Trigger Required Ratings is that the Swap Counterparty will be obliged to either (i) provide collateral within 30 Local Business Days (as defined in the Swap Agreement) of that breach; or (ii) to use commercially reasonable efforts (a) to procure a transfer to an eligible replacement swap counterparty of its obligations under the Swap Agreement or (b) to procure a guarantee from an eligible guarantor in respect of its obligations under the Swap Agreement or (c) to take such other action (which could include taking no action) as will result in the rating of the Most Senior Class of Rated Notes following the taking of such action being maintained at, or restored to, the level at which it was immediately prior to the breach.</p> <p data-bbox="932 1223 1409 1895">Subject to the terms of the Swap Agreement, the consequence of a breach of the DBRS Second Trigger Required Ratings is that the Swap Counterparty will be obliged (i) to procure within 30 calendar days of such breach (a) a transfer to an eligible replacement swap counterparty of its obligations under the Swap Agreement or (b) a guarantee from an eligible guarantor in respect of its obligations under the Swap Agreement; and (ii) pending such procurement of an eligible replacement swap counterparty or guarantee from an eligible guarantor, provide or continue providing collateral or take such other action (which could include taking no action) as will result in the rating of the Most Senior Class of Rated Notes following the taking of such action (or inaction) being maintained at, or restored to, the level at which it was immediately prior to the breach.</p> <p data-bbox="932 1917 1409 2033">A failure by a Swap Counterparty to take such steps will, in certain circumstances, allow the Issuer to terminate the relevant Swap Agreement. In circumstances where a</p> |

| Transaction party | Required Ratings | Possible effects of Ratings Trigger being breached include the following: |
|-------------------|--|---|
| | <p data-bbox="443 533 679 562"><i>S&P required ratings</i></p> <p data-bbox="443 584 906 1160">S&P Global Ratings’ ‘<i>Counterparty Risk Framework: Methodology And Assumptions</i>’, (dated 8 March 2019 as republished on 18 May 2020) permit four different options for selecting applicable frameworks containing collateral and transfer ratings triggers, and the contractual requirements that should apply on the occurrence of breach of a collateral or transfer ratings trigger by the Swap Counterparty (the “S&P Replacement Option”, as defined and set out in the Swap Agreement). Subject to certain conditions specified in the Swap Agreement, the Swap Counterparty may designate a different S&P Replacement Option by providing written notice of such change on reasonable request by S&P to the Issuer, the Security Trustee and S&P.</p> <p data-bbox="443 1182 906 1240">S&P Replacement Option “Adequate” is expected to apply on the Issue Date.</p> <p data-bbox="443 1263 906 1630">Neither the Swap Counterparty (or its successor) nor any applicable guarantor from time to time in respect of the Swap Counterparty has a resolution counterparty rating, or if no such rating is published by S&P, such entity’s issuer credit rating, below “A-” (if S&P Replacement Option “Strong” applies), “BBB” (if S&P Replacement Option “Adequate” applies) or “BBB” (if S&P Replacement Option “Moderate” applies) (each a “Collateral S&P Rating Event”).</p> <p data-bbox="443 1653 906 2040">Neither the Swap Counterparty (or its successor) nor any applicable guarantor from time to time in respect of the Swap Counterparty has a resolution counterparty rating or, if no such rating is published by S&P, such entity’s issuer credit rating, below the lowest rating specified in the column headed “<i>Replacement Trigger</i>” in the table below that corresponds to the then current rating of the Most Senior Class of Notes specified in the applicable column in the table below for the selected S&P Replacement Option applicable at</p> | <p data-bbox="932 253 1402 499">Swap Agreement is terminated as a result of the failure of the Swap Counterparty to take such steps, the Issuer will endeavour to enter into a replacement Swap Agreement on terms similar to, and providing a similar level of protection against interest rate risk as the Swap Agreement which has been terminated.</p> <p data-bbox="932 533 1246 562"><i>Collateral S&P Rating Event</i></p> <p data-bbox="932 584 1402 642">Where S&P Replacement Option “Strong”, “Adequate” or “Moderate” applies</p> <p data-bbox="932 665 1402 1337">The Swap Counterparty must provide collateral within 10 Business Days (to the extent required, depending on the value of the Interest Rate Swap) unless at any time after it fails to have the relevant S&P collateral required rating it (i) novates all its rights and obligations to an entity that is eligible to be a swap provider under the S&P ratings criteria (or whose obligations are irrevocably guaranteed by an entity with the S&P required ratings), (ii) obtains a guarantee from an entity with the S&P required ratings, or (iii) takes such other action (which may include taking no action) as is required to maintain, or restore, the rating of the most senior class of Notes to the level at which they were immediately prior to such event. If both replacement and collateral are applicable remedies, the Collateral S&P Rating Event should be no lower than the Replacement S&P Rating Event.</p> <p data-bbox="932 1359 1278 1388"><i>Replacement S&P Rating Event</i></p> <p data-bbox="932 1411 1402 1859">The Swap Counterparty must at its own costs use commercially reasonable efforts to, within 90 calendar days, either (at its discretion) (i) novate all its rights and obligations to an entity that is eligible to be a swap provider under the S&P ratings criteria (or whose obligations are irrevocably guaranteed by an entity with the S&P required ratings), (ii) obtain a guarantee from an entity with at least the S&P required ratings, or (iii) take such other action as is required to maintain, or restore, the rating of the notes to the level at which they were immediately prior to such Replacement S&P Rating Event.</p> <p data-bbox="932 1881 1402 2040">Whilst this process is on-going, the Swap Counterparty must also provide collateral within 10 Business Days (to the extent required, depending on the value of the Interest Rate Swap).</p> |

Transaction party Required Ratings Possible effects of Ratings Trigger being breached include the following:

that time (each a “**Replacement S&P Rating Event**”).

| Replacement Trigger | S&P Replacement Option “Strong” | S&P Replacement Option “Adequate” | S&P Replacement Option “Moderate” | S&P Replacement Option “Weak” |
|---------------------------|---------------------------------|-----------------------------------|-----------------------------------|-------------------------------|
| AAA | AAA | AAA | AAA | AAA |
| AA+ | AAA | AAA | AAA | AAA |
| AA | AAA | AAA | AAA | AAA |
| AA- | AAA | AAA | AAA | AAA |
| A+ | AAA | AAA | AAA | AAA |
| A | AAA | AAA | AAA | AA |
| A- | AAA | AAA | AA+ | AA- |
| BBB+ | AAA | AA | AA- | A |
| BBB | AA | A+ | A | BBB+ |
| BBB- | A+ | A- | BBB+ | BBB- |
| Floor to supported rating | Counterparty rating + 3 notches | Counterparty rating +2 notches | Counterparty rating + 1 notch | Counterparty rating |

DBRS Equivalent Chart

| DBRS Long-term | DBRS Short-term | Moody’s Long-term | Moody’s Short-term | S&P Long-term | S&P Short-term | Fitch Long-term | Fitch Short-term | Rating Strength |
|----------------|-----------------|-------------------|--------------------|---------------|----------------|-----------------|------------------|-----------------|
| AAA | R-1 H | Aaa | P-1 | AAA | A-1+ | AAA | F1+ | Highest |
| AA(high) | R-1 H | Aa1 | P-1 | AA+ | A-1+ | AA+ | F1+ | |
| AA | R-1 M | Aa2 | P-1 | AA | A-1+ | AA | F1+ | |
| AA(low) | R-1 M | Aa3 | P-1 | AA- | A-1+ | AA- | F1+ | |
| A(high) | R-1 L | A1 | P-1 | A+ | A-1 | A+ | F1 | |
| A | R-1 L | A2 | P-1 | A | A-1 | A | F1 | |
| A(low) | R-1 L | A3 | P-2 | A- | A-1 | A- | F2 | |
| BBB(high) | R-2 H | Baa1 | P-2 | BBB+ | A-2 | BBB+ | F2 | |
| BBB | R-2 M | Baa2 | P-3 | BBB | A-2 | BBB | F3 | |
| BBB(low) | R-2 L | Baa3 | P-3 | BBB- | A-3 | BBB- | F3 | Lowest |

Non-Rating Triggers Table

| Nature of Trigger | Description of Trigger | Consequence of Trigger |
|--------------------------|---|--|
| Perfection Events | The occurrence of any of the following: <ul style="list-style-type: none"> (a) the service of an Enforcement Notice; (b) the Security Trustee determining that the Charged Property or any part thereof is in jeopardy (including due to the possible insolvency of the Seller); (c) the occurrence of an Insolvency Event occurring in relation to the Seller; or (d) the Issuer, the Security Trustee or the Seller becoming obliged to provide notice of assignment or assignation (as applicable) of the Loan by order of court, by law or any relevant regulatory authority. | Borrowers will be notified of the sale of the Loans to the Issuer and legal title to the Mortgage Pool will be transferred to the Issuer (other than in the case of perfection event (d) whereby only legal title to the affected Loan will be transferred to the Issuer). |

| Nature of Trigger | Description of Trigger | Consequence of Trigger |
|---|--|---|
| <i>Cash Administrator Termination Events</i> | <p>The occurrence of any of the following:</p> <ul style="list-style-type: none"> (a) default is made by the Cash Administrator in making any payment due under the Cash Administration Agreement on the due date or the obligations regarding the transfer of cash under Clause 4 (<i>Bank Accounts</i>) of the Cash Administration Agreement and such default continues unremedied for a period of 5 Business Days after the earlier of: <ul style="list-style-type: none"> (i) the Cash Administrator becoming aware of such default; and (ii) receipt by the Cash Administrator of written notice from the Issuer (or, following delivery of an Enforcement Notice, the Security Trustee) requiring the same to be remedied; (b) default by the Cash Administrator in the performance of its covenants and obligations under the Cash Administration Agreement and the Note Trustee considers such default to be materially prejudicial to the interests of the holders of the Most Senior Class and such breach continues unremedied for a period of 15 days after the Cash Administrator has become aware of such breach; (c) the occurrence of an Insolvency Event occurring in relation to the Cash Administrator; or (d) an Enforcement Notice is given and the Note Trustee is of the opinion that the continuation of the appointment of the Cash Administrator is materially prejudicial to the interests of the holders of the Most Senior Class. | <p>The Issuer shall, within 60 days, use reasonable endeavours to appoint a replacement Cash Administrator which meets the requirements for a substitute service provided for by the Cash Administration Agreement.</p> |
| <i>Mortgage Administrator Termination Events</i> | <p>The occurrence of any of the following:</p> <ul style="list-style-type: none"> (a) the Mortgage Administrator defaults in making any payment under the Mortgage Administration Agreement on the due date and such default continues unremedied for a period of 10 Business Days after the earlier of: <ul style="list-style-type: none"> (i) the Mortgage Administrator becoming aware of such default; and (ii) receipt by the Mortgage Administrator of written notice from the Issuer (or, following delivery of an Enforcement Notice, the Security Trustee) requiring the same to be remedied; | <p>If a Mortgage Administrator Termination Event occurs the Issuer (prior to the service of an Enforcement Notice and with the consent of the Security Trustee) or the Security Trustee (after the service of an Enforcement Notice), shall (as soon as practicable after such event has come to its attention) give notice in writing to the Mortgage Administrator (with a copy to the Back-up Mortgage Administrator Facilitator) of such occurrence and terminate the appointment of the Mortgage Administrator. If, following the occurrence of a Mortgage Administrator Termination Event, the Issuer (prior to the service of an Enforcement Notice and with the consent</p> |

| Nature of Trigger | Description of Trigger | Consequence of Trigger |
|-------------------|--|--|
| | <p>(b) the Mortgage Administrator defaults in the performance or observance of any of its other covenants, undertakings and obligations under Mortgage Administration Agreement which in the opinion of the Security Trustee (acting on the instructions of the Note Trustee) is materially prejudicial to the interests of the holders of the Most Senior Class of Notes and (except where, in the opinion of the Security Trustee, such default is incapable of remedy, when no such continuation and/or notice as is hereinafter mentioned will be required) such default continues unremedied for a period of 30 days after the Mortgage Administrator becomes aware of such event provided however that where the relevant default occurs as a result of a default by any person to whom the Mortgage Administrator has sub-contracted or delegated part of its obligations hereunder, such default shall not constitute an Mortgage Administrator Termination Event if within such 30 day period the Mortgage Administrator has taken steps to remedy such default;</p> <p>(c) the Mortgage Administrator becomes subject to an Insolvency Event; or</p> <p>(d) the Mortgage Administrator fails or is unable to obtain or maintain the necessary licences or regulatory approval enabling it to continue servicing Loans.</p> | <p>of the Security Trustee) or the Security Trustee (following delivery of an Enforcement Notice), so requests in writing, the Mortgage Administrator shall (if it is able to do so) continue to provide the Services under the Mortgage Administration Agreement until a replacement Mortgage Administrator is appointed and such replacement Mortgage Administrator has assumed performance of all the Services.</p> |

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 |
|--|--|---------------------------------|--|
| Mortgage Administrator fees | The Issuer shall pay to the Mortgage Administrator a mortgage administrator fee equal to the product of 0.105 per cent. (inclusive of any applicable VAT) and the average aggregate Current Balance of each of the Loans in the Mortgage Pool as of the last day of each calendar month falling within the Determination Period immediately preceding the relevant Interest Payment Date, divided by four or such other amount as may be agreed between the Issuer and the Mortgage Administrator and notified to the Rating Agencies from time to time. | Ahead of all outstanding Notes. | Payable on each Interest Payment Date. |
| Other fees and expenses, including fees paid to the Security Trustee, Note Trustee, the Agents, the Account Bank, the Cash Administrator, the Corporate Services Provider and the Back-up Mortgage Administrator Facilitator | Estimated annual fees of £95,000 (exclusive of any applicable VAT). | Ahead of all outstanding Notes. | Annual fees generally paid annually in advance |
| Expenses related to the admission to trading of the Notes | An estimated initial fixed fee of £14,160 (inclusive of any applicable VAT). | Not Applicable. | On or about the Issue Date. |

FURTHER INFORMATION RELATING TO REGULATION OF MORTGAGES IN THE UK

Mortgages regulated under FSMA

Since 31 October 2004, most first-charge residential mortgage businesses in the United Kingdom became regulated under the FSMA and were brought within the jurisdiction of the Ombudsman. This regulatory power has been exercised by the FCA as of 1 April 2013 when the Financial Services Act 2012 came into force and replaced the FSA with the Prudential Regulation Authority (the “**Prudential Regulation Authority**” or “**PRA**”), which is responsible for prudential regulation of financial institutions that manage significant risks on their balance sheets, and the FCA, which is responsible for conduct of business. Prior to that date this power was exercised by the previous regulator, the FSA. Entering into as a lender, arranging or advising in respect of, and administering regulated mortgage contracts and agreeing to do any of those activities are (subject to applicable exemptions) regulated activities under the FSMA and the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (SI 2001/544) (as amended) (the **RAO**) requiring authorisation and permission from the FCA.

The current definition of a regulated mortgage contract is such that if the mortgage contract was entered into on or after 21 March 2016, it will be a **Regulated Mortgage Contract** if, at the time it is entered into, it meets the following conditions (when read in conjunction with and subject to certain relevant exclusions): (a) the borrower is an individual or trustee; and (b) the obligation of the borrower to repay is secured by a mortgage on land; (c) at least 40% of that land is used, or is intended to be used: (i) in the case of credit provided to an individual, as or in connection with a dwelling; or (ii) in the case of credit provided to a trustee who is not an individual, as or in connection with a dwelling by an individual who is a beneficiary of the trust, or by a related person. A related person (in relation to a borrower, or in the case of credit provided to trustees, a beneficiary of the trust is: (1) that person’s spouse or civil partner; (2) a person (whether or not of the opposite sex) whose relationship with that person has the characteristics of the relationship between husband and wife; or (3) that person’s parent, brother, sister, child, grandparent or grandchild (a **Related Person**). In relation to a contract entered into before 23:00 on 31 December 2020, ‘land’ means land in the United Kingdom or within the territory of an EEA State and in relation to a contract entered into on or after 23:00 on 31 December 2020, ‘land’ means land in the United Kingdom.

Regulated Mortgage Contracts do not include home purchase plans, limited payment second charge bridging loans, second charge business loans, investment property loans, exempt consumer buy-to-let mortgage contracts, exempt equitable mortgage bridging loans, exempt housing authority loans or a limited interest second charge credit union loans within the meaning of article 61A(1) or (2) of the Regulated Activities Order.

Any person carrying on any specified regulated mortgage-related activities by way of business must either be authorised by the FCA, with specific permission required from the FCA to engage in the activity or be exempted from such authorisation. The specified activities currently are: (a) entering into a Regulated Mortgage Contract as lender; (b) administering a Regulated Mortgage Contract (“**administering**” in this context broadly means notifying borrowers of changes in mortgage payments and/or taking any necessary steps for the purposes of collecting payments due under the Loan); (c) advising in respect of Regulated Mortgage Contracts; and (d) arranging in respect of Regulated Mortgage Contracts. Agreeing to carry on any of these activities is also a regulated activity. If requirements as to authorisation of lenders and brokers are not complied with, a Regulated Mortgage Contract will be unenforceable against the borrower except with the approval of a court and the unauthorised person may commit a criminal offence. An unauthorised person who carries on the regulated mortgage activity of administering a Regulated Mortgage Contract that has been validly entered into may commit an offence, although this will not render the contract unenforceable against the borrower. The regime under the FSMA regulating financial promotions covers the content and manner of promotion of agreements relating to qualifying credit and by whom such promotions can be issued or approved. In this respect, the FSMA regime not only covers financial promotions of Regulated Mortgage Contracts but also promotions of certain other types of secured credit agreements under which the lender is a person who carries on the regulated activity of entering into a Regulated Mortgage Contract. Failure to comply with the financial promotions regime (as regards by whom promotions can be issued or approved) is a criminal offence and will render the Regulated Mortgage Contract or other secured credit agreement in question unenforceable against the borrower except with the approval of a court.

An unauthorised person may arrange for an authorised person to administer its Regulated Mortgage Contracts but, if that arrangement comes to an end, that unauthorised person may commit an offence if it administers the Regulated Mortgage Contracts for more than one month after the end of the arrangement, although this will not render the contract unenforceable against the Borrower.

A Borrower who is a natural person may be entitled to claim damages for loss suffered as a result of any contravention of an FCA rule by an authorised person. In the case of such contravention by the Seller, the Borrower may claim such damages against the Seller, or set-off the amount of such claim against the amount owing by the Borrower under the Loan or any other loan agreement that the Borrower has taken with the Seller.

BGFL holds authorisation and permission to enter into and to administer Regulated Mortgage Contracts. Subject to any exemption, brokers are required to hold authorisation and permission to arrange and to advise on Regulated Mortgage Contracts.

The Issuer is not and does not propose to be an authorised person under the FSMA. The Issuer does not require authorisation in order to acquire legal or beneficial title to a Regulated Mortgage Contract. The Issuer does not carry on the regulated activity of administering in relation to Regulated Mortgage Contracts by having them administered pursuant to an administration agreement by an entity having the required FCA authorisation and permission. If such administration agreement terminates or the appointment of an administrator thereunder is terminated, however, the Issuer will have a period of not more than one month in which to arrange for mortgage administration to be carried out by a replacement administrator having the required FCA authorisation and permission. In addition, no action is permitted to be taken (or omitted to be taken) by the Mortgage Administrator in relation to a Loan including offering, making or authorising a Further Advance, Product Switch or Regulated Amendment in relation to a Loan (where instructed to do so by the Seller in its capacity as Legal Title Holder and lender of record) where it would result in the Issuer arranging or advising in respect of, administering (servicing) or entering into a Regulated Mortgage Contract or agreeing to carry on any of these activities, if the Issuer would be required to be authorised under the FSMA to do so.

Given that the Issuer will not itself be an authorised person under the FSMA, in the event that an agreement for a Loan is varied, such that a new contract is entered into and that contract constitutes a Regulated Mortgage Contract then the arrangement of, advice on, administration of and entering into of such variation would need to be carried out by an entity such as the Mortgage Administrator having the required FCA authorisation and permission.

The FCA's *Mortgages and Home Finance: Conduct of Business sourcebook* ("MCOB") sets out the FCA's rules for regulated mortgage activities. These rules came into force on 31 October 2004, under the handbook of the previous regulator, the FSA. Since 1 April 2013, these rules are located in the FCA's handbook. These rules cover, among other things, certain pre-origination matters such as financial promotion and pre-application illustrations, pre-contract and start-of-contract and post-contract disclosure, contract changes, charges and arrears and repossessions. Rules for prudential and authorisation requirements for mortgage firms, and for extending the appointed representatives regime to mortgages, came into force on 31 October 2004.

Failure to comply with the provisions of MCOB will not necessarily render Regulated Mortgage Contracts unenforceable. However, breaches of the rules in MCOB are actionable by borrowers who suffer loss as a result of the contravention. A breach could therefore give rise to a claim by a borrower to set-off sums due under a Regulated Mortgage Contract (or exercise analogous rights in Scotland).

In June 2010 the previous regulator, the FSA, made changes to MCOB (subsequently amended following implementation of the Mortgage Credit Directive on 21 March 2016 in particular MCOB 13 was amended to account for vulnerable customers and data sharing with other charge holders) which effectively converted previous guidance on the policies and procedures to be applied by authorised firms (such as the Seller) with respect to forbearance in the context of Regulated Mortgage Contracts into formal mandatory rules. Under the new rules, a firm is restricted from repossessing a property unless all other reasonable attempts to resolve the position have failed and, in complying with such restriction, a firm is required to consider whether, given the relevant borrower's circumstances, it is appropriate to take certain actions. Such actions refer to (amongst other things) the extension of the term of the mortgage, product type changes and deferral of interest payments. These new rules are currently in effect under the FCA's MCOB sourcebook. While the FSA had previously indicated that it does not expect each forbearance option referred to in the new rules to be explored at every stage of interaction with the borrower, it is clear that the new rules impose mandatory obligations on firms without regard to any relevant contractual obligations or restrictions. These rules are currently effective under the FCA handbook. The Transaction Documents will provide that the Seller will incur no liability as a result of the new rules' requiring the Seller to take certain actions (forbearance-related or otherwise) which do not comply with the Transaction Documents (and, in particular, the asset servicing arrangements contemplated by such Transaction Documents) in respect of one or more Loans.

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**"). 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 in respect of payments up to and including 31 July 2021.

The FCA Payment Deferral Guidance provides that: (i) borrowers who have not yet had a payment deferral will be eligible for payment deferrals of 6 months in total; (ii) those borrowers who currently have a payment deferral will be eligible to top up to 6 months in total; (iii) those borrowers who have previously had payment deferrals of less than 6 months will be able to top up, as long as total deferrals do not exceed 6 months. This includes those borrowers receiving tailored support and those who are behind on payments; and (iv) 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 are able to extend existing deferrals to 31 July 2021, provided these extensions cover consecutive payments, and subject to the maximum 6 months allowed.

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 Noteholders or Certificateholders (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 “**FCA Tailored Support Guidance**”) to supplement the FCA Payment Deferral Guidance. The FCA Tailored Support Guidance was updated on 17 November 2020, such update coming into effect on 20 November 2020 and again on 27 January 2021, such update coming into effect on 29 January 2021. The FCA 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 FCA 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 FCA Tailored Support Guidance applies and unless the borrower objects, the lender may capitalise the deferred amounts.

The FCA Tailored Support Guidance provides that at the end of the payment deferral period, no payment shortfall for the purposes of MCOB 13 will arise, where the accrued amounts are repaid (this includes where sums are capitalised) before the next payment is due. In all other cases, lenders should regard those accrued amounts as a payment shortfall under MCOB 13 once the next payment falls due. 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. However it should be noted that where after the end of a payment deferral period under the FCA Payment Deferral Guidance, a lender agrees to the customer making no or reduced payments for a further period (without changing the sums due under the contract) this will cause a payment shortfall that will be subject to MCOB 13.

See also “*Mortgage repossession*” below regarding guidance in the FCA Tailored Support Guidance in relation to repossession proceedings.

The FCA makes clear in the FCA Payment Deferral Guidance and the FCA Tailored Support Guidance that it expects lenders of both owner-occupied and buy-to-let mortgage loans to act in a manner consistent with the guidance.

Financial Ombudsman Service

Under the FSMA, the Ombudsman is required to make decisions on, *inter alia*, complaints relating to activities and transactions under its jurisdiction on the basis of what, in the Ombudsman’s opinion, would be fair and reasonable in all the circumstances of the case, taking into account, *inter alia*, law and guidance, rather than making determinations strictly on the basis of compliance with law. Complaints brought before the Ombudsman for consideration must be decided on a case-by-case basis, with reference to the particular facts of any individual case.

Each case would first be adjudicated by an adjudicator. Either party to the case may appeal against the adjudication. In the event of an appeal, the case proceeds to a final decision by the Ombudsman.

The Ombudsman is required to make decisions based on, *inter alia*, the principles of fairness and has the power to order a money award to a borrower.

Responsible Lending and Dealing with Customers in Arrears

Lenders regulated by the FSMA and who are authorised by the FCA in relation to such lending activities are subject to “responsible lending” requirements in relation to Regulated Mortgage Contracts. They are obliged to take account of the borrower’s ability to repay before deciding to enter into a Regulated Mortgage Contract (or to make further advances on such a contract). They must also put in place, and operate in accordance with, a written responsible lending policy.

Lenders regulated by the FSMA are subject to rules on treating customers in arrears fairly, including after the sale of repossessed property.

The Renting Homes (Wales) Act 2016

The Renting Home (Wales) Act (the “**Renting Homes Act**”) received royal assent on 18 January 2016 but has not yet been brought into force. The Renting Homes 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.

Private Housing (Tenancies) (Scotland) Act 2016

The Private Housing (Tenancies) (Scotland) Act 2016 came into force on 1 December 2017 and introduced a new form of tenancy in Scotland known as a “private residential tenancy”. Except in a very limited number of exceptions, private residential tenancies 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 legislation will primarily be restricted to any buy-to-let loans secured over property in Scotland.

Mortgage repossession

A protocol for mortgage repossession cases in England and Wales came into force on 19 November 2008 (the “**Pre-Action Protocol**”), which sets out the steps that judges will expect any lender to take before starting a claim. A number of mortgage lenders, including the Seller, have confirmed that they will delay the initiation of repossession action for at least 3 months after a borrower who is an owner-occupier is in arrears. The application of such moratorium may be subject to the wishes of the relevant borrower and may not apply in cases of fraud. The Pre-Action Protocol is addressed to residential mortgage lenders and may have adverse effects in markets experiencing above-average levels of possession claims. In addition, under the Pre-Action Protocol the lender must consider whether to postpone the start of a possession claim where the borrower has made a genuine complaint to the Financial Ombudsman Service about the potential possession claim. The Pre-Action Protocol expressly states that it does not apply to “Buy-to-Let mortgages”.

A further pre-action protocol for debt claims (the “**Pre-Action Protocol for Debt Claims**”) came into force in England and Wales on 1 October 2017 and applies to any business when claiming payment of a debt from an individual. The Pre-Action Protocol for Debt Claims encourages early and reasonable engagement between parties and aims to allow parties to resolve the matter without the need to start court proceedings. Such out of court proceedings would include discussing a reasonable payment plan or considering the use of alternative dispute resolution.

In respect of properties located in England and Wales, the Mortgage Repossession (Protection of Tenants etc.) Act 2010 came into force on 1 October 2010 and gives courts in England and Wales the 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. The protocol in that Act may have adverse effects in markets experiencing above average levels of possession claims. The Dwelling Houses (Execution of Possession Orders by Mortgagees) Regulations 2010 also came into effect on 1 October 2010 and contains requirements for creditors to give at least 14 days' notice of their intention to execute a possession order over residential properties located in England and Wales which have been let. See further "*Scottish Loans*" below for more information on enforcement in respect of properties located in Scotland.

In addition, MCOB rules for Regulated Mortgage Contracts from 25 June 2010 prevent the lender from: (a) repossessing the mortgaged property unless all other reasonable attempts to resolve the position have failed, which include considering whether it is appropriate to offer an extension of the term, change in product type; and (b) automatically capitalising a payment shortfall.

Investors should note, as at the date of this Prospectus, the Tailored Support Guidance, 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, firms may enforce repossessions provided they act in accordance with the Tailored Support Guidance, MCOB 13 and relevant regulatory and legislative requirements. The Tailored Support Guidance provides that 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.

Delays in the initiation of responsive action in respect of the Mortgage Loans may result in delayed or lower recoveries and a lower repayment rate on the Notes.

Scottish Loans

The granting of a standard security (the equivalent to a legal charge in England and Wales) is the only means of creating a fixed charge or security over heritable or long leasehold property (i.e. land and buildings thereon) in Scotland. The Scottish Loans are secured over the relevant Property by way of a standard security. The beneficial interest in the Scottish Loans (together with the security thereof) will be transferred to the Issuer pursuant to each Scottish Declaration of Trust. In respect of Scottish Loans, references herein to a "mortgage" and a "mortgagee" are to be read as references to such a standard security and the heritable creditor thereunder, respectively.

A statutory set of "Standard Conditions" is automatically imported into all standard securities although the majority of these conditions may be varied by agreement between the parties. Most lenders in the residential mortgage market vary the Standard Conditions by a "Deed of Variations", the terms of which are in turn imported into each standard security.

The main provisions of the Standard Conditions which cannot be varied by agreement relate to enforcement. The enforcement of standard securities is principally governed by the Conveyancing and Feudal Reform (Scotland) Act 1970 (the "**1970 Act**") as amended by the Home Owner and Debtor Protection (Scotland) Act 2010 (the "**2010 Act**"), which was passed by the Scottish Parliament and the relevant provisions of which came into effect on 30 September 2010. While, as in England and Wales, it is in principle possible for a lender to enforce without making application to the court if the borrower voluntarily vacates the property, the statutory requirements imposed on the lender in such cases are onerous and as a consequence court proceedings are in practice almost invariably required.

As a preliminary step the lender must in all cases serve a "calling up notice" requiring repayment of the principal debt and all interest due, with which the borrower has two months to comply. Once the two months' notice has expired without payment the lender may apply to the court for a decree against the borrower enabling the lender to exercise the relevant enforcement remedies, being principally the sale of the property or entering into possession.

Court application can only be made when certain pre-action requirements imposed by the 2010 Act have been met. These requirements are similar to those of the Pre-Action Protocol applicable in England and Wales (see "*Further Information Relating to Regulation of Mortgages in the UK – Mortgage repossession*") and require the lender to provide the borrower with various information and to make reasonable efforts to agree repayment proposals with the borrower. In particular, a court application cannot proceed while the borrower is taking steps which are likely to result in repayment of the debt within a reasonable time. The court will not grant decree unless satisfied that the lender has complied with the pre-action requirements and that it is reasonable in the circumstances to do so (and the 2010 Act specifies various factors to be taken into account by the court in assessing reasonableness in this context).

A key difference between the Scottish and English provisions is that in Scotland the lender's application may be contested by an "Entitled Resident" as well as by, and on the same grounds as, the borrower. The definition of "Entitled Resident" is complex but essentially includes anyone resident in the secured property who is or has been

a spouse, civil partner or co-habitant of the borrower (but does not include tenants or members of the borrower's family).

The court decree, once granted, entitles the lender if necessary to evict the borrower and to proceed either to sell the property or itself take possession of it. Sale may be by private bargain or public auction and the lender is under a duty to advertise the sale and to take steps to ensure that the sale price is the best which can reasonably be obtained.

See further "*Mortgage repossession*" above for more information in relation to the FCA Tailored Support Guidance and enforcement, which also applies to Borrowers located in Scotland.

Help to Buy Loans

In March 2013, the UK Government announced the "Help to Buy" scheme involving two separate proposals to assist home buyers. The first involves a shared equity loan made available by the UK Government to Borrowers for the purchase of new homes. The shared equity loans were available from 1 April 2013 until 15 December 2020 by the UK Government (through Homes England) to borrowers, for up to 20 per cent. of the property price, for the purchase of new homes. The upper limit for the equity loan was increased, from February 2016, to up to 40 per cent. of the property price for properties in London by the "London Help to Buy Scheme". In November 2020, the UK Government announced a new "Help to Buy" scheme to be made available to eligible borrowers from April 2021 to March 2023. The scheme is similar to the previous scheme but is restricted to first-time buyers and includes regional upper limits. Loans made by the UK Government under the 2013-2021 Help to Buy equity scheme or the 2021-2023 Help to Buy equity scheme are each a "**Help to Buy Government Loan**". Approximately 2.60 per cent. of the Loans by Current Balance in the Portfolio as at the Provisional Pool Date are Loans where the Borrower also has a Help to Buy Government Loan in respect of the relevant property (each, together with the Scottish equivalent described below, a "**Help to Buy Loan**").

The Help to Buy Government Loan is secured by way of a second charge mortgage on the relevant property. Following a sale of a property which benefits from a Help to Buy Government Loan, the UK Government (through Homes England) will be repaid a pro rata amount of the disposal proceeds of the property equal to the percentage of the original purchase price funded by the Help to Buy Government Loan regardless of whether the disposal value has increased or decreased relative to the original purchase price. In circumstances where the disposal proceeds are insufficient to discharge in full both the Loan and the Help to Buy Government Loan secured on the property, the disposal proceeds will be applied to discharge the first ranking legal Mortgage and the remaining proceeds (if any) applied to discharge the Help to Buy Government Loan. Any disposal of a property which benefits from a Help to Buy Government Loan (including following an enforcement), will require the consent of Homes England which may result in a delay to the enforcement of the relevant Mortgage.

The second proposal announced by the UK Government to assist home buyers involves a guarantee provided by the UK Government for loans made to borrowers allowing for borrowings by potential purchasers with an up to 95 per cent. loan to value ratio (the "**Mortgage Guarantee Scheme**"). None of the Loans in the Portfolio benefit from the Mortgage Guarantee Scheme.

In Scotland, equivalent "*Help to Buy (Scotland)*" schemes apply which are run by the Scottish Government and under which a contribution of up to 15 per cent. of the purchase price is available to qualifying participants, subject to certain maximum threshold prices. The contribution is secured by a second ranking standard security in favour of the Scottish Ministers and a ranking agreement is put in place to regulate the application of proceeds between the mortgage lender as first ranking creditor and the Scottish Ministers as second ranking creditor. New applications to the "*Affordable New Build*" scheme closed on 5 February 2021, although existing applications will still be processed. Applications to the "*Smaller Developer*" scheme remain open.

Regulation of Buy-to-Let Loans

Buy-to-let mortgage loans can fall under several different regulatory regimes. They can be:

- (a) unregulated;
- (b) regulated by the Consumer Credit Act 1974 (the "**CCA**") as a regulated credit agreement – as defined by article 60B of the RAO (a "**Regulated Credit Agreement**");
- (c) regulated by FSMA as a Regulated Mortgage Contract; or
- (d) regulated as a consumer buy-to-let mortgage contract under the consumer buy-to-let regime – as defined by the Mortgage Credit Directive Order 2015 (a "**Consumer Buy-to-Let Loan**").

As well as owner occupied regulated mortgage contracts, the portfolio comprises buy-to-let loans that the Seller believes are unregulated and as described below, the Seller has given a warranty in the Mortgage Sale Agreement that no agreement for any Loan is in whole or in part a Regulated Credit Agreement and no Buy-to-Let Loan constitutes a “consumer buy-to-let mortgage contract” as defined under the Mortgage Credit Directive Order 2015. Breach of the Regulated Credit Agreements, can give rise to a number of consequences (as applicable), including but not limited to: unenforceability of a loan, interest payable under a loan being irrecoverable for certain periods of time, or borrowers being entitled to claim damages for losses suffered and being entitled to set off the amount of their claims against the amount owing by the borrower under their loans.

The Mortgage Credit (Amendment) (EU Exit) Regulations 2019 took effect on the UK’s exit from the European Union, as part of the complementary legislation enacted by the United Kingdom parliament in connection with the UK’s withdrawal from the European Union. They seek to address deficiencies in the Mortgage Credit Directive Order 2015 as a result of the UK having left the European Union, but do not make any substantial policy changes. However, there are certain necessary amendments including an amendment to the territorial scope of regulated consumer buy-to-let lending; which no longer applies to land in EEA member states, but only to land within the UK. There is also an amendment to the rules for consumer buy-to-let foreign currency mortgages, and amendments to the formula for the annual percentage rate of charge for consumer buy-to-let mortgages, whereby the United Kingdom treasury will be conferred the power to make regulations to amend the assumptions on which these calculations are made.

Unregulated Buy-to-Let Loans

Many buy-to-let mortgage loans will be unregulated because they do not meet the criteria for a Regulated Credit Agreement, Regulated Mortgage Contract or Consumer Buy-to-Let Loan. There are, however, still some regulated activities that apply to unregulated buy-to-let mortgage loans; the relevant activities in respect of the Loans being debt administration and debt collection. The Mortgage Administrator and Issuer will be excluded as lender from the regulated activities of debt administration and debt collection in respect of any unregulated loan, consumer buy-to-let loans or Regulated Credit Agreements.

BGFL (as originator) 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 Loans, BGFL is excluded from the regulated activities of debt administration and debt collection in respect of any unregulated loans for which it 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.

Buy-to-let loans which are Regulated Mortgage Contracts

If a buy-to-let mortgage is secured on a property occupied by a Related Person then it will be a Regulated Mortgage Contract. Otherwise, each Buy-to-Let Mortgage Loan forming a part of the Portfolio will be unregulated (see “*Mortgages regulated under FSMA*” above).

Consumer Rights Act

The main provisions of the Consumer Rights Act 2015 (“**Consumer Rights Act**”) came into force on 1 October 2015 and applies to agreements made on or after that date. The Consumer Rights Act significantly reforms and consolidates consumer law in the UK. The Consumer Rights Act 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 Consumer Rights Act revokes the UTCCR in respect of contracts made on or after 1 October 2015 and introduces a new regime for dealing with unfair contractual terms as follows:

Under Part 2 of the Consumer Rights Act 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 Consumer Rights Act contains an indicative and non-exhaustive “grey list” of terms of consumer contracts that may be regarded as unfair. Notably, paragraph 11 lists “a term which has the object or effect of enabling the trader to alter the terms of the contract unilaterally without a valid reason which is specified in the contract”. Although paragraph 22 of Schedule 2 of the Consumer Rights Act provides that this does not include (i)

terms by which a supplier of financial services reserves the right to alter the rate of interest payable by or due to the consumer, or (ii) the amount of other charges for financial services without notice, where there is a valid reason the supplier is required to inform the consumer of the alteration at the earliest opportunity and the consumer is free to dissolve the contract immediately. A term of a consumer contract which is not on the “grey list” may nevertheless be regarded as unfair.

Where a term of a consumer contract is “unfair” it will not bind the consumer. However, the remainder of the contract, will, so far as practicable, continue to have effect in every other respect. Where a term in a consumer contract is susceptible 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.

The provisions in the Consumer Rights Act 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 Consumer Rights Act and the CMA published guidance on the unfair terms provisions in the Consumer Rights Act on 31 July 2015 (the “**CMA Guidance**”). The FCA has also published a webpage on unfair terms on which it states, *inter alia*, that firms should take into account consumers’ legitimate interests in relation to contracts and that focusing on narrow technical arguments to justify a contract term that, in fact, may be unfair, risks future challenge. The CMA indicated in the CMA Guidance that the fairness and transparency provisions of the Consumer Rights Act are regarded to be “effectively the same as those of the UTCCR”. 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, there is little reported case law on the UTCCR and/or the Consumer Rights Act and the interpretation of each is open to some doubt. The extremely broad and general wording of the Consumer Rights Act 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 loans which have been made to Borrowers covered by the Consumer Rights Act may contain unfair terms which may result in the possible unenforceability of the terms of the underlying loans.

On 19 December 2018, the FCA published finalised guidance: “*Fairness of variation terms in financial services consumer contracts under the Consumer Rights Act 2015*” (FG 18/7), outlining factors the FCA consider firms should have regard to when drafting and reviewing variation terms in consumer contracts. This follows developments in case law, including at the Court of Justice of the EU. The finalised guidance relates to all financial services consumer contracts entered into since 1 July 1995. The FCA stated that firms should consider both this guidance and other rules that apply when they draft and use variation terms in their consumer contracts. The FCA stated that the finalised guidance will apply to FCA authorised persons and their appointed representative in relation to any consumer contracts which contain variation terms.

In July 2019, the FCA and the Competition and Markets Authority (the “**CMA**”) entered into a memorandum of understanding in relation to consumer protection (the “**MoU**”) which replaced the original memorandum of understanding entered into between the FCA and the CMA on 12 January 2016. The MoU states that the FCA will consider “fairness” within the meaning of the Consumer Rights Act and the UTCCR, of standard terms, and within the meaning of the Consumer Rights Act of negotiated terms, in financial services contracts entered into by authorised firms or appointed representatives and within the meaning of the CPUTR, of commercial practices in financial services and claims management services of an authorised firm or appointed representative. In the MoU, “authorised” includes having an interim permission and a “relevant permission” includes an interim permission.

The FCA’s consideration of fairness under the Consumer Rights Act, UTCCR and CPUTR will include contracts for mortgages and the selling of mortgages, consumer credit and other credit-related activities.

MCOB rules for Regulated Mortgage Contracts require that: (a) charges for a payment shortfall can be objectively justified as equal to or lower than a reasonable calculation of the cost of the additional administration required as a result of the customer having a payment shortfall, and (b) from 15 December 2016, when a payment is made which is not sufficient to cover a payment shortfall and the firm is deciding how to allocate the payment between (i) the current month’s periodic instalment of capital or interest (or both); (ii) the payment shortfall; and (iii) interest or charges resulting from the payment shortfall, the firm must set the order of priority in a way that will minimise the amount of the payment shortfall once the payment has been allocated.

The guidance issued by the regulators has changed over time and it is possible that it may change in the future.

Unfair relationships

Under the CCA, the “extortionate credit” regime set out in the CCA, has been 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. 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 originator, or any assignee, to repay amounts received from such borrower. In applying the new unfair relationship test, the courts will be able to consider a wider range of circumstances surrounding the transaction, including the conduct of the lender or anyone acting on behalf of the lender before and after making the agreement or in relation to any related agreement. There is no statutory definition of the word “unfair”, as the intention is for the test to be flexible and subject to judicial discretion and it is therefore difficult to predict when a court would find a relationship “unfair”. However, the word “unfair” is not an unfamiliar term in United Kingdom legislation, due to the Unfair Contract Terms Act 1977, and the Unfair Terms in Consumer Contracts Regulations 1994 and 1999 (the “UTCCR”). The courts may, but are not obliged to, look solely to the CCA for guidance. The principle of “treating customers fairly” under the FSMA, and guidance published by the PRA and the FCA (and, prior to 1 April 2013, the FSA) on that principle and by the FCA (and, prior to 1 April 2014, the OFT) on the unfair relationship test may also be relevant. Under the CCA, once the borrower alleges that an unfair relationship exists, then the burden of proof is on the lender to prove the contrary.

Plevin v Paragon [2014] UKSC 61, a Supreme Court judgment, has clarified that compliance with the relevant regulatory rules by the lender (or a person acting on behalf of the lender) 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. Where add-on products such as insurance are sold and are subject to significant commission payments, it is possible that the non-disclosure of commission by the lender is a factor that could form part of a finding of unfair relationship.

If a mortgage loan subject to the unfair relationship test is found to be unfair, the court may require the lender to repay sums to the debtor, to do by virtue of the agreement or any related agreement, not do or cease doing anything in relation to the agreement or any related agreement, reduce or discharge any sums payable by the debtor or surety by virtue of the agreement or any related agreement, direct the return to a surety any security provided by him for the purposes of a security, alter the terms of the agreement or any related agreement, direct accounts to be taken between any persons or otherwise set aside any duty imposed on the debtor or surety by virtue of the agreement or any related agreement. The 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.

In the context of the above discussion, we would note that the Seller has not supplied or brokered PPI in respect of any Borrower’s payment obligations under any Loan (as to which, please see the section below entitled “*Sale of the Mortgage Pool – Warranties and Repurchase*”).

Financial Services (Distance Marketing) Regulations 2004

The Financial Services (Distance Marketing) Regulations 2004 apply to, *inter alia*, credit agreements entered into on or after 31 October 2004 by a “consumer” within the meaning of these regulations by means of distance communication (i.e. without any substantive simultaneous physical presence of the lender and the borrower).

The regulations (and MCOB in respect of activities related to regulated mortgage contracts) 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 distance contract for the supply of the financial services in question 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.

A Regulated Mortgage Contract under the FSMA (if originated by a UK lender (who is authorised by the FCA) from an establishment in the UK) will not be cancellable under these regulations but will be subject to related pre-contract disclosure requirements in MCOB. Certain other credit agreements will be cancellable under these regulations, if the borrower does not receive prescribed information at the prescribed time, or in any event for certain unsecured lending. Where the credit agreement is cancellable under the regulations, the borrower may send notice of cancellation under these regulations at any time before the end of the fourteenth day after the day on which the cancellable agreement is made, where all the prescribed information has been received or, if later, the borrower receives the last of the prescribed information.

Compliance with the regulations may be secured by way of injunction (interdict in Scotland), granted on such terms as the court thinks fit to ensure such compliance, and certain breaches of the regulations may render the supplier or intermediaries (and their respective relevant officers) liable to a fine. Failure to comply with MCOB rules could result in, *inter alia*, disciplinary action by the FCA and possible claims under Section 138D of the FSMA for breach of FCA rules.

If the borrower cancels the credit agreement under these regulations, then: (a) the borrower is liable to repay the principal and any other sums paid by or on behalf of the lender to the borrower under or in relation to the cancelled agreement, within 30 days beginning with the day of the borrower sending notice of cancellation or, if later, the originator receiving notice of cancellation; (b) the borrower is liable to pay interest, or any early repayment charge or other charge for credit under the cancelled agreement, only if the borrower received certain prescribed information at the prescribed time and if other conditions are met; and (c) any security provided in relation to the contract is treated as never having had effect in respect of the cancelled agreement.

The Financial Services (Distance Marketing) (Amendment and Savings Provisions) (EU Exit) Regulations 2019 is being made pursuant to powers in the EUWA. This seeks to address any deficiencies in the retained EU law (the Financial Services (Distance Marketing) Regulations 2004) in relation to the distance marketing; for example, marketing carried out by telephone, email or fax for the financial services consumers. This seeks to ensure the legislation continues to operate effectively at the point at which the UK leaves the EU.

Consumer Protection from Unfair Trading Regulations 2008

The Consumer Protection from Unfair Trading Regulations 2008 (the “CPUTRs”) came into effect on 26 May 2008 and affect all contracts entered into with persons who are natural persons and acting for purposes outside their respective business. Although the CPUTRs are not concerned solely with financial services, they do apply to the residential mortgage market.

Under the CPUTRs a commercial practice is to be regarded as unfair and therefore prohibited if it is:

- (a) contrary to the standard of special skill and care which a trader may reasonably be expected to exercise towards consumers, commensurate with honest market practice and/or general principles of good faith in the trader’s field of activity; and
- (b) materially distorts or is likely to materially distort the economic behaviour of the average consumer (who is reasonably well-informed and reasonably observant and circumspect, and taking into account social, cultural and linguistic factors) who the practice reaches or to whom it is addressed (or where a practice is directed at or is of a type which may affect a particular group of consumers, the average consumer of that group).

In addition to the general prohibition on unfair commercial practices, the CPUTRs contain provisions aimed at aggressive and misleading practices (including, but not limited to: (i) pressure selling; (ii) misleading marketing (whether by action or omission); and (iii) falsely claiming to be a signatory to a code of conduct) and a list of practices which will in all cases be considered unfair.

Breach of the 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 agreement may result in irrecoverable losses on amounts to which such agreements apply.

The Law Commission and the Scottish Law Commission reviewed the current private law in this area and found it to be fragmented and unclear. On 28 March 2012, the two Commissions published a report entitled “*Consumer Redress for Misleading and Aggressive Practices*”, which sets out recommendations for reform.

The Consumer Protection (Amendment) Regulations 2014 came into force on 1 October 2014. This legislation gives consumers a direct right of action including a right to unwind agreements within 90 days of entering into the contract if a misleading or aggressive practice under the CPUTRs was a significant factor in the consumer’s decision to enter into the contract. The amendments to CPUTRs also extend the regime so that it covers misleading and aggressive demands for payment: The legislation applies to demands for payment for restricted- use credit (where the credit must be used to finance a particular transaction) where the misleading or aggressive commercial practice: (i) began before 1 October 2014 and continues after that date – however, a consumer will only be able to exercise his new direct rights of action if a contract is entered into, or payments are made, after the date the legislation comes into force; and (ii) occurs on or after 1 October 2014. This will apply to any unregulated buy-to-let contracts in the Mortgage Pool and any debt collection activity with regard to demands for repayment.

Whilst engaging in an unfair commercial practice does not render a contract void or unenforceable, to do so is an offence punishable by a fine and/or imprisonment. In practical terms, the CPUTRs have not added much to the regulatory requirements already in place, such as treating customers fairly and conduct of business rules. Breach of the CPUTRs would initiate intervention by a regulator and may lead to criminal sanctions.

Assured shorthold tenancies

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 (an “**Assured Tenancy**”) or Assured Shorthold Tenancy (“**Assured**

Shorthold Tenancy”) under the Housing Act 1988. If it is, this could have the consequences set out below. A tenancy or lease will be an Assured Tenancy 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; and
- (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;
- (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 Assured Tenancy and therefore any lease can constitute an Assured Tenancy if it satisfies the relevant criteria.

Since 28 February 1997 all Assured Tenancies will automatically be Assured Shorthold Tenancies (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 Assured Tenancy/Assured Shorthold Tenancy during its fixed term on proving one of the grounds for possession specified in section 7(6) of the Housing Act 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 landlord will have to follow the notice procedure in section 8 of the Housing Act 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.

Currently, however, there is a risk that where:

- (a) a long lease in England and Wales is also an Assured Tenancy/Assured Shorthold Tenancy due to the level of the ground rent;
- (b) the tenant is in arrears of ground rent for more than 3 months;
- (c) the landlord chooses to use the Housing Act 1988 route to seek possession under Ground 8; and
- (d) the tenant does not manage to reduce the arrears to below 3 months’ ground rent by the date of the court hearing,

the long lease will come to an end and the landlord will be able to re-enter the relevant property.

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 an Assured Tenancy and an Assured Shorthold Tenancy 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.

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 substandard property; this includes situations where the landlord is unable to obtain funding to cover the cost of making improvements, or where all improvements which can be made have been made, and the property remains below an EPC rating of Band E. Local authorities will enforce compliance with the domestic minimum level of energy efficiency. Local authorities may check whether a property meets the minimum level of energy efficiency, and may issue a compliance notice requesting information where it appears to the local authorities that a property has been let in breach of the Energy Efficiency Regulations 2015 (or an invalid exemption has been registered in respect of it). Where a local authority is satisfied that a property has been let in breach of the Energy Efficiency Regulations 2015 it may serve a notice on the landlord imposing financial penalties. In September 2020 the Department for Business, Energy & Industrial Strategy issued a consultation titled "*Improving the energy performance of privately rented homes in England and Wales*" regarding, among other things, the proposal to raise energy performance standards for the domestic private rented sector to an EPC energy efficiency rating B and C. The consultation period closed on 8 January 2021.

Similar requirements were due to apply to landlords of domestic properties in Scotland from 1 October 2020 under the Energy Efficiency (Domestic Private Rented Property) (Scotland) Regulations 2020. However, the Scottish Government has delayed indefinitely this timetable due to the global coronavirus pandemic.

Right-to-Buy Loans

Properties located in England and Wales sold under the Right-to-Buy scheme of the Housing Act 1985 are sold by the landlord at a discount to market value calculated in accordance with the Housing Act 1985. A purchaser under the scheme of the Housing Act 1985 must repay a maximum of the whole of the discount if he or she disposes of the property within one year of acquiring it from the landlord, four-fifths if he or she does so within two years, three-fifths if within three years, two-fifths if within four years and one-fifth if within five years, unless the offeror's offer for the disposal of the house was accepted before 18 January 2005, in which case the purchaser must repay the whole of the discount if he or she sells the property within one year, two-thirds if he or she does so within two years and one-third if within three years.

The landlord in England and Wales obtains a statutory charge over the property in respect of the contingent liability of the purchaser under the scheme to repay the discount. Under the Housing Act 1985 such statutory charge ranks in priority to other charges including that of any mortgage lenders except in certain circumstances. Such statutory charge shall automatically rank behind any charge on the related property in relation to monies advanced by an approved lending institution to the extent they are advanced for the purpose of enabling the purchaser to exercise his or her right to buy.

In England and Wales, unless the offeror's offer for the disposal of the house was accepted before 18 January 2005, the purchaser is required, before a sale or disposal of the property within 10 years of the date of purchase, to offer the property to the landlord or another social landlord at full market value and to allow up to eight weeks for acceptance of the offer. A mortgage lender selling the property as a mortgagee in possession in such circumstances will also be obliged to grant such right of first refusal to the landlord or other social landlord.

CERTAIN REGULATORY REQUIREMENTS

EU Securitisation Laws

On 1 January 2019, Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017 (as in force on the Issue Date, the “**EU Securitisation Regulation**”) and the associated Regulation (EU) 2017/2401 (as in force on the Issue Date, the “**EU CRR Amending Regulation**”, and together with the EU Securitisation Regulation, the “**EU Securitisation Laws**”) began to apply to any securitisations issued from that date, subject to various transitional provisions.

The EU Securitisation Laws implement the revised securitisation framework developed by the Basel Committee, as well as revised risk retention and transparency requirements (now imposed variously on the issuer, originator, sponsor and/or original lender of a securitisation) and due diligence requirements imposed on EU Affected Investors in a securitisation. An “**EU Affected Investor**” means each of EU-regulated credit institutions, EU-regulated investment firms, certain alternative investment fund managers which manage and/or market alternative investment funds in the EU, EU regulated insurers or reinsurers, certain investment companies authorized in accordance with Directive 2009/65/EC, managing companies as defined in Directive 2009/65/EC, institutions for occupational retirement provision falling within the scope of Directive (EU) 2016/2341 (subject to certain exceptions), and certain investment managers and authorised entities appointed by such institutions subject thereto.

For more information as to the risks specific to the Issuer and/or holding of the Notes arising from the EU Securitisation Regulation please see “*Risk Factors – 7.5 The EU Securitisation Regulation regime applies to the Notes and non-compliance with that regime may have an adverse impact on the regulatory treatment of Notes and/or decrease the liquidity of the Notes*” above.

Certain EU Securitisation Regulation requirements may, in due course, be satisfied by compliance with UK Securitisation Regulation requirements

The EU risk retention, transparency and due diligence requirements under the EU Securitisation Regulation together with all implementing regulatory and technical standards in force on the Issue Date will be complied with as if such requirements were applicable in respect of the Notes from the Issue Date until such time(s) as BGFL may certify to the Issuer and the Note Trustee that a competent EU authority has confirmed that the satisfaction of the applicable UK Securitisation Regulation requirements will also satisfy the corresponding EU Securitisation Regulation requirements (as specified in the applicable certification) due to the application of an equivalency regime or similar analogous concept. In addition, to the extent that Article 6 of the EU Securitisation Regulation is amended or new binding technical standards are introduced, BGFL will be under no obligation to comply with such amendments to the extent they impact on BGFL’s ability to comply with its obligation to comply with the EU Retention Requirement.

UK Securitisation Regulation

Pursuant to the EUWA, from 11pm (GMT) on 31 December 2020 (the “**Implementation Period Completion Day**”), EU regulations (including the EU Securitisation Regulation) which previously had direct effect in the UK by virtue of the European Communities Act 1972 were transposed into UK domestic law.

The EU Securitisation Regulation (see “*EU Securitisation Laws*” above) as it forms part of domestic law of the United Kingdom by virtue of the EUWA (the “**UK Securitisation Regulation**”) comprises, as at the date of this Prospectus, substantively very similar provisions to the EU Securitisation Regulation, save for EU-specific references having been deleted and/or replaced with UK-specific references pursuant to various UK statutory instruments including, notably, references to EU Affected Investors having been replaced, in the UK Securitisation Regulation, with references to UK Affected Investors.

Like the EU Securitisation Regulation, among other things, the UK Securitisation Regulation includes risk retention and transparency requirements (imposed variously on the issuer, originator, sponsor and/or original lender of a securitisation) and due diligence requirements which are imposed, under the UK Securitisation Regulation on UK Affected Investors in a securitisation. A “**UK Affected Investor**” means each of CRR firms as defined by Article 4(1)(2A) of Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 as it forms part of domestic law in the United Kingdom by virtue of the EUWA, certain alternative investment fund managers which manage or market alternative investment funds in the UK, UK regulated insurers or reinsurers, certain management companies as defined in section 237(2) of the FSMA, UCITS as defined by section 236A of FSMA which is an authorised open ended investment company as defined in section 237(3) of FSMA, and occupational pension schemes as defined in section 1(1) of the Pension Schemes Act 1993.

For more information as to the risks specific to the Issuer and/or holding of the Notes arising from the UK Securitisation Regulation please see “*Risk Factors – 7.4 The UK Securitisation Regulation regime applies to the Notes and non-compliance with that regime may have an adverse impact on the regulatory treatment of Notes and/or decrease the liquidity of the Notes*” above.

Transparency and Reporting Requirements

UK Transparency and Reporting Requirements

With regard to the transparency requirements set out in Article 7 of the UK Securitisation Regulation (the “**UK Transparency and Reporting Requirements**”), the relevant regulatory and implementing technical standards, including the standardised templates adopted by the FCA which set out the form in which the relevant reporting entity is required to comply with certain of the periodic reporting requirements, the Issuer will comply with such UK Transparency and Reporting Requirements and will make use of those templates.

Whilst the Issuer (as an “SSPE” for the purposes of the UK Securitisation Regulation) and the Seller (as “originator” for the purposes of the UK Securitisation Regulation) remain responsible for the provision of the required Article 7 information to the relevant recipients designated thereunder, they have agreed that the Issuer is the designated entity under Article 7(2) of the UK Securitisation Regulation to fulfil the information requirements of Article 7(1) of the UK Securitisation Regulation.

The Issuer has delegated certain of its obligations under the Article 7 of the UK Securitisation Regulation to the Mortgage Administrator under the Mortgage Administration Agreement and appointed the Cash Administrator to assist with certain of its obligations under the Cash Administration Agreement.

In connection with complying with the UK Transparency and Reporting Requirements, the Issuer will procure that the Mortgage Administrator will:

(a) ***UK SR Investor Report***

from the date of this Prospectus publish each month an investor report (prepared by the Cash Administrator) in respect of each Determination Period (each a “**UK SR Investor Report**”), to the extent then required by and in accordance with Article 7(1)(e) of the UK Securitisation Regulation and in the form prescribed as at such time under the UK Securitisation Regulation;

(b) ***UK SR Loan-by-Loan Report***

from the date of this Prospectus publish each quarter a report (prepared by the Mortgage Administrator) containing certain loan-by-loan information in relation to the Mortgage Pool in respect of each Determination Period (each a “**UK SR Loan-by-Loan Report**”), to the extent then required by and in accordance with Article 7(1)(a) of the UK Securitisation Regulation and in the form prescribed as at such time under the UK Securitisation Regulation;

(c) ***UK SR Inside Information and Significant Event Report***

publish each quarter and, at any other required time, without delay, any report (prepared by the Cash Administrator on the instructions of the Issuer or Mortgage Administrator) (each a “**UK SR Inside Information and Significant Event Report**”) as to:

- (i) any inside information relating to the Issuer which the Issuer determines it is obliged to make in accordance with Article 17 of Regulation (EU) No. 596/2014 on market abuse as it forms part of domestic law of the United Kingdom by virtue of the EUWA to the extent then required by and in accordance with Article 7(1)(f) of the UK Securitisation Regulation and will be disclosed to the public by the Issuer (or the Mortgage Administrator on its behalf); and/or
- (ii) any significant event to the extent then required by and in accordance with Article 7(1)(g) of the UK Securitisation Regulation,

in each case in the form prescribed as at such time under the UK Securitisation Regulation; and

(d) ***Prospectus and Transaction Documents***

make available, within 15 days of the issuance of the Notes, copies of this Prospectus and the relevant Transaction Documents,

in each case through the UK Reports Repository in the manner prescribed as at the applicable time under the UK Securitisation Regulation, and those reports and documents will be available to the Noteholders and Certificateholders, relevant competent authorities and, upon request, to potential investors in the Notes or the

Certificates through the UK Reports Repository. Any information required to be made available prior to pricing to potential investors in the Notes pursuant to Article 7 of the UK Securitisation Regulation will be made available through the UK Reports Repository.

In addition, any information required to be made available prior to pricing to potential investors in the Notes pursuant to Article 7 of the UK Securitisation Regulation has been made available through the UK Reports Repository.

For more information as to the risks specific to the Issuer and/or holding of the Notes and Certificates arising from the UK Transparency and Reporting Requirements, please see “*Risk Factors – 7.4 The UK Securitisation Regulation regime applies to the Notes and non-compliance with that regime may have an adverse impact on the regulatory treatment of Notes and/or decrease the liquidity of the Notes*” above.

EU Transparency and Reporting Requirements

With regard to the transparency requirements set out in Article 7 of the EU Securitisation Regulation (the “**EU Transparency and Reporting Requirements**”), the relevant regulatory and implementing technical standards, including the standardised templates adopted by ESMA which set out the form in which the relevant reporting entity is required to comply with certain of the periodic reporting requirements, the Issuer will comply with such EU Transparency and Reporting Requirements and will make use of those templates.

Various parties to the transaction have agreed to contractually comply with the requirements of the EU Securitisation Regulation as such requirements exist as at the Issue Date. Whilst the Issuer (as an “SSPE” for the purposes of the EU Securitisation Regulation) and the Seller (as “originator” for the purposes of the EU Securitisation Regulation) remain responsible for the provision of the required Article 7 information to the relevant recipients designated thereunder, they have agreed that the Issuer is the designated entity under Article 7(2) of the EU Securitisation Regulation to fulfil the information requirements of Article 7(1) of the EU Securitisation Regulation.

The Issuer has delegated certain of its obligations under the Article 7 of the EU Securitisation Regulation to the Mortgage Administrator under the Mortgage Administration Agreement and appointed the Cash Administrator under the Cash Administration Agreement to assist with certain of its obligations.

In connection with its contractual obligations relating to the EU Transparency and Reporting Requirements, the Issuer will procure that the Mortgage Administrator will:

(a) ***EU SR Investor Report***

(until such time when the Mortgage Administrator is able to certify, and has certified, to the Issuer and the Note Trustee that a competent EU authority has confirmed that provision of only a UK SR Investor Report will also satisfy Article 7(1)(e) of the EU Securitisation Regulation due to the application of an equivalency regime or similar analogous concept) from the date of this Prospectus publish each month an investor report (prepared by the Cash Administrator) in respect of each Determination Period (each a “**EU SR Investor Report**”), to the extent then required by and in accordance with Article 7(1)(e) of the EU Securitisation Regulation and in the form prescribed as at such time under the EU Securitisation Regulation;

(b) ***EU SR Loan-by-Loan Report***

(until such time when the Mortgage Administrator is able to certify, and has certified, to the Issuer and the Note Trustee that a competent EU authority has confirmed that provision of only a UK SR Loan-by-Loan Report will also satisfy Article 7(1)(a) of the EU Securitisation Regulation due to the application of an equivalency regime or similar analogous concept) from the date of this Prospectus publish each quarter a report (prepared by the Mortgage Administrator) containing certain loan-by-loan information in relation to the Mortgage Pool in respect of each Determination Period (each a “**EU SR Loan-by-Loan Report**”), to the extent then required by and in accordance with Article 7(1)(a) of the EU Securitisation Regulation and in the form prescribed as at such time under the EU Securitisation Regulation;

(c) ***EU SR Inside Information and Significant Event Report***

(until such time when the Mortgage Administrator is able to certify, and has certified, to the Issuer and the Note Trustee that a competent EU authority has confirmed that provision of only a UK SR Inside Information and Significant Event Report will also satisfy Article 7(1)(f) and Article 7(1)(g) of the EU Securitisation Regulation due to the application of an equivalency regime or similar analogous concept) publish each quarter and, at any other required time, without delay, any report (prepared by the Cash Administrator on the instructions of the Issuer or Mortgage Administrator) (each a “**EU SR Inside Information and Significant Event Report**”) as to:

- (i) any inside information relating to the Issuer which the Issuer determines it is obliged to make in accordance with Article 17 of Regulation (EU) No. 596/2014 on market abuse to the extent then required by and in accordance with Article 7(1)(f) of the EU Securitisation Regulation and will be disclosed to the public by the Issuer (or the Mortgage Administrator on its behalf); and/or
- (ii) any significant event to the extent then required by and in accordance with Article 7(1)(g) of the EU Securitisation Regulation,

in each case in the form prescribed as at such time under the EU Securitisation Regulation; and

(d) ***Prospectus and Transaction Documents***

make available, within 15 days of the issuance of the Notes, copies of this Prospectus and the relevant Transaction Documents,

in each case through the EU Reports Repository in the manner prescribed as at the applicable time under the EU Securitisation Regulation, and those reports and documents will be available to the Noteholders and Certificateholders, relevant competent authorities and, upon request, to potential investors in the Notes or the Certificates through the EU Reports Repository. Any information required to be made available prior to pricing to potential investors in the Notes pursuant to Article 7 of the EU Securitisation Regulation will be made available through the EU Reports Repository.

Based upon the requirements of the UK Securitisation Regulation and EU Securitisation Regulation that are applicable as at the date of the Prospectus, until the Cash Administrator is notified in writing by the Issuer of any differences and/or deviations from the prescribed templates to be used pursuant to the EU Securitisation Regulation or the UK Securitisation Regulation (as applicable) it is expected that each UK SR Investor Report will be the same as each EU SR Investor Report (in which case the Cash Administrator will only be required to produce one report for both requirements).

For more information as to the risks specific to the Issuer and/or holding of the Notes and Certificates arising from the EU Transparency and Reporting Requirements, please see “*Risk Factors – 7.5 The EU Securitisation Regulation regime applies to the Notes and non-compliance with that regime may have an adverse impact on the regulatory treatment of Notes and/or decrease the liquidity of the Notes*” above.

UK Reports Repository and EU Reports Repository

The UK Reports Repository is and shall be at any time each website, which conforms to the requirements set out in Article 7(2) of the UK Securitisation Regulation and has at that time been most recently notified by the Mortgage Administrator to the Issuer, the Cash Administrator, the Note Trustee, each Rating Agency, the Noteholders and the Certificateholders as being used by the Issuer at that time for making available for inspection online and/or publishing certain information relating to the Issuer and the Transaction for the purposes of the UK Securitisation Regulation.

The EU Reports Repository is and shall be:

- (a) the UK Reports Repository at any time after the Mortgage Administrator is able to certify (and has certified) to the Issuer and the Note Trustee that a competent EU authority has confirmed that the UK Reports Repository will be treated as satisfying the applicable requirements of the EU Securitisation Regulation; or
- (b) (at any other time) a securitisation repository registered in accordance with Article 10 of the EU Securitisation Regulation.

As at the date of this Prospectus, the sole UK Reports Repository is the website of EuroABS Limited (via its website at www.euroabs.com) and the sole EU Reports Repository is SecRep B.V. (via its website at www.secrep.eu).

Each UK Reports Repository and EU Reports Repository and the contents available within the UK Reports Repository and EU Reports Repository do not form part of this Prospectus and are not incorporated by reference into, and do not form part of the information provided for the purposes of, the Prospectus and disclaimers may be posted with respect to the information available within them. Registration may be required for access to the UK Reports Repository and EU Reports Repository and persons wishing to access the information within the UK Reports Repository and EU Reports Repository will be required to certify that they are entitled to access the information within them.

Not a Simple, Transparent and Standardised (STS) Securitisation

The UK Securitisation Regulation makes provision for a securitisation transaction to be designated a simple, transparent and standardised transaction (a “**UK STS Securitisation**”) and provides that such securitisations should be subject to more favourable regulatory treatment, including reduced risk weightings for credit institution and investment firm investors. In order to obtain this designation, a transaction is required to comply with the requirements set out in Articles 20, 21 and 22 of the UK Securitisation Regulation (the “**UK STS Criteria**”) and one of the originator or sponsor in relation to such transaction is required to file an UK STS Notification to FCA confirming the compliance of the relevant transaction with the UK STS Criteria. No UK STS Notification will be filed in relation to the Notes as at the Issue Date and there is no intention that such a notification will be filed at any point during the life of the Notes.

The EU Securitisation Regulation makes provision for a securitisation transaction to be designated a simple, transparent and standardised transaction (an “**EU STS Securitisation**”) and provides that such securitisations should be subject to more favourable regulatory treatment, including reduced risk weightings for credit institution and investment firm investors. In order to obtain this designation, a transaction is required to comply with the requirements set out in Articles 20, 21 and 22 of the EU Securitisation Regulation (the “**EU STS Criteria**”) and one of the originator or sponsor in relation to such transaction is required to file an EU STS Notification to ESMA confirming the compliance of the relevant transaction with the EU STS Criteria. No EU STS Notification will be filed in relation to the Notes as at the Issue Date and there is no intention that such a notification will be filed at any point during the life of the Notes.

For more information as to the risks specific to the Issuer and/or holding of the Notes arising from the Transaction not being and not being expected to be designated as an EU STS Securitisation or a UK STS Securitisation, please see “*Risk Factors – 7.6 Not a Simple, Transparent and Standardised (STS) securitisation*” above.

UK and EU risk retention requirements

BGFL (the “**Risk Retention Holder**”) will undertake to the Issuer and the Note Trustee in the Mortgage Sale Agreement that it will retain, on an ongoing basis:

- (a) as an originator within the meaning of the UK Securitisation Regulation, a material net economic interest of not less than 5 per cent. in the securitisation, as required by Article 6 of the UK Securitisation Regulation (which does not take into account any national measures) (the “**UK Retention Requirement**”); and
- (b) (save as described below) as an originator within the meaning of the EU Securitisation Regulation, a material net economic interest of not less than 5 per cent. in the securitisation, as required by Article 6 of the EU Securitisation Regulation (which does not take into account any national measures) (the “**EU Retention Requirement**”).

Each prospective investor is required independently to assess and determine the sufficiency of the information in this Prospectus generally for the purposes of complying with the UK Retention Requirement and EU Retention Requirement and none of the Issuer, the Joint Arrangers, the Joint Lead Managers or any Transaction Party makes any representation that the information in this Prospectus is sufficient in all circumstances for such purposes. In addition, each prospective Noteholder should ensure that they comply with the implementing provisions in respect of the UK Retention Requirement and EU Retention Requirement in their relevant jurisdiction. Investors, who are uncertain as to the requirements which apply to them in respect of their relevant jurisdiction, should seek guidance from their regulator.

Compliance with UK Retention Requirement

BGFL (as Risk Retention Holder) will undertake to the Issuer and the Note Trustee in the Mortgage Sale Agreement that for so long as required by the UK Securitisation Regulation:

- (a) to hold, on an ongoing basis, as an originator for the purposes of the UK Securitisation Regulation, a material net economic interest of not less than 5 per cent. in the securitisation in accordance with Article 6(3)(d) of the UK Securitisation Regulation (the “**UK Retained Interest**”) at not less than the UK Retention Requirement;
- (b) comply with the applicable disclosure obligations described in Article (7)(1)(e)(iii) of the UK Securitisation Regulation by confirming the risk retention of the Risk Retention Holder as contemplated by Article 6(1) of the UK Securitisation Regulation through the provision of, *inter alios*, the information in this Prospectus and disclosure in the UK SR Investor Reports (as prepared by the Cash Administrator and published by the Mortgage Administrator);

- (c) not change the manner in which it retains the UK Retained Interest from the Issue Date, except to the extent permitted in accordance with the UK Securitisation Regulation, and notify as soon as reasonably practicable any such change to the Note Trustee (on behalf of the Noteholders), the Mortgage Administrator and the Cash Administrator;
- (d) not enter into any credit risk mitigation, short position or any other hedge or sale with respect to the UK Retained Interest, except to the extent permitted in accordance with the UK Securitisation Regulation; and
- (e) promptly notify the Issuer, the Cash Administrator and the Note Trustee (on behalf of the Noteholders) if for any reason it ceases to hold the Retained Exposures in accordance with the UK Securitisation Regulation or otherwise fails to comply with its undertakings in these sub-paragraphs (a) to (e).

As at the Issue Date, the UK Retained Interest will comprise BGFL's 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 BGFL, in accordance with the text of Article 6(3)(d) of the UK Securitisation Regulation, of a 100% interest in the Class Z1 Notes and the Class Z2 Notes (such interest being at least equal to 5 per cent. of the nominal value of the Mortgage Pool as at the Issue Date (taking into account on the Issue Date the maximum nominal value of the Loans that the Issuer can hold at any time from and including the Issue Date to (and including) the last day of the Pre-Funding Availability Period pursuant to the Mortgage Sale Agreement)).

BGFL may sell, assign or transfer the UK Retained Interest to any party if such sale, assignment, assignation or transfer is permitted by the UK Securitisation Regulation and that party gives the same representations, warranties and undertakings and agreeing to the same obligations as set out in (a) to (e) above and certain other representations, warranties and undertakings set out in the Mortgage Sale Agreement.

For more information as to the risks specific to the Issuer and/or holding of the Notes arising from the UK Retention Requirement, please see "*Risk Factors – 7.4 The UK Securitisation Regulation regime applies to the Notes and non-compliance with that regime may have an adverse impact on the regulatory treatment of Notes and/or decrease the liquidity of the Notes*" above and "*Risk Factors – 7.8 Raising of financing by the Seller against Notes held by it for risk retention*" above.

Compliance with EU Retention Requirement

BGFL (as Risk Retention Holder) will undertake to the Issuer and the Note Trustee in the Mortgage Sale Agreement that for so long as required by the EU Securitisation Regulation (or until such time as BGFL certifies 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):

- (a) to hold, on an ongoing basis, as an originator for the purposes of the EU Securitisation Regulation, a material net economic interest of not less than 5 per cent. in the securitisation in accordance with Article 6(3)(d) of the EU Securitisation Regulation (the "**EU Retained Interest**") at not less than the EU Retention Requirement;
- (b) comply with the applicable disclosure obligations described in Article (7)(1)(e)(iii) of the EU Securitisation Regulation in force on the Issue Date by confirming the risk retention of the Risk Retention Holder as contemplated by Article 6(1) of the EU Securitisation Regulation through the provision of, *inter alios*, the information in this Prospectus and disclosure in the EU SR Investor Reports (as prepared by the Cash Administrator and published by the Mortgage Administrator);
- (c) not change the manner in which it retains the EU Retained Interest from the Issue Date, except to the extent permitted in accordance with the EU Securitisation Regulation, and notify as soon as reasonably practicable any such change to the Note Trustee (on behalf of the Noteholders), the Mortgage Administrator and the Cash Administrator;
- (d) not enter into any credit risk mitigation, short position or any other hedge or sale with respect to the EU Retained Interest, except to the extent permitted in accordance with the EU Securitisation Regulation; and
- (e) promptly notify the Issuer, the Cash Administrator and the Note Trustee (on behalf of the Noteholders) if for any reason it ceases to hold the Retained Exposures in accordance with the EU Securitisation Regulation or otherwise fails to comply with its undertakings in these sub-paragraphs (a) to (e).

As at the Issue Date, the EU Retained Interest will comprise BGFL's 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 BGFL, in accordance with the text of Article 6(3)(d) of the EU

Securitisation Regulation, of a 100% interest in the Class Z1 Notes and the Class Z2 Notes (such interest being at least equal to 5 per cent. of the nominal value of the Mortgage Pool as at the Issue Date (taking into account on the Issue Date the maximum nominal value of the Loans that the Issuer can hold at any time from and including the Issue Date to (and including) the last day of the Pre-Funding Availability Period pursuant to the Mortgage Sale Agreement)).

BGFL may sell, assign or transfer the EU Retained Interest to any party if such sale, assignment, assignation or transfer is permitted by the EU Securitisation Regulation and that party gives the same representations, warranties and undertakings and agreeing to the same obligations as set out in (a) to (e) above and certain other representations, warranties and undertakings set out in the Mortgage Sale Agreement.

Potential EU Affected Investors should note that the obligation of BGFL 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 together with any binding technical standards as in force on the Issue Date until such time when BGFL 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. In addition, to the extent that Article 6 of the EU Securitisation Regulation is amended or new binding technical standards are introduced, BGFL will be under no obligation to comply with such amendments to the extent they impact on BGFL's ability to comply with its obligation to comply with the EU Retention Requirement. Each potential EU Affected Investor is therefore required to independently assess and determine the sufficiency of the information described above and in the Prospectus generally for the purposes of complying with Article 5 of the EU Securitisation Regulation and any corresponding national measures which may be relevant to investors and none of the Issuer, any Joint Arranger, any Joint Lead Manager, BGFL or any of the other Transaction Parties makes any representation that any such information described above or elsewhere in this Prospectus is sufficient in all circumstances for such purposes.

For more information as to the risks specific to the Issuer and/or holding of the Notes arising from the EU Retention Requirement, please see "*Risk Factors – 7.5 The EU Securitisation Regulation regime applies to the Notes and non-compliance with that regime may have an adverse impact on the regulatory treatment of Notes and/or decrease the liquidity of the Notes*" above and "*Risk Factors – 7.8 Raising of financing by the Seller against Notes held by it for risk retention*" above.

Information regarding relevant policies and procedures

BGFL and other group entities, as relevant, have internal policies and procedures in relation to the granting of mortgage loans, administration of credit-risk bearing portfolios and risk mitigation, which include:

- (a) criteria for the granting of mortgage loans and the process for approving, amending, renewing and re-financing mortgage loans (see "*Constitution of the Mortgage Pool*");
- (b) systems in place to administer and monitor the mortgage loans and exposures (the Mortgages will be serviced in line with the usual servicing procedures of BGFL – see "*Administration, Servicing and Cash Management of the Mortgage Pool*");
- (c) adequate diversification of BGFL's mortgage loan books, given their target market and overall credit strategy (see "*Characteristics of the Provisional Completion Mortgage Pool*"); and
- (d) written policies and procedures in relation to risk mitigation techniques (see "*Administration, Servicing and Cash Management of the Mortgage Pool*").

Compliance with U.S. Risk Retention

See the section entitled "*U.S. Risk Retention*" below for information as to the U.S. Retention Holder's agreement to hold the U.S. Retained Interest for the purpose of compliance with the U.S. Retention Rules as applicable to the Transaction.

Volcker Rule

The Issuer's status for the purposes of the Volcker Rule is discussed under "*Risk Factors – 7.18 Effects of the Volcker Rule on the Issuer*". No assurance can be given that the exemption discussed in such disclosure is available to the Issuer. Any prospective investor in the Notes, including a bank or subsidiary or other affiliate thereof, should consult its own legal advisors regarding such matters and other potential effects of the Volcker Rule and should conduct its own analysis to determine whether the Issuer is a "covered fund" for its purposes.

U.S. RISK RETENTION

U.S. Retention Rules

The U.S. Retention Rules generally require the “sponsor” of a “securitization transaction” (as defined by the U.S. Retention Rules) to acquire and retain (either directly and/or through one of its “majority-owned affiliates” (as defined by the U.S. Retention Rules)) at least 5 per cent. of the credit risk of the “securitized assets” (as defined by the U.S. Retention Rules) of the Issuer (the “**U.S. Retained Interest**”). As such “sponsor” in relation to the Transaction, the Seller (in such capacity, the “**U.S. Retention Holder**”) intends to comply with the requirements of the U.S. Retention Rules by designating itself and/or one of its majority-owned affiliates as the entity that will acquire on the Issue Date and retain the U.S. Retained Interest in the form of an eligible horizontal residual interest (an “**EHRI**”) in an amount equal to at least 5 per cent. of the fair value of the “ABS interests” (being each class of Notes and Certificates issued on the Issue Date) as determined under U.S. generally accepted accounting principles (“**U.S. GAAP**”).

The U.S. Retention Holder is obliged by the U.S. Retention Rules to retain, either directly and/or through one of its majority-owned affiliates, the U.S. Retained Interest from the Issue Date until the later of:

- (a) the fifth anniversary of the Issue Date; and
- (b) the earlier of:
 - (i) the date on which the aggregate unpaid Current Balance of the Loans has been reduced to 25 per cent. of the aggregate unpaid Current Balance of the Loans as of the Issue Date; and
 - (ii) the seventh anniversary of the Issue Date,

(the “**Sunset Date**”). In order to satisfy this obligation, the U.S. Retention Holder will retain, either directly and/or through one of its majority-owned affiliates, the U.S. Retained Interest through the Sunset Date.

Until the Sunset Date, the U.S. Retention Rules impose limitations on the ability of the U.S. Retention Holder (or its majority-owned affiliate) during such period to dispose of or hedge its risk with respect to the U.S. Retained Interest.

Prior to the Sunset Date, any financing obtained by the U.S. Retention Holder (or its majority-owned affiliate) during such period to purchase or carry the U.S. Retained Interest that is secured by the U.S. Retained Interest must provide for full recourse to the U.S. Retention Holder (or its majority-owned affiliate) and otherwise comply with the U.S. Retention Rules. In addition, prior to the Sunset Date, the U.S. Retention Holder (or its majority-owned affiliate) may not engage in any hedging transactions if payments on the hedge instrument are materially related to the U.S. Retained Interest and the hedge position would limit the credit exposure of the U.S. Retention Holder or its majority-owned affiliate to the U.S. Retained Interest. The retention, financing and hedging limitations set forth in the U.S. Retention Rules will not apply to any Notes and Certificates held by the U.S. Retention Holder that do not constitute part of the U.S. Retained Interest.

The U.S. Retention Holder, directly and/or through one of its majority-owned affiliates, will acquire and, to the extent required, retain through the Sunset Date, 100 per cent. of the Z1 Notes, the Z2 Notes, the RC1 Certificates and the RC2 Certificates, the aggregate fair value of which is at least 5 per cent. of the fair value of all of the Notes and the Certificates issued by the Issuer as of the Issue Date, as described below. To the extent that the U.S. Retention Holder, directly and/or through one of its majority-owned affiliates, holds an interest in the Notes and Certificates greater than the amount required for an EHRI, such amount of the interest that exceeds the EHRI requirement may, at any time, be transferred to any third party or an affiliate without affecting its compliance with the U.S. Retention Rules.

For more information as to the risks specific to the Issuer and/or holding of the Notes arising from the U.S. Retention Rules, please see “*Risk Factors – 7.7 U.S. risk retention requirements*” above and “*Risk Factors – 7.8 Raising of financing by the Seller against Notes held by it for risk retention*” above.

Fair value of the U.S. Retained Interest

Each class of the securities retained will be issued on the Issue Date and will represent interests in the Issuer. The Z1 Notes, the Z2 Notes, the RC1 Certificates and the RC2 Certificates are described in further detail under “*Transaction overview – Terms and Conditions of the Notes and Certificates*” above. No repayment of principal will be made at any time on the Z1 Notes and the Z2 Notes until the A Notes to the D Notes (inclusive) are fully repaid. The Z1 Notes and the Z2 Notes will have an initial principal amount outstanding of £5,797,591 and £5,797,591 respectively, and will be entitled to receive amounts from Available Revenue Funds in accordance with the Pre-Enforcement Revenue Priority of Payments to the extent applied (i) as a credit to the Z1 Principal

Deficiency Sub-Ledger in an amount sufficient to eliminate any debit thereon; and (ii) in respect of payment of principal in respect of the Z1 Notes and the Z2 Notes once the A Notes to D Notes (inclusive) have been repaid in full. The Certificates are described in further detail under “*Transaction overview – Terms and Conditions of the Notes and Certificates*”. The Certificates will not bear interest. The Certificates will be entitled to receive the amounts remaining from Available Revenue Funds and Available Principal Funds after the application of items senior to the Certificates in the relevant Priority of Payments.

For an EHRI, the U.S. Retention Rules require determinations of fair value or estimates of fair value for various “ABS interests” using the fair value measurement framework under U.S. GAAP. The estimated fair value of each Class of Notes and Certificates as of the Issue Date is summarised below.

| Notes or Certificates | Fair Values (£m) | Fair Values (as a % of all ABS interests issued) |
|-----------------------------------|---------------------------|--|
| A Notes | 199.4 | 79.3% |
| B Notes | 10.2 | 4.1% |
| C Notes | 9.3 | 3.7% |
| D Notes | 7.2 | 2.9% |
| X Notes | 7.0 | 2.8% |
| Z1 Notes ^{2 3} | 3.6 | 1.4% |
| Z2 Notes ^{2 3} | 3.6 | 1.4% |
| Certificates ^{2 3} | 11.3 | 4.5% |
| Total | ⁴ 251.5 | 100.0% |

The aggregate fair value of the U.S. Retained Interest as of the Issue Date is approximately £18.5 million, and the estimated fair value of the U.S. Retained Interest as a percentage of the fair value for the “ABS interests” issued by the Issuer as of the Issue Date is approximately 7.3 per cent.

The U.S. Retention Holder determined the estimated fair value of each Class of Notes and Certificates, and of the U.S. Retained Interest, using a fair value measurement framework under U.S. GAAP. In measuring fair value, the use of observable and unobservable inputs and their significance in measuring fair value are reflected in the fair value hierarchy assessment, with Level 1 inputs favoured over Level 3 inputs.

- Level 1 – inputs include quoted prices for identical instruments and are the most observable;
- Level 2 – inputs include quoted prices for similar instruments and observable inputs such as interest rates and yield curves; and
- Level 3 – inputs include data not observable in the market and reflect management judgement about the assumptions market participants would use in pricing the instrument.

The fair value of the Notes (other than the U.S. Retained Interest) is categorised within Level 2 of the hierarchy, reflecting the use of inputs derived from prices of similar instruments. The estimated fair value of the U.S. Retained Interest is categorised within Level 3 of the hierarchy, as inputs to the fair value calculation are generally not observable in the market and reflect the U.S. Retention Holder’s judgement about the assumptions market participants would use in pricing such Notes and Certificates.

The estimated fair values of the A Notes to D Notes, inclusive, and the X Notes reflects the estimated prices to be paid by the third-party investors on the Issue Date for such Classes of Notes based on the margins in the table below, and the estimated fair values of the Z1 Notes, the Z2 Notes, the RC1 Certificates and the RC2 Certificates reflects an estimate of the yield and of the price that would be paid by third-party investors for such Classes of Notes and Certificates based on the yields stated in the below table. It should be noted in reviewing the fair value discussion below, that certain of the inputs and assumptions, such as yields and spreads are not directionally correlated. Variations from the base case in the direction of the high or low estimates will not necessarily occur in the same manner, in the same direction or to the same degree for each applicable input or assumption at any given

² EHRI securities constituting the U.S. Retained Interest.

³ The fair value for the relevant Class of Notes or the Certificates relates to the average present value of such Class of Notes or the Certificates in each of the Fair Value Asset Scenarios run by the U.S. Retention Holder.

⁴ The fair value for each Class of Notes and the Certificates has been subject to rounding and the sum thereof may not add up to the total. The fair value is calculated based on Loans comprising the Completions Mortgage Pool as of the Provisional Pool Reference Date, and does not take into account any Pre-Funding that may occur after the Issue Date.

point in time or as a result of any particular market condition. Set out in “Fair Value Curves” below are curves that were material for calculating the fair value of the Notes and the Certificates.

| Notes or Certificates | Discount Margin ⁵ or Yield ⁶ | Step-Up Margin ⁵ or Yield ⁶ |
|------------------------|---|--|
| A Notes | 0.78% | 1.17% |
| B Notes | 1.10% | 1.65% |
| C Notes | 1.50% | 2.25% |
| D Notes | 1.80% | 2.70% |
| X Notes | 3.50% | 3.50% |
| Z1 Notes | 12.00% | 12.00% |
| Z2 Notes | 12.00% | 12.00% |
| RC1 Certificates | 12.00% | 12.00% |
| RC2 Certificates | 12.00% | 12.00% |

Valuation Methodology

To calculate the estimated fair values of the Notes and the Certificates, the U.S. Retention Holder used a fair value measurement framework under U.S. GAAP. This model projects future interest and principal payments on the Loans, the interest and principal payment on each Class of Notes and the Certificates and transaction fees and expenses. The resulting cash flows to the securities retained pursuant to the EHRI are discounted to present value based on a discount rate of 12 per cent. for the U.S. Retained Interest. The discount rate was not determined based on sales of similar securities due to the lack of an actively-traded market for securities of this nature, and instead reflects a determination by the U.S. Retention Holder considering, among other items, (i) a reasonable expectation of return for the future credit exposure to such cash flows (ii) various qualitative factors that reflect the subordinated nature of the securities comprising the U.S. Retained Interest, and (iii) an estimated rate of return that third-party investors might require to purchase residual interests that carry similar characteristics to those of the securities comprising the U.S. Retained Interest. In completing these calculations, the U.S. Retention Holder made the following additional assumptions:

- (a) the Issue Date is 9 July 2021;
- (b) a deal size of £231,903,657. This is by assuming the forecasted cashflows of the Provisional Completion Mortgage Pool from 31 May 2021;
- (c) Principal and Revenue Collections received for the month immediately preceding any Determination Date are included in the following Determination Period, unless an Optional Redemption is triggered;
- (d) Compounded Daily SONIA (“Fair Value Curve”) assumed to reset consistent with the applicable forward rate curve as of 31 May 2021 and set out in “Fair Value Curves” below;
- (e) the interest payment as well as the principal payment for each Loan is calculated on a loan by loan basis assuming each Loan amortises monthly (meaning the amortisation of each Loan is determined by the loan specific (i) remaining term, (ii) principal outstanding and (iii) interest rate);
- (f) the first Interest Period will include 4 months of Principal Collections and the first Interest Period for Revenue Collections will start from the Issue Date and end on the first Interest Payment Date;
- (g) the amortisation of any Repayment Loan is calculated as an annuity loan on a 30/360 basis, and the interest on any Loan is calculated on a 30/360 basis;
- (h) the Interest Payment Dates are the 20th of February, May, August or November, not adjusted for Business Day convention;
- (i) all Loans which are not Interest Only Loans are assumed to be Repayment Loans;
- (j) no Product Switch Loans are entered into and no Further Advances are made on a Loan;
- (k) the remaining term of a Loan is the number of remaining months to maturity, calculated on a 30/360 basis and rounded to the nearest month;
- (l) for the purposes of calculating the Interest Period Swap Counterparty Amount and the Interest Period Issuer Amount with respect to the initial Interest Rate Swap for each Interest Period (i) the Interest Period Swap

⁵ In respect of the A Notes to D Notes, inclusive, and the X Notes.

⁶ In respect of the Z1 Notes, the Z2 Notes, the RC1 Certificates and the RC2 Certificates.

Counterparty Amount will be calculated on the basis of Compounded Daily SONIA; (ii) the Interest Period Issuer Amount will be calculated on the basis of 1.10 per cent.; and (iii) the notional amount of the Interest Rate Swap will reflect a fixed amortisation schedule as set out in the table below for the Fair Value Asset Scenarios;

| Fixed Rate Payer Calculation Period/Floating Rate Payer Calculation Period Accrual start | Accrual End | Swap Notional (£) |
|---|-------------|-------------------|
| 9 Jul 2021 | 20 Nov 2021 | 186,700,945 |
| 20 Nov 2021 | 20 Feb 2022 | 186,408,376 |
| 20 Feb 2022 | 20 May 2022 | 185,986,153 |
| 20 May 2022 | 20 Aug 2022 | 185,762,974 |
| 20 Aug 2022 | 20 Nov 2022 | 185,537,402 |
| 20 Nov 2022 | 20 Feb 2023 | 144,134,558 |
| 20 Feb 2023 | 20 May 2023 | 76,061,988 |
| 20 May 2023 | 20 Aug 2023 | 43,626,480 |
| 20 Aug 2023 | 20 Nov 2023 | 36,397,623 |
| 20 Nov 2023 | 20 Feb 2024 | 36,335,709 |
| 20 Feb 2024 | 20 May 2024 | 36,273,050 |
| 20 May 2024 | 20 Aug 2024 | 36,209,636 |
| 20 Aug 2024 | 20 Nov 2024 | 36,145,458 |
| 20 Nov 2024 | 20 Feb 2025 | 36,080,506 |
| 20 Feb 2025 | 20 May 2025 | 36,014,772 |
| 20 May 2025 | 20 Aug 2025 | 35,906,302 |
| 20 Aug 2025 | 20 Nov 2025 | 35,839,846 |
| 20 Nov 2025 | 20 Feb 2026 | 35,772,586 |
| 20 Feb 2026 | 20 May 2026 | 35,570,500 |
| 20 May 2026 | 20 Aug 2026 | 20,622,989 |

- (m) the time from repossession to the sale of a Property relating to a Loan is assumed to be an average of 24 months; and
- (n) other fees and expenses of the Issuer including the Security Trustee, Note Trustee, the Agents, the Account Bank, the Swap Collateral Account Bank, the Cash Administrator, the Corporate Services Provider and the Back-up Mortgage Administrator Facilitator are estimated at £120,000 per annum (inclusive of VAT).

For the purposes of estimating the fair value of the securities comprising the U.S. Retained Interest, the U.S. Retention Holder has projected cash flows on the Mortgage Pool under the Fair Value Asset Scenarios. The estimated fair value for the securities comprising the U.S. Retained Interest will be calculated using the margins and yields detailed above under the various Fair Value Asset Scenarios. The present value of the expected cash flows on the individual securities comprising the U.S. Retained Interest in the various Fair Value Asset Scenarios will be calculated discounting the relevant cash flows at the applicable yield and assuming the Issuer redeems the Notes in full on the Step-Up Date. The fair value of the individual securities comprising the U.S. Retained Interest, other than the Certificates, will be the average present value of applicable cash flows in each of the Fair Value Asset Scenarios discounted at the relevant yield.

With respect to the Certificates only, the U.S. Retention Holder has assumed the Issuer will redeem the Notes in full on the first Step-Up Date and the Mortgage Pool will be securitised two further times following successive step-up dates that are four years from their respective refinancing date (the “**Refinancing Scenario**”). The estimated fair value of Certificates in the Refinancing Scenario is the average present value of the cash flows received by the Certificates from the Issue Date to the Step-Up Date, plus the average present value of cash flows associated with the successive refinancings (each, a “**Refinancing**”), under the Fair Value Asset Scenarios. For the purposes of the calculations of the fair value of the Certificates, the U.S. Retention Holder has assumed that the Certificateholder is also holder of all other Notes comprising the U.S. Retained Interest and will also receive proceeds corresponding to a redemption of such other Classes of Notes on the Step-Up Date. Cash flows prior to the first Step-Up Date that are attributable to other Classes of Notes held by the Certificateholder to comply with U.S. Retention Rules have been excluded from the calculation of the fair value of the Certificates. The Refinancing Scenario assumes that the Certificateholder will act as a “sponsor” under U.S. Retention Rules in respect of any future Refinancing. These future cash flows will include the aggregate of any cash flows attributable to Certificates issued in such Refinancings and any cash flows associated with other Classes of Notes required to be held to comply with U.S. Retention Rules, as well as the proceeds from any such Refinancing on each successive issue date net of any amounts required to redeem the Notes relating to the immediately preceding securitisation in full.

The following further assumptions are made with respect to the Refinancing Scenario:

- (a) the capital structure (including tranche sizes and the size of the reserve fund in percentage terms) and other terms associated with any Refinancing are substantially the same as this transaction except as provided herein, including but not limited to, note margins, step-up margins, non-call period, senior fees and expenses;
- (b) the General Reserve Fund Required Amount on (i) the Issue Date and (ii) the date of any future Refinancings is an amount equal to 2.5 per cent. of the Principal Amount Outstanding of the Principal Backed Notes as at the Issue Date as at that date;
- (c) the issue date with respect to any Refinancing is assumed to be the step-up date corresponding to the immediately preceding securitisation;
- (d) the first Interest Period in respect of future Refinancings will include 2 months of Principal Collections and Revenue Collections;
- (e) the certificateholder, in its capacity as U.S. Retention Holder of a Refinancing, is assumed to hold the Z1 Notes, the Z2 Notes, the RC1 Certificates and the RC2 Certificates issued in any such future Refinancing in order to comply with U.S. Retention Rules;
- (f) any Class of Notes relating to a Refinancing that is not held to comply with U.S. Retention Rules is assumed to be sold;
- (g) other fees and expenses of the Issuer including the Security Trustee, Note Trustee, the Agents, the Account Bank, the Swap Collateral Account Bank, the Cash Administrator, the Corporate Services Provider and the Back-up Mortgage Administrator Facilitator are assumed to be £120,000 per annum (inclusive of VAT);
- (h) transaction costs associated with any Refinancing are assumed to be £1,000,000; and
- (i) on the final Refinancing, the relevant notes relating to such final Refinancing are redeemed in full when the aggregate principal amount outstanding of the A Notes to D Notes (inclusive) is less than or equal to 10 per cent. of the aggregate principal amount outstanding of such notes upon issue.

The U.S. Retention Holder developed the inputs and assumptions described herein by considering the composition of the Loans and the performance of (i) mortgage loans similar to the Loans which were previously securitised by the U.S. Retention Holder or its affiliates, (ii) similar mortgage loans originated or acquired by the U.S. Retention Holder and held in its portfolio, (iii) similar mortgage loans administered by affiliates of the U.S. Retention Holder, and (iv) mortgage loans similar to the Loans in securitised pools that were not issued by the U.S. Retention Holder. In particular, the U.S. Retention Holder reviewed the prepayment, default and loss history of such mortgage loans in order to project an anticipated prepayment, default and loss scenario for the Loans. Based on such prepayment, default and loss assumptions, the U.S. Retention Holder calculated the projected anticipated cash flows to be generated by the Loans. In addition, in estimating the value of the Notes and the Certificates, the current interest rate environment and the expectation of anticipated interest rates and macro-economic environment on and following the Issue Date was also taken into account. Based on such considerations, the U.S. Retention Holder calculated the estimated fair value of each Class of the Notes and the Certificates, based on the anticipated cash flows of the Loans, the transaction structure and expectations for interest rates.

The discount rates applicable to the anticipated cash flows on the retained EHRI securities is estimated to reflect the credit exposure to such cash flows based on (i) the assumptions set forth above, (ii) the first loss exposure of the retained EHRI securities and (iii) various qualitative factors, including loan level characteristics, historical payment profile of the Mortgage Pool as well as other customary assumptions used in the market to evaluate risks for similar mortgage loans.

The U.S. Retention Holder believes that the inputs and assumptions described above include the inputs and assumptions that could have a significant impact on the estimated fair value calculation or a prospective Noteholder's ability to evaluate the estimated fair value calculation. The estimated fair values of the Notes and the Certificates were calculated based on the assumptions described above that likely will differ from the actual characteristics and performance of the Loans. Prospective purchasers of the Notes should be sure they understand these assumptions when considering the estimated fair value calculation.

Post-Issue Date Disclosure

On the First Interest Payment Date following the Issue Date, a statement will be released with valuations prepared by the U.S. Retention Holder that will set forth the following information:

- (a) the fair value, expressed as a percentage of the fair value of all of the Notes and the Certificates issued by the Issuer on the Issue Date, of the U.S. Retained Interest retained pursuant to the EHRI by the U.S. Retention Holder as of the Issue Date, based on actual sale prices and finalised tranche sizes;
- (b) the fair value, expressed as a percentage of the fair value of all of the Notes and the Certificates issued by the Issuer on the Issue Date, of the U.S. Retained Interest retained pursuant to the EHRI that the U.S. Retention Holder is required to retain under the U.S. Retention Rules; and
- (c) to the extent the valuation methodology or any of the key inputs and assumptions that were used in calculating the fair values as disclosed herein materially differs from the methodology or key inputs and assumptions used to calculate the fair value on the Issue Date, descriptions of those material differences.

Fair Value Curves

Set out below are curves that were material for calculating the fair value of the Notes and the Certificates set out above.⁷

| Month | SONIA | Scenario 1 | | | Scenario 2 | | | Scenario 3 | | |
|----------|---------|------------|---------------|--------|------------|---------------|--------|------------|---------------|--------|
| | | CDR | Loss severity | CPR | CDR | Loss severity | CPR | CDR | Loss severity | CPR |
| Jun 2021 | 0.0502% | 0.78% | 13.30% | 10.55% | 1.30% | 17.32% | 8.65% | 0.67% | 8.04% | 12.86% |
| Jul 2021 | 0.0524% | 1.00% | 13.55% | 9.84% | 1.28% | 17.11% | 7.99% | 0.67% | 7.61% | 12.10% |
| Aug 2021 | 0.0506% | 0.99% | 13.07% | 9.41% | 1.27% | 17.07% | 7.63% | 0.67% | 7.58% | 11.61% |
| Sep 2021 | 0.0505% | 0.98% | 13.03% | 9.03% | 1.69% | 17.05% | 7.29% | 0.84% | 7.73% | 11.20% |
| Oct 2021 | 0.0538% | 1.26% | 13.04% | 8.84% | 1.65% | 16.47% | 7.14% | 0.83% | 7.19% | 10.99% |
| Nov 2021 | 0.0561% | 1.24% | 12.28% | 8.66% | 1.61% | 16.42% | 6.99% | 0.82% | 7.16% | 10.78% |
| Dec 2021 | 0.0514% | 1.22% | 12.24% | 8.60% | 1.37% | 16.43% | 6.97% | 0.71% | 7.21% | 10.70% |
| Jan 2022 | 0.0716% | 1.02% | 12.26% | 8.37% | 1.33% | 15.92% | 6.76% | 0.70% | 6.70% | 10.46% |
| Feb 2022 | 0.0825% | 1.00% | 11.52% | 8.30% | 1.29% | 15.88% | 6.71% | 0.68% | 6.68% | 10.37% |
| Mar 2022 | 0.0774% | 0.97% | 11.48% | 8.19% | 1.12% | 15.87% | 6.63% | 0.62% | 6.72% | 10.23% |
| Apr 2022 | 0.1004% | 0.87% | 11.56% | 8.21% | 1.08% | 15.42% | 6.67% | 0.60% | 6.31% | 10.22% |
| May 2022 | 0.1191% | 0.84% | 10.93% | 8.26% | 1.03% | 15.38% | 6.73% | 0.58% | 6.29% | 10.24% |
| Jun 2022 | 0.1322% | 0.81% | 10.89% | 8.92% | 0.81% | 15.39% | 7.34% | 0.35% | 6.52% | 10.96% |
| Jul 2022 | 0.1458% | 0.60% | 10.91% | 8.81% | 0.78% | 14.94% | 7.26% | 0.34% | 6.17% | 10.81% |
| Aug 2022 | 0.1595% | 0.57% | 10.34% | 8.89% | 0.74% | 14.93% | 7.38% | 0.32% | 6.15% | 10.84% |
| Sep 2022 | 0.1734% | 0.55% | 10.32% | 14.34% | 0.41% | 14.94% | 12.62% | 0.13% | 6.21% | 16.37% |
| Oct 2022 | 0.1891% | 0.29% | 10.34% | 28.77% | 0.39% | 14.48% | 26.68% | 0.12% | 5.88% | 30.85% |
| Nov 2022 | 0.2075% | 0.28% | 9.77% | 32.48% | 0.37% | 14.44% | 30.37% | 0.12% | 5.87% | 34.41% |
| Dec 2022 | 0.2286% | 0.27% | 9.74% | 35.03% | 0.20% | 14.44% | 33.01% | 0.04% | 5.92% | 36.75% |
| Jan 2023 | 0.2499% | 0.17% | 9.75% | 37.42% | 0.19% | 13.88% | 35.31% | 0.03% | 5.62% | 39.06% |
| Feb 2023 | 0.2712% | 0.16% | 9.21% | 40.80% | 0.18% | 13.84% | 38.51% | 0.03% | 5.61% | 42.42% |
| Mar 2023 | 0.2955% | 0.15% | 9.18% | 32.75% | 0.12% | 13.87% | 30.87% | 0.01% | 5.63% | 33.98% |
| Apr 2023 | 0.3183% | 0.08% | 9.21% | 30.95% | 0.11% | 13.10% | 29.26% | 0.01% | 5.37% | 32.08% |
| May 2023 | 0.3410% | 0.07% | 8.72% | 27.64% | 0.11% | 13.06% | 25.90% | 0.01% | 5.36% | 28.88% |
| Jun 2023 | 0.3627% | 0.07% | 8.69% | 36.41% | 0.10% | 13.07% | 34.50% | 0.05% | 5.53% | 38.09% |
| Jul 2023 | 0.3842% | 0.08% | 8.71% | 26.42% | 0.10% | 12.32% | 24.56% | 0.05% | 5.31% | 27.94% |
| Aug 2023 | 0.4072% | 0.07% | 8.25% | 22.82% | 0.09% | 12.28% | 21.18% | 0.04% | 5.30% | 24.13% |
| Sep 2023 | 0.4293% | 0.07% | 8.23% | 18.94% | 0.09% | 12.27% | 17.31% | 0.09% | 5.32% | 20.25% |
| Oct 2023 | 0.4505% | 0.09% | 8.32% | 17.39% | 0.09% | 11.54% | 15.81% | 0.08% | 5.12% | 18.66% |
| Nov 2023 | 0.4715% | 0.08% | 7.89% | 16.30% | 0.09% | 11.51% | 14.90% | 0.08% | 5.11% | 17.38% |
| Dec 2023 | 0.4927% | 0.08% | 7.86% | 15.48% | 0.10% | 11.50% | 14.09% | 0.10% | 5.18% | 16.57% |
| Jan 2024 | 0.5136% | 0.09% | 8.00% | 13.86% | 0.09% | 10.79% | 12.52% | 0.09% | 5.00% | 14.93% |
| Feb 2024 | 0.5326% | 0.09% | 7.59% | 13.15% | 0.09% | 10.76% | 11.95% | 0.09% | 4.99% | 14.09% |
| Mar 2024 | 0.5523% | 0.08% | 7.56% | 12.86% | 0.10% | 10.78% | 11.70% | 0.11% | 5.04% | 13.78% |
| Apr 2024 | 0.5707% | 0.09% | 7.65% | 12.81% | 0.09% | 10.09% | 11.67% | 0.11% | 4.88% | 13.72% |
| May 2024 | 0.5889% | 0.09% | 7.26% | 12.60% | 0.09% | 10.06% | 11.47% | 0.11% | 4.87% | 13.51% |
| Jun 2024 | 0.6067% | 0.09% | 7.24% | 12.77% | 0.09% | 10.13% | 11.63% | 0.12% | 4.89% | 13.69% |

⁷ The figures in the table have been subject to rounding.

| Month | SONIA | Scenario 1 | | | Scenario 2 | | | Scenario 3 | | |
|----------|---------|------------|---------------|--------|------------|---------------|--------|------------|---------------|--------|
| | | CDR | Loss severity | CPR | CDR | Loss severity | CPR | CDR | Loss severity | CPR |
| Jul 2024 | 0.6242% | 0.11% | 7.24% | 12.54% | 0.09% | 9.47% | 11.39% | 0.11% | 4.75% | 13.50% |
| Aug 2024 | 0.6419% | 0.10% | 6.87% | 12.32% | 0.08% | 9.44% | 11.18% | 0.11% | 4.74% | 13.32% |
| Sep 2024 | 0.6570% | 0.10% | 6.85% | 12.15% | 0.08% | 9.48% | 11.04% | 0.11% | 4.81% | 13.22% |
| Oct 2024 | 0.6740% | 0.11% | 6.87% | 12.07% | 0.08% | 8.85% | 10.90% | 0.11% | 4.68% | 13.38% |
| Nov 2024 | 0.6901% | 0.11% | 6.53% | 11.94% | 0.08% | 8.82% | 10.82% | 0.11% | 4.67% | 13.31% |
| Dec 2024 | 0.7053% | 0.11% | 6.51% | 11.83% | 0.08% | 8.83% | 10.74% | 0.10% | 4.69% | 13.28% |
| Jan 2025 | 0.7206% | 0.11% | 6.51% | 11.73% | 0.08% | 8.24% | 10.67% | 0.10% | 4.58% | 13.15% |
| Feb 2025 | 0.7341% | 0.10% | 6.18% | 11.65% | 0.08% | 8.21% | 10.62% | 0.10% | 4.57% | 13.06% |
| Mar 2025 | 0.7481% | 0.10% | 6.16% | 12.28% | 0.08% | 8.26% | 11.24% | 0.09% | 4.65% | 13.70% |
| Apr 2025 | 0.7622% | 0.10% | 6.29% | 13.88% | 0.08% | 7.80% | 12.77% | 0.09% | 4.55% | 15.37% |
| May 2025 | 0.7761% | 0.10% | 5.95% | 14.33% | 0.08% | 7.78% | 13.23% | 0.09% | 4.55% | 15.82% |
| Jun 2025 | 0.7894% | 0.09% | 5.94% | 20.28% | 0.08% | 7.82% | 18.84% | 0.09% | 4.67% | 22.17% |
| Jul 2025 | 0.8025% | 0.09% | 5.96% | 15.93% | 0.08% | 7.36% | 14.71% | 0.08% | 4.58% | 17.63% |
| Aug 2025 | 0.8148% | 0.09% | 5.64% | 15.00% | 0.08% | 7.34% | 13.83% | 0.08% | 4.57% | 16.66% |
| Sep 2025 | 0.8262% | 0.09% | 5.63% | 13.89% | 0.08% | 7.43% | 12.78% | 0.08% | 4.59% | 15.49% |
| Oct 2025 | 0.8374% | 0.08% | 5.67% | 13.34% | 0.07% | 7.00% | 12.28% | 0.07% | 4.51% | 14.91% |
| Nov 2025 | 0.8479% | 0.08% | 5.38% | 12.93% | 0.07% | 6.99% | 11.90% | 0.07% | 4.51% | 14.48% |
| Dec 2025 | 0.8581% | 0.08% | 5.37% | 12.57% | 0.07% | 7.13% | 11.57% | 0.07% | 4.61% | 14.11% |
| Jan 2026 | 0.8680% | 0.07% | 5.42% | 12.35% | 0.07% | 6.73% | 11.38% | 0.06% | 4.54% | 13.86% |
| Feb 2026 | 0.8763% | 0.07% | 5.16% | 12.01% | 0.06% | 6.71% | 11.07% | 0.06% | 4.54% | 13.49% |
| Mar 2026 | 0.8845% | 0.07% | 5.15% | 13.07% | 0.06% | 6.75% | 12.18% | 0.06% | 4.56% | 14.47% |
| Apr 2026 | 0.8922% | 0.06% | 5.21% | 25.48% | 0.06% | 6.38% | 23.99% | 0.06% | 4.51% | 27.27% |
| May 2026 | 0.8996% | 0.06% | 4.98% | 35.35% | 0.06% | 6.37% | 33.07% | 0.05% | 4.51% | 37.76% |
| Jun 2026 | 0.9086% | 0.06% | 4.97% | 69.18% | 0.05% | 6.38% | 66.12% | 0.05% | 4.55% | 71.77% |
| Jul 2026 | 0.9156% | 0.05% | 5.15% | 52.62% | 0.05% | 6.03% | 49.23% | 0.05% | 4.50% | 55.43% |
| Aug 2026 | 0.9223% | 0.05% | 4.95% | 46.78% | 0.05% | 6.02% | 43.86% | 0.05% | 4.50% | 49.07% |
| Sep 2026 | 0.9290% | 0.05% | 4.94% | 39.13% | 0.05% | 6.05% | 36.08% | 0.05% | 4.64% | 41.46% |
| Oct 2026 | 0.9360% | 0.05% | 4.97% | 35.27% | 0.05% | 5.72% | 32.17% | 0.04% | 4.60% | 37.55% |
| Nov 2026 | 0.9420% | 0.05% | 4.79% | 32.69% | 0.04% | 5.71% | 30.43% | 0.04% | 4.60% | 34.23% |
| Dec 2026 | 0.9488% | 0.04% | 4.79% | 28.74% | 0.04% | 5.78% | 26.68% | 0.04% | 4.66% | 30.08% |
| Jan 2027 | 0.9555% | 0.04% | 4.82% | 21.52% | 0.04% | 5.49% | 20.07% | 0.04% | 4.63% | 22.47% |
| Feb 2027 | 0.9615% | 0.04% | 4.66% | 17.68% | 0.04% | 5.48% | 16.80% | 0.04% | 4.63% | 18.17% |
| Mar 2027 | 0.9681% | 0.04% | 4.66% | 17.40% | 0.04% | 5.60% | 16.53% | 0.04% | 4.73% | 17.87% |
| Apr 2027 | 0.9745% | 0.04% | 4.72% | 17.22% | 0.04% | 5.33% | 16.37% | 0.04% | 4.70% | 17.66% |
| May 2027 | 0.9811% | 0.04% | 4.59% | 17.04% | 0.04% | 5.32% | 16.17% | 0.03% | 4.70% | 17.49% |
| Jun 2027 | 0.9908% | 0.04% | 4.58% | 17.19% | 0.04% | 5.36% | 16.31% | 0.03% | 4.78% | 17.63% |
| Jul 2027 | 0.9978% | 0.04% | 4.60% | 16.94% | 0.04% | 5.12% | 16.07% | 0.03% | 4.77% | 17.38% |
| Aug 2027 | 1.0043% | 0.03% | 4.48% | 16.84% | 0.03% | 5.12% | 16.02% | 0.03% | 4.77% | 17.22% |
| Sep 2027 | 1.0108% | 0.03% | 4.48% | 22.30% | 0.03% | 5.17% | 21.06% | 0.03% | 4.80% | 23.06% |
| Oct 2027 | 1.0174% | 0.03% | 4.55% | 36.39% | 0.03% | 4.95% | 34.13% | 0.03% | 4.79% | 38.06% |
| Nov 2027 | 1.0238% | 0.03% | 4.45% | 40.32% | 0.03% | 4.95% | 37.77% | 0.03% | 4.79% | 42.21% |
| Dec 2027 | 1.0304% | 0.03% | 4.44% | 42.72% | 0.03% | 4.99% | 39.98% | 0.03% | 4.95% | 44.74% |
| Jan 2028 | 1.0368% | 0.03% | 4.50% | 45.01% | 0.03% | 4.79% | 42.10% | 0.03% | 4.93% | 47.14% |
| Feb 2028 | 1.0432% | 0.03% | 4.41% | 49.06% | 0.03% | 4.79% | 45.86% | 0.03% | 4.93% | 51.41% |
| Mar 2028 | 1.0498% | 0.03% | 4.41% | 40.34% | 0.03% | 4.96% | 37.61% | 0.03% | 4.97% | 42.25% |
| Apr 2028 | 1.0562% | 0.03% | 4.50% | 36.41% | 0.03% | 4.79% | 33.96% | 0.03% | 4.95% | 38.06% |
| May 2028 | 1.0628% | 0.03% | 4.42% | 32.62% | 0.03% | 4.78% | 30.51% | 0.03% | 4.95% | 33.96% |
| Jun 2028 | 1.0730% | 0.03% | 4.42% | 29.92% | 0.03% | 4.85% | 28.09% | 0.03% | 4.99% | 30.98% |
| Jul 2028 | 1.0792% | 0.03% | 4.55% | 27.91% | 0.03% | 4.69% | 26.31% | 0.03% | 4.98% | 28.75% |
| Aug 2028 | 1.0856% | 0.03% | 4.48% | 26.04% | 0.03% | 4.68% | 24.67% | 0.03% | 4.98% | 26.67% |
| Sep 2028 | 1.0915% | 0.03% | 4.48% | 24.49% | 0.03% | 4.71% | 23.32% | 0.02% | 5.15% | 24.92% |
| Oct 2028 | 1.0969% | 0.03% | 4.53% | 23.22% | 0.03% | 4.58% | 22.23% | 0.02% | 5.15% | 23.49% |
| Nov 2028 | 1.1020% | 0.03% | 4.48% | 22.86% | 0.03% | 4.57% | 21.95% | 0.02% | 5.15% | 23.06% |
| Dec 2028 | 1.1071% | 0.03% | 4.48% | 22.57% | 0.02% | 4.63% | 21.73% | 0.02% | 5.18% | 22.70% |
| Jan 2029 | 1.1118% | 0.02% | 4.54% | 22.23% | 0.02% | 4.51% | 21.47% | 0.02% | 5.18% | 22.30% |
| Feb 2029 | 1.1158% | 0.02% | 4.49% | 21.91% | 0.02% | 4.51% | 21.22% | 0.02% | 5.18% | 21.91% |
| Mar 2029 | 1.1202% | 0.02% | 4.49% | 21.59% | 0.02% | 4.56% | 20.97% | 0.02% | 5.23% | 21.52% |
| Apr 2029 | 1.1237% | 0.02% | 4.52% | 21.33% | 0.02% | 4.45% | 20.78% | 0.02% | 5.22% | 21.20% |

| Month | SONIA | Scenario 1 | | | Scenario 2 | | | Scenario 3 | | |
|----------|---------|------------|---------------|--------|------------|---------------|--------|------------|---------------|--------|
| | | CDR | Loss severity | CPR | CDR | Loss severity | CPR | CDR | Loss severity | CPR |
| May 2029 | 1.1274% | 0.02% | 4.48% | 21.09% | 0.02% | 4.45% | 20.61% | 0.02% | 5.22% | 20.91% |
| Jun 2029 | 1.1354% | 0.02% | 4.48% | 21.08% | 0.02% | 4.55% | 20.64% | 0.02% | 5.25% | 20.86% |
| Jul 2029 | 1.1387% | 0.02% | 4.51% | 20.77% | 0.02% | 4.46% | 20.41% | 0.02% | 5.25% | 20.50% |
| Aug 2029 | 1.1421% | 0.02% | 4.48% | 20.51% | 0.02% | 4.45% | 20.20% | 0.02% | 5.25% | 20.18% |
| Sep 2029 | 1.1454% | 0.02% | 4.48% | 20.22% | 0.02% | 4.47% | 19.98% | 0.02% | 5.32% | 19.85% |
| Oct 2029 | 1.1487% | 0.02% | 4.61% | 19.93% | 0.02% | 4.39% | 19.76% | 0.02% | 5.32% | 19.51% |
| Nov 2029 | 1.1519% | 0.02% | 4.58% | 19.58% | 0.02% | 4.39% | 19.48% | 0.02% | 5.32% | 19.10% |
| Dec 2029 | 1.1551% | 0.02% | 4.58% | 19.33% | 0.02% | 4.46% | 19.29% | 0.02% | 5.40% | 18.81% |
| Jan 2030 | 1.1584% | 0.02% | 4.65% | 19.03% | 0.02% | 4.39% | 19.05% | 0.02% | 5.40% | 18.47% |
| Feb 2030 | 1.1613% | 0.02% | 4.63% | 18.75% | 0.02% | 4.39% | 18.83% | 0.02% | 5.40% | 18.15% |
| Mar 2030 | 1.1645% | 0.02% | 4.63% | 18.50% | 0.02% | 4.53% | 18.64% | 0.02% | 5.45% | 17.87% |
| Apr 2030 | 1.1676% | 0.02% | 4.68% | 18.23% | 0.02% | 4.47% | 18.42% | 0.02% | 5.44% | 17.55% |
| May 2030 | 1.1708% | 0.02% | 4.66% | 17.97% | 0.02% | 4.46% | 18.21% | 0.02% | 5.44% | 17.26% |
| Jun 2030 | 1.1793% | 0.02% | 4.66% | 17.97% | 0.02% | 4.51% | 18.24% | 0.02% | 5.55% | 17.25% |
| Jul 2030 | 1.1826% | 0.02% | 4.75% | 17.68% | 0.02% | 4.46% | 18.01% | 0.02% | 5.55% | 16.93% |
| Aug 2030 | 1.1861% | 0.02% | 4.73% | 17.49% | 0.02% | 4.45% | 17.86% | 0.02% | 5.54% | 16.71% |
| Sep 2030 | 1.1893% | 0.02% | 4.73% | 17.25% | 0.02% | 4.50% | 17.67% | 0.01% | 5.71% | 16.44% |
| Oct 2030 | 1.1928% | 0.02% | 4.78% | 17.01% | 0.02% | 4.46% | 17.48% | 0.01% | 5.70% | 16.18% |
| Nov 2030 | 1.1964% | 0.02% | 4.76% | 16.74% | 0.02% | 4.46% | 17.25% | 0.01% | 5.70% | 15.88% |
| Dec 2030 | 1.1999% | 0.02% | 4.76% | 16.49% | 0.02% | 4.48% | 17.05% | 0.01% | 5.97% | 15.62% |
| Jan 2031 | 1.2035% | 0.01% | 4.91% | 16.50% | 0.01% | 4.44% | 17.07% | 0.01% | 5.97% | 15.63% |
| Feb 2031 | 1.2069% | 0.01% | 4.90% | 16.38% | 0.01% | 4.44% | 16.98% | 0.01% | 5.97% | 15.49% |
| Mar 2031 | 1.2107% | 0.01% | 4.90% | 17.55% | 0.01% | 4.49% | 18.06% | 0.01% | 6.03% | 16.70% |
| Apr 2031 | 1.2146% | 0.01% | 4.93% | 34.02% | 0.01% | 4.46% | 32.82% | 0.01% | 6.03% | 34.34% |
| May 2031 | 1.2187% | 0.01% | 4.93% | 47.98% | 0.01% | 4.45% | 45.53% | 0.01% | 6.02% | 49.23% |
| Jun 2031 | 1.2282% | 0.01% | 4.92% | 83.35% | 0.01% | 4.58% | 80.04% | 0.01% | 6.06% | 85.06% |
| Jul 2031 | 1.2313% | 0.01% | 4.96% | 70.20% | 0.01% | 4.56% | 66.23% | 0.01% | 6.06% | 72.32% |
| Aug 2031 | 1.2336% | 0.01% | 4.95% | 65.60% | 0.01% | 4.55% | 61.47% | 0.01% | 6.05% | 67.79% |
| Sep 2031 | 1.2350% | 0.01% | 4.95% | 58.14% | 0.01% | 4.62% | 54.20% | 0.01% | 6.16% | 60.19% |
| Oct 2031 | 1.2356% | 0.01% | 5.04% | 54.37% | 0.01% | 4.60% | 50.57% | 0.01% | 6.16% | 56.31% |
| Nov 2031 | 1.2353% | 0.01% | 5.03% | 52.68% | 0.01% | 4.60% | 48.92% | 0.01% | 6.16% | 54.59% |
| Dec 2031 | 1.2341% | 0.01% | 5.03% | 49.06% | 0.01% | 4.66% | 45.57% | 0.01% | 6.22% | 50.74% |
| Jan 2032 | 1.2319% | 0.01% | 5.15% | 44.55% | 0.01% | 4.63% | 41.52% | 0.01% | 6.21% | 45.87% |
| Feb 2032 | 1.2292% | 0.01% | 5.13% | 37.02% | 0.01% | 4.63% | 34.98% | 0.01% | 6.21% | 37.61% |
| Mar 2032 | 1.2251% | 0.01% | 5.13% | 36.97% | 0.01% | 4.70% | 34.94% | 0.01% | 6.73% | 37.54% |
| Apr 2032 | 1.2203% | 0.01% | 5.18% | 36.92% | 0.01% | 4.68% | 34.90% | 0.01% | 6.73% | 37.47% |
| May 2032 | 1.2146% | 0.01% | 5.18% | 36.85% | 0.01% | 4.67% | 34.85% | 0.01% | 6.70% | 37.38% |
| Jun 2032 | 1.2149% | 0.01% | 5.16% | 36.77% | 0.01% | 4.72% | 34.78% | 0.01% | 6.80% | 37.27% |
| Jul 2032 | 1.2089% | 0.01% | 5.22% | 36.67% | 0.01% | 4.70% | 34.71% | 0.01% | 6.78% | 37.14% |
| Aug 2032 | 1.2035% | 0.01% | 5.20% | 36.70% | 0.01% | 4.70% | 34.73% | 0.01% | 6.78% | 37.16% |
| Sep 2032 | 1.1987% | 0.01% | 5.20% | 36.65% | 0.01% | 4.88% | 34.69% | 0.01% | 7.00% | 37.09% |
| Oct 2032 | 1.1941% | 0.01% | 5.22% | 36.63% | 0.01% | 4.87% | 34.68% | 0.01% | 7.00% | 37.06% |
| Nov 2032 | 1.1900% | 0.01% | 5.22% | 36.72% | 0.01% | 4.87% | 34.76% | 0.01% | 7.00% | 37.14% |
| Dec 2032 | 1.1863% | 0.01% | 5.22% | 36.73% | 0.01% | 4.90% | 34.78% | 0.01% | 7.06% | 37.14% |
| Jan 2033 | 1.1833% | 0.01% | 5.29% | 36.92% | 0.01% | 4.89% | 34.92% | 0.01% | 7.05% | 37.34% |
| Feb 2033 | 1.1808% | 0.01% | 5.28% | 37.01% | 0.01% | 4.88% | 35.00% | 0.01% | 7.05% | 37.42% |
| Mar 2033 | 1.1786% | 0.01% | 5.28% | 37.10% | 0.01% | 4.95% | 35.08% | 0.01% | 7.11% | 37.51% |
| Apr 2033 | 1.1770% | 0.01% | 5.35% | 37.15% | 0.01% | 4.94% | 35.11% | 0.01% | 7.11% | 37.56% |
| May 2033 | 1.1760% | 0.01% | 5.35% | 37.13% | 0.01% | 4.94% | 35.10% | 0.01% | 7.10% | 37.54% |
| Jun 2033 | 1.1824% | 0.01% | 5.34% | 37.10% | 0.01% | 5.01% | 35.08% | 0.01% | 7.57% | 37.48% |
| Jul 2033 | 1.1818% | 0.01% | 5.40% | 37.27% | 0.01% | 5.00% | 35.21% | 0.01% | 7.57% | 37.67% |
| Aug 2033 | 1.1810% | 0.01% | 5.40% | 37.25% | 0.01% | 4.99% | 35.19% | 0.01% | 7.55% | 37.64% |
| Sep 2033 | 1.1803% | 0.01% | 5.39% | 37.20% | 0.01% | 5.08% | 35.15% | 0.01% | 7.60% | 37.57% |
| Oct 2033 | 1.1796% | 0.01% | 5.55% | 37.15% | 0.01% | 5.08% | 35.11% | 0.01% | 7.60% | 37.50% |
| Nov 2033 | 1.1788% | 0.01% | 5.55% | 37.08% | 0.01% | 5.08% | 35.06% | 0.01% | 7.60% | 37.42% |
| Dec 2033 | 1.1781% | 0.01% | 5.55% | 36.97% | 0.01% | 5.11% | 34.98% | 0.01% | 7.65% | 37.28% |
| Jan 2034 | 1.1773% | 0.01% | 5.85% | 36.99% | 0.01% | 5.11% | 34.99% | 0.01% | 7.65% | 37.28% |
| Feb 2034 | 1.1766% | 0.01% | 5.85% | 36.93% | 0.01% | 5.11% | 34.94% | 0.01% | 7.65% | 37.21% |

| Month | SONIA | Scenario 1 | | | Scenario 2 | | | Scenario 3 | | |
|----------|---------|------------|---------------|--------|------------|---------------|--------|------------|---------------|--------|
| | | CDR | Loss severity | CPR | CDR | Loss severity | CPR | CDR | Loss severity | CPR |
| Mar 2034 | 1.1758% | 0.01% | 5.85% | 36.88% | 0.01% | 5.16% | 34.90% | 0.01% | 7.98% | 37.14% |
| Apr 2034 | 1.1751% | 0.01% | 5.98% | 36.85% | 0.01% | 5.15% | 34.88% | 0.01% | 7.98% | 37.09% |
| May 2034 | 1.1742% | 0.01% | 5.98% | 36.79% | 0.01% | 5.15% | 34.83% | 0.01% | 7.97% | 37.02% |
| Jun 2034 | 1.1810% | 0.01% | 5.97% | 36.74% | 0.01% | 5.16% | 34.80% | 0.01% | 8.05% | 36.95% |
| Jul 2034 | 1.1802% | 0.01% | 6.02% | 36.64% | 0.01% | 5.15% | 34.72% | 0.01% | 8.04% | 36.81% |
| Aug 2034 | 1.1791% | 0.01% | 6.01% | 36.67% | 0.01% | 5.15% | 34.74% | 0.01% | 8.04% | 36.84% |
| Sep 2034 | 1.1780% | 0.01% | 6.00% | 36.61% | 0.01% | 5.22% | 34.70% | 0.01% | 8.20% | 36.77% |
| Oct 2034 | 1.1768% | 0.01% | 6.08% | 36.56% | 0.01% | 5.22% | 34.67% | 0.00% | 8.21% | 36.70% |
| Nov 2034 | 1.1754% | 0.01% | 6.08% | 36.48% | 0.01% | 5.22% | 34.61% | 0.00% | 8.20% | 36.60% |
| Dec 2034 | 1.1740% | 0.01% | 6.08% | 36.44% | 0.01% | 5.39% | 34.58% | 0.00% | 8.22% | 36.55% |
| Jan 2035 | 1.1723% | 0.01% | 6.14% | 36.37% | 0.01% | 5.39% | 34.53% | 0.00% | 8.22% | 36.46% |
| Feb 2035 | 1.1707% | 0.01% | 6.14% | 36.33% | 0.01% | 5.38% | 34.50% | 0.00% | 8.22% | 36.40% |
| Mar 2035 | 1.1688% | 0.01% | 6.14% | 36.27% | 0.01% | 5.43% | 34.46% | 0.00% | 8.28% | 36.32% |
| Apr 2035 | 1.1670% | 0.01% | 6.59% | 36.22% | 0.01% | 5.43% | 34.42% | 0.00% | 8.28% | 36.25% |
| May 2035 | 1.1648% | 0.00% | 6.58% | 36.17% | 0.01% | 5.42% | 34.38% | 0.00% | 8.27% | 36.19% |
| Jun 2035 | 1.1706% | 0.00% | 6.57% | 36.04% | 0.01% | 5.47% | 34.30% | 0.00% | 8.49% | 36.04% |
| Jul 2035 | 1.1683% | 0.00% | 6.59% | 35.86% | 0.00% | 5.46% | 34.16% | 0.00% | 8.48% | 35.82% |
| Aug 2035 | 1.1658% | 0.00% | 6.58% | 36.01% | 0.00% | 5.46% | 34.27% | 0.00% | 8.48% | 35.98% |
| Sep 2035 | 1.1633% | 0.00% | 6.58% | 35.92% | 0.00% | 5.64% | 34.21% | 0.00% | 8.65% | 35.87% |
| Oct 2035 | 1.1605% | 0.00% | 6.72% | 35.89% | 0.00% | 5.63% | 34.19% | 0.00% | 8.64% | 35.83% |
| Nov 2035 | 1.1577% | 0.00% | 6.72% | 35.81% | 0.00% | 5.63% | 34.13% | 0.00% | 8.63% | 35.73% |
| Dec 2035 | 1.1548% | 0.00% | 6.71% | 35.73% | 0.00% | 5.92% | 34.08% | 0.00% | 8.89% | 35.63% |
| Jan 2036 | 1.1514% | 0.00% | 6.88% | 35.64% | 0.00% | 5.92% | 34.02% | 0.00% | 8.89% | 35.52% |
| Feb 2036 | 1.1483% | 0.00% | 6.88% | 35.57% | 0.00% | 5.92% | 33.97% | 0.00% | 8.89% | 35.44% |
| Mar 2036 | 1.1450% | 0.00% | 6.88% | 35.59% | 0.00% | 5.97% | 33.99% | 0.00% | 8.94% | 35.46% |
| Apr 2036 | 1.1413% | 0.00% | 7.03% | 35.60% | 0.00% | 5.97% | 34.00% | 0.00% | 8.94% | 35.45% |
| May 2036 | 1.1374% | 0.00% | 7.03% | 36.27% | 0.00% | 5.97% | 34.53% | 0.00% | 8.94% | 36.21% |
| Jun 2036 | 1.1423% | 0.00% | 7.03% | 37.49% | 0.00% | 6.03% | 35.43% | 0.00% | 9.02% | 37.58% |
| Jul 2036 | 1.1382% | 0.00% | 7.55% | 39.54% | 0.00% | 6.03% | 37.00% | 0.00% | 9.02% | 39.86% |
| Aug 2036 | 1.1344% | 0.00% | 7.55% | 40.26% | 0.00% | 6.02% | 37.49% | 0.00% | 9.00% | 40.69% |
| Sep 2036 | 1.1306% | 0.00% | 7.54% | 40.26% | 0.00% | 6.09% | 37.47% | 0.00% | 9.06% | 40.68% |
| Oct 2036 | 1.1266% | 0.00% | 7.57% | 40.25% | 0.00% | 6.09% | 37.46% | 0.00% | 9.06% | 40.68% |
| Nov 2036 | 1.1228% | 0.00% | 7.57% | 40.24% | 0.00% | 6.09% | 37.44% | 0.00% | 9.06% | 40.66% |
| Dec 2036 | 1.1188% | 0.00% | 7.57% | 40.25% | 0.00% | 6.19% | 37.43% | 0.00% | 9.29% | 40.66% |
| Jan 2037 | 1.1148% | 0.00% | 7.61% | 40.23% | 0.00% | 6.20% | 37.40% | 0.00% | 9.28% | 40.64% |
| Feb 2037 | 1.1112% | 0.00% | 7.61% | 40.22% | 0.00% | 6.19% | 37.38% | 0.00% | 9.27% | 40.63% |
| Mar 2037 | 1.1073% | 0.00% | 7.60% | 40.09% | 0.00% | 6.63% | 37.28% | 0.00% | 9.55% | 40.46% |
| Apr 2037 | 1.1034% | 0.00% | 7.83% | 40.26% | 0.00% | 6.62% | 37.37% | 0.00% | 9.54% | 40.66% |
| May 2037 | 1.0994% | 0.00% | 7.82% | 40.26% | 0.00% | 6.61% | 37.36% | 0.00% | 9.55% | 40.65% |
| Jun 2037 | 1.1040% | 0.00% | 7.82% | 40.16% | 0.00% | 6.64% | 37.28% | 0.00% | 9.85% | 40.55% |
| Jul 2037 | 1.1000% | 0.00% | 7.85% | 39.85% | 0.00% | 6.60% | 37.06% | 0.00% | 9.83% | 40.18% |
| Aug 2037 | 1.0962% | 0.00% | 7.82% | 40.26% | 0.00% | 6.59% | 37.31% | 0.00% | 9.83% | 40.64% |
| Sep 2037 | 1.0922% | 0.00% | 7.81% | 40.26% | 0.00% | 6.73% | 37.29% | 0.00% | 10.47% | 40.64% |
| Oct 2037 | 1.0881% | 0.00% | 7.91% | 40.14% | 0.00% | 6.73% | 37.20% | 0.00% | 10.47% | 40.49% |
| Nov 2037 | 1.0845% | 0.00% | 7.91% | 39.98% | 0.00% | 6.73% | 37.10% | 0.00% | 10.47% | 40.30% |
| Dec 2037 | 1.0804% | 0.00% | 7.91% | 40.05% | 0.00% | 6.88% | 37.13% | 0.00% | 10.56% | 40.39% |
| Jan 2038 | 1.0764% | 0.00% | 8.07% | 40.10% | 0.00% | 6.87% | 37.15% | 0.00% | 10.55% | 40.44% |
| Feb 2038 | 1.0729% | 0.00% | 8.07% | 40.12% | 0.00% | 6.87% | 37.16% | 0.00% | 10.55% | 40.47% |
| Mar 2038 | 1.0689% | 0.00% | 8.06% | 39.94% | 0.00% | 6.93% | 37.04% | 0.00% | 10.68% | 40.24% |
| Apr 2038 | 1.0651% | 0.00% | 8.19% | 40.26% | 0.00% | 6.92% | 37.24% | 0.00% | 10.67% | 40.61% |
| May 2038 | 1.0614% | 0.00% | 8.19% | 40.22% | 0.00% | 6.92% | 37.20% | 0.00% | 10.67% | 40.56% |
| Jun 2038 | 1.0661% | 0.00% | 8.18% | 40.26% | 0.00% | 7.45% | 37.21% | 0.00% | 10.75% | 40.60% |
| Jul 2038 | 1.0622% | 0.00% | 8.39% | 39.94% | 0.00% | 7.45% | 36.99% | 0.00% | 10.75% | 40.23% |
| Aug 2038 | 1.0584% | 0.00% | 8.39% | 40.26% | 0.00% | 7.45% | 37.17% | 0.00% | 10.74% | 40.60% |
| Sep 2038 | 1.0548% | 0.00% | 8.39% | 40.26% | 0.00% | 7.51% | 37.16% | 0.00% | 10.85% | 40.59% |
| Oct 2038 | 1.0510% | 0.00% | 8.60% | 40.26% | 0.00% | 7.51% | 37.15% | 0.00% | 10.85% | 40.59% |
| Nov 2038 | 1.0473% | 0.00% | 8.60% | 40.24% | 0.00% | 7.51% | 37.12% | 0.00% | 10.85% | 40.57% |
| Dec 2038 | 1.0436% | 0.00% | 8.60% | 40.26% | 0.00% | 7.63% | 37.12% | 0.00% | 11.76% | 40.58% |

| Month | SONIA | Scenario 1 | | | Scenario 2 | | | Scenario 3 | | |
|----------|---------|------------|---------------|--------|------------|---------------|--------|------------|---------------|--------|
| | | CDR | Loss severity | CPR | CDR | Loss severity | CPR | CDR | Loss severity | CPR |
| Jan 2039 | 1.0401% | 0.00% | 8.68% | 40.25% | 0.00% | 7.63% | 37.10% | 0.00% | 11.76% | 40.57% |
| Feb 2039 | 1.0368% | 0.00% | 8.68% | 40.22% | 0.00% | 7.63% | 37.07% | 0.00% | 11.76% | 40.54% |
| Mar 2039 | 1.0330% | 0.00% | 8.68% | 40.26% | 0.00% | 7.89% | 37.08% | 0.00% | 12.22% | 40.57% |
| Apr 2039 | 1.0294% | 0.00% | 8.86% | 40.25% | 0.00% | 7.89% | 37.07% | 0.00% | 12.22% | 40.57% |
| May 2039 | 1.0260% | 0.00% | 8.86% | 40.08% | 0.00% | 7.89% | 36.95% | 0.00% | 12.22% | 40.36% |
| Jun 2039 | 1.0314% | 0.00% | 8.86% | 40.23% | 0.00% | 7.96% | 37.02% | 0.00% | 12.52% | 40.53% |
| Jul 2039 | 1.0279% | 0.00% | 8.88% | 40.00% | 0.00% | 7.96% | 36.86% | 0.00% | 12.52% | 40.27% |
| Aug 2039 | 1.0245% | 0.00% | 8.87% | 40.26% | 0.00% | 7.96% | 37.00% | 0.00% | 12.50% | 40.56% |
| Sep 2039 | 1.0212% | 0.00% | 8.87% | 40.26% | 0.00% | 8.19% | 36.99% | 0.00% | 12.91% | 40.56% |
| Oct 2039 | 1.0180% | 0.00% | 8.97% | 40.25% | 0.00% | 8.18% | 36.97% | 0.00% | 12.90% | 40.55% |
| Nov 2039 | 1.0147% | 0.00% | 8.96% | 40.24% | 0.00% | 8.19% | 36.95% | 0.00% | 12.93% | 40.53% |
| Dec 2039 | 1.0114% | 0.00% | 8.96% | 40.25% | 0.00% | 8.25% | 36.95% | 0.00% | 12.98% | 40.54% |
| Jan 2040 | 1.0083% | 0.00% | 9.01% | 40.24% | 0.00% | 8.25% | 36.92% | 0.00% | 12.97% | 40.52% |
| Feb 2040 | 1.0054% | 0.00% | 9.00% | 40.24% | 0.00% | 8.25% | 36.91% | 0.00% | 12.99% | 40.52% |
| Mar 2040 | 1.0023% | 0.00% | 9.01% | 40.16% | 0.00% | 8.40% | 36.85% | 0.00% | 14.53% | 40.42% |
| Apr 2040 | 0.9995% | 0.00% | 9.19% | 40.23% | 0.00% | 8.38% | 36.88% | 0.00% | 14.53% | 40.51% |
| May 2040 | 0.9965% | 0.00% | 9.18% | 40.26% | 0.00% | 8.39% | 36.88% | 0.00% | 14.54% | 40.53% |
| Jun 2040 | 1.0025% | 0.00% | 9.17% | 40.02% | 0.00% | 8.44% | 36.72% | 0.00% | 14.65% | 40.26% |
| Jul 2040 | 0.9997% | 0.00% | 9.46% | 39.54% | 0.00% | 8.45% | 36.42% | 0.00% | 14.65% | 39.69% |
| Aug 2040 | 0.9970% | 0.00% | 9.46% | 40.26% | 0.00% | 8.45% | 36.81% | 0.00% | 14.64% | 40.53% |
| Sep 2040 | 0.9944% | 0.00% | 9.47% | 40.26% | 0.00% | 8.62% | 36.80% | 0.00% | 14.72% | 40.52% |
| Oct 2040 | 0.9917% | 0.00% | 9.83% | 40.26% | 0.00% | 8.65% | 36.78% | 0.00% | 14.70% | 40.52% |
| Nov 2040 | 0.9892% | 0.00% | 9.85% | 40.24% | 0.00% | 8.66% | 36.76% | 0.00% | 14.71% | 40.50% |
| Dec 2040 | 0.9869% | 0.00% | 9.88% | 40.25% | 0.00% | 8.73% | 36.77% | 0.00% | 15.45% | 40.51% |
| Jan 2041 | 0.9843% | 0.00% | 10.58% | 40.20% | 0.00% | 8.73% | 36.73% | 0.00% | 15.44% | 40.45% |
| Feb 2041 | 0.9822% | 0.00% | 10.58% | 40.24% | 0.00% | 8.72% | 36.74% | 0.00% | 15.43% | 40.50% |
| Mar 2041 | 0.9800% | 0.00% | 10.57% | 40.20% | 0.00% | 8.89% | 36.70% | 0.00% | 15.79% | 40.45% |
| Apr 2041 | 0.9778% | 0.00% | 11.06% | 40.26% | 0.00% | 8.89% | 36.72% | 0.00% | 15.79% | 40.50% |
| May 2041 | 0.9757% | 0.00% | 11.06% | 39.17% | 0.00% | 8.88% | 36.08% | 0.00% | 15.79% | 39.21% |
| Jun 2041 | 0.9827% | 0.00% | 11.05% | 38.98% | 0.00% | 8.92% | 35.93% | 0.00% | 16.00% | 38.99% |
| Jul 2041 | 0.9806% | 0.00% | 11.09% | 36.68% | 0.00% | 8.91% | 34.58% | 0.00% | 16.01% | 36.33% |
| Aug 2041 | 0.9784% | 0.00% | 11.09% | 40.26% | 0.00% | 8.91% | 36.49% | 0.00% | 16.01% | 40.50% |
| Sep 2041 | 0.9765% | 0.00% | 11.09% | 40.26% | 0.00% | 9.00% | 36.48% | 0.00% | 16.26% | 40.49% |
| Oct 2041 | 0.9743% | 0.00% | 11.22% | 40.26% | 0.00% | 9.00% | 36.47% | 0.00% | 16.26% | 40.49% |
| Nov 2041 | 0.9721% | 0.00% | 11.21% | 40.16% | 0.00% | 8.99% | 36.41% | 0.00% | 16.25% | 40.37% |
| Dec 2041 | 0.9700% | 0.00% | 11.21% | 40.26% | 0.00% | 9.43% | 36.44% | 0.00% | 16.35% | 40.49% |
| Jan 2042 | 0.9679% | 0.00% | 11.25% | 40.24% | 0.00% | 9.43% | 36.42% | 0.00% | 16.35% | 40.47% |
| Feb 2042 | 0.9659% | 0.00% | 11.25% | 40.25% | 0.00% | 9.43% | 36.42% | 0.00% | 16.32% | 40.48% |
| Mar 2042 | 0.9638% | 0.00% | 11.25% | 40.23% | 0.00% | 9.70% | 36.39% | 0.00% | 16.83% | 40.45% |
| Apr 2042 | 0.9616% | 0.00% | 12.13% | 40.26% | 0.00% | 9.67% | 36.39% | 0.00% | 16.77% | 40.48% |
| May 2042 | 0.9593% | 0.00% | 12.08% | 39.77% | 0.00% | 9.71% | 36.12% | 0.00% | 16.79% | 39.90% |
| Jun 2042 | 0.9663% | 0.00% | 12.04% | 40.26% | 0.00% | 9.93% | 36.35% | 0.00% | 16.80% | 40.47% |
| Jul 2042 | 0.9640% | 0.00% | 12.12% | 39.45% | 0.00% | 9.98% | 35.92% | 0.00% | 16.72% | 39.52% |
| Aug 2042 | 0.9617% | 0.00% | 11.99% | 40.26% | 0.00% | 9.98% | 36.30% | 0.00% | 16.71% | 40.47% |
| Sep 2042 | 0.9595% | 0.00% | 11.90% | 40.26% | 0.00% | 10.35% | 36.29% | 0.00% | 16.79% | 40.47% |
| Oct 2042 | 0.9572% | 0.00% | 12.12% | 40.18% | 0.00% | 10.36% | 36.25% | 0.00% | 16.81% | 40.37% |
| Nov 2042 | 0.9550% | 0.00% | 12.14% | 39.70% | 0.00% | 10.37% | 36.02% | 0.00% | 16.83% | 39.80% |
| Dec 2042 | 0.9527% | 0.00% | 12.16% | 39.77% | 0.00% | 10.54% | 36.05% | 0.00% | 17.83% | 39.88% |
| Jan 2043 | 0.9504% | 0.00% | 12.30% | 39.87% | 0.00% | 10.54% | 36.12% | 0.00% | 17.83% | 40.01% |
| Feb 2043 | 0.9483% | 0.00% | 12.30% | 39.74% | 0.00% | 10.54% | 36.07% | 0.00% | 17.83% | 39.85% |
| Mar 2043 | 0.9460% | 0.00% | 12.30% | 39.92% | 0.00% | 10.58% | 36.15% | 0.00% | 17.88% | 40.06% |
| Apr 2043 | 0.9437% | 0.00% | 12.67% | 40.26% | 0.00% | 10.58% | 36.30% | 0.00% | 17.88% | 40.45% |
| May 2043 | 0.9414% | 0.00% | 12.67% | 40.24% | 0.00% | 10.58% | 36.28% | 0.00% | 17.89% | 40.43% |
| Jun 2043 | 0.9480% | 0.00% | 12.65% | 40.15% | 0.00% | 10.65% | 36.22% | 0.00% | 18.08% | 40.33% |
| Jul 2043 | 0.9456% | 0.00% | 14.46% | 39.99% | 0.00% | 10.65% | 36.13% | 0.00% | 18.08% | 40.13% |
| Aug 2043 | 0.9433% | 0.00% | 14.46% | 40.26% | 0.00% | 10.65% | 36.25% | 0.00% | 18.08% | 40.44% |
| Sep 2043 | 0.9409% | 0.00% | 14.46% | 40.26% | 0.00% | 10.97% | 36.25% | 0.00% | 18.12% | 40.44% |
| Oct 2043 | 0.9384% | 0.00% | 14.54% | 40.26% | 0.00% | 10.98% | 36.23% | 0.00% | 18.10% | 40.44% |

| Month | SONIA | Scenario 1 | | | Scenario 2 | | | Scenario 3 | | |
|----------------|---------|------------|---------------|--------|------------|---------------|--------|------------|---------------|--------|
| | | CDR | Loss severity | CPR | CDR | Loss severity | CPR | CDR | Loss severity | CPR |
| Nov 2043 | 0.9363% | 0.00% | 14.51% | 40.26% | 0.00% | 10.97% | 36.22% | 0.00% | 18.07% | 40.44% |
| Dec 2043 | 0.9337% | 0.00% | 14.48% | 40.26% | 0.00% | 12.06% | 36.21% | 0.00% | 19.01% | 40.44% |
| Jan 2044 | 0.9313% | 0.00% | 14.56% | 40.23% | 0.00% | 12.06% | 36.19% | 0.00% | 19.01% | 40.40% |
| Feb 2044 | 0.9291% | 0.00% | 14.56% | 40.24% | 0.00% | 12.04% | 36.18% | 0.00% | 18.98% | 40.41% |
| Mar 2044 | 0.9265% | 0.00% | 14.53% | 40.25% | 0.00% | 12.14% | 36.18% | 0.00% | 19.34% | 40.43% |
| Apr 2044 | 0.9241% | 0.00% | 15.33% | 40.25% | 0.00% | 12.12% | 36.17% | 0.00% | 19.33% | 40.42% |
| May 2044 | 0.9217% | 0.00% | 15.32% | 39.63% | 0.00% | 12.11% | 35.86% | 0.00% | 19.34% | 39.69% |
| Jun 2044 | 0.9282% | 0.00% | 15.33% | 40.25% | 0.00% | 12.41% | 36.13% | 0.00% | 20.10% | 40.42% |
| Jul 2044 | 0.9258% | 0.00% | 15.45% | 39.71% | 0.00% | 12.41% | 35.86% | 0.00% | 20.11% | 39.77% |
| Aug 2044 | 0.9232% | 0.00% | 15.45% | 40.26% | 0.00% | 12.41% | 36.09% | 0.00% | 20.11% | 40.42% |
| Sep 2044 | 0.9208% | 0.00% | 15.45% | 40.26% | 0.00% | 12.52% | 36.08% | 0.00% | 20.15% | 40.42% |
| Oct 2044 | 0.9184% | 0.00% | 15.88% | 40.22% | 0.00% | 12.52% | 36.05% | 0.00% | 20.16% | 40.38% |
| Nov 2044 | 0.9158% | 0.00% | 15.86% | 40.11% | 0.00% | 12.50% | 35.99% | 0.00% | 20.12% | 40.25% |
| Dec 2044 | 0.9132% | 0.00% | 15.84% | 39.93% | 0.00% | 14.35% | 35.89% | 0.00% | 20.20% | 40.02% |
| Jan 2045 | 0.9107% | 0.00% | 16.34% | 40.18% | 0.00% | 14.35% | 35.98% | 0.00% | 20.20% | 40.32% |
| Feb 2045 | 0.9084% | 0.00% | 16.34% | 40.26% | 0.00% | 14.37% | 36.01% | 0.00% | 20.23% | 40.41% |
| Mar 2045 | 0.9059% | 0.00% | 16.37% | 40.26% | 0.00% | 14.66% | 36.00% | 0.00% | 20.79% | 40.41% |
| Apr 2045 | 0.9034% | 0.00% | 17.17% | 40.12% | 0.00% | 14.54% | 35.92% | 0.00% | 20.81% | 40.25% |
| May 2045 | 0.9008% | 0.00% | 17.10% | 40.18% | 0.00% | 14.59% | 35.94% | 0.00% | 20.91% | 40.32% |
| Jun 2045 | 0.9072% | 0.00% | 17.14% | 40.23% | 0.00% | 15.22% | 35.94% | 0.00% | 21.09% | 40.37% |

USE OF PROCEEDS

The net proceeds of the issue of the Notes are expected to amount to approximately £316,500,000. The net proceeds of the Notes will be used to:

- (a) fund the purchase by the Issuer from the Seller of the Completion Mortgage Pool on the Issue Date at an amount equal to the Initial Cash Purchase Price;
- (b) fund the Start-Up Costs Ledger;
- (c) fund the General Reserve Fund up to the General Reserve Fund Required Amount on the Issue Date;
- (d) fund the Pre-Funding Principal Reserve;
- (e) fund the Pre-Funding Class X Reserve; and
- (f) pay the remainder of the proceeds of the Notes to the Seller as Excess Consideration.

THE ISSUER

Introduction

Tower Bridge Funding 2021-2 PLC (the “**Issuer**”) was incorporated and registered under the laws of England and Wales under the Companies Act 2006 with limited liability as a public limited company on 7 May 2021 with registered number 13381504. The issued share capital of the Issuer comprises 50,000 ordinary shares of £1.00 each (one of which is fully paid and 49,999 of which are one quarter paid up), held by Tower Bridge Funding 2021-2 Holdings Limited (“**Holdings**”). The entire issued share capital of Holdings is held on trust by CSC Corporate Services (UK) Limited under the terms of a share trust deed. The Issuer has no subsidiaries.

Directors

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

| Name | Business Address | Principal Activities / Position |
|------------------------------|---|---------------------------------|
| Aline Sternberg | 10th Floor, 5 Churchill Place, London E14 5HU | Director |
| CSC Directors (No.1) Limited | 10th Floor, 5 Churchill Place, London E14 5HU | Corporate Director |
| CSC Directors (No.2) Limited | 10th Floor, 5 Churchill Place, London E14 5HU | Corporate Director |

The directors of CSC Directors (No.1) Limited and CSC Directors (No.2) Limited and their respective occupations are:

| Name | Business Address | Business Occupation |
|-------------------------|--|---------------------------------|
| J-P Nowacki | 10th Floor, 5 Churchill Place, London E14 5HU | Managing Director |
| Jonathan Hanly | 3rd Floor Fleming Court, Fleming’s Place, Dublin 4, Ireland | Managing Director |
| Constantinos Kleanthous | 10th Floor, 5 Churchill Place, London E14 5HU | Director |
| Vinoy Nursiah | 10th Floor, 5 Churchill Place, London E14 5HU | Director |
| Debra Parsall | 10th Floor, 5 Churchill Place, London E14 5HU | Director |
| Aline Sternberg | 10th Floor, 5 Churchill Place, London E14 5HU | Head of Transaction Services |
| Catherine McGrath | 10th Floor, 5 Churchill Place, London E14 5HU | Associate Director |
| Lara Nasato | 10th Floor, 5 Churchill Place, London E14 5HU | Transaction Manager |
| Charmaine De Castro | 10th Floor, 5 Churchill Place, London E14 5HU | Transaction Manager |

The accounting reference date of the Issuer is 31 December.

The company secretary of the Issuer is CSC Corporate Services (UK) Limited (registered number 10831084). The registered office of the Issuer is at 10th Floor, 5 Churchill Place, London E14 5HU.

The telephone number of the Issuer is +44(0) 20 3855 0285.

Activities

The Issuer has been established as a special purpose vehicle to acquire portfolios of residential mortgage loans and issue asset-backed securities. Its activities will be restricted by the terms and conditions of the Transaction Documents and will be limited to the issue of the Notes and the Certificates, the ownership of the Loans and their Mortgage Rights and other assets referred to herein, the exercise of related rights and powers, and other activities referred to herein or reasonably incidental thereto. These activities will include (a) the collection of all payments of principal and interest due from Borrowers on Loans; (b) the operation of arrears procedures; and (c) the enforcement of Loans and their Mortgage Rights against Borrowers in default. Substantially all of the above activities will be carried on by the Mortgage Administrator on an agency basis under the Mortgage Administration Agreement. In respect of certain specified items, such as the discretionary, as opposed to the procedural, aspects of the enforcement of Loans and their Mortgage Rights against Borrowers in default and other discretionary matters, the Issuer has delegated certain decision-making powers to the Mortgage Administrator pursuant to the Mortgage Administration Agreement. Additionally, the Cash Administrator (as set out in the Cash Administration Agreement), will provide cash management and bond reporting services to the Issuer pursuant to the Cash Administration Agreement, as the case may be. The Issuer may terminate the agency (and, simultaneously, the rights) of the Mortgage Administrator or the Cash Administrator upon the occurrence of certain events of default

or insolvency or similar events in relation to the Mortgage Administrator or the Cash Administrator or, in certain circumstances, following an Event of Default in relation to the Notes or Certificates. Following such an event as aforesaid, the Issuer (with the consent of the Security Trustee) or the Security Trustee may, subject to certain conditions, appoint substitute administrators. If a Mortgage Administrator Termination Event occurs the Issuer (prior to the service of an Enforcement Notice and with the consent of the Security Trustee) or the Security Trustee (after the service of an Enforcement Notice) shall (as soon as practicable after such event has come to its attention) give notice in writing to the Mortgage Administrator (with a copy to the Back-up Mortgage Administrator Facilitator) of such occurrence and terminate the appointment of the Mortgage Administrator. If, following the occurrence of a Mortgage Administrator Termination Event, the Issuer (prior to the service of an Enforcement Notice and with the consent of the Security Trustee) or the Security Trustee (following delivery of an Enforcement Notice), so requests in writing, the Mortgage Administrator shall (if it is able to do so) continue to provide the Services under the Mortgage Administration Agreement until a replacement Mortgage Administrator is appointed and such replacement Mortgage Administrator has assumed performance of all the Services.

The principal objects of the Issuer are unrestricted in its Memorandum and Articles of Association.

Since its incorporation, the Issuer has not produced any accounts and has not engaged in any material activities other than those incidental to its registration as a public company, the authorisation of the issue of the Notes and Certificates, the matters contemplated in this Prospectus, the authorisation of the Transaction Documents referred to in this Prospectus in connection with the issue of the Notes, the Certificates and other matters which are incidental or ancillary to those activities. The Issuer has no employees.

Issuer profit

Subject to the availability of funds for such purpose, £1,500 shall be retained by the Issuer on each Interest Payment Date in accordance with the Pre-Enforcement Revenue Priority of Payments and, after the service of an Enforcement Notice, the Post-Enforcement Priority of Payments and will be recognised in the accounts of the Issuer as profit for the relevant accounting year. Any such amount so applied shall be credited to the Issuer Profit Ledger and applied in satisfaction of the Issuer's obligations in respect of United Kingdom corporation tax and in payment of dividends.

Auditors

The independent auditor of the Issuer is Deloitte LLP whose office is located at 2 New Street Square, London EC4A 3BZ.

HOLDINGS

Tower Bridge Funding 2021-2 Holdings Limited (“**Holdings**”) was incorporated in England and Wales on 7 May 2021 (registered number 13381541) as a private limited company under the Companies Act 2006 (as amended). The registered office of Holdings is 10th Floor, 5 Churchill Place, London E14 5HU. The telephone number of Holdings’ registered office is +44(0) 20 3855 0285.

The issued share capital of Holdings comprises one ordinary share of £1 (which is fully paid up).

The entire beneficial interest in the share of Holdings is beneficially owned by CSC Corporate Services (UK) Limited (the “**Share Trustee**”) on a discretionary trust.

Holdings holds the entire beneficial interest in the issued share capital of the Issuer.

BGFL does not own directly or indirectly any of the share capital of Holdings and neither BGFL nor any company connected with BGFL 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 those 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.

Directors

The directors of Holdings and their respective business addresses and occupations are:

| <u>Name</u> | <u>Business Address</u> | <u>Business Occupation</u> |
|------------------------------|---|----------------------------|
| Aline Sternberg | 10th Floor, 5 Churchill Place, London E14 5HU | Director |
| CSC Directors (No.1) Limited | 10th Floor, 5 Churchill Place, London E14 5HU | Corporate Director |
| CSC Directors (No.2) Limited | 10th Floor, 5 Churchill Place, London E14 5HU | Corporate Director |

The directors of CSC Directors (No.1) Limited and CSC Directors (No.2) Limited and their respective occupations are:

| <u>Name</u> | <u>Business Address</u> | <u>Business Occupation</u> |
|-------------------------|--|---------------------------------|
| J-P Nowacki | 10th Floor, 5 Churchill Place, London E14 5HU | Managing Director |
| Jonathan Hanly | 3rd Floor Fleming Court, Fleming’s Place, Dublin 4, Ireland | Managing Director |
| Constantinos Kleanthous | 10th Floor, 5 Churchill Place, London E14 5HU | Director |
| Vinoy Nursiah | 10th Floor, 5 Churchill Place, London E14 5HU | Director |
| Debra Parsall | 10th Floor, 5 Churchill Place, London E14 5HU | Director |
| Aline Sternberg | 10th Floor, 5 Churchill Place, London E14 5HU | Head of Transaction Services |
| Catherine McGrath | 10th Floor, 5 Churchill Place, London E14 5HU | Associate Director |
| Lara Nasato | 10th Floor, 5 Churchill Place, London E14 5HU | Transaction Manager |
| Charmaine De Castro | 10th Floor, 5 Churchill Place, London E14 5HU | Transaction Manager |

The company secretary of Holdings is CSC Corporate Services (UK) Limited whose registered office is at 10th Floor, 5 Churchill Place, London E14 5HU.

The accounting reference date of Holdings is 31 December.

THE SELLER AND THE MORTGAGE ADMINISTRATOR

Belmont Green Finance Limited

Belmont Green Finance Limited (“**BGFL**”) is a company incorporated under the laws of England and Wales (registration number 09837692) on 22 October 2015, having its registered office at 1 Bridge Street, Staines-upon-Thames, Surrey TW18 4TW, United Kingdom.

BGFL is a wholly owned subsidiary of Belmont Green Midco Limited, which is a wholly owned subsidiary of Belmont Green Limited, the majority (99.4 per cent.) of whose share capital is owned by Pine Brook PD (Cayman) Intermediate, LP. BGFL is a company whose purpose is advancing or acquiring residential mortgage loans to borrowers in England, Wales and Scotland.

BGFL is currently the authorised mortgage lender of loans within the BGFL group, on the basis that it is an “authorised person” approved by the FCA to carry out certain regulated activities.

BGFL has delegated certain of its responsibilities and obligations as Mortgage Administrator to Homeloan Management Limited pursuant to a delegation agreement between BGFL and Homeloan Management Limited.

BGFL holds the relevant authorisations under FSMA and Data Protection Legislation and any other authorisation or approval necessary to act as lender in its capacity as lender/creditor/mortgage administrator under regulated mortgage contracts.

THE NOTE TRUSTEE AND THE 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 USD 4 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

THE SWAP COUNTERPARTY

Banco Santander, S.A. is the parent bank of Grupo Santander (“**Santander**”). It was established on 21 March 1857 and incorporated in its present form by a public deed executed in the city of Santander, Spain, on 14 January 1875.

Banco Santander, S.A. and its consolidated subsidiaries are a financial group operating through a network of offices and subsidiaries across Spain, the United Kingdom and other European countries, Brazil and other Latin American countries and the US, offering a wide range of financial products. In Latin America, Santander has majority shareholdings in banks in Argentina, Brazil, Chile, Colombia, Mexico, Peru and Uruguay.

At 31 December 2020, Santander had a market capitalization of €44.0 billion, stockholders’ equity of €81.5 billion and total assets of €1,508.2 billion. Santander had €1,056.1 billion total customer funds at that date.

As of 31 December 2020, Santander had 83,976 employees and 4,846 branch offices in Europe (of which 26,961 employees and 2,939 branches in Spain and 22,931 employees and 564 branches in the United Kingdom), 38,371 employees and 1,958 branches in North America, 65,252 employees and 4,431 branches in South America (of which 43,258 employees and 3,571 branches in Brazil), 1,898 employees and one branch in Santander Global Platform and 1,692 employees in Corporate Activities.

As of the date of this Prospectus, Banco Santander, S.A. has a long- term credit rating of “A-” by Fitch, “A” by Standard & Poor’s, “A2” by Moody’s and “A (high)” by DBRS.

THE AGENT BANK, THE PRINCIPAL PAYING AGENT AND THE REGISTRAR

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 FCA and Prudential Regulation Authority.

The short-term unsecured issuer obligations of Elavon Financial Services DAC are currently rated “A-1+” by S&P and “P-1” by Moody’s, and its short-term issuer default rating by Fitch is “F1+”; the long-term unsecured unsubordinated issuer obligations of Elavon Financial Services DAC are currently rated “AA-” (stable) by S&P and “A1” (negative) by Moody’s, and its long-term issuer default rating by Fitch is “AA-” (negative). The short-term deposits obligations of Elavon Financial Services DAC are currently rated “P-1” by Moody’s and “F1+” by Fitch; long-term deposits obligations of Elavon Financial Services DAC are currently rated “Aa2” (negative) by Moody’s and “AA-” (negative) by Fitch.

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 USD 4 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.

THE ACCOUNT BANK AND THE SWAP COLLATERAL ACCOUNT BANK

Citibank, N.A. is a national association formed through its Articles of Association; it obtained its charter, 1461, 17 July 1865, and is governed by the laws of the United States, having its principal office situated at 388 Greenwich Street, New York, NY10013, USA, and having in Great Britain a principal branch office situated at Canada Square, Canary Wharf, London E14 5LB with a foreign company number FC001835 and branch number BR001018.

The London Branch of Citibank, N.A. is authorised and regulated by the Office of the Comptroller of the Currency (USA) and authorised by the PRA. It is subject to regulation by the FCA and limited regulation by the PRA.

The short-term unsecured obligations of Citibank, N.A. are currently rated R-1(middle) by DBRS, A-1 by S&P and P-1 by Moody's, and its short-term issuer default rating by Fitch is F1, and the long-term unsecured unsubordinated obligations of Citibank, N.A., London Branch are currently rated AA(low) by DBRS, A+ (stable) by S&P and Aa3 (stable) by Moody's, and its long-term issuer default rating by Fitch is A+ (negative).

THE CASH ADMINISTRATOR

U.S. Bank Global Corporate Trust Limited is a limited liability company incorporated under the laws of England and Wales with its office at 125 Old Broad Street, Fifth Floor, London EC2N 1AR, United Kingdom.

U.S. Bank Global Corporate Trust 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. (the legal entity through which Corporate Trust banking and certain 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 USD 4 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.

THE COLLECTION ACCOUNT PROVIDER

Barclays Bank PLC (“**Barclays Bank**” and, together with its subsidiary undertakings, the “**Barclays Bank Group**”) is a public limited company registered in England and Wales under number 1026167. The liability of the members of Barclays Bank is limited. It has its registered and head office at 1 Churchill Place, London, E14 5HP, United Kingdom (telephone number +44 (0)20 7116 1000). Barclays Bank was incorporated on 7 August 1925 under the Colonial Bank Act 1925 and on 4 October 1971 was registered as a company limited by shares under the Companies Acts 1948 to 1967. Pursuant to The Barclays Bank Act 1984, on 1 January 1985, Barclays Bank was re-registered as a public limited company and its name was changed from ‘Barclays Bank International Limited’ to ‘Barclays Bank PLC’. The whole of the issued ordinary share capital of Barclays Bank is beneficially owned by Barclays PLC. Barclays PLC (together with its subsidiary undertakings, the “**Barclays Group**” or “**Barclays**”) is the ultimate holding company of the Barclays Group. Barclays Bank’s principal activity is to offer products and services designed for larger corporate, wholesale and international banking clients.

Barclays is a British universal bank with a diversified and connected portfolio of businesses, serving retail and wholesale customers and clients globally. The Barclays Group’s businesses include consumer banking and payment operations around the world, as well as a top-tier, full service, global consumer and investment bank. The Barclays Group operates as two divisions – the Barclays UK division (“**Barclays UK**”) and the Barclays International division (“**Barclays International**”). These are housed in two banking subsidiaries – Barclays UK sits within Barclays Bank UK PLC and Barclays International sits within Barclays Bank – which are supported by Barclays Execution Services Limited. Barclays Execution Services Limited is the Barclays Group-wide service company providing technology, operations and functional services to businesses across the Barclays Group.

The short-term unsecured obligations of Barclays Bank are rated “A-1” by S&P Global Ratings Europe Limited, “P-1” by Moody’s Investors Service Ltd., “F1” by Fitch Ratings Limited and “R-1L” by DBRS Morningstar. The long-term unsecured unsubordinated obligations of the Bank are rated “A” by S&P Global Ratings Europe Limited, “A1” by Moody’s Investors Service Ltd., “A+” by Fitch Ratings Limited and “A” by DBRS Morningstar.

Based on the Barclays Bank Group’s audited financial information for the year ended 31 December 2020, the Barclays Bank Group had total assets of £1,059,731m (2019: £876,672m), loans and advances at amortised cost of £134,267m (2019: £141,636m), total deposits of £244,696m (2019: £213,881m), and total equity of £53,710m (2019: £50,615m). The profit before tax of the Barclays Bank Group for the year ended 31 December 2020 was £3,075m (2019: 3,112m) after credit impairment charges of £3,377m (2019: £1,202m). The financial information in this paragraph is extracted from the audited consolidated financial statements of the Barclays Bank Group for the year ended 31 December 2020.

THE CORPORATE SERVICES PROVIDER AND THE BACK-UP MORTGAGE ADMINISTRATOR FACILITATOR

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 and to provide back-up mortgage administrator facilitator services to the Issuer pursuant to the Mortgage Administration Agreement. CSC Capital Markets UK Limited has served and is currently serving as corporate services provider and back-up mortgage administrator facilitator for securitisation transactions.

CONSTITUTION OF THE MORTGAGE POOL

The Mortgage Pool

The Mortgage Pool will comprise Loans advanced to the Borrowers upon the security of residential property situated in England, Wales and Scotland, such Loans having been acquired by the Issuer pursuant to the Mortgage Sale Agreement, other than Loans which have been repaid in full or repurchased from the Issuer pursuant to the Mortgage Sale Agreement.

At the Issue Date, the Mortgage Pool will comprise the Completion Mortgage Pool, which comprises Loans selected from the Provisional Completion Mortgage Pool prior to the Issue Date (excluding loans which have been repaid in full in the period from (and including) the Provisional Pool Reference Date up to (but excluding) the date on which the Completion Mortgage Pool is confirmed, and such loans that do not comply with the Warranties given in respect of the Loans in the Mortgage Pool in the period from (and including) the Provisional Pool Reference Date up to (but excluding) the Issue Date). Additional Loans may be sold to the Issuer on any Business Day falling in the Pre-Funding Availability Period.

Please see the section below entitled “*Characteristics of the Provisional Completion Mortgage Pool*” for further details on the Provisional Completion Mortgage Pool.

Origination of the Mortgage Pool

The Mortgage Pool comprises of Loans originated, by BGFL, on or after 15 August 2017. BGFL originates mortgage loans primarily through mortgage intermediaries.

Repayment Terms

Repayment terms under each type of Loan differ according to the repayment type (see “*Table 13: Distribution of Loans by Repayment Method*” under “*Characteristics of the Provisional Completion Mortgage Pool*” below). The following repayment types are included in the Provisional Completion Mortgage Pool:

- (a) Repayment Loans;
- (b) Interest Only Loans; and
- (c) Part and Part Loans (being a combination of (a) and (b) above).

Each Loan is secured by a first ranking charge by way of a legal mortgage or standard security (as applicable).

Mortgage Early Redemption Amounts

Under the terms of each Loan, the Borrower may be obliged to pay an early repayment charge (the “**Mortgage Early Redemption Amount**”) if they make a full or partial repayment of principal within a specified early redemption period. The Seller permits a Borrower to pay up to 10% of the loan balance each year without having to pay an early redemption charge.

Interest Rate Type

Each Loan will be either:

- (a) a Fixed Rate Mortgage (which is subject to a fixed rate of interest for a specified period of time, usually for 2 or 5 years); or
- (b) a Bank Base Rate Mortgage (which is subject to a variable interest rate linked to the Bank of England base rate plus a margin for the life of the loan); or
- (c) a Discretionary Rate Mortgage (which is subject to the Seller’s Discretionary Rate (“**VVR**”) plus a margin for the life of the loan, which may be discounted for a period of time (together with the Bank Base Rate Mortgage, a “**Variable Rate Mortgage**”).

The Provisional Completion Mortgage Pool includes both loans which are subject to a variable rate for the full term of the Loan, and Loans in respect of which a fixed rate of interest applies for an initial period, before the interest rate adjusts to a variable rate.

Certain historic Buy-to-Let Loans would adjust to a Bank Base Rate Mortgage at the end of the Fixed Rate period, with other Buy-to-Let Loans and Owner Occupied Loans adjusting to a Discretionary Rate Mortgage at the end of the Fixed Rate period.

Interest Rate Setting

Under the terms and conditions set out in the Standard Documentation applicable to Bank Base Rate Mortgages, the interest rate will be set quarterly and generally vary in line with changes in the Bank of England base rate subject to the conditions of the LIBOR Replacement Rate.

Under the terms and conditions set out in the Standard Documentation applicable to Discretionary Rate mortgages, the Discretionary Rate is typically set by the Seller on a quarterly basis to reflect changes in market interest rates and the Seller's cost of funding. The Seller has committed that the Discretionary Rate will be at least Compounded Daily SONIA (as determined on the most recent Interest Determination Date) plus 1.50 per cent. (the "**VVR Floor**") except where such commitment would contravene the mortgage conditions. The Mortgage Administrator shall only be under an obligation to apply the VVR Floor if it would not be reasonably likely to result in a breach of the applicable Loan Conditions or to be contrary to Applicable Laws, and applying such VVR Floor may be undertaken in accordance with the standards of a Prudent Mortgage Lender.

Lending Criteria

Subject to limited exceptions, the following criteria are a summary consolidating certain of the lending criteria applied in relation to the Loans originated by BGFL between 15 August 2017 and the Provisional Pool Reference Date (the "**Lending Criteria**") which will form the Mortgage Pool at the Issue Date, and which, as amended from time to time in accordance with the practice of a Prudent Mortgage Lender, will also apply to the Additional Loans.

Security

- (a) Each Loan must be secured by a first ranking legal mortgage (or in Scotland, a first ranking standard security) (a "**Mortgage**") over a freehold, heritable, commonhold, outright ownership or leasehold residential property in England, Wales or Scotland (the "**Property**").
- (b) Loans will be granted on residential property offered as acceptable security in England, Wales and Scotland subject to acceptable valuation. Use of all properties will be for residential purposes as a private dwelling only.
- (c) Minimum property valuation for owner occupied properties is:
 - (i) £80,000 for ex public sector (e.g. local authority, housing association or Ministry of Defence) flats/maisonettes outside of Greater London;
 - (ii) £200,000 for ex public sector flats/maisonettes within Greater London; and
 - (iii) £70,000 for all other property types.
- (d) Minimum property valuation for buy-to-let properties is:
 - (i) £80,000 for ex public sector flats/maisonettes outside of Greater London;
 - (ii) £200,000 for ex public sector flats/maisonettes within Greater London;
 - (iii) £100,000 for Houses of Multiple Occupancy (HMOs);
 - (iv) £125,000 for Multi-Unit Blocks (MUBs); and
 - (v) £50,000 for all other property types.
- (e) In respect of Leasehold properties:
 - (i) for Repayment Loans, there must be at least 40 years lease remaining beyond the end date of the Loan; and
 - (ii) for Interest Only Loans, there must be at least 70 years lease remaining beyond the end of the Loan.
- (f) Ex public sector properties will be considered if:
 - (i) with respect to remortgages, there is no outstanding pre-emption requirement to repay a proportion of the discount; and
 - (ii) if a house, the property is of suitable security and standard construction, a "Wimpey No Fines" house ("SSHA" in Scotland) (provided it was constructed post-1945 and is not a bungalow), or a "Laing Easiform" house (provided it was constructed post-1945 and is not a bungalow).
- (g) Suitable building insurance should be in place upon completion.

- (h) Other than in relation to buy-to-let mortgages, full vacant possession is obtained at completion (other than with respect to remortgages) and it is not part-let or in part possession.
- (i) The following types of Property are usually acceptable:
 - (i) Flats situated above/adjacent to commercial premises (excluding Public Houses and Petrol Stations) up to a maximum of 75% LTV. Where the commercial premises is a restaurant, takeaway, launderette/dry cleaners, tattoo or piercing parlour, hairdresser or nail parlour the loan will be restricted to a maximum of 60% LTV.
 - (ii) Properties altered for multi-occupation but converted back to single occupation prior to completion, subject to re-inspection.
 - (iii) Properties that include a granny annexe *provided that* there are no tenancies or adverse comment from the valuer.
 - (iv) New build properties (i.e., properties that has never been occupied since completion of the build), *provided that*:
 - (A) the prospective Borrower has provided full details of builder and sales incentives (if applicable);
 - (B) Properties that have been built within the last ten years hold an acceptable guarantee/certificate; and
 - (C) the Property has a certificate of practical completion which states that it was built under the supervision of a person belonging to a professional body of architects, chartered surveyors or engineers and, at the time the certificate of practical completion is issued, such person must have professional indemnity insurance in force for each claim for the greater of either:
 - (1) the value of the property once completed; or
 - (2) £250,000 if employed directly by the customer or, in any other case, £500,000.
 - (v) Properties up to 3 acres in size provided (i) the Borrower does not intend to carry out a business from the Property; and (ii) there are no restrictions of the usage of the land including an agricultural occupancy condition being in place. If the property has over 3 acres, the security can be considered subject to full assessment.
 - (vi) Properties that have been underpinned in the last 10 years which must have a 10-year guarantee from the company warranting the works completed and this must be placed with the title deeds. The valuer must also state that there is no sign of new movement.
 - (vii) Properties which are high rise flats or maisonettes in buildings under 20 storeys.
- (j) Types of Property which are deemed unacceptable as security include house boats, mobile homes, commercial properties and any property on which a market valuation is not obtainable or on which buildings insurance cannot be arranged.

Loan Amount

For Owner Occupied Loans, the minimum loan amount is £25,000 and the maximum loan amount is £2,000,000.

For Buy-to-Let Loans, the minimum loan amount is £25,000 and the maximum loan amount is £1,500,000. The maximum aggregate exposure to each Borrower is £4,000,000.

Loan to Value

The LTV is calculated by dividing the Principal Balance at completion of the Loan (exclusive of any arrangement fee which may be added to the Loan) by the valuation of the Property at origination of the Loan or, in some cases, the lower of such valuation and the sale price.

The maximum LTV considered is generally capped at:

- (a) 75% for Interest Only Owner Occupied Loans; and
- (b) 85% for all other Loans.

Term

A loan term of between 5 and 40 years will be considered.

Borrowers

- (a) A minimum of one and a maximum of four Borrowers may be party to the Loan.
- (b) Borrowers must be at least 21 years of age at the time of application for Owner Occupied Loans.
- (c) Borrowers must be at least 21 years of age at the time of application for Buy-to-Let Loans, except for any second/additional Borrowers who are direct family members of another Borrower in the same application, where they must be at least 18 years of age.
- (d) The maximum age of any Borrower who is a natural person, or a Director of a SPV Company at the end of mortgage term must not exceed 85 years of age (in respect of mortgage applications submitted prior to 14 December 2018) and 70 years of age (in respect of mortgage applications submitted after 14 December 2018).
- (e) All Borrowers must provide address history covering the last 3 years (unless applying as an expatriate for a Buy-To-Let Loan where proof of residence from the Borrower's overseas address is required).
- (f) Borrowers must have been resident in the UK for at least two years with permanent right to reside, with the exception of Borrowers under the ex-pat Buy-to-Let mortgage product who must be British Citizens living abroad, hold a UK bank account and own a UK property.
- (g) The Borrower's credit history will be assessed with the aid of the following:
 - (i) 3 years address history provided by the Borrowers;
 - (ii) a full and comprehensive credit search supplied by a credit reference agency; and
 - (iii) confirmation of voters roll entries where appropriate.
- (h) Borrowers with CCJs or defaults may be allowed subject to credit assessment and certain other criteria.
- (i) Borrowers must not have missed a payment on a secured loan or mortgage for at least the past 6 months.
- (j) Borrowers must not have missed more than three payments with a maximum aggregate value of £500 on unsecured loans in the past 6 months.
- (k) Borrowers who have previously been declared bankrupt must have been discharged for at least 6 years.
- (l) Borrowers must not have had a property under a mortgage loan repossessed in the last 10 years.

Income and Affordability

Owner Occupied Loans

- (a) At least one Borrower must be either employed or self-employed with an annual income of at least £15,000.
- (b) Borrowers who are employed must be in a permanent position and not under any notice of termination or redundancy and must provide a minimum of 3 months employment history.
- (c) Owner occupied lending is assessed on current basic annual income, other income and future retirement income (where applicable):
 - (i) Basic annual income consists of gross basic pay, car allowance, large town allowance, London weighting/cost of living supplement, pension and flexible benefits. 100 per cent. of these items are used within the affordability calculation.
 - (ii) Other income includes overtime, bonus, commission payments, disability living allowance, maintenance payments and child benefit. As a general rule, no more than 75% per cent. of these items may be used in the affordability calculation.
 - (iii) Underwriters have discretion to accept other income.
- (d) Borrowers who are self-employed must have a minimum trading period of 12 months. Income should be verified by:
 - (i) SA302 Inland Revenue returns, and where available, accounts prepared by a qualified accountant or an accountant's reference; and
 - (ii) personal and business bank statements if accounts prepared by a qualified accountant or an accountant's reference are not available.

- (e) Self-employed Borrowers who are contractors must have been in the same line of work for a minimum period of a year and must currently be working under a contract with a minimum period of 6 months or a rolling contract at least 3 months long which has been renewed at least once.

Buy-to-Let Loans

Rental cover rate must be a minimum of:

- (a) 125 per cent. for Borrowers who are basic rate taxpayers or SPV Companies.
- (b) 130 per cent. for HMO/MUB Borrowers who are basic rate taxpayers.
- (c) 140 per cent. for Borrowers who are higher rate tax payers or additional rate taxpayers.

No top-ups from personal income are permitted for expatriate Borrowers, portfolio landlords and HMO/MUB Borrowers.

Porting

The Loans are not portable.

Product Switches

BGFL currently offers Borrowers the ability to switch to a new fixed rate product at the expiry of their current product term subject to, *inter alia*, the following eligibility requirements:

The Borrower must:

- (a) be up to date at the time of the application and not have been in arrears within the preceding three months; and
- (b) confirm they are up to date with any other secured loan, council tax, HMRC or utilities payments; and
- (c) if the security is a leasehold property, confirm they are up to date with service charge payments.

If the switch to the new product is approved, the Borrower must be up to date with their existing mortgage at the time of the new mortgage offer and remain so at the time of the switch.

BGFL does not permit switches in the following instances where the customer:

- (a) has personal insolvency proceedings (applies to both individual and limited company customers); and/or
- (b) is in breach of their mortgage terms and conditions; and/or
- (c) is subject to any possession order.

Changes to Lending Criteria, Administration and Servicing

Subject to obtaining any relevant consents, BGFL as Seller and Mortgage Administrator may vary the relevant Lending Criteria or the basis on which consents or approvals are given to Borrowers from time to time and BGFL may vary the service specification and collection policies and, in each case, in doing so they must act as a reasonably prudent mortgage lender acting in a manner consistent with that of an experienced lender, servicer or administrator of residential mortgage loans lending to borrowers in England, Wales and Scotland who include the recently self-employed, independent contractors, temporary employees and people who may have experienced previous credit problems being, in each case, people who generally do not satisfy the lending criteria of traditional sources of residential mortgage capital (a “**Prudent Mortgage Lender**”).

Title Insurance

In respect of Loans comprising the Mortgage Pool, either (a) solicitors will have carried out usual investigations, searches and other actions and enquiries which a Prudent Mortgage Lender or its solicitors or conveyancers normally make when lending to an individual on the security of residential property in England, Wales and Scotland and in each case received a certificate of title or report on title relating to such Property, or (b) with respect to a Loan which is the subject of a remortgage and the instructed solicitor is not carrying out full title searches, the Seller has in place a No Search Indemnity Insurance Policy (being one of the Insurance Contracts), which is in full force and effect, that all premium payable thereon have been paid and so far as the Seller is aware the policy is valid and enforceable.

Valuation

Investors should be aware that valuations of Properties are undertaken as at origination (as more fully described in “*Sale of the Mortgage Pool*”), and the valuations quoted are with respect to the original Loan origination. A revaluation of the property by the Seller may be carried out if a period of 6 months or more has elapsed between the original valuation and the completion of the relevant mortgage.

The value of the Properties in connection with each Loan has been determined at origination in accordance with the standards and practices of the RICS Valuation Standards (including those relating to competency and required documentation) by an individual valuer who is an employee or a contractor of a valuer firm engaged by BGFL and accredited to BGFL’s valuers’ panel, who is a fellow, member or associate member of the Royal Institution of Chartered Surveyors (“**RICS**”) and whose compensation is not affected by the approval or non-approval of the Loan.

Each RICS valuation report includes at least 3 comparable properties providing evidence for the valuation of each Property.

Maintenance of the e.surv valuers panel (including reviewing the appointment of valuer firms to the e.surv valuers panel) is the responsibility of the operations department with the credit risk department providing second line oversight. There is no involvement from sales or product staff in the ongoing maintenance or selection of the valuer firm from the e.surv valuers panel engaged to carry out the valuation of the Properties in connection with each Loan.

Payments

The Loans require monthly payments.

Overpayments

Borrowers may increase their regular monthly payments above the normal monthly payment then applicable or make lump sum payments at any time, although an early repayment charge may be payable.

STATIC POOL INFORMATION

The tables in the following pages set out, to the extent material, static pool information with respect to all loans originated by the Seller. The tables show, for originations in each year, the distribution of such loans originated in that year by delinquency category as at each year end.

In the following tables, delinquency categories correspond to the number of monthly contractual repayment amounts in arrears. Delinquency rates represent the closing balances of loans in a particular category as a percentage of aggregate closing balances.

Arrears by Year of Origination

Loans originated in 2017 as at each specified date

| Months in Arrears | 31 December 2017 | | | | 31 December 2018 | | | |
|-----------------------------|------------------|-------------|----------------|----------------|------------------|-------------|----------------|----------------|
| | Balance (£m) | Count | % of Balance | % of Count | Balance (£m) | Count | % of Balance | % of Count |
| Not in Arrears | 426.5 | 2186 | 99.31% | 99.36% | 406.6 | 2093 | 98.07% | 97.99% |
| < 1 | 0.8 | 4 | 0.18% | 0.18% | 3.6 | 18 | 0.86% | 0.84% |
| ≥ 1 < 2 | 2.1 | 9 | 0.49% | 0.41% | 2.6 | 16 | 0.63% | 0.75% |
| ≥ 2 < 3 | 0.1 | 1 | 0.03% | 0.05% | 1.2 | 6 | 0.29% | 0.28% |
| ≥ 3 < 6 | 0.0 | 0 | 0.00% | 0.00% | 0.6 | 3 | 0.14% | 0.14% |
| ≥ 6 < 9 | 0.0 | 0 | 0.00% | 0.00% | 0.0 | 0 | 0.00% | 0.00% |
| ≥ 9 < 12 | 0.0 | 0 | 0.00% | 0.00% | 0.0 | 0 | 0.00% | 0.00% |
| ≥ 12 | 0.0 | 0 | 0.00% | 0.00% | 0.0 | 0 | 0.00% | 0.00% |
| Total | 429.5 | 2200 | 100.00% | 100.00% | 414.6 | 2136 | 100.00% | 100.00% |
| Of which in possession | 0.0 | 0 | | | 0.0 | 0 | | |

| Months in Arrears | 31 December 2019 | | | | 31 December 2020 | | | |
|-----------------------------|------------------|-------------|----------------|----------------|------------------|-------------|----------------|----------------|
| | Balance (£m) | Count | % of Balance | % of Count | Balance (£m) | Count | % of Balance | % of Count |
| Not in Arrears | 285 | 1438 | 95.15% | 94.73% | 225.9 | 1115 | 92.87% | 92.76% |
| < 1 | 6.0 | 30 | 2.00% | 1.98% | 7.2 | 39 | 2.95% | 3.24% |
| ≥ 1 < 2 | 4.6 | 27 | 1.53% | 1.78% | 3.5 | 20 | 1.42% | 1.66% |
| ≥ 2 < 3 | 1.4 | 8 | 0.45% | 0.53% | 0.9 | 4 | 0.36% | 0.33% |
| ≥ 3 < 6 | 2.0 | 11 | 0.67% | 0.72% | 2.1 | 11 | 0.88% | 0.92% |
| ≥ 6 < 9 | 0.6 | 4 | 0.19% | 0.26% | 1.8 | 7 | 0.75% | 0.58% |
| ≥ 9 < 12 | 0.0 | 0 | 0.00% | 0.00% | 1.0 | 3 | 0.41% | 0.25% |
| ≥ 12 | 0.0 | 0 | 0.00% | 0.00% | 0.9 | 3 | 0.35% | 0.25% |
| Total | 299.5 | 1518 | 100.00% | 100.00% | 243.2 | 1202 | 100.00% | 100.00% |
| Of which in possession | 0.0 | 0 | | | 0.9 | 4 | | |

Loans originated in 2018 as at each specified date

| Months in Arrears | 31 December 2018 | | | | 31 December 2019 | | | |
|-----------------------------|------------------|-------------|----------------|----------------|------------------|-------------|----------------|----------------|
| | Balance (£m) | Count | % of Balance | % of Count | Balance (£m) | Count | % of Balance | % of Count |
| Not in Arrears | 767.0 | 3951 | 98.68% | 98.80% | 731.6 | 3777 | 97.27% | 97.40% |
| < 1 | 3.8 | 19 | 0.49% | 0.48% | 7.6 | 38 | 1.02% | 0.98% |
| ≥ 1 < 2 | 5.6 | 25 | 0.73% | 0.63% | 7.0 | 36 | 0.93% | 0.93% |
| ≥ 2 < 3 | 0.1 | 1 | 0.01% | 0.03% | 2.5 | 12 | 0.34% | 0.31% |
| ≥ 3 < 6 | 0.8 | 3 | 0.10% | 0.08% | 2.8 | 11 | 0.37% | 0.28% |
| ≥ 6 < 9 | 0.0 | 0 | 0.00% | 0.00% | 0.1 | 1 | 0.02% | 0.03% |
| ≥ 9 < 12 | 0.0 | 0 | 0.00% | 0.00% | 0.3 | 2 | 0.04% | 0.05% |
| ≥ 12 | 0.0 | 0 | 0.00% | 0.00% | 0.2 | 1 | 0.03% | 0.03% |
| Total | 777.3 | 3999 | 100.00% | 100.00% | 752.1 | 3878 | 100.00% | 100.00% |
| Of which in possession | 0.0 | 0 | | | 0.2 | 1 | | |

| Months in Arrears | 31 December 2020 | | | |
|-----------------------------|------------------|-------------|----------------|----------------|
| | Balance (£m) | Count | % of Balance | % of Count |
| Not in Arrears | 574.9 | 2860 | 94.90% | 95.17% |
| < 1 | 16.6 | 75 | 2.74% | 2.50% |
| ≥ 1 < 2 | 7.4 | 34 | 1.22% | 1.13% |
| ≥ 2 < 3 | 1.5 | 7 | 0.25% | 0.23% |
| ≥ 3 < 6 | 2.6 | 17 | 0.44% | 0.57% |
| ≥ 6 < 9 | 1.0 | 6 | 0.16% | 0.20% |
| ≥ 9 < 12 | 0.8 | 4 | 0.14% | 0.13% |
| ≥ 12 | 0.9 | 2 | 0.16% | 0.07% |
| Total | 605.8 | 3005 | 100.00% | 100.00% |
| Of which in possession | 0.6 | 1 | | |

Loans originated in 2019 as at each specified date

| Months in Arrears | 31 December 2019 | | | | 31 December 2020 | | | |
|-----------------------------|------------------|-------------|----------------|----------------|------------------|-------------|----------------|----------------|
| | Balance (£m) | Count | % of Balance | % of Count | Balance (£m) | Count | % of Balance | % of Count |
| Not in Arrears | 546.5 | 3036 | 98.90% | 98.89% | 516.8 | 2904 | 96.58% | 97.29% |
| < 1 | 2.4 | 14 | 0.43% | 0.46% | 8.0 | 35 | 1.50% | 1.17% |
| ≥ 1 < 2 | 1.7 | 9 | 0.31% | 0.29% | 4.9 | 24 | 0.92% | 0.80% |
| ≥ 2 < 3 | 0.9 | 6 | 0.17% | 0.20% | 1.5 | 6 | 0.28% | 0.20% |
| ≥ 3 < 6 | 0.8 | 4 | 0.15% | 0.13% | 1.4 | 5 | 0.27% | 0.17% |
| ≥ 6 < 9 | 0.0 | 0 | 0.00% | 0.00% | 0.3 | 2 | 0.06% | 0.07% |
| ≥ 9 < 12 | 0.3 | 1 | 0.05% | 0.03% | 1.0 | 6 | 0.20% | 0.20% |
| ≥ 12 | 0.0 | 0 | 0.00% | 0.00% | 1.0 | 3 | 0.19% | 0.10% |
| Total | 552.6 | 3070 | 100.00% | 100.00% | 535.1 | 2985 | 100.00% | 100.00% |
| Of which in possession | 0.0 | 0 | | | 0.1 | 1 | | |

Loans originated in 2020 as at each specified date

31 December 2020

| Months in Arrears | Balance (£m) | Count | % of Balance | % of Count |
|-----------------------------|--------------|-------------|----------------|----------------|
| Not in Arrears | 250.4 | 1342 | 97.27% | 97.74% |
| < 1 | 5.9 | 23 | 2.31% | 1.68% |
| ≥ 1 < 2 | 1.0 | 7 | 0.39% | 0.51% |
| ≥ 2 < 3 | 0.1 | 1 | 0.03% | 0.07% |
| ≥ 3 < 6 | 0.0 | 0 | 0.00% | 0.00% |
| ≥ 6 < 9 | 0.0 | 0 | 0.00% | 0.00% |
| ≥ 9 < 12 | 0.0 | 0 | 0.00% | 0.00% |
| ≥ 12 | 0.0 | 0 | 0.00% | 0.00% |
| Total | 257.4 | 1373 | 100.00% | 100.00% |
| Of which in possession | 0.0 | 0 | | |

DYNAMIC ARREARS INFORMATION

The tables in the following pages summarise loans in arrears and repossession experience as at the dates indicated below with respect to mortgage loans originated by the Seller as at the dates indicated below.

| Months in Arrears | 31 Dec 2017 | 31 Dec 2018 | 31 Dec 2019 | 31 Dec 2020 |
|--------------------------------|--------------|----------------|----------------|----------------|
| Outstanding balance (£m) | 429.5 | 1,192.5 | 1,604.3 | 1,641.5 |
| Number of loans | 2200 | 6136 | 8466 | 8565 |
| Not in Arrears | 426.5 | 1,174.2 | 1,563.1 | 1,568.0 |
| < 1 | 0.8 | 7.4 | 16.0 | 37.8 |
| ≥ 1 < 2 | 2.1 | 8.3 | 13.3 | 16.7 |
| ≥ 2 < 3 | 0.1 | 1.3 | 4.8 | 4.0 |
| ≥ 3 < 6 | 0.0 | 1.4 | 5.6 | 6.2 |
| ≥ 6 < 9 | 0.0 | 0.0 | 0.7 | 3.1 |
| ≥ 9 < 12 | 0.0 | 0.0 | 0.6 | 2.9 |
| ≥ 12 | 0.0 | 0.0 | 0.2 | 2.8 |
| Total | 429.5 | 1,192.5 | 1,604.3 | 1,641.5 |
| Of which in possession | 0 | 0 | 0.2 | 1.6 |
| Not in Arrears | 2186 | 6045 | 8251 | 8221 |
| < 1 | 4 | 37 | 82 | 172 |
| ≥ 1 < 2 | 9 | 41 | 72 | 85 |
| ≥ 2 < 3 | 1 | 7 | 26 | 18 |
| ≥ 3 < 6 | 0 | 6 | 26 | 33 |
| ≥ 6 < 9 | 0 | 0 | 5 | 15 |
| ≥ 9 < 12 | 0 | 0 | 3 | 13 |
| ≥ 12 | 0 | 0 | 1 | 8 |
| Total | 2200 | 6136 | 8466 | 8565 |
| Of which in possession | 0 | 0 | 1 | 6 |

There can be no assurance that the arrears and repossession experience with respect to the Loans comprising the Mortgage Pool in the future will correspond to the experience of the loans as set forth in the foregoing table. If the property market experiences an overall decline in property values so that the value of the Properties in the Mortgage Pool falls below the Principal Balances of the Loans, the actual rates of arrears and repossessions could be significantly higher than those previously experienced. In addition, other adverse economic conditions, whether or not they affect property values, may nonetheless affect the timely payment by Borrowers of principal and interest and, accordingly, the rates of arrears, repossessions and losses with respect to the Loans in the Mortgage Pool. Investors should observe that the UK experienced relatively low and stable interest rates during the periods covered in the preceding table. If interest rates were to rise, it is likely that the rate of arrears and repossessions likewise would rise.

CHARACTERISTICS OF THE UNITED KINGDOM RESIDENTIAL MORTGAGE MARKET

The UK housing market is primarily one of owner-occupied housing, with the remainder in some form of public, private landlord or social ownership. The mortgage market, whereby loans are provided for the purchase of a property and secured on that property, is the primary source of household borrowings in the United Kingdom.

Set out in the following tables are certain characteristics of the United Kingdom mortgage market.

Repossession Rate

The table below sets out the repossession rate of residential properties in the United Kingdom since 1985.

| Year | Repossessions (%) | Year | Repossessions (%) | Year | Repossessions (%) |
|------|-------------------|------|-------------------|------|-------------------|
| 1985 | 0.25 | 1997 | 0.31 | 2009 | 0.43 |
| 1986 | 0.30 | 1998 | 0.31 | 2010 | 0.34 |
| 1987 | 0.32 | 1999 | 0.27 | 2011 | 0.33 |
| 1988 | 0.22 | 2000 | 0.20 | 2012 | 0.30 |
| 1989 | 0.17 | 2001 | 0.16 | 2013 | 0.26 |
| 1990 | 0.47 | 2002 | 0.11 | 2014 | 0.19 |
| 1991 | 0.77 | 2003 | 0.07 | 2015 | 0.09 |
| 1992 | 0.69 | 2004 | 0.07 | 2016 | 0.07 |
| 1993 | 0.58 | 2005 | 0.12 | 2017 | 0.07 |
| 1994 | 0.47 | 2006 | 0.18 | 2018 | 0.06 |
| 1995 | 0.47 | 2007 | 0.22 | 2019 | 0.07 |
| 1996 | 0.40 | 2008 | 0.34 | 2020 | 0.02 |

Source: UK Finance

The above repossession rates have been reproduced from information published by UK Finance. The Issuer confirms that the above repossession rates have been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by UK Finance, no facts have been omitted which would render the reproduced information inaccurate or misleading.

House Price to Earnings Ratio

The following table shows the ratio for each year of the average annual value of houses compared to the average annual salary in the United Kingdom. Average annual earnings are constructed from average weekly earnings, whole economy, annualised. While this is a good indication of house affordability, it does not take into account the fact that the majority of households have more than one income to support a mortgage loan.

| Year | House Price to Earnings Ratio | Year | House Price to Earnings Ratio | Year | House Price to Earnings Ratio |
|------|-------------------------------|------|-------------------------------|------|-------------------------------|
| 1994 | 4.57 | 2003 | 7.14 | 2012 | 7.03 |
| 1995 | 4.39 | 2004 | 7.66 | 2013 | 7.13 |
| 1996 | 4.35 | 2005 | 7.86 | 2014 | 7.61 |
| 1997 | 4.48 | 2006 | 8.09 | 2015 | 7.89 |
| 1998 | 4.63 | 2007 | 8.47 | 2016 | 8.24 |
| 1999 | 4.94 | 2008 | 7.81 | 2017 | 8.42 |
| 2000 | 5.51 | 2009 | 7.13 | 2018 | 8.44 |
| 2001 | 5.66 | 2010 | 7.37 | 2019 | 8.24 |
| 2002 | 6.37 | 2011 | 7.09 | 2020 | 8.34 |

Source: UK Finance

The above House Price to Earnings Ratio rates have been reproduced from information published by UK Finance. The Issuer confirms that the above rates have been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by UK Finance, no facts have been omitted which would render the reproduced information inaccurate or misleading.

House Price Index

UK residential property prices, as measured by the Nationwide House Price Index and ONS UK House Price Index (collectively the Housing Indices), have generally followed the UK Retail Price Index over an extended period.

The UK housing market has been through various economic cycles in the recent past, with large year-to-year increases in the Housing Indices occurring in the late 1980s and large decreases occurring in the early 1990s and from 2007 to 2009.

| Year | Retail Price Index | | Nationwide House Price Index | | ONS UK House Price Index | |
|----------------|--------------------|-----------------|------------------------------|-----------------|--------------------------|-----------------|
| | Index | % annual change | Index | % annual change | Index | % annual change |
| Mar 2013 | 247.4 | 3.3 | 325.3 | 0.2 | 88.5 | 1.7 |
| Jun 2013 | 249.7 | 3.1 | 333.7 | 1.4 | 90.6 | 1.5 |
| Sep 2013 | 250.9 | 3.2 | 341.0 | 4.3 | 92.4 | 3.4 |
| Dec 2013 | 252.5 | 2.6 | 348.0 | 7.1 | 93.3 | 5.4 |
| Mar 2014 | 253.9 | 2.6 | 355.3 | 9.2 | 94.2 | 6.4 |
| Jun 2014 | 256.0 | 2.5 | 372.1 | 11.5 | 98.1 | 8.4 |
| Sep 2014 | 256.9 | 2.4 | 376.7 | 10.5 | 100.8 | 9.1 |
| Dec 2014 | 257.4 | 1.9 | 377.0 | 8.3 | 100.5 | 7.7 |
| Mar 2015 | 256.4 | 1.0 | 376.2 | 5.9 | 100.5 | 6.7 |
| Jun 2015 | 258.5 | 1.0 | 387.5 | 4.1 | 103.2 | 5.2 |
| Sep 2015 | 259.3 | 0.9 | 390.5 | 3.7 | 106.1 | 5.3 |
| Dec 2015 | 260.0 | 1.0 | 393.1 | 4.3 | 107.5 | 6.9 |
| Mar 2016 | 260.0 | 1.4 | 396.1 | 5.3 | 108.9 | 8.4 |
| Jun 2016 | 262.2 | 1.4 | 407.4 | 5.1 | 111.7 | 8.2 |
| Sep 2016 | 264.2 | 1.9 | 411.6 | 5.4 | 112.7 | 6.1 |
| Dec 2016 | 265.8 | 2.2 | 410.8 | 4.5 | 113.0 | 5.2 |
| Mar 2017 | 267.7 | 3.0 | 412.3 | 4.1 | 112.9 | 3.6 |
| Jun 2017 | 271.5 | 3.5 | 418.9 | 2.8 | 116.3 | 4.2 |
| Sep 2017 | 274.2 | 3.8 | 422.3 | 2.6 | 118.0 | 4.7 |
| Dec 2017 | 276.4 | 4.0 | 421.8 | 2.7 | 118.2 | 4.6 |
| Mar 2018 | 277.5 | 3.7 | 422.5 | 2.5 | 117.4 | 4.0 |
| Jun 2018 | 280.6 | 3.4 | 428.1 | 2.2 | 119.8 | 2.9 |
| Sep 2018 | 283.3 | 3.3 | 431.1 | 2.1 | 121.4 | 2.9 |
| Dec 2018 | 284.9 | 3.1 | 427.3 | 1.3 | 120.5 | 2.0 |
| Mar 2019 | 284.4 | 2.5 | 424.3 | 0.4 | 119.1 | 1.5 |
| Jun 2019 | 289.0 | 3.0 | 430.7 | 0.6 | 120.7 | 0.7 |
| Sep 2019 | 290.7 | 2.6 | 432.5 | 0.3 | 122.5 | 0.9 |
| Dec 2019 | 291.1 | 2.2 | 430.7 | 0.8 | 121.6 | 0.9 |
| Mar 2020 | 291.7 | 2.6 | 434.7 | 2.5 | 122.0 | 2.5 |
| Jun 2020 | 292.5 | 1.2 | 439.1 | 2.0 | 123.1 | 2.0 |
| Sep 2020 | 293.9 | 1.1 | 447.5 | 3.5 | 126.9 | 3.6 |
| Dec 2020 | 294.4 | 1.1 | 458.5 | 6.4 | 131.1 | 7.8 |
| Mar 2021 | 295.8 | 1.4 | 462.1 | 6.3 | 134.1 | 9.9 |

Source: Office for National Statistics, Nationwide Building Society

The percentage change in the table above is calculated in accordance with the following formula: $(X-Y)/Y$ where X is equal to the current quarter's index value and Y is equal to the index value of the previous year's corresponding quarter.

All information contained in this Prospectus in respect of the Nationwide House Price Index has been reproduced from information published by Nationwide Building Society, which is available on their website, <http://www.nationwide.co.uk/hpi/>. All information contained in this Prospectus in respect of the ONS UK House Price Indexes has been reproduced from information published by the ONS, which is available on their website:

<https://www.ons.gov.uk/economy/inflationandpriceindices/datasets/housepriceindexmonthlyquarterlytables1to19>.

The Issuer confirms that all information in this Prospectus in respect of the Nationwide House Price indices and the ONS UK House Price Index has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by Nationwide Building Society and the ONS, no facts have been omitted which would render the reproduced information inaccurate or misleading.

CHARACTERISTICS OF THE PROVISIONAL COMPLETION MORTGAGE POOL

The statistical and other information contained in this Prospectus has largely been compiled by reference to Loans in the provisional Completion Mortgage Pool (which for the avoidance of doubt excludes the Additional Loans which may be acquired by the Issuer on each Additional Loans Purchase Date) as at 31 May 2021 (the “**Provisional Pool Reference Date**”) (the “**Provisional Completion Mortgage Pool**”). The Provisional Completion Mortgage Pool has the aggregate characteristics indicated in the Tables below. The first Investor Report delivered after the Issue Date will reflect the Loans in the Completion Mortgage Pool.

The information contained in these tables has been extracted from information provided by the Mortgage Administrator (which information has been subject to rounding and therefore columns of percentages may not add up to 100 per cent.). Investors should note that the Mortgage Administrator is not providing any representations or warranties in respect of this information.

Each of the Joint Arrangers and the Joint Lead Managers are entitled to assume that all information provided to them by the Mortgage Administrator for the purpose of reporting on the arithmetic or other accuracy is true and correct and is complete and not misleading and are not required to conduct an audit or other similar examination in respect of or otherwise take steps to verify the accuracy or completeness of such information save that the Mortgage Administrator will be required to advise the Joint Lead Managers if they have not been provided with any of those figures which it is required to provide.

Further information in respect of anonymised individual loan level data may be obtained on the UK Reports Repository and the EU Reports Repository. For the avoidance of doubt, the UK Reports Repository website, the EU Reports Repository website and the contents thereof do not form part of this Prospectus.

A loan will be removed from the Provisional Completion Mortgage Pool if, in the period from (and including) the Provisional Pool Reference Date up to (but excluding) the date on which the Completion Mortgage Pool is confirmed, such loan is repaid in full, or if, in the period from (and including) the Provisional Pool Reference Date up to (but excluding) the Issue Date, such loan does not comply with the Warranties given in respect of the Loans in the Mortgage Pool. Similarly, loans may be added to the Provisional Completion Mortgage Pool, in the period from (and including) the Provisional Pool Reference Date up to (but excluding) the date on which the Completion Mortgage Pool is confirmed.

Pool Stratification

Table 1: Summary

| Summary Characteristics Total | Total |
|---|--------------|
| Principal Balance at origination | £236,195,972 |
| Current Balance | £231,903,657 |
| Number of Loans | 1,183 |
| Average Principal Balance at origination | £199,658 |
| Average Current Balance | £196,030 |
| Weighted Average Original LTV ¹ | 69.97% |
| Weighted Average Current LTV ¹ | 69.24% |
| Weighted Average Indexed Current LTV ¹ | 65.13% |
| Weighted Average Interest Rate ¹ | 4.36% |
| Weighted Average Remaining Term to Maturity (Years) ¹ | 19.84 |
| Buy-to-Let ² | 78.15% |
| Buy-to-Let portfolio landlords ² | 30.11% |
| Largest Loan Current Balance ² | £1,009,522 |
| Weighted Average Stabilised Margin (3 month LIBOR based loans) ^{1 3} | 5.84% |
| Weighted Average Stabilised Margin (BBR based loans) ¹ | 5.84% |
| Weighted Average Stabilised Margin (VVR based loans) ¹ | 2.90% |
| Self-Employed ² | 41.43% |
| CCJ ² | 9.87% |
| Help to Buy ² | 2.60% |
| Right to Buy ² | 1.39% |
| House in multiple occupation ² | 12.73% |
| Multi-unit block ² | 3.36% |
| % on COVID Payment Holiday ² | 1.24% |
| % Ever had COVID Payment Holiday ² | 33.77% |

¹ Weighted average by Current Balance.

² By Current Balance.

³ At the date of publication of this prospectus, the LIBOR loans have transitioned across to Bank Base Rate Mortgages using the LIBOR Replacement Rate as a benchmark with the existing margin remaining unchanged.

Table 2: Distribution of Loans by Loan to Value Ratio (Original Loan to Value)

| Original Loan to Value | No. of Loans | % of Loans | Current Balance | % of Current Balance |
|--------------------------|--------------|----------------|--------------------|----------------------|
| ≤ 40.00% | 68 | 5.75% | 7,208,169 | 3.11% |
| > 40.00% ≤ 45.00% | 19 | 1.61% | 3,058,269 | 1.32% |
| > 45.00% ≤ 50.00% | 40 | 3.38% | 5,684,616 | 2.45% |
| > 50.00% ≤ 55.00% | 44 | 3.72% | 6,850,399 | 2.95% |
| > 55.00% ≤ 60.00% | 52 | 4.40% | 10,523,794 | 4.54% |
| > 60.00% ≤ 65.00% | 101 | 8.54% | 21,773,518 | 9.39% |
| > 65.00% ≤ 70.00% | 129 | 10.90% | 29,556,768 | 12.75% |
| > 70.00% ≤ 75.00% | 250 | 21.13% | 53,540,616 | 23.09% |
| > 75.00% ≤ 80.00% | 314 | 26.54% | 66,155,210 | 28.53% |
| > 80.00% ≤ 85.00% | 144 | 12.17% | 23,755,147 | 10.24% |
| > 85.00% ≤ 90.00% | 22 | 1.86% | 3,797,150 | 1.64% |
| > 90.00% ≤ 95.00% | 0 | 0.00% | 0 | 0.00% |
| > 95.00% ≤ 100.00% | 0 | 0.00% | 0 | 0.00% |
| Total | 1,183 | 100.00% | 231,903,657 | 100.00% |
| Minimum | | | | 6.67% |
| Maximum | | | | 86.28% |
| Weighted Average | | | | 69.97% |

There has been no revaluation of any of the Properties for the purposes of the issue of the Notes or Certificates. The above summary information reflects the valuations of the Properties obtained in respect of and at the time of the origination of the relevant Loan (as made available to the Issuer).

Table 3: Distribution of Loans by Loan to Value Ratio (Current Loan to Value)

| Current Loan to Value | No. of Loans | % of Loans | Current Balance | % of Current Balance |
|--------------------------|--------------|----------------|--------------------|----------------------|
| ≤ 40.00% | 88 | 7.44% | 8,520,355 | 3.67% |
| > 40.00% ≤ 45.00% | 29 | 2.45% | 4,397,365 | 1.90% |
| > 45.00% ≤ 50.00% | 43 | 3.63% | 6,499,655 | 2.80% |
| > 50.00% ≤ 55.00% | 48 | 4.06% | 7,505,414 | 3.24% |
| > 55.00% ≤ 60.00% | 60 | 5.07% | 10,915,007 | 4.71% |
| > 60.00% ≤ 65.00% | 88 | 7.44% | 19,949,458 | 8.60% |
| > 65.00% ≤ 70.00% | 123 | 10.40% | 27,861,063 | 12.01% |
| > 70.00% ≤ 75.00% | 214 | 18.09% | 48,661,930 | 20.98% |
| > 75.00% ≤ 80.00% | 326 | 27.56% | 67,295,372 | 29.02% |
| > 80.00% ≤ 85.00% | 151 | 12.76% | 28,130,445 | 12.13% |
| > 85.00% ≤ 90.00% | 13 | 1.10% | 2,167,592 | 0.93% |
| > 90.00% ≤ 95.00% | 0 | 0.00% | 0 | 0.00% |
| > 95.00% ≤ 100.00% | 0 | 0.00% | 0 | 0.00% |
| Total | 1,183 | 100.00% | 231,903,657 | 100.00% |
| Minimum | | | | 4.89% |
| Maximum | | | | 86.36% |
| Weighted Average | | | | 69.24% |

Table 4: Distribution of Loans by Indexed Loan to Value Ratio (Indexed Current Loan to Value)⁸

| Indexed Current Loan to Value | No. of Loans | % of Loans | Current Balance | % of Current Balance |
|-------------------------------|--------------|----------------|--------------------|----------------------|
| ≤ 40.00% | 109 | 9.21% | 10,531,493 | 4.54% |
| > 40.00% ≤ 45.00% | 44 | 3.72% | 6,617,609 | 2.85% |
| > 45.00% ≤ 50.00% | 55 | 4.65% | 8,243,559 | 3.55% |
| > 50.00% ≤ 55.00% | 64 | 5.41% | 11,096,595 | 4.79% |
| > 55.00% ≤ 60.00% | 104 | 8.79% | 18,327,299 | 7.90% |
| > 60.00% ≤ 65.00% | 160 | 13.52% | 30,591,717 | 13.19% |
| > 65.00% ≤ 70.00% | 261 | 22.06% | 55,622,050 | 23.98% |
| > 70.00% ≤ 75.00% | 231 | 19.53% | 52,720,992 | 22.73% |
| > 75.00% ≤ 80.00% | 117 | 9.89% | 29,719,361 | 12.82% |
| > 80.00% ≤ 85.00% | 35 | 2.96% | 7,746,336 | 3.34% |
| > 85.00% ≤ 90.00% | 2 | 0.17% | 392,443 | 0.17% |
| > 90.00% ≤ 95.00% | 1 | 0.08% | 294,203 | 0.13% |
| > 95.00% ≤ 100.00% | 0 | 0.00% | 0 | 0.00% |
| Total | 1,183 | 100.00% | 231,903,657 | 100.00% |
| Minimum | | | | 4.43% |
| Maximum | | | | 93.12% |
| Weighted Average | | | | 65.13% |

Table 5: Distribution of Loans by Principal Balance at origination

| Principal Balance at origination | No. of Loans | % of Loans | Principal Balance at origination | % of Principal Balance at origination |
|----------------------------------|--------------|----------------|----------------------------------|---------------------------------------|
| > 0 ≤ 25,000 | 1 | 0.08% | 25,000 | 0.01% |
| > 25,000 ≤ 50,000 | 48 | 4.06% | 1,976,325 | 0.84% |
| > 50,000 ≤ 100,000 | 193 | 16.31% | 14,896,765 | 6.31% |
| > 100,000 ≤ 150,000 | 244 | 20.63% | 30,515,052 | 12.92% |
| > 150,000 ≤ 200,000 | 209 | 17.67% | 36,496,404 | 15.45% |
| > 200,000 ≤ 250,000 | 156 | 13.19% | 34,905,762 | 14.78% |
| > 250,000 ≤ 300,000 | 128 | 10.82% | 35,039,833 | 14.84% |
| > 300,000 ≤ 350,000 | 76 | 6.42% | 24,525,414 | 10.38% |
| > 350,000 ≤ 400,000 | 51 | 4.31% | 19,121,961 | 8.10% |
| > 400,000 ≤ 450,000 | 34 | 2.87% | 14,343,132 | 6.07% |
| > 450,000 ≤ 500,000 | 14 | 1.18% | 6,788,100 | 2.87% |
| > 500,000 ≤ 750,000 | 27 | 2.28% | 15,750,225 | 6.67% |
| > 750,000 ≤ 1,000,000 | 2 | 0.17% | 1,812,000 | 0.77% |
| Total | 1,183 | 100.00% | 236,195,972 | 100.00% |
| Minimum | | | | 25,000 |
| Maximum | | | | 1,000,000 |
| Average | | | | 199,658 |

⁸ BGFL apply indexation using the monthly UK House Price Index releases from HM Land Registry with March 2021 indexation applied to the Provisional Completion Mortgage Pool.

Table 6: Distribution of Loans by Current Balance

| Current Balance | No. of Loans | % of Loans | Current Balance | % of Current Balance |
|-----------------------------|--------------|----------------|--------------------|----------------------|
| > 0 ≤ 25,000 | 8 | 0.68% | 161,879 | 0.07% |
| > 25,000 ≤ 50,000 | 57 | 4.82% | 2,247,663 | 0.97% |
| > 50,000 ≤ 100,000 | 196 | 16.57% | 14,889,200 | 6.42% |
| > 100,000 ≤ 150,000 | 242 | 20.46% | 30,128,507 | 12.99% |
| > 150,000 ≤ 200,000 | 201 | 16.99% | 34,969,560 | 15.08% |
| > 200,000 ≤ 250,000 | 153 | 12.93% | 34,139,617 | 14.72% |
| > 250,000 ≤ 300,000 | 127 | 10.74% | 34,782,375 | 15.00% |
| > 300,000 ≤ 350,000 | 74 | 6.26% | 23,849,364 | 10.28% |
| > 350,000 ≤ 400,000 | 41 | 3.47% | 15,248,962 | 6.58% |
| > 400,000 ≤ 450,000 | 40 | 3.38% | 16,787,636 | 7.24% |
| > 450,000 ≤ 500,000 | 14 | 1.18% | 6,673,734 | 2.88% |
| > 500,000 ≤ 750,000 | 28 | 2.37% | 16,203,737 | 6.99% |
| > 750,000 ≤ 1,000,000 | 2 | 0.17% | 1,821,425 | 0.79% |
| Total | 1,183 | 100.00% | 231,903,657 | 100.00% |
| Minimum | | | | 11,340 |
| Maximum | | | | 1,009,522 |
| Average | | | | 196,030 |

Table 7: Distribution of Loans with Adverse Credit History⁹

| Adverse Credit History by Original Loan to Value | No. of Loans | % of Loans | No. of Loans CCJ≥1 | % of Total | No. of Loans with bankruptcy or IVA | % of Total |
|--|--------------|----------------|--------------------|---------------|-------------------------------------|--------------|
| ≤ 10.00% | 2 | 0.17% | 1 | 0.08% | 0 | 0.00% |
| > 10.00% ≤ 20.00% | 10 | 0.85% | 2 | 0.17% | 0 | 0.00% |
| > 20.00% ≤ 30.00% | 17 | 1.44% | 2 | 0.17% | 0 | 0.00% |
| > 30.00% ≤ 40.00% | 39 | 3.30% | 8 | 0.68% | 0 | 0.00% |
| > 40.00% ≤ 50.00% | 59 | 4.99% | 9 | 0.76% | 0 | 0.00% |
| > 50.00% ≤ 60.00% | 96 | 8.11% | 9 | 0.76% | 0 | 0.00% |
| > 60.00% ≤ 70.00% | 230 | 19.44% | 33 | 2.79% | 0 | 0.00% |
| > 70.00% ≤ 80.00% | 564 | 47.68% | 50 | 4.23% | 0 | 0.00% |
| > 80.00% ≤ 90.00% | 166 | 14.03% | 32 | 2.70% | 0 | 0.00% |
| Total | 1,183 | 100.00% | 146 | 12.34% | 0 | 0.00% |

Table 8: Distribution of Loans by Employment Status

| Employment Status (Primary Borrower) | No. of Loans | % of Loans | Current Balance | % of Current Balance |
|---|--------------|----------------|--------------------|----------------------|
| Employed | 484 | 40.91% | 84,442,926 | 36.41% |
| Self Employed | 425 | 35.93% | 96,070,397 | 41.43% |
| Unemployed / Other | 54 | 4.56% | 9,163,614 | 3.95% |
| Not applicable (Company / LLP Borrower) | 220 | 18.60% | 42,226,721 | 18.21% |
| Total | 1,183 | 100.00% | 231,903,657 | 100.00% |

⁹ CCJ's include all CCJ, both satisfied and unsatisfied at the time of underwriting, even if not used in the underwriting decision.

Table 9: Distribution of Loans by Year of Origination

| Year of Origination | No. of Loans | % of Loans | Current Balance | % of Current Balance |
|---------------------|--------------|----------------|--------------------|----------------------|
| 2017 | 561 | 47.42% | 111,026,769 | 47.88% |
| 2018 | 341 | 28.83% | 67,682,608 | 29.19% |
| 2019 | 44 | 3.72% | 6,664,926 | 2.87% |
| 2020 | 1 | 0.08% | 54,586 | 0.02% |
| 2021 | 236 | 19.95% | 46,474,769 | 20.04% |
| Total | 1,183 | 100.00% | 231,903,657 | 100.00% |

Table 10: Distribution of Loans by Remaining Time to Maturity

| Remaining Time to Maturity (Years) | No. of Loans | % of Loans | Current Balance | % of Current Balance |
|------------------------------------|--------------|----------------|--------------------|----------------------|
| ≤ 5 | 25 | 2.11% | 5,602,940 | 2.42% |
| > 5 ≤ 10 | 113 | 9.55% | 18,807,012 | 8.11% |
| > 10 ≤ 15 | 143 | 12.09% | 24,327,055 | 10.49% |
| > 15 ≤ 20 | 260 | 21.98% | 51,844,914 | 22.36% |
| > 20 ≤ 25 | 425 | 35.93% | 90,565,259 | 39.05% |
| > 25 ≤ 30 | 108 | 9.13% | 20,892,712 | 9.01% |
| > 30 ≤ 35 | 102 | 8.62% | 18,632,534 | 8.03% |
| > 35 ≤ 40 | 7 | 0.59% | 1,231,232 | 0.53% |
| Total | 1,183 | 100.00% | 231,903,657 | 100.00% |

| | |
|------------------------|-------|
| Minimum | 1.53 |
| Maximum | 38.83 |
| Weighted Average | 19.84 |

Table 11: Distribution of Loans by Original Term

| Original Term (Years) | No. of Loans | % of Loans | Current Balance | % of Current Balance |
|-----------------------|--------------|----------------|--------------------|----------------------|
| ≤ 5 | 0 | 0.00% | 0 | 0.00% |
| > 5 ≤ 10 | 44 | 3.72% | 8,886,657 | 3.83% |
| > 10 ≤ 15 | 119 | 10.06% | 19,800,870 | 8.54% |
| > 15 ≤ 20 | 151 | 12.76% | 25,589,752 | 11.03% |
| > 20 ≤ 25 | 271 | 22.91% | 54,614,838 | 23.55% |
| > 25 ≤ 30 | 409 | 34.57% | 87,797,572 | 37.86% |
| > 30 ≤ 35 | 103 | 8.71% | 19,849,790 | 8.56% |
| > 35 ≤ 40 | 86 | 7.27% | 15,364,179 | 6.63% |
| Total | 1,183 | 100.00% | 231,903,657 | 100.00% |

| | |
|------------------------|-------|
| Minimum | 5.00 |
| Maximum | 39.00 |
| Weighted Average | 22.59 |

Table 12: Distribution of Loans by Seasoning

| Seasoning (Months) | No. of Loans | % of Loans | Current Balance | % of Current Balance |
|------------------------|--------------|----------------|--------------------|----------------------|
| ≤ 3 | 232 | 19.61% | 46,024,924 | 19.85% |
| > 3 ≤ 6 | 4 | 0.34% | 449,845 | 0.19% |
| > 6 ≤ 9 | 0 | 0.00% | 0 | 0.00% |
| > 9 ≤ 12 | 0 | 0.00% | 0 | 0.00% |
| > 12 ≤ 15 | 1 | 0.08% | 54,586 | 0.02% |
| > 15 ≤ 18 | 1 | 0.08% | 203,645 | 0.09% |
| > 18 ≤ 21 | 0 | 0.00% | 0 | 0.00% |
| > 21 ≤ 24 | 11 | 0.93% | 1,540,875 | 0.66% |
| > 24 ≤ 27 | 23 | 1.94% | 4,039,593 | 1.74% |
| > 27 ≤ 30 | 10 | 0.85% | 1,214,492 | 0.52% |
| > 30 ≤ 33 | 10 | 0.85% | 1,430,658 | 0.62% |
| > 33 ≤ 36 | 7 | 0.59% | 1,420,890 | 0.61% |
| > 36 ≤ 39 | 10 | 0.85% | 2,149,885 | 0.93% |
| > 39 ≤ 42 | 468 | 39.56% | 91,682,391 | 39.53% |
| > 42 ≤ 45 | 404 | 34.15% | 81,187,273 | 35.01% |
| > 45 ≤ 48 | 1 | 0.08% | 405,219 | 0.17% |
| > 48 | 1 | 0.08% | 99,380 | 0.04% |
| Total | 1,183 | 100.00% | 231,903,657 | 100.00% |
| Minimum | | | | 0.10 |
| Maximum | | | | 49.32 |
| Weighted Average | | | | 32.95 |

Table 13: Distribution of Loans by Repayment Method

| Repayment Method | No. of Loans | % of Loans | Current Balance | % of Current Balance |
|--------------------------|--------------|----------------|--------------------|----------------------|
| Capital & Interest | 370 | 31.28% | 49,504,700 | 21.35% |
| Interest Only | 810 | 68.47% | 181,722,130 | 78.36% |
| Part and Part | 3 | 0.25% | 676,827 | 0.29% |
| Total | 1,183 | 100.00% | 231,903,657 | 100.00% |

Table 14: Distribution of Loans by Rate Type

| Rate Type | No. of Loans | % of Loans | Current Balance | % of Current Balance |
|---|--------------|----------------|--------------------|----------------------|
| Fixed to Floating (BBR) | 0 | 0.00% | 0 | 0.00% |
| Fixed to Floating (3 month LIBOR) ¹⁰ | 519 | 43.87% | 122,880,636 | 52.99% |
| Fixed to Floating (Discretionary Rate) | 376 | 31.78% | 65,433,678 | 28.22% |
| Floating for life (BBR) | 1 | 0.08% | 405,219 | 0.17% |
| Floating for life (3 month LIBOR) ¹⁰ | 161 | 13.61% | 24,985,909 | 10.77% |
| Floating for life (Discretionary Rate) | 126 | 10.65% | 18,198,215 | 7.85% |
| Total | 1,183 | 100.00% | 231,903,657 | 100.00% |

¹⁰ At the date of publication of this prospectus, the LIBOR loans have transitioned across to Bank Base Rate Mortgages using the LIBOR Replacement Rate as a benchmark with the existing margin remaining unchanged.

Table 15: Distribution of Loans by Fixed Rate Reversion Year

| Fixed Rate Reversion Year | No. of Loans | % of Loans | Current Balance | % of Current Balance |
|---------------------------|--------------|----------------|--------------------|----------------------|
| 2021 | 12 | 1.34% | 1,744,520 | 0.93% |
| 2022 | 406 | 45.36% | 87,653,312 | 46.55% |
| 2023 | 302 | 33.74% | 62,012,212 | 32.93% |
| 2024 | 0 | 0.00% | 0 | 0.00% |
| 2025 | 1 | 0.11% | 54,586 | 0.03% |
| 2026 | 174 | 19.44% | 36,849,684 | 19.57% |
| Total | 895 | 100.00% | 188,314,315 | 100.00% |

Table 16: Distribution of Fixed Rate Loans by Interest Rate¹¹

| Interest Rate | No. of Loans | % of Loans | Current Balance | % of Current Balance |
|-----------------------|--------------|----------------|--------------------|----------------------|
| ≤ 2.50% | 0 | 0.00% | 0 | 0.00% |
| > 2.50% ≤ 3.00% | 1 | 0.11% | 267,719 | 0.14% |
| > 3.00% ≤ 3.50% | 78 | 8.72% | 16,307,762 | 8.66% |
| > 3.50% ≤ 4.00% | 383 | 42.79% | 87,825,894 | 46.64% |
| > 4.00% ≤ 4.50% | 221 | 24.69% | 45,312,811 | 24.06% |
| > 4.50% ≤ 5.00% | 176 | 19.66% | 33,361,882 | 17.72% |
| > 5.00% ≤ 5.50% | 26 | 2.91% | 3,602,888 | 1.91% |
| > 5.50% ≤ 6.00% | 5 | 0.56% | 940,314 | 0.50% |
| > 6.00% ≤ 6.50% | 5 | 0.56% | 695,044 | 0.37% |
| > 6.50% | 0 | 0.00% | 0 | 0.00% |
| Total | 895 | 100.00% | 188,314,315 | 100.00% |

| | |
|------------------------|-------|
| Minimum | 2.94% |
| Maximum | 6.29% |
| Weighted Average | 4.06% |

Table 17: Distribution of Floating Rate Loans by Interest Rate¹²

| Interest Rate | No. of Loans | % of Loans | Current Balance | % of Current Balance |
|-----------------------|--------------|----------------|-------------------|----------------------|
| ≤ 2.50% | 0 | 0.00% | 0 | 0.00% |
| > 2.50% ≤ 3.00% | 0 | 0.00% | 0 | 0.00% |
| > 3.00% ≤ 3.50% | 0 | 0.00% | 0 | 0.00% |
| > 3.50% ≤ 4.00% | 0 | 0.00% | 0 | 0.00% |
| > 4.00% ≤ 4.50% | 0 | 0.00% | 0 | 0.00% |
| > 4.50% ≤ 5.00% | 70 | 24.31% | 8,702,760 | 19.97% |
| > 5.00% ≤ 5.50% | 55 | 19.10% | 9,432,355 | 21.64% |
| > 5.50% ≤ 6.00% | 0 | 0.00% | 0 | 0.00% |
| > 6.00% ≤ 6.50% | 163 | 56.60% | 25,454,227 | 58.40% |
| > 6.50% | 0 | 0.00% | 0 | 0.00% |
| Total | 288 | 100.00% | 43,589,342 | 100.00% |

| | |
|------------------------|-------|
| Minimum | 4.69% |
| Maximum | 6.24% |
| Weighted Average | 5.65% |

¹¹ Interest rate means the current rate of interest being charged as at 31 May 2021.

¹² Interest rate means the current rate of interest being charged as at 31 May 2021.

Table 18: Distribution of Loans by Arrears¹³

| Arrears (Months) | No. of Loans | % of Loans | Current Balance | % of Current Balance |
|------------------------|--------------|----------------|--------------------|----------------------|
| ≤ 0 | 1,136 | 96.03% | 222,605,183 | 95.99% |
| > 0 ≤ 1 | 36 | 3.04% | 7,371,035 | 3.18% |
| > 1 ≤ 2 | 5 | 0.42% | 824,750 | 0.36% |
| > 2 ≤ 3 | 1 | 0.08% | 227,474 | 0.10% |
| > 3 ≤ 6 | 5 | 0.42% | 875,216 | 0.38% |
| > 6 | 0 | 0.00% | 0 | 0.00% |
| Total | 1,183 | 100.00% | 231,903,657 | 100.00% |
| Minimum | | | | 0.00 |
| Maximum | | | | 4.35 |
| Weighted Average | | | | 0.04 |

Table 19: Distribution of Loans (Owner Occupied) by Stabilised Margin over VVR

| Stabilised Margin over VVR | No. of Loans | % of Loans | Current Balance | % of Current Balance |
|----------------------------|--------------|----------------|-------------------|----------------------|
| ≤ 2.00% | 0 | 0.00% | 0 | 0.00% |
| > 2.00% ≤ 2.50% | 1 | 0.28% | 54,586 | 0.11% |
| > 2.50% ≤ 3.00% | 267 | 76.07% | 37,833,485 | 74.65% |
| > 3.00% ≤ 3.50% | 83 | 23.65% | 12,794,301 | 25.24% |
| > 3.50% | 0 | 0.00% | 0 | 0.00% |
| Total | 351 | 100.00% | 50,682,372 | 100.00% |
| Minimum | | | | 2.04% |
| Maximum | | | | 3.14% |
| Weighted Average | | | | 2.81% |

Table 20: Distribution of Loans (Buy-to-Let) by Stabilised Margin over BBR

| Stabilised Margin over BBR | No. of Loans | % of Loans | Current Balance | % of Current Balance |
|----------------------------|--------------|----------------|-----------------|----------------------|
| ≤ 3.00% | 0 | 0.00% | 0 | 0.00% |
| > 3.00% ≤ 3.50% | 0 | 0.00% | 0 | 0.00% |
| > 3.50% ≤ 4.00% | 0 | 0.00% | 0 | 0.00% |
| > 4.00% ≤ 4.50% | 0 | 0.00% | 0 | 0.00% |
| > 4.50% ≤ 5.00% | 0 | 0.00% | 0 | 0.00% |
| > 5.00% ≤ 5.50% | 0 | 0.00% | 0 | 0.00% |
| > 5.50% ≤ 6.00% | 1 | 100.00% | 405,219 | 100.00% |
| Total | 1 | 100.00% | 405,219 | 100.00% |
| Minimum | | | | 5.84% |
| Maximum | | | | 5.84% |
| Weighted Average | | | | 5.84% |

¹³ Arrears are calculated as the amount of arrears divided by the monthly payment on any day after payment was due.

Table 21: Distribution of Loans (Buy-to-Let) by Stabilised Margin over VVR

| Stabilised Margin over VVR | No. of Loans | % of Loans | Current Balance | % of Current Balance |
|----------------------------|--------------|----------------|-------------------|----------------------|
| ≤ 3.00% | 5 | 3.31% | 1,092,732 | 3.32% |
| > 3.00% ≤ 3.50% | 146 | 96.69% | 31,856,790 | 96.68% |
| > 3.50% ≤ 4.00% | 0 | 0.00% | 0 | 0.00% |
| > 4.00% ≤ 4.50% | 0 | 0.00% | 0 | 0.00% |
| > 4.50% ≤ 5.00% | 0 | 0.00% | 0 | 0.00% |
| > 5.00% ≤ 5.50% | 0 | 0.00% | 0 | 0.00% |
| > 5.50% ≤ 6.00% | 0 | 0.00% | 0 | 0.00% |
| Total | 151 | 100.00% | 32,949,521 | 100.00% |
| Minimum | | | | 2.84% |
| Maximum | | | | 3.04% |
| Weighted Average | | | | 3.03% |

Table 22: Distribution of Loans (Buy-to-Let) by Stabilised Margin over 3 month LIBOR¹⁴

| Stabilised Margin over LIBOR | No. of Loans | % of Loans | Current Balance | % of Current Balance |
|------------------------------|--------------|----------------|--------------------|----------------------|
| ≤ 3.00% | 0 | 0.00% | 0 | 0.00% |
| > 3.00% ≤ 3.50% | 0 | 0.00% | 0 | 0.00% |
| > 3.50% ≤ 4.00% | 0 | 0.00% | 0 | 0.00% |
| > 4.00% ≤ 4.50% | 0 | 0.00% | 0 | 0.00% |
| > 4.50% ≤ 5.00% | 0 | 0.00% | 0 | 0.00% |
| > 5.00% ≤ 5.50% | 0 | 0.00% | 0 | 0.00% |
| > 5.50% ≤ 6.00% | 680 | 100.00% | 147,866,545 | 100.00% |
| Total | 680 | 100.00% | 147,866,545 | 100.00% |
| Minimum | | | | 5.84% |
| Maximum | | | | 5.89% |
| Weighted Average | | | | 5.84% |

Table 23: Distribution of Loans (Buy-to-Let) by Stressed DSCR

| Stressed Debt Service Coverage Ratio | No. of Loans | % of Loans | Current Balance | % of Current Balance |
|--------------------------------------|--------------|----------------|--------------------|----------------------|
| ≤ 125% | 28 | 3.37% | 6,310,699 | 3.48% |
| > 125% ≤ 150% | 316 | 37.98% | 79,981,442 | 44.13% |
| > 150% ≤ 175% | 192 | 23.08% | 43,517,211 | 24.01% |
| > 175% ≤ 200% | 123 | 14.78% | 25,173,580 | 13.89% |
| > 200% | 173 | 20.79% | 26,238,353 | 14.48% |
| Total | 832 | 100.00% | 181,221,285 | 100.00% |
| Minimum | | | | 115.00% |
| Maximum | | | | 1,323.60% |
| Weighted Average | | | | 169.40% |

¹⁴ At the date of publication of this prospectus, the LIBOR loans have transitioned across to Bank Base Rate Mortgages using the LIBOR Replacement Rate as a benchmark with the existing margin remaining unchanged.

Table 24: Distribution of Loans by Original Tenure

| Tenure | No. of Loans | % of Loans | Current Balance | % of Current Balance |
|-----------------|--------------|----------------|--------------------|----------------------|
| Freehold | 751 | 63.48% | 141,879,169 | 61.18% |
| Leasehold | 419 | 35.42% | 87,529,066 | 37.74% |
| Heritable | 13 | 1.10% | 2,495,422 | 1.08% |
| Total | 1,183 | 100.00% | 231,903,657 | 100.00% |

Table 25: Distribution of Loans by Loan Purpose

| Loan Purpose | No. of Loans | % of Loans | Current Balance | % of Current Balance |
|--------------------|--------------|----------------|--------------------|----------------------|
| Purchase | 492 | 41.59% | 86,313,409 | 37.22% |
| Re-mortgage | 657 | 55.54% | 142,361,068 | 61.39% |
| Right to Buy | 34 | 2.87% | 3,229,181 | 1.39% |
| Total | 1,183 | 100.00% | 231,903,657 | 100.00% |

Table 26: Distribution of Loans by Property Type

| Property Type | No. of Loans | % of Loans | Current Balance | % of Current Balance |
|---|--------------|----------------|--------------------|----------------------|
| House, detached or semi-detached | 329 | 27.81% | 61,121,473 | 26.36% |
| Flat/Apartment | 393 | 33.22% | 84,133,539 | 36.28% |
| Bungalow | 25 | 2.11% | 4,477,205 | 1.93% |
| Terraced House | 351 | 29.67% | 58,618,054 | 25.28% |
| Multifamily house (properties with more than four units securing one loan)..... | 85 | 7.19% | 23,553,386 | 10.16% |
| Total | 1,183 | 100.00% | 231,903,657 | 100.00% |

Table 27: Original Valuation Type

| Original Valuation Type | No. of Loans | % of Loans | Current Balance | % of Current Balance |
|--|--------------|----------------|--------------------|----------------------|
| Full, internal and external inspection | 1,183 | 100.00% | 231,903,657 | 100.00% |
| Total | 1,183 | 100.00% | 231,903,657 | 100.00% |

Table 28: Distribution of Loans by Region

| Regions (NUTS) | No. of Loans | % of Loans | Current Balance | % of Current Balance |
|--------------------------------|--------------|----------------|--------------------|----------------------|
| North East | 37 | 3.13% | 3,219,367 | 1.39% |
| North West | 100 | 8.45% | 11,098,106 | 4.79% |
| Yorkshire and the Humber | 90 | 7.61% | 10,350,263 | 4.46% |
| East Midlands | 75 | 6.34% | 9,349,229 | 4.03% |
| West Midlands | 84 | 7.10% | 11,232,519 | 4.84% |
| East of England | 144 | 12.17% | 25,724,939 | 11.09% |
| Greater London | 381 | 32.21% | 113,214,297 | 48.82% |
| South East | 150 | 12.68% | 30,071,286 | 12.97% |
| South West | 74 | 6.26% | 11,679,720 | 5.04% |
| Wales | 35 | 2.96% | 3,468,509 | 1.50% |
| Scotland | 13 | 1.10% | 2,495,422 | 1.08% |
| Total | 1,183 | 100.00% | 231,903,657 | 100.00% |

Table 29: Originator

| Originator | No. of Loans | % of Loans | Current Balance | % of Current Balance |
|------------|--------------|----------------|--------------------|----------------------|
| BGFL | 1,183 | 100.00% | 231,903,657 | 100.00% |
| Total | 1,183 | 100.00% | 231,903,657 | 100.00% |

Table 30: Distribution of Loans by Occupancy Type

| Occupancy Type | No. of Loans | % of Loans | Current Balance | % of Current Balance |
|----------------------|--------------|----------------|--------------------|----------------------|
| Owner Occupied | 351 | 29.67% | 50,682,372 | 21.85% |
| Buy-to-Let | 832 | 70.33% | 181,221,285 | 78.15% |
| Total | 1,183 | 100.00% | 231,903,657 | 100.00% |

Table 31: Distribution of Loans by New Build Status

| New Build Status | No. of Loans | % of Loans | Current Balance | % of Current Balance |
|-------------------------|--------------|----------------|--------------------|----------------------|
| New Build | 90 | 7.61% | 17,704,623 | 7.63% |
| Existing Building | 1,093 | 92.39% | 214,199,035 | 92.37% |
| Total | 1,183 | 100.00% | 231,903,657 | 100.00% |

TITLE TO THE MORTGAGE POOL

The Loans and the Mortgage Rights will be sold by the Seller to the Issuer. The Seller shall transfer the equitable interest in the English Loans and their related Mortgage Rights, and the beneficial interest in the Scottish Loans and their related Mortgage Rights, to the Issuer as at the Issue Date (in respect of the Scottish Loans and their related Mortgage Rights, by way of an initial Scottish Declaration of Trust) or, in relation to the Additional Loans, at each Additional Loans Purchase Date (in respect of the Scottish Loans and their related Mortgage Rights, by way of each further Scottish Declaration of Trust) and, in relation to Further Advances, at each Further Advance Purchase Date. Legal title to all Loans and Mortgage Rights is either held by BGFL or is in the process of being registered in its name. The Issuer will grant a first fixed equitable charge (or, in respect of the Scottish Loans and their related Mortgage Rights, any assignments in security of its interests in and to each Scottish Declaration of Trust pursuant to each Scottish Supplemental Charge) in favour of the Security Trustee over its interests in the Loans, the Mortgages and their related Mortgage Rights.

The Mortgage Administrator is required under the terms of the Mortgage Administration Agreement to ensure the safe custody of title deeds. The Mortgage Administrator will have custody of title deeds where these are held in physical form in respect of the Loans and the Mortgage Rights as agent of the Issuer and, following any enforcement action by the Security Trustee against the Issuer, the Security Trustee.

Save as mentioned below, neither the Issuer nor the Security Trustee will effect any registration at the Land Registry or the Registers of Scotland (as applicable) to protect the sale of the Loans and the Mortgage Rights by the Seller to the Issuer or the charge of them by the Issuer in favour of the Security Trustee nor, save as mentioned below, will they be entitled to obtain possession of the title deeds to the Properties or the Loans and their related Mortgages.

Save as mentioned below, notice of the sale to the Issuer and the equitable charge (or in the case of the Scottish Loans and their related Mortgage Rights, each assignment of security) in favour of the Security Trustee will not be given to the Borrowers.

Under the Mortgage Sale Agreement and the Deed of Charge, the Issuer (with the consent of the Security Trustee) or the Security Trustee will each be entitled to effect such registrations, recordings and give such notices as it considers necessary to protect and perfect the interests respectively of the Issuer (as purchaser) and the Security Trustee (as chargee or security holder) in the Loans and the Mortgage Rights upon the occurrence of a Perfection Event. These rights are supported by irrevocable powers of attorney given by the Issuer and BGFL in favour of the Security Trustee.

The effect of (i) not giving notice to the Borrowers of the sale of the relevant Loans and their Mortgage Rights to the Issuer and the charging of the Issuer's interest in the Loans and their Mortgage Rights to the Security Trustee and (ii) the charge of the Issuer's rights thereto in favour of the Security Trustee pursuant to the Deed of Charge taking effect in equity (or, in the case of Scottish Loans, in respect of the Issuer's beneficial interest therein), only, is that the rights of the Issuer and the Security Trustee may be, or may become, subject to equities as well as to the interests of third parties who perfect a legal interest or title prior to the Issuer or the Security Trustee acquiring and perfecting a legal interest or title (such as, in the case of English Loans over unregistered land, a third party acquiring a legal interest in the relevant Mortgage without notice of the Issuer's or the Security Trustee's interests or, in the case of Mortgages over registered land (whether at the Land Registry or the Registers of Scotland), a third party acquiring a legal interest or title by registration or recording prior to the registration or recording of the Issuer's or the Security Trustee's interests).

The risk of such equities and other interests leading to third party claims obtaining priority to the interests of the Issuer or the Security Trustee in the Loans and the Mortgage Rights is likely to be limited to circumstances arising from a breach by the Seller or the Issuer of its or their contractual or other obligations or fraud or mistake on the part of the Seller or the Issuer or their respective officers, employees or agents (if any).

SALE OF THE MORTGAGE POOL

Acquisition of Loans on the Issue Date

On the Issue Date, the Seller will agree to sell its interest in the Completion Mortgage Pool to the Issuer for (A) an immediate cash payment equal to the Initial Cash Purchase Price plus (if any) the Excess Consideration payable on the Issue Date, (B) and (C) deferred consideration consisting of Residual Payments, the right to such Residual Payments being represented by the Certificates. This amount may be settled by way of set-off in the event the Seller agrees to subscribe for some or all of the Notes.

Acquisition of Additional Loans following the Issue Date

On any Business Day falling in the Pre-Funding Availability Period, the Seller may (but is not obliged to) sell to the Issuer further Loans on each Additional Loans Purchase Date (unless otherwise agreed by the Issuer and the Seller), to the extent that the relevant conditions to purchase in the Mortgage Sale Agreement are satisfied (such Loans being “**Additional Loans**”). There shall be a maximum of three Additional Loans Purchase Dates. The Issuer shall, provided certain conditions are met, purchase Additional Loans using amounts standing to the credit of the Pre-Funding Principal Reserve Ledger, together with an amount equal to the Pre-Funding Excess Class X Amount standing to the credit of the Pre-Funding Class X Reserve Ledger.

The total consideration in respect of the Additional Loans shall comprise (i) the Additional Loans Cash Consideration for such Additional Loans, and (ii) deferred consideration consisting of Residual Payments, the right to such Residual Payments being represented by the Certificates.

The Additional Loans Cash Consideration shall be satisfied by applying an amount equal to the aggregate of (a) the Current Balance of the relevant Additional Loans as at the relevant Additional Loans Cut-Off Date; plus (b) the Pre-Funding Excess Class X Amount; less (c) the Additional Loan Collections Amount relating to such Additional Loans, on each Additional Loans Purchase Date in payment to the Seller in respect of the Additional Loans in accordance with the Mortgage Sale Agreement.

Any purchase of Additional Loans by the Issuer will be subject to (amongst other things):

- (a) a written notification to each Rating Agency with updated materials (including data tapes) that are relevant to such Rating Agency’s analysis in relation to Additional Loans are delivered to the Rating Agencies;
- (b) the provision, by each of the Issuer and the Seller, of solvency certificates dated the date of such purchase, signed by an authorised officer of the relevant company;
- (c) certification from an authorised officer of BGFL that the Additional Loans were originated in accordance with the Lending Criteria and pursuant to the Standard Documentation, in each case as applicable as at the date of origination of such Additional Loans;
- (d) no Enforcement Notice has been served;
- (e) the inclusion of any Additional Loan in the Mortgage Pool not causing the Projected Fixed Rate Mortgage Principal Amount for any subsequent Interest Payment Date (calculated as at the relevant Additional Loans Purchase Date) to exceed the aggregate notional amount of the Interest Rate Swaps for that or any subsequent Interest Payment Date (taking into account each Interest Rate Swap Adjustment made on or before that Additional Loans Purchase Date) (the “**Additional Loans Swap Condition**”); and
- (f) the following pre-funding portfolio tests, as conducted by the Mortgage Administrator, have been met (the “**Pre-Funding Portfolio Tests**”):
 - (i) the weighted average Original Loan to Value of the Additional Loans shall not exceed 75%;
 - (ii) the aggregate balance of Additional Loans that have Original Loan to Value being higher than 80% is less than 12.5%;
 - (iii) the weighted average interest rate of the Additional Loans is greater than 3.5%;
 - (iv) the weighted average reversionary margin over VVR for Additional Loans is greater than or equal to 2.75%;
 - (v) the weighted average minimum post-swap margin of the Additional Loans that are Fixed Rate Mortgages will be at least 3.0%;
 - (vi) the weighted average Stressed Underwritten Coverage Ratio for Additional Loans which are Buy-to-Let Loans is greater than or equal to 160%;

- (vii) the aggregate balance of Additional Loans that are Buy-to-Let Loans is less than or equal to 80% of the aggregate balance of Additional Loans;
- (viii) no Additional Loans that are Owner Occupied Loans and Interest Only Loans and have Original Loan to Value being higher than 75%;
- (ix) the aggregate balance of Additional Loans which are Help To Buy Loans is less than or equal to 7.5% of the aggregate balance of the Additional Loans;
- (x) the aggregate balance of Additional Loans which are granted to First Time buyers is less than or equal to 20% of the aggregate balance of the Additional Loans;
- (xi) the aggregate balance of Additional Loans which are Owner Occupied Loans and granted to Self-employed borrowers is less than or equal to 10% of the aggregate balance of the Additional Loans;
- (xii) the aggregate balance of Additional Loans that are originated in Greater London is less than or equal to 42.5% of the aggregate balance of the Additional Loans;
- (xiii) the aggregate balance of Additional Loans that are originated in South East is less than or equal to 20.0% of the aggregate balance of the Additional Loans;
- (xiv) the aggregate balance of Additional Loans that have had a prior CCJ no more than three years prior to the Additional Loans Cut-off Date is less than or equal to 7.5% of the aggregate balance of the Additional Loans and no more than 6 years prior to the Additional loans Cut-off Date is 6 years is less than or equal to 15% of the aggregate balance of the Additional Loans; and
- (xv) in respect of at least 75 per cent. of the mortgage loans expected to constitute the Additional Loans, a mortgage offer had been made to the respective Borrowers on or prior to 11 June 2021,

(being the “**Pre-Funding Criteria**”).

For the purposes of the above, “**Stressed Underwritten Coverage Ratio**” means the Rental Income divided by the stressed mortgage payment, which is based on either the initial interest rate for loans with a product term of five years or more, or a stressed interest rate loans for loans with a product term of less than five years.

In relation to each Additional Loan purchased by the Issuer, if the first regular monthly instalment that becomes due in respect of that Additional Loan following completion of that Additional Loan is not paid in full by the relevant Borrower within one month of the date it became due, the Seller will repurchase that Additional Loan for a price equal to the Current Balance of the relevant Additional Loan as at the end of the Business Day before the repurchase date and pay the reasonable legal costs of the Issuer incurred in relation to the sale, re-transfer or re-assignment.

Warranties and Repurchase

The Mortgage Sale Agreement contains representations and warranties given by the Seller, in relation to (a) the relevant Loans sold pursuant to the Mortgage Sale Agreement on the Issue Date; (b) the relevant Additional Loans sold pursuant to the Mortgage Sale Agreement on an Additional Loans Purchase Date; (c) the relevant Product Switch Loans retained within the Mortgage Pool pursuant to the Mortgage Sale Agreement on the applicable Product Switch Effective Date; and (d) the relevant Further Advance Loans in respect of each Further Advance sold pursuant to the Mortgage Sale Agreement on the applicable Further Advance Purchase Date. 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 Note Trustee or the Security Trustee, each of whom is relying upon the representations and warranties in the Mortgage Sale Agreement.

Any breach of these representations and warranties by a Loan which could (having regard to, but without limitation, whether a loss is likely to be incurred in respect of that Loan to which the breach relates after taking into account the likelihood of recoverability or otherwise of any sums under any applicable insurance policies) have a Material Adverse Effect on the value of that Loan and the related Mortgage Rights, and which if capable of remedy, is not so remedied by the Seller within 30 calendar days of notification of such breach to the Seller, then the Seller is required to repurchase, or procure the repurchase by one of its affiliates, of the relevant Loan and its Mortgage Rights for a consideration in cash equal to the Repurchase Price. Any Principal Collections or Revenue Collections received by the Issuer in relation to the relevant Loan between the immediately preceding Determination Period End Date and the Repurchase Date will be transferred to the Seller upon the repurchase of the Loan. Performance of the obligation to repurchase will be in satisfaction of all liabilities of the Seller in respect thereof.

If a Loan has never existed, or has ceased to exist, such that it is not outstanding on the date on which it is due to be repurchased, the Seller will not be obliged to repurchase that Loan, but shall instead indemnify the Issuer against any loss suffered by reason of any representation or warranty relating to or otherwise affecting that Loan being untrue or incorrect.

The representations and warranties referred to will include, among others, statements to the following effect:

1. **Sale and assignment or assignation to the Issuer**

1.1 ***Particulars of the Loans***

The particulars of each Loan and its related Mortgage set out in Appendix A of the Mortgage Sale Agreement or, in respect of any Additional Loans, the relevant Additional Loans Sale Notice or, in respect of any Product Switch Loan, the relevant Product Switch Loan notice given under the Mortgage Sale Agreement or, in respect of any Further Advance Loans, the relevant Further Advance sale notice given under the Mortgage Sale Agreement, are true, complete and accurate in all material respects.

1.2 ***Seller's beneficial ownership and legal title***

- (a) Immediately prior to the date of sale, the Seller:
- (1) was the absolute beneficial owner of, and
 - (2) holds or will hold, upon completion of any pending applications for registration or recording of the Seller at the Land Registry or the Registers of Scotland (as applicable), legal title to,
- all of the Loans and their related Mortgages and Mortgage Rights and such other related property, subject, in each case, only to the Borrowers' equity or right of redemption.
- (b) The Seller has not assigned (whether by way of absolute assignment or assignation or by way of security only), transferred, charged, disposed of or dealt with the benefit of any of the Loans or their related Mortgages, any of the other rights relating thereto or any of the property, rights, titles, interests or benefits to be sold, transferred or assigned pursuant to the Mortgage Sale Agreement in any way whatsoever other than:
- (1) pursuant to the Mortgage Sale Agreement; and
 - (2) any security interest which will be released immediately prior to sale.
- (c) The Seller has not received written notice of any litigation or claim calling into question in any material way its title to any Loan and its related Mortgage or their ability to fully, effectively and promptly enforce the same.

1.3 ***Vesting of ownership and title***

- (a) Either:
- (1) the registration or recording of each Mortgage has been completed at the Land Registry or the Registers of Scotland (as applicable) by an approved solicitor or qualified conveyancer and the Seller is registered or recorded as the legal title-holder in respect of each Mortgage; or
 - (2) an application to register or record the Seller as the legal title-holder of the Mortgage will be made to the Land Registry or the Registers of Scotland (as applicable) by an approved solicitor or qualified conveyancer in accordance with the instructions set out in the covering revised offer letter to solicitors.
- (b) In relation to each Mortgage of Property relating to a Loan, where registration is pending at the Land Registry or the Registers of Scotland (as applicable), so far as the Seller is aware, there is no caution, notice, inhibition or restriction which would prevent the registration of the Mortgage in due course.
- (c) Other than the registration or recording of each Mortgage at the Land Registry or the Registers of Scotland (as applicable) referred to in paragraph 1.3(a) above, all steps necessary to perfect the Seller's title to each Loan, together with their related Mortgages, were duly taken at the appropriate time or are in the process of being taken with all due diligence.

1.4 ***Notification to Borrower not required***

No notification to any Borrower is required to effect any equitable or beneficial transfer of the Loans and related Mortgage Rights to the Issuer pursuant to the Mortgage Sale Agreement.

1.5 *Assignability*

- (a) All Loans and related Mortgage Rights are freely assignable.
- (b) All formal approvals, consents and other steps necessary to permit a legal, equitable or beneficial transfer of the Loans and their related Mortgages and the Mortgage Rights to be sold under the Mortgage Sale Agreement have been obtained or taken, save only for the relevant transfer (and in the case of a legal transfer, registration at the relevant registries and notification to the relevant Borrower) itself.
- (c) The Loans and related Mortgage Rights are not subject to any contractual confidentiality restrictions which restrict the ability of the Issuer to acquire the same.

2. **Aspects of origination of the Mortgage**

2.1 *Originated in ordinary course*

The Loans were originated by the Seller on or after 15 August 2017 in the ordinary course of business.

2.2 *Lending Criteria*

- (a) Prior to the origination of each Loan, the Lending Criteria were satisfied in all material respects in relation to that Loan, subject only to exceptions as would be acceptable to a reasonable Prudent Mortgage Lender.
- (b) In accordance with Article 9 of the UK Securitisation Regulation and Article 9 of the EU Securitisation Regulation, the Seller applied to the Loans the same sound and well-defined criteria for credit-granting which the Seller applies to its non-securitised loans and the same clearly established processes for approving and, where relevant, amending, renewing and refinancing the Loans have been and will be applied and the Seller has effective systems in place to apply those criteria and processes in order to ensure that credit-granting is based on a thorough assessment of the Borrower's creditworthiness, taking appropriate account of factors relevant to verifying the prospect of the Borrower meeting its obligations under the relevant loan agreement.

2.3 *Criteria applicable to Additional Loans*

In relation to a sale of Additional Loans pursuant to the Mortgage Sale Agreement on an Additional Loans Purchase Date, the applicable Pre-Funding Criteria were satisfied on that Additional Loans Purchase Date.

2.4 *Criteria applicable to Product Switch Loans*

In relation to a Product Switch Loan made pursuant to the Mortgage Sale Agreement on a Product Switch Effective Date, the applicable Product Switch Criteria will be satisfied on the Mortgage Pool Effective Date relating to that Product Switch Loan.

2.5 *Criteria applicable to Further Advances*

In relation to a sale of a Further Advance pursuant to the Mortgage Sale Agreement on a Further Advance Purchase Date, the applicable Further Advance Criteria will be satisfied on the Mortgage Pool Effective Date relating to that Further Advance.

2.6 *Prior valuation obtained*

Prior to making each Loan, the relevant Property was valued by an independent valuer from the panel of valuers from time to time approved by the Seller.

2.7 *Legal requirements of origination*

- (a) At the date of origination:
 - (1) so far as the Seller is aware, all applicable requirements of law or of any person who has regulatory authority which has the force of law (including, without limitation, MCOB, as amended from time to time in relation to any Loan which is a Regulated Mortgage Contract), other than the aspects referred to in the proviso to paragraph 3.3 below, have been complied with in all material respects in connection with the origination, documentation and administration of the Loans (as applicable); and
 - (2) the Seller had all necessary consents, authorisations, approvals, licences and orders including without limitation all necessary licences under the CCA and FSMA to originate the Loans.

- (b) No agreement for any Loan is in whole or in part:
 - (1) a “regulated credit agreement” under Article 60B of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001; or
 - (2) a “regulated agreement” or “regulated credit agreement” under Section 8 of the Consumer Credit Act 1974 (as amended, extended or re-enacted from time to time).
- (c) No agreement for any Loan is or at any time has been in whole or in part:
 - (1) a “consumer credit back book mortgage contract” as defined in the Mortgage Credit Directive Order 2015; or
 - (2) a “consumer buy to let mortgage contract” as defined under the Mortgage Credit Directive Order 2015.
- (d) The Seller has not supplied or brokered PPI in respect of any Borrower’s payment obligations under any Loan.
- (e) No Loan was marketed and underwritten on the premise that the loan applicant or, as applicable, any intermediary, was made aware that the information provided might not be verified by the Seller.
- (f) None of the Loans are a securitisation position (as defined in the UK Securitisation Regulation) in accordance with Article 8 of the UK Securitisation Regulation or a securitisation position (as defined in the EU Securitisation Regulation) in accordance with Article 8 of the EU Securitisation Regulation.

2.8 *Direct debit instructions*

Each Borrower has been instructed to make payment into the Collection Account or, with respect to a Borrower with direct debit instructions in place, such direct debit instructions have been amended in order to direct payments made pursuant to those direct debit instructions into the Collection Account.

2.9 *Borrowers*

- (a) Each Borrower:
 - (1) is a natural individual and was aged 18 or older at the date that he or she executed the relevant Mortgage; or
 - (2) a UK incorporated private limited company or LLP.
- (b) No Borrower is at present, or was at origination of the relevant Loan, an employee of the Seller or any company related to the Seller.

3. **Terms of the Loans and Mortgages**

3.1 *Standard Documentation*

Each Loan and its related Mortgage has been substantially made on the terms of the Standard Documentation without any variation, conversion, amendment, modification or waiver other than:

- (a) the exclusions set out in the definition of Product Switch; or
- (b) any variation, conversion, amendment, modification or waiver which:
 - (1) was made in accordance with the Lending Criteria;
 - (2) was required pursuant to applicable laws or relevant regulatory guidance issued from time to time (including following a request from a Borrower, the agreement to the grant of a payment holiday, underpayment or other action as a result of a coronavirus/COVID-19 related matter); and/or
 - (3) would be acceptable to a reasonable Prudent Mortgage Lender.

3.2 *Governing law*

All the Loans in respect of Properties are governed by English law, other than any Loans which were originated in Scotland and are secured over property located in Scotland, which are governed by Scots Law.

3.3 ***Valid, binding and enforceable***

Subject only to registration at the Land Registry or the Registers of Scotland (as applicable):

- (a) each Loan (and its related Mortgage) (and, to the extent that a guarantee was required under the relevant Lending Criteria in respect of a Loan and such guarantee remains in effect, that guarantee) is non-cancellable and constitutes a valid and binding obligation of the Borrower enforceable in accordance with its terms; and
- (b) the related Mortgage secures the repayment of all advances, interest, costs and expenses payable by the relevant Borrower (other than in relation to any repayment charges where repayment takes place following the early repayment charge period),

provided that:

- (1) enforceability and security may be limited by:
 - (A) bankruptcy or insolvency of the Borrower or other laws relating to enforcement of general applicability affecting the enforcement rights of creditors generally and the court's discretion in relation to equitable remedies (or, in limited circumstances, if the Borrower purchased the property from a bankrupt vendor);
 - (B) the application of the Consumer Rights Act or the CCA (if the CCA is deemed to apply to the Loans); or
 - (C) fraud; and
- (2) no representation or warranty is given in relation to any obligation of the Borrower to pay early repayment charges or charges payable in the event of Borrower default; and
- (3) no representation or warranty is given as to the sufficiency of the relevant Property as security for indebtedness secured on it.

3.4 ***Fraud***

No Mortgage has been entered into as a consequence of any conduct constituting fraud of the Seller and, to the best of the Seller's knowledge, no Mortgage has been entered into fraudulently by the relevant Borrower.

3.5 ***Unfair terms***

The Seller has not received actual notice from any regulator or any court or ombudsman in a case involving a loan originated by the Seller that the proposed limitations or exclusions of the liability of the Seller contained in the loan agreement relating to each Loan:

- (a) are not fair and/or not reasonable having regard to the circumstances of the particular Borrower for the purposes of the Consumer Rights Act; and
- (b) are "unfair terms" within the meaning of the Consumer Rights Act.

3.6 ***No outstanding lending obligations***

- (a) No Loan or its related Mortgage contains an obligation to make any Further Advance.
- (b) No Loan is subject to a Loan Advance Retention at the Issue Date.

3.7 ***Currency***

No Loan is currently repayable in a currency other than sterling and the currency of the repayments cannot be changed by the Borrower to a currency other than sterling.

3.8 ***Interest***

- (a) Interest on each Loan is charged on such Loan in accordance with the provisions of that Loan and its related Mortgage.
- (b) All Loans are either, Fixed Rate Mortgages, Bank Base Rate Mortgages or Discretionary Rate Mortgages.

3.9 ***Current Balance***

No Loan has a Current Balance of greater than £2,000,000 on the relevant date of sale to the Issuer.

3.10 *Final maturity*

No Loan has a final maturity beyond the date falling two years prior to the Final Maturity Date of the Notes.

3.11 *Terms of tenancies for Buy-to-Let Loans*

Each Buy-to-Let Loan may only be let by way of an assured shorthold tenancy or a short-assured tenancy which meets the requirements of either Section 19A or Section 20 of the Housing Act 1988 (or, in respect of Scottish Loans, a private residential tenancy which meets the requirements of the Private Housing (Tenancies) (Scotland) Act 2016) with a minimum term of at least six months and (in respect of non-corporate lets only) a maximum term of 36 months.

4. **Mortgage Security**

4.1 *Type of Property*

Each Loan is secured by a Mortgage on:

- (a) residential real property in England or Wales (in the case of an English Loan); or
- (b) residential heritable property in Scotland (in the case of a Scottish Loan).

4.2 *First ranking Mortgage*

Subject to completion of any registration which may be pending at the Land Registry or the Registers of Scotland (as applicable), each Mortgage relating to a Loan constitutes a first legal mortgage (or in Scotland, a first ranking standard security) over the relevant Property.

4.3 *Title checks*

- (a) Subject to paragraph 4.3(b) below, prior to making each Loan to a Borrower, the Seller instructed or required to be instructed on its behalf solicitors or licensed or qualified conveyancers to carry out in relation to the relevant Property all investigations, searches and other actions that would have been undertaken by a Prudent Mortgage Lender when advancing money in an amount equal to such advance to an individual to be secured on a property of the kind permitted under the Lending Criteria and a report on title was received by or on behalf of it from such solicitors or licensed or qualified conveyancers which either initially or after further investigation revealed no material matter which would cause a Prudent Mortgage Lender to decline such Loan having regard to the Lending Criteria.
- (b) With respect to a Loan, which is the subject of a remortgage and the instructed solicitor or licensed or qualified conveyancer is not carrying out full title searches, the Seller has in place a no search indemnity insurance policy (a “**No Search Indemnity Insurance Policy**”):
 - (1) which is in the name of the Seller;
 - (2) where all premiums payable thereon have been paid;
 - (3) which is, so far as the Seller is aware, in full force and effect, valid and enforceable in respect of that Loan;
 - (4) where the Seller has not received notice and is not otherwise aware of any reason why the relevant insurer may refuse liability under that No Search Indemnity Insurance Policy in respect of that Loan; and
 - (5) where all of the Seller’s requirements for an offer have been complied with in respect of that Loan.

4.4 *Third party occupancy rights*

- (a) Other than with respect to Buy-to-Let Loans, in relation to each Mortgage relating to a Loan, any person who at the date when the Loan was made had attained the age of 18 and who has been identified by the Borrower of such Loan as residing or about to reside in the relevant Property is either named as a joint Borrower; or has signed a form of consent declaring that he or she will assert no right to any overriding or other interest by occupation adverse to the mortgagee’s rights under the relevant Mortgage, or, in relation to each Mortgage in respect of a Scottish Loan, obtained the appropriate MHA/CP Documentation, or the Seller holds insurance in respect thereof.
- (b) In respect of Owner Occupied Loans, the Seller has not given express written consent to the grant of a tenancy by a Borrower in circumstances where no Prudent Mortgage Lender at the time such consent was given would give such consent.

4.5 ***Buildings insurance***

So far as the Seller is aware, buildings insurance cover for the relevant Property is available under a policy arranged by the Borrower or by or on behalf of the Seller or a buildings insurance policy arranged by the relevant landlord or under the block contingency Insurance Contract.

5. **Current status of Mortgage**

5.1 ***No notice of adverse claims regarding Mortgage***

(a) The Seller:

(1) is not aware of any breach by the Borrower under any Loan or related Mortgage Rights which would have a Material Adverse Effect on such Loan or Mortgage Rights and no steps have been taken by the Seller to enforce any Mortgage Rights as a result of such breach; and

(2) has not received notice of the bankruptcy, insolvency, sequestration or death of any Borrower.

(b) No material legal proceedings by Borrowers are outstanding against the Seller which would call into question the Seller's beneficial or legal title to the Loans.

5.2 ***No set-off etc.***

No rescission or lien has been created or arisen between the Seller and any Borrower nor has any Borrower claimed any right of set-off or lodged any successful litigation, claim or counterclaim which would entitle such Borrower to reduce the amount of any payment otherwise due under the relevant Loan.

5.3 ***No waiver of rights against professionals***

The Seller has not excluded, restricted or waived or agreed to waive any of its rights against any valuer, solicitor or other professional who has provided information, carried out work or given advice in connection with any Loan and the related Mortgage.

5.4 ***First monthly payment***

At least one regular monthly instalment due in respect of each Loan in the Completion Mortgage Pool has been paid by the relevant Borrower.

6. **Records relating to the Loans and Mortgages**

6.1 ***Title deeds and loan files***

All the title deeds, the deeds constituting the Mortgage and the correspondence file (such as it exists) and electronically stored data relating to each of the Loans are held by or to the order of the Seller or have been lodged by, or on behalf of, the Seller at the Land Registry or the Registers of Scotland (as applicable).

6.2 ***Loan accounts, books and records***

Since the origination of each Loan, full and proper accounts, books and records have been kept showing clearly all transactions, payments, receipts and proceedings relating to that Loan and its related Mortgage and all such accounts, books and records are up to date, accurate and in the possession of the Seller or held to its order.

7. **Tax and accounting related aspects of the Loans and Mortgages**

7.1 ***UK tax classification of Mortgage Rights***

No Mortgage Right comprises or includes (or comprises or includes an interest in) stock or marketable securities (within the meaning of section 122 of the Stamp Act 1891); chargeable securities (within the meaning of section 99 of the Finance Act 1986) or a chargeable interest (within the meaning of section 48 of the Finance Act 2003 or section 4 of the Land Transaction Tax and Anti-avoidance of Devolved Taxes (Wales) Act 2017 or section 4 of the Land and Buildings Transaction Tax (Scotland) Act 2013).

7.2 ***UK tax classification of Loans to companies***

Any Borrower under a Loan that is not an individual is a company incorporated with limited liability or as an LLP in the UK. Each of the Loans that have been made to a company borrower is one or both of:

(a) a "debenture" which is not a marketable security for the purposes of paragraph 25 of Schedule 13 FA 1999; and/or

- (b) loan capital that is exempt from all stamp duty on a transfer under section 79(4) FA 1986.

7.3 *Security for obligations*

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

7.4 *Accounting classification*

The Loans and the Mortgage Rights:

- (a) constitute financial assets in accordance with generally accepted accounting practice, as amended and applied by the Tax Regulations; and
- (b) are not shares.

Product Switch Loans and Further Advances

The Seller (in its capacity as Legal Title Holder and lender of record) may offer a Borrower, or a Borrower may request, a Product Switch or a Further Advance from time to time.

Should a Product Switch or a Further Advance be agreed between the Mortgage Administrator (acting on the instructions of the Seller in its capacity as Legal Title Holder and lender of record) and a Borrower, the Mortgage Administrator shall notify the Seller (in the event that the Seller is a different legal entity to the Mortgage Administrator) and the Issuer of such agreement on or prior to the relevant Mortgage Pool Effective Date.

The Seller and/or the Mortgage Administrator shall determine the terms of the Product Switch Loan or Further Advance Loan and the manner in which the Product Switch Loan or Further Advance Loan is offered and agreed and shall communicate the Product Switch Loan offer or Further Advance Loan offer to the relevant Borrower.

The Seller shall have the option of voluntarily repurchasing any Product Switch Loan from the Issuer at any time on or prior to the applicable Mortgage Pool Effective Date in accordance with the Mortgage Sale Agreement. Where the Seller does not exercise that option:

- (a) during the Test Period relating to that Product Switch Loan, the Mortgage Administrator shall assess whether that Product Switch Loan will satisfy the Product Switch Criteria on the applicable Mortgage Pool Effective Date; and
- (b) if the Mortgage Administrator concludes that the Product Switch Loan will not satisfy the Product Switch Criteria on the applicable Mortgage Pool Effective Date, it will notify the Seller on or before the end of that Test Period and the Seller will be obliged to repurchase that Product Switch Loan on or prior to the applicable Mortgage Pool Effective Date relating to that Product Switch Loan.

If, notwithstanding the Mortgage Administrator concluding that the Product Switch Loan will satisfy the Product Switch Criteria on the applicable Mortgage Pool Effective Date, it is subsequently found that the Product Switch Loan did not satisfy the Product Switch Criteria on the applicable Mortgage Pool Effective Date, the Seller will be obliged to repurchase the relevant Product Switch Loan in accordance with the Mortgage Sale Agreement.

The following are the “**Product Switch Criteria**” that apply to a Product Switch Loan on the applicable Mortgage Pool Effective Date:

- (a) the retention of that Product Switch Loan in the Mortgage Pool will not cause the Projected Fixed Rate Mortgage Principal Amount for any subsequent Interest Payment Date (calculated as at the relevant Mortgage Pool Effective Date) to exceed the aggregate notional amount of the Interest Rate Swap(s) for that or any subsequent Interest Payment Date (taking into account each Interest Rate Swap Adjustment made on or before the relevant Mortgage Pool Effective Date) (the “**Product Switch Swap Condition**”);
- (b) immediately following the applicable Mortgage Pool Effective Date, the post swap yield over Compounded Daily SONIA of any Product Switch Loan which is a Fixed Rate Mortgage is not less than 1.50 per cent. (per annum);
- (c) (if, following the relevant Mortgage Pool Effective Date, the Product Switch Loan is a Fixed Rate Mortgage) the last day of the fixed rate period of that Product Switch Loan is not later than the 5th anniversary of the Step-Up Date;
- (d) that Product Switch Loan does not have a final maturity date beyond the date falling two years prior to the Final Maturity Date of the Notes;

- (e) the Product Switch Loan is not an Interest Only Loan unless it was an Interest Only Loan immediately prior to becoming a Product Switch Loan;
- (f) immediately following the Mortgage Pool Effective Date, the aggregate amount of the Current Balance of the Product Switch Loans in the Mortgage Pool does not exceed 15 per cent. of the aggregate Current Balance of the Mortgage Pool as of the Issue Date plus the aggregate Current Balance of each Additional Loan as at the applicable Additional Loans Purchase Date;
- (g) the relevant Product Switch Loan Effective Date does not occur after the Step-up Date;
- (h) as at the immediately preceding Interest Payment Date (or the Issue Date in respect of the period before the First Interest Payment Date) the balance of the Z1 Principal Deficiency Sub-Ledger is £0; and
- (i) the General Reserve Fund is fully funded.

The Seller shall have the option of voluntarily repurchasing any Further Advance Loan from the Issuer at any time on or prior to the applicable Mortgage Pool Effective Date in accordance with the Mortgage Sale Agreement. Until such time as the Seller exercises any such option:

- (a) pursuant to the Mortgage Sale Agreement the Seller agrees to sell and the Issuer agrees to purchase the relevant Further Advance on that Further Advance Purchase Date for a price equal to the principal amount of that Further Advance on that Further Advance Purchase Date but with that price being payable on or prior to the Mortgage Pool Effective Date relating to that Further Advance if the Issuer continues to retain that Further Advance Loan within the Mortgage Pool beyond that Mortgage Pool Effective Date in accordance with clause (d) below;
- (b) during the Test Period relating to that Further Advance, the Mortgage Administrator shall assess whether that Further Advance and related Further Advance Loan will satisfy the Further Advance Criteria on the applicable Mortgage Pool Effective Date;
- (c) if the Mortgage Administrator concludes that the Further Advance Loan will not satisfy the Further Advance Criteria on the applicable Mortgage Pool Effective Date, it will notify the Seller on or before the end of that Test Period and the Seller will be obliged to repurchase the relevant Further Advance Loan on or prior to the applicable Mortgage Pool Effective Date for an amount equal to the Issuer Further Advance Consideration; and
- (d) if the Mortgage Administrator concludes that the Further Advance Loan will satisfy the Further Advance Criteria on the applicable Mortgage Pool Effective Date, the Issuer will pay the purchase price for the relevant Further Advance on or prior to the Mortgage Pool Effective Date relating to that Further Advance.

If, notwithstanding the Mortgage Administrator concluding that the Further Advance Loan will satisfy the Further Advance Criteria on the applicable Mortgage Pool Effective Date, it is subsequently found that the Further Advance Loan did not satisfy the Further Advance Criteria on the applicable Mortgage Pool Effective Date, the Seller will be obliged to repurchase the relevant Further Advance Loan for an amount equal to the Current Balance of the relevant Further Advance Loan in accordance with the Mortgage Sale Agreement.

The following are the “**Further Advance Criteria**” that apply to a Further Advance and its related Further Advance Loan on the applicable Mortgage Pool Effective Date:

- (a) the acquisition of the Further Advance will not cause the Projected Fixed Rate Mortgage Principal Amount for any subsequent Interest Payment Date (calculated as at the relevant Mortgage Pool Effective Date) to exceed the aggregate notional amount of the Interest Rate Swap(s) for that or any subsequent Interest Payment Date (taking into account each Interest Rate Swap Adjustment made on or before that Mortgage Pool Effective Date) (the “**Further Advance Swap Condition**”);
- (b) immediately following the applicable Mortgage Pool Effective Date, the post swap yield over Compounded Daily SONIA of any Further Advance Loan which is a Fixed Rate Mortgage is not less than 1.50 per cent. (per annum);
- (c) that Further Advance Loan does not have a final maturity beyond the date falling two years prior to the Final Maturity Date of the Notes;
- (d) as at the Mortgage Pool Effective Date that Loan (including, for the avoidance of doubt, any Further Advance Loan) will not have a Current Balance exceeding £2,000,000;
- (e) as at the Mortgage Pool Effective Date that Loan (including, for the avoidance of doubt, any Further Advance Loan) will not have an Indexed LTV exceeding 85%;

- (f) if the Further Advance Loan is a Fixed Rate Mortgage, the last day of the fixed rate period of that Further Advance Loan is not later than the 5th anniversary of the Step-Up Date;
- (g) immediately following the Mortgage Pool Effective Date, the cumulative amount advanced to the relevant Borrowers in respect of Further Advances acquired by the Issuer which are in the Mortgage Pool at that Mortgage Pool Effective Date will not exceed 2.50 per cent. of the aggregate Current Balance of the Mortgage Pool as of the Issue Date plus the aggregate Current Balance of Additional Loans acquired by the Issuer in each case as at the applicable Additional Loans Purchase Date;
- (h) as at the Mortgage Pool Effective Date the relevant Loan relating to that Further Advance Loan is not 1 or more months in arrears;
- (i) there are sufficient Principal Collections for the Issuer to be able to pay the purchase price for that relevant Further Advance Loan on the Mortgage Pool Effective Date;
- (j) the relevant date of the Further Advance Loan does not occur after the Step-up Date;
- (k) as at the immediately preceding Interest Payment Date (or Issue Date in respect of the First Interest Payment Date), the balance of the Z1 Principal Deficiency Sub-Ledger is £0; and
- (l) the General Reserve Fund is fully funded.

Mortgage Pool Option

The Issuer will, by the Deed Poll, grant to the Mortgage Pool Option Holder the option (the “**Mortgage Pool Option**”) to require the Issuer to (a) sell to the Mortgage Pool Option Holder (or to a third party purchaser nominated by the Mortgage Pool Option Holder) the beneficial title to and interest in all Loans in the Mortgage Pool and their related Mortgage Rights (including the Issuer’s interest in each Scottish Trust) and (b) transfer to the Mortgage Pool Option Holder (or a third party purchaser nominated by it) the right to have the legal title to the Mortgage Pool and related Mortgage Rights in the Mortgage Pool transferred to it, in such a manner as to enable the Issuer to redeem the Notes in full on the relevant Call Option Date.

The purchase price for the Mortgage Pool under the Mortgage Pool Option shall be an amount which, together with any amounts standing to the credit of the Transaction Account (including the General Reserve Fund and Liquidity Reserve Fund) and/or any other cash held by or on behalf of the Issuer (other than any Swap Excluded Receivable Amounts and any Issuer Profit Amount), would be required to pay any amounts required under the Pre-Enforcement Priority of Payments to be paid in priority to or *pari passu* with the Notes on such Interest Payment Date, to redeem all Notes then outstanding in full together with accrued and unpaid interest on such Notes and pay costs associated with the redemption, as calculated on the Determination Date immediately preceding the relevant Call Option Date (the “**Mortgage Pool Purchase Price**”). The Mortgage Pool Option Holder may, within the period which is not more than 60 nor less than 20 calendar days’ prior to the relevant Call Option Date (the “**Exercise Period**”), deliver a notice to the Issuer (with a copy to the Security Trustee, the Mortgage Administrator and the Cash Administrator) that it intends to exercise the Mortgage Pool Option in respect of such Call Option Date (the “**Exercise Notice**”), *provided that*:

- (i) on or prior to the specified Call Option Date, no Enforcement Notice has been served; and
- (ii) the Mortgage Pool Option Holder has, immediately prior to delivering the Exercise Notice, certified to the Issuer and the Security Trustee that it will have the necessary funds to pay the Mortgage Pool Purchase Price on the specified Call Option Date (such certification to be provided by way of certificate signed by two directors of the Mortgage Pool Option Holder).

If, in respect of any Interest Payment Date after the first Call Option Date, where the aggregate Principal Amount Outstanding of the Rated Principal Backed Notes is (or is projected to be) less than or equal to 10 per cent. of the aggregate Principal Amount Outstanding of the Principal Backed Notes upon issue (each such date, a “**Clean Up Call Date**”) and the Majority RC2 Holder has not already exercised the Mortgage Pool Option, the Seller shall also have the option to deliver an Exercise Notice in respect of any such Clean Up Call Date, during the Exercise Period immediately prior thereto. For the avoidance of doubt, if both the Majority RC2 Holder and the Seller deliver an Exercise Notice during any such Exercise Period, then the Mortgage Pool Option Holder will, for the purpose of the relevant Clean Up Call Date, be the Majority RC2 Holder, irrespective of whose Exercise Notice is delivered first.

Following receipt of the Exercise Notice, the Cash Administrator, on behalf of the Issuer, shall send to the Mortgage Pool Option Holder a notice specifying the Mortgage Pool Purchase Price (as defined below) (a “**Counter Notice**”). If the Mortgage Pool Option Holder agrees to the Mortgage Pool Purchase Price as set out in the Counter Notice, it will acknowledge and accept the terms of the Counter Notice by counter-signing such notice

and delivering such counter-signed notice to the Issuer, the Security Trustee, the Cash Administrator and the Principal Paying Agent confirming that the purchase shall take place on the Call Option Date specified in the Exercise Notice.

Following receipt of such acknowledgement and acceptance from the Mortgage Pool Option Holder, the Issuer shall certify to the Security Trustee that it will have the necessary funds to pay all amounts required under the Pre-Enforcement Priority of Payments (a) to be paid in priority to or *pari passu* with the Notes on such Call Option Date, (b) to redeem all Notes then outstanding in full, together with accrued and unpaid interest on such Notes, and (c) to pay costs associated with the redemption.

On the specified Call Option Date, the Mortgage Pool Option Holder will purchase the Mortgage Pool, the Notes will be redeemed in full and the Certificates will be cancelled.

CREDIT STRUCTURE

The Notes and Certificates will not be obligations of the Account Bank, the Swap Collateral Account Bank, the Collection Account Provider, the Joint Arrangers, the Joint Lead Managers, the Cash Administrator, the Corporate Services Provider, the Note Trustee, the Security Trustee, the Swap Counterparty, the Mortgage Administrator, the Back-up Mortgage Administrator Facilitator, the Seller, the Principal Paying Agent or anyone other than the Issuer and will not be guaranteed by any such party. None of the Swap Collateral Account Bank, the Account Bank, Collection Account Provider, the Joint Arrangers, the Joint Lead Managers, the Cash Administrator, the Corporate Services Provider, the Note Trustee, the Security Trustee, the Swap Counterparty, the Mortgage Administrator, the Back-up Mortgage Administrator Facilitator, the Seller, the Principal Paying Agent nor anyone other than the Issuer will accept any liability whatsoever in respect of any failure to pay any amount due under the Notes and Certificates.

Ratings of the Notes

As a condition to the issue of the Notes:

- the A Notes are expected to be rated AAA(sf) by DBRS / AAA(sf) by S&P;
- the B Notes are expected to be rated AA(sf) by DBRS / AA+(sf) by S&P;
- the C Notes are expected to be rated A(low)(sf) by DBRS / AA-(sf) by S&P;
- the D Notes are expected to be rated BBB(sf) by DBRS / BBB+(sf) by S&P; and
- the X Notes are expected to be rated BB(high)(sf) by DBRS / B(sf) by S&P.

None of the Z1 Notes, the Z2 Notes nor the Certificates will be rated.

The ratings expected to be assigned to the Rated Notes on or before the Issue Date by each Rating Agency address, *inter alia*:

- (a) subject to paragraph (b) below, the likelihood of full and timely payment of interest due to the holders of the A Notes on each Interest Payment Date;
- (b) in respect of the ratings assigned to the Rated Notes (excluding the A Notes), the likelihood of full and ultimate payment of interest due to the holders of those Rated Notes by or on the Final Maturity Date; and
- (c) the likelihood of full and ultimate payment of principal to the holders of the Rated Notes by or on the Final Maturity Date.

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. A qualification, downgrade or withdrawal of any of the ratings mentioned above may impact upon the other ratings, the market value and/or the liquidity of the Rated Notes.

The structure of the credit arrangements may be summarised as follows:

The Notes

The Notes will be issued fully paid on the Issue Date and the proceeds will be used for the purposes described in the section entitled “*Use of Proceeds*”.

Issue Price and Redemption of Notes

On the Issue Date, the Issuer will issue:

- (a) the A Notes at an issue price of 100 per cent. of the principal amount of the A Notes;
- (b) the B Notes at an issue price of 100 per cent. of the principal amount of the B Notes;
- (c) the C Notes at an issue price of 100 per cent. of the principal amount of the C Notes;
- (d) the D Notes at an issue price of 100 per cent. of the principal amount of the D Notes;
- (e) the X Notes at an issue price of 100 per cent. of the principal amount of the X Notes;
- (f) the Z1 Notes at an issue price of 100 per cent. of the principal amount of the Z1 Notes; and
- (g) the Z2 Notes at an issue price of 100 per cent. of the principal amount of the Z2 Notes.

On the Issue Date, the Issuer will also issue the Certificates. The Certificates will be initially fully retained by the Seller or transferred to one of its affiliates. Each of the Notes will be redeemed in accordance with Note Condition 5 (*Redemption*).

Receipts

The Cash Administrator on behalf of the Issuer will calculate on each Determination Date the Available Revenue Funds and the Available Principal Funds of the Issuer for the previous Determination Period (as set out in the Cash Administration Agreement). The Cash Administrator will on the next Interest Payment Date apply such Available Revenue Funds and Available Principal Funds on behalf of the Issuer to make payments of interest and principal on the Notes as well as certain other amounts under the Pre-Enforcement Priority of Payments.

Credit Support for the Notes Provided by Available Revenue Funds

The interest rates payable by Borrowers in respect of the Loans vary in respect of different Borrowers and different types of Loans. It is anticipated that, on the Issue Date, the weighted average interest rate payable by Borrowers on the Loans will, assuming that all of the Loans are fully performing and that no extraordinary expenses have been incurred by the Issuer, exceed the amounts payable under items (i) to (xviii) inclusive of the Pre-Enforcement Revenue Priority of Payments. The actual amount of the excess will vary during the life of the Notes; two of the key factors determining such variations are the level of delinquencies experienced and the weighted average interest rate in each case on the Mortgage Pool. Available Revenue Funds may be applied (after making payments or provisions ranking higher in the Pre-Enforcement Revenue Priority of Payments) on each Interest Payment Date towards reducing any Principal Deficiency.

The Reserve Funds

In order to provide limited coverage for insufficient funds available:

- (a) to provide, in respect of the General Reserve Fund, for payment of items (i) to (xiv) of the Pre-Enforcement Revenue Priority of Payments (*provided that* for this purpose, the required payment in respect of item (ix) (*Funding of the Liquidity Reserve Fund*) of the Pre-Enforcement Revenue Priority of Payments shall be deemed to be £0 until such time as the Liquidity Reserve Initial Funding Date has occurred) if the Available Revenue Funds disregarding items (e), (e) and (g) of that definition are insufficient (such shortfall arising from time to time a “**Shortfall**”), the Issuer will establish the General Reserve Fund on the Issue Date; and
- (b) to provide, in respect of the Liquidity Reserve Fund, for payment of items (i) to (vi) (inclusive) and (viii) of the Pre-Enforcement Revenue Priority of Payments if the Available Revenue Funds (disregarding items (f) (*Liquidity Reserve Fund Ledger*) and (g) (*Principal Addition Amounts*) of the definition of Available Revenue Funds) are insufficient (such shortfall arising from time to time, a “**Revenue Shortfall**”), the Issuer will establish and maintain the Liquidity Reserve Fund on and from the First Interest Payment Date to (and including) the Interest Payment Date on which the B Notes are redeemed in full.

General Reserve Fund

The General Reserve Fund will, on the Issue Date, be maintained within the Transaction Account and in the General Reserve Fund Ledger and be funded by the proceeds of the Notes in an amount equal to the General Reserve Fund Required Amount.

The “**Pre-Funding Excess Class X Amount**” will be an amount equal to 3 per cent. of the Current Balance of the relevant Additional Loans as at the relevant Additional Loans Cut-Off Date.

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.

The “**General Reserve Fund Required Amount**” shall be calculated as follows:

- (a) prior to the redemption in full of the Rated Principal Backed Notes, an amount equal to 2.5 per cent. of the Principal Amount Outstanding of the Principal Backed Notes as at the Issue Date, and
- (b) on the Interest Payment Date on which the Rated Principal Backed Notes are to be redeemed in full, zero.

The General Reserve Fund Ledger will, from time to time, be credited in accordance with the Pre-Enforcement Revenue Priority of Payments up to an amount equal to the General Reserve Fund Required Amount.

On and from the First Interest Payment Date, the Issuer shall apply amounts standing to the credit of the General Reserve Fund as Available Revenue Funds to cure any Shortfalls in accordance with the Pre-Enforcement Revenue Priority of Payments.

The General Reserve Fund shall be maintained until the Interest Payment Date on which the Rated Principal Backed Notes are to be redeemed in full. On the Interest Payment Date on which the Rated Principal Backed Notes are redeemed in full, following application of the General Reserve Fund to cover any Shortfall, any remaining balance in the General Reserve Fund will form part of Available Principal Funds and will be applied in accordance with the relevant Priority of Payments.

The General Reserve Fund will be applied as set out in “*Credit Structure – Application of the General Reserve Fund, the Liquidity Reserve Fund and Principal Addition Amounts – Shortfall, Revenue Shortfall and Further Revenue Shortfall*” below.

Liquidity Reserve Fund

On the Issue Date, the Issuer will establish the Liquidity Reserve Fund. The Cash Administrator will, pursuant to the Cash Administration Agreement, maintain the Liquidity Reserve Fund Ledger to record the balance from time to time of the Liquidity Reserve Fund (“**Liquidity Reserve Fund Ledger**”).

The Liquidity Reserve Fund will be funded on each Interest Payment Date until the amount standing to the credit of the Liquidity Reserve Fund Ledger within the Transaction Account on the Determination Date prior to the Interest Payment Date is equal to or greater than the Liquidity Reserve Fund Required Amount.

On any Interest Payment Date, the “Liquidity Reserve Fund Required Amount” shall be calculated as follows:

- (a) while the A Notes or the B Notes remain outstanding, an amount equal to 1.5 per cent. of the aggregate Principal Amount Outstanding of the A Notes and the B Notes on the Determination Date immediately prior to such Interest Payment Date; and
- (b) on the Interest Payment Date on which the A Notes and the B Notes are to be redeemed in full, zero.

The “**Liquidity Reserve Initial Funding Date**” shall be the day after the Interest Payment Date on which the cumulative amount of Available Principal Funds previously transferred to the Liquidity Reserve Fund pursuant to item (ii) of the Pre-Enforcement Principal Priority of Payments on all prior Interest Payment Dates is equal to the Liquidity Reserve Fund Required Amount.

On an Interest Payment Date falling prior to the Liquidity Reserve Initial Funding Date, the Liquidity Reserve Fund will be funded from Available Principal Funds in accordance with the Pre-Enforcement Principal Priority of Payments.

On an Interest Payment Date where there was a Revenue Shortfall on any previous Interest Payment Dates, the Liquidity Reserve Fund will be replenished from Available Revenue Funds in accordance with the Pre-Enforcement Revenue Priority of Payments.

If, on any Interest Payment Date, the amounts standing to the credit of the Liquidity Reserve Fund Ledger (after the application of amounts payable pursuant to item (ix) of the Pre-Enforcement Revenue Priority of Payments) exceed the Liquidity Reserve Fund Required Amount (such excess being the “**Liquidity Reserve Fund Excess Amount**”), such Liquidity Reserve Fund Excess Amount will be applied as, and form part of, Available Principal Funds on such Interest Payment Date.

On the Interest Payment Date on which the B Notes are redeemed in full, following application of the General Reserve Fund to cover any Shortfall, any amount standing to the credit of the Liquidity Reserve Fund Ledger shall be credited to the Principal Ledger and the Liquidity Reserve Fund Required Amount will be reduced to zero.

Application of the General Reserve Fund, the Liquidity Reserve Fund and Principal Addition Amounts – Shortfall, Revenue Shortfall and Further Revenue Shortfall

If the Cash Administrator determines on the immediately preceding Determination Date that there will be a Shortfall or Revenue Shortfall, the Cash Administrator may (as set out in the Cash Administration Agreement), on any Interest Payment Date, apply any amounts standing to the credit of the General Reserve Fund and the Liquidity Reserve Fund towards a Shortfall or a Revenue Shortfall as follows:

- (a) if there are any Rated Principal Backed Notes outstanding (including on the Interest Payment Date on which the Rated Principal Backed Notes are redeemed in full), by applying such amount equal to any Shortfall standing to the credit of the General Reserve Fund Ledger if and to the extent there would otherwise be a Shortfall on the immediately following Interest Payment Date in accordance with the Pre-Enforcement Revenue Priority of Payments; and
- (b) if there are any A Notes or B Notes outstanding (including on the Interest Payment Date on which the A Notes and the B Notes are redeemed in full), by applying such amount equal to any Revenue Shortfall standing to

the credit of the Liquidity Reserve Fund Ledger if and to the extent there will be a Revenue Shortfall on the relevant Interest Payment Date to be applied to items (i) to (vi) and (viii) of the Pre-Enforcement Revenue Priority of Payments; and

- (c) if and to the extent there will be a Further Revenue Shortfall on the immediately following Interest Payment Date by applying any Principal Addition Amounts to items (i) to (vi) and (if the A Notes have been redeemed in full) the relevant item corresponding to the payment of amounts (other than in respect of principal) in respect of the Most Senior Class of Rated Principal Backed Notes, in each case of the Pre-Enforcement Revenue Priority of Payments.

The Notes

Each Class of Notes will be constituted by the Trust Deed and will share the same security.

- (a) Prior to (i) the service of an Enforcement Notice, or (ii) the occurrence of a Redemption Event:
 - (i) the A Notes will rank *pari passu* and without preference or priority amongst themselves for all purposes but will rank in priority to, to the extent set out in Note Condition 2 (*Status, Security and Administration*) and Note Condition 5 (*Redemption*) below, the B Notes, the C Notes, the D Notes, the Z1 Notes, the Z2 Notes and the X Notes as to payment of principal;
 - (ii) the B Notes will rank *pari passu* without preference or priority amongst themselves for all purposes but will rank in priority to, to the extent set out in Note Condition 2 (*Status, Security and Administration*) and Note Condition 5 (*Redemption*) below, the C Notes, the D Notes, the Z1 Notes, the Z2 Notes and the X Notes as to payment of principal;
 - (iii) the C Notes will rank *pari passu* without preference or priority amongst themselves for all purposes but will rank in priority to, to the extent set out in Note Condition 2 (*Status, Security and Administration*) and Note Condition 5 (*Redemption*) below, the D Notes, the Z1 Notes, the Z2 Notes and the X Notes as to payment of principal;
 - (iv) the D Notes will rank *pari passu* without preference or priority amongst themselves for all purposes but will rank in priority to, to the extent set out in Note Condition 2 (*Status, Security and Administration*) and Note Condition 5 (*Redemption*) below, the Z1 Notes, the Z2 Notes and the X Notes as to payment of principal;
 - (v) the Z1 Notes will rank *pari passu* without preference or priority amongst themselves for all purposes but will rank in priority to, to the extent set out in Note Condition 2 (*Status, Security and Administration*) and Note Condition 5 (*Redemption*) below, the Z2 Notes and the X Notes as to payment of principal;
 - (vi) the Z2 Notes will rank *pari passu* without preference or priority amongst themselves for all purposes but will rank in priority to, to the extent set out in Note Condition 2 (*Status, Security and Administration*) and Note Condition 5 (*Redemption*) below, the X Notes as to payment of principal; and
 - (vii) the X Notes will rank *pari passu* without preference or priority amongst themselves for all purposes to the extent set out in Note Condition 2 (*Status, Security and Administration*) and Note Condition 5 (*Redemption*) below as to payment of principal (but such payments of principal on the X Notes shall only be made out of Available Revenue Funds in accordance with the Pre-Enforcement Revenue Priority of Payments),

provided that the Pre-Funding Unused Amount will be applied in accordance with item (i) of the Pre-Enforcement Principal Priority of Payments as *pro rata* repayment of the Principal Backed Notes and the X Notes) and, in addition, prior to a Redemption Event payments of principal on the X Notes shall be payable out of Available Revenue Funds in accordance with the Pre-Enforcement Revenue Priority of Payments and to that extent rank in priority to payments of principal on the other Notes.

Each Certificate represents a *pro rata* entitlement to receive any residual balance following payment of all senior items in the relevant Priority of Payments by way of deferred consideration for the purchase by the Issuer of the Completion Mortgage Pool.

- (b) On or following (i) the service of an Enforcement Notice, or (ii) the occurrence of a Redemption Event:
 - (i) the A Notes will rank *pari passu* and without preference or priority amongst themselves for all purposes but will rank in priority to, to the extent set out in Note Condition 2 (*Status, Security and Administration*) and Note Condition 5 (*Redemption*) below, the B Notes, the C Notes, the D Notes, the Z1 Notes, the Z2 Notes and the X Notes as to payment of interest (if any) and principal and the Certificates;

- (ii) the B Notes will rank *pari passu* and without preference or priority amongst themselves for all purposes but will rank in priority to, to the extent set out in Note Condition 2 (*Status, Security and Administration*) and Note Condition 5 (*Redemption*) below, the C Notes, the D Notes, the Z1 Notes, the Z2 Notes and the X Notes as to payment of interest (if any) and principal and the Certificates;
- (iii) the C Notes will rank *pari passu* and without preference or priority amongst themselves for all purposes but will rank in priority to, to the extent set out in Note Condition 2 (*Status, Security and Administration*) and Note Condition 5 (*Redemption*) below, the D Notes, the Z1 Notes, the Z2 Notes and the X Notes as to payment of interest (if any) and principal and the Certificates;
- (iv) the D Notes will rank *pari passu* and without preference or priority amongst themselves for all purposes but will rank in priority to the extent set out in Note Condition 2 (*Status, Security and Administration*) and Note Condition 5 (*Redemption*) below, the Z1 Notes, the Z2 Notes and the X Notes as to payment of interest (if any) and principal and the Certificates;
- (v) the X Notes will rank *pari passu* and without preference or priority amongst themselves for all purposes but will rank in priority to, to the extent set out in Note Condition 2 (*Status, Security and Administration*) and Note Condition 5 (*Redemption*) below, the Certificates as to payment of principal and the Z1 Notes, the Z2 Notes and the Certificates as to payment of interest (if any);
- (vi) the Z1 Notes will rank *pari passu* and without preference or priority amongst themselves for all purposes but will rank in priority to, to the extent set out in Note Condition 2 (*Status, Security and Administration*) and Note Condition 5 (*Redemption*) below, the Z2 Notes, the X Notes and the Certificates as to payment of principal and the Z2 Notes and the Certificates as to payment of interest (if any);
- (vii) the Z2 Notes will rank *pari passu* and without preference or priority amongst themselves for all purposes but will rank in priority to, to the extent set out in Note Condition 2 (*Status, Security and Administration*) and Note Condition 5 (*Redemption*) below, the X Notes and the Certificates as to payment of principal and the Certificates as to payment of interest (if any); and
- (viii) subject as provided below, the Certificates will rank *pari passu* without preference or priority amongst themselves for all purposes but will rank after the A Notes, the B Notes, the C Notes, the D Notes, the Z1 Notes, the Z2 Notes and the X Notes.

Payments in respect of the Z1 Notes, the Z2 Notes, the X Notes and the Certificates will only be payable to the extent there are funds remaining after payment of items ranking in priority thereto.

Interest on the Notes will be payable in arrear as provided in Note Condition 4 (*Interest*).

Principal Deficiency Ledger

A Principal Deficiency Ledger comprising a number of sub-ledgers, being the A Principal Deficiency Sub-Ledger, the B Principal Deficiency Sub-Ledger, the C Principal Deficiency Sub-Ledger, the D Principal Deficiency Sub-Ledger and the Z1 Principal Deficiency Sub-Ledger respectively, will be established in order to record Losses and/or the application of Principal Addition Amounts to pay a Further Revenue Shortfall.

Any Losses and the application of any Principal Addition Amounts to meet a Further Revenue Shortfall shall firstly be debited from the Z1 Principal Deficiency Sub-Ledger (such debit items being recredited at item (xvi) of the Pre-Enforcement Revenue Priority of Payments) up to the Principal Amount Outstanding of the Z1 Notes, and shall then be debited from the D Principal Deficiency Sub-Ledger (such debit items being recredited at item (xiv) of the Pre-Enforcement Revenue Priority of Payments) up to the Principal Amount Outstanding of the D Notes, and shall then be debited from the C Principal Deficiency Sub-Ledger (such debit items being recredited at item (xii) of the Pre-Enforcement Revenue Priority of Payments) up to the Principal Amount Outstanding of the C Notes, and shall then be debited from the B Principal Deficiency Sub-Ledger (such debit items being recredited at item (x) of the Pre-Enforcement Revenue Priority of Payments) up to the Principal Amount Outstanding of the B Notes, and shall then be debited from the A Principal Deficiency Sub-Ledger (such debit items being recredited at item (vii) of the Pre-Enforcement Revenue Priority of Payments).

Collection Account, Bank Accounts and Authorised Investments

Collection Account

Following the Issue Date and unless otherwise agreed in writing by the Issuer and the Security Trustee, payments by Borrowers in respect of amounts due under the Loans will be made by direct debit into an account in the name of the Seller (the “**Collection Account**”) at the Collection Account Provider. One-off payments by Borrowers in

respect of amounts due under the Loans will also be made into the Collection Account. No payments from Borrowers with loans from BGFL which are not Loans in the Mortgage Pool should be paid into the Collection Account. BGFL will declare a trust over the Collection Account (the “**Collection Account Declaration of Trust**”) in favour of the Issuer.

The Collection Account Provider shall be entitled at any time to deduct from the Collection Account any amounts to satisfy any of their obligations and/or liabilities properly incurred under the Direct Debiting Scheme or in respect of other unpaid sums (including but not limited to cheques and payment reversals) in each case relating to the Borrowers under the Mortgage Pool.

Bank Agreement and Transaction Account

The Issuer will open the Transaction Account with the Account Bank, which will be used as the Issuer’s operational account in respect of the Mortgage Pool and from which the Issuer will make payments in accordance with the applicable Priority of Payments.

All amounts received from Borrowers will, following the Issue Date be credited initially to the Collection Account. The Mortgage Administrator is obliged to instruct the Collection Account Provider to transfer from the Collection Account to the Transaction Account on a daily basis all amounts received via direct debit credited in cleared funds to the Collection Account in respect of the Loans during the previous Business Day, and where amounts had been received other than by way of direct debit, the Mortgage Administrator shall procure that such amounts received in cleared funds are transferred from the Collection Account to the Transaction Account within 3 Business Days of such cleared funds being credited to the Collection Account. With respect to the cash standing to the credit of the Transaction Account, and subject to the terms of the Bank Agreement, interest shall accrue from day to day at a rate of interest equal to a rate of interest as agreed between the Issuer and the Account Bank (the “**Transaction Account Interest Rate**”).

Authorised Investments

Funds of the Issuer will be deposited into the Transaction Account and BGFL or the Cash Administrator, acting on the direction of the Issuer and/or BGFL, may invest such funds into Authorised Investments in accordance with applicable laws and regulations (as set out in the Cash Administration Agreement).

The Swap Agreement

Interest rate risk for the Notes

The Fixed Rate Mortgages in the Mortgage Pool pay a fixed rate of interest for a period of time. However, the interest rate payable by the Issuer with respect to the Floating Rate Notes is an amount calculated by reference to SONIA.

To attempt to provide a hedge against the possible variance between:

- (a) the fixed rates of interest payable on the Fixed Rate Mortgages in the Mortgage Pool; and
- (b) a rate of interest calculated by reference to SONIA payable on the Floating Rate Notes,

the Issuer will enter into the initial Interest Rate Swap with the Swap Counterparty on or around the Issue Date and, as indicated below, may enter into one or more additional Interest Rate Swaps with the Swap Counterparty on or prior to an Interest Rate Swap Adjustment Date to effect an Interest Rate Swap Adjustment.

The Effective Date (as defined in the Swap Agreement) of the initial Interest Rate Swap is the Issue Date.

The Termination Date (as defined in the Swap Agreement) of each Interest Rate Swap is the earliest of (i) the Final Maturity Date in respect of the Notes; and (ii) the date on which the notional amount of the relevant Interest Rate Swap as set out in the relevant Swap Notional Amount Schedule is reduced to zero.

Each Interest Rate Swap will be governed by the Swap Agreement.

Interest Rate Swap payments

Under each Interest Rate Swap, for each Interest Period falling prior to the termination date of that Interest Rate Swap, the following amounts will be calculated:

- (a) the amount produced by applying a rate equal to Compounded Daily SONIA for the relevant Interest Period to the applicable notional amount of that Interest Rate Swap and multiplying the resulting amount by the applicable day count fraction specified in the Swap Agreement (the “**Interest Period Swap Counterparty Amount**”); and

- (b) the amount produced by applying the relevant Swap Fixed Rate relating to that Interest Rate Swap to the applicable notional amount of that Interest Rate Swap and multiplying the resulting amount by the applicable day count fraction specified in the Swap Agreement (the “**Interest Period Issuer Amount**”).

After these amounts are calculated in relation to an Interest Period, the following payments will be made on the relevant Interest Payment Date:

- (a) if the aggregate Interest Period Swap Counterparty Amount in respect of all Interest Rate Swaps for that Interest Payment Date is greater than the aggregate Interest Period Issuer Amount in respect of all Interest Rate Swaps for that Interest Payment Date, then the Swap Counterparty will pay the difference to the Issuer;
- (b) if the aggregate Interest Period Issuer Amount in respect of all Interest Rate Swaps for that Interest Payment Date is greater than the aggregate Interest Period Swap Counterparty Amount in respect of all Interest Rate Swaps for that Interest Payment Date, then the Issuer will pay the difference to the Swap Counterparty; and
- (c) if such aggregate Interest Period Issuer Amount and such aggregate Interest Period Swap Counterparty Amount for that Interest Payment Date are equal, neither party will make a payment to the other.

If a payment is to be made by the Swap Counterparty, that payment will be included in the Available Revenue Funds and will be applied on or about the relevant Interest Payment Date according to the relevant Priority of Payments. If a payment is to be made by the Issuer, it will be made according to the relevant Priority of Payments of the Issuer.

In relation to each Interest Rate Swap, for the purposes of calculating both the Interest Period Swap Counterparty Amount and the Interest Period Issuer Amount, that Interest Rate Swap will include a fixed schedule of notional amounts in sterling calculated by reference to the projected amortisation profile of each Fixed Rate Mortgage to which that Interest Rate Swap relates (being the “**Swap Notional Amount Schedule**” in relation to that Interest Rate Swap).

The Swap Notional Amount Schedule in respect of the initial Interest Rate Swap is as follows as at the Issue Date:

| Accrual Start | Accrual End | Interest Payment Date | Notional Amount |
|---------------|-------------|-----------------------|-----------------|
| 13 Jul 2021 | 20 Nov 2021 | 20 Nov 2021 | GBP 186,408,376 |
| 20 Nov 2021 | 20 Feb 2022 | 20 Feb 2022 | GBP 185,986,153 |
| 20 Feb 2022 | 20 May 2022 | 20 May 2022 | GBP 185,762,974 |
| 20 May 2022 | 20 Aug 2022 | 20 Aug 2022 | GBP 185,537,402 |
| 20 Aug 2022 | 20 Nov 2022 | 20 Nov 2022 | GBP 144,134,558 |
| 20 Nov 2022 | 20 Feb 2023 | 20 Feb 2023 | GBP 76,061,988 |
| 20 Feb 2023 | 20 May 2023 | 20 May 2023 | GBP 43,626,480 |
| 20 May 2023 | 20 Aug 2023 | 20 Aug 2023 | GBP 36,397,623 |
| 20 Aug 2023 | 20 Nov 2023 | 20 Nov 2023 | GBP 36,335,709 |
| 20 Nov 2023 | 20 Feb 2024 | 20 Feb 2024 | GBP 36,273,050 |
| 20 Feb 2024 | 20 May 2024 | 20 May 2024 | GBP 36,209,636 |
| 20 May 2024 | 20 Aug 2024 | 20 Aug 2024 | GBP 36,145,458 |
| 20 Aug 2024 | 20 Nov 2024 | 20 Nov 2024 | GBP 36,080,506 |
| 20 Nov 2024 | 20 Feb 2025 | 20 Feb 2025 | GBP 36,014,772 |
| 20 Feb 2025 | 20 May 2025 | 20 May 2025 | GBP 35,906,302 |
| 20 May 2025 | 20 Aug 2025 | 20 Aug 2025 | GBP 35,839,846 |
| 20 Aug 2025 | 20 Nov 2025 | 20 Nov 2025 | GBP 35,772,586 |
| 20 Nov 2025 | 20 Feb 2026 | 20 Feb 2026 | GBP 35,570,500 |
| 20 Feb 2026 | 20 May 2026 | 20 May 2026 | GBP 20,622,989 |

Interest Rate Swap Adjustments

On or prior to the date of purchase by the Issuer of any Additional Loan, and on or prior to the relevant Mortgage Pool Effective Date relating to any Product Switch Loan or any Further Advance in each case which is a Fixed Rate Mortgage, the Mortgage Administrator shall liaise with the Swap Counterparty and determine the fixed schedule of notional amounts and Swap Fixed Rate of any additional Interest Rate Swap(s) which are entered into, in order to satisfy (as applicable) the Additional Loans Swap Condition, the Product Switch Swap Condition or the Further Advance Swap Condition, (such adjustment, comprising the Fixed Rate Notional Amount, Swap Notional Amount Schedule and Swap Fixed Rate in respect of the additional Interest Rate Swap to be entered into, being an “**Interest Rate Swap Adjustment**”).

Overview of the Swap Agreement

Under the terms of the Swap Agreement, in the event that the relevant rating(s) of the Swap Counterparty (or its guarantor, if applicable) assigned by a Rating Agency is or are below the Swap Counterparty Required Ratings, the Swap Counterparty will, in accordance with the Swap Agreement, be required to take certain remedial measures within the timeframe stipulated in the Swap Agreement and at its own cost which may include providing Swap Collateral for its obligations under the Swap Agreement, arranging for its obligations under the Swap Agreement to be transferred to an entity with the Swap Counterparty Required Ratings, procuring another entity with the Swap Counterparty Required Ratings to become co-obligor or guarantor, as applicable, in respect of its obligations under the Swap Agreement or taking such other action (or inaction) that would result in the rating of the Most Senior Class of Rated Notes being maintained at, or restored to, the level it would have been at prior to such lower rating being assigned by the relevant Rating Agency.

To the extent required to be provided as set out above, Swap Collateral will be provided by the Swap Counterparty to the Issuer under a Credit Support Annex to the Swap Agreement on and from the Issue Date and may take the form of cash in various currencies or eligible securities. The Swap Counterparty will be responsible for determining (in accordance with stipulated parameters) the amount of Swap Collateral which is required to be transferred. Any Swap Collateral provided will be transferred by the Swap Counterparty to the Swap Collateral Account Bank. The Swap Counterparty may from time to time be required to transfer additional Swap Collateral, or may be entitled to require a transfer of equivalent Swap Collateral by the Issuer to it (*provided that* the Issuer will not be a net transferor of Swap Collateral). In certain circumstances of termination of the Swap Agreement, the value of Swap Collateral then held by the Swap Collateral Account Bank will be taken into account in determining the respective obligations of the parties to the Swap Agreement as described below. Swap Collateral will not form part of Available Revenue Funds.

The Swap Agreement may be terminated in certain circumstances, including, but not limited to, the following, each as more specifically defined in the Swap Agreement (an “**Early Termination Event**”):

- (a) if there is a failure by a party to pay amounts due under the Swap Agreement and any applicable grace period has expired;
- (b) if certain insolvency events occur with respect to a party;
- (c) if a breach of a provision of the Swap Agreement by the Swap Counterparty is not remedied within the applicable grace period;
- (d) if a change of law results in the obligations of one of the parties becoming illegal;
- (e) if the Swap Counterparty is downgraded below certain ratings and fails to comply with the requirements of the downgrade provisions contained in the Swap Agreement (as described above);
- (f) service by the Note Trustee of an Enforcement Notice on the Issuer pursuant to Condition 9 (Events of Default) of the Notes;
- (g) if any Transaction Document, the Note Conditions or the Certificate Conditions is modified or supplemented without the prior written consent of the Swap Counterparty and such amendment or modification would:
 - (i) cause, in the reasonable opinion of the Swap Counterparty, (A) the Swap Counterparty to pay more or receive less under the Swap Agreement or (B) a decrease (from the Swap Counterparty’s perspective) in the value of an Interest Rate Swap;
 - (ii) result in any of the Issuer’s obligations to the Swap Counterparty under the Swap Agreement to be further contractually subordinated, relative to the level of subordination of such obligations as of the Issue Date, to the Issuer’s obligations to any other Secured Creditor;
 - (iii) it would result in a change to the timing of any payment or delivery from either party to the other party under the Swap Agreement;
 - (iv) if, the Swap Counterparty were to replace itself as swap counterparty under the Swap Agreement, require the Swap Counterparty to pay more or receive less in the reasonable opinion of the Swap Counterparty, in connection with such replacement, as compared to what the Swap Counterparty would have been required to pay or would have received had such modification or amendment not been made;
 - (v) cause any adverse modification to the Swap Counterparty’s rights in relation to any security (howsoever described, and including as a result of changing the nature or the scope of, or releasing such security) granted by the Issuer in favour of the Security Trustee on behalf of the Secured Creditors pursuant to the Deed of Charge;

- (vi) result in an amendment of Note Condition 11(f) (*Swap Counterparty Consent for Modification*), Certificate Condition 11(f) (*Swap Counterparty Consent for Modification*) or Clause 18.3 (*Swap Counterparty Consent for Modification*) of the Trust Deed where, in the reasonable opinion of the Swap Counterparty, such amendment would have an adverse effect on the Swap Counterparty; or
- (vii) result in an amendment to, or waiver of the undertakings of the Issuer as set out in, Clause 14.2.6 (*Disposal of Assets*) of the Trust Deed related to a refinancing, sale, transfer or disposal of assets of the Issuer with a view to prematurely redeeming the Notes in circumstances not expressly permitted or provided for in the Transaction Documents as at the Issue Date where, in the reasonable opinion of the Swap Counterparty, such amendment would have an adverse effect on the Swap Counterparty,

provided that, for the avoidance of doubt, any modification, amendment, consent or waiver relating to a Reference Rate Modification made in accordance with Note Condition 11(c)(viii) shall not give rise to an Early Termination Event under the Swap Agreement, nor shall it give rise to any right of the Swap Counterparty to terminate the Swap Agreement;

- (h) if an irrevocable notice is given by or on behalf of the Issuer that redemption of all the Notes will occur pursuant to Note Condition 5(d) (*Mandatory Redemption in Full*) or Note Condition 5(e) (*Optional Redemption for Taxation or Other Reasons*) or any other reason (other than in accordance with Note Condition 5(a) (*Final Redemption of the Notes*) or Note Condition 5(b) (*Mandatory Redemption of the Notes*), or with the prior written consent of the Swap Counterparty); and
- (i) if, in respect of the Floating Rate Notes, the reference rate is changed from Compounded Daily SONIA pursuant to Note Condition 11(c)(viii), and the Alternative Reference Rate agreed with respect to the Floating Rate Notes is different to the Floating Rate Option (as defined in the Swap Agreement), then the Issuer (in consultation with the Seller, the Legal Title Holder and the Mortgage Administrator) shall have the right to terminate.

Upon an early termination of an Interest Rate Swap, depending on the type of Early Termination Event (as defined in the Swap Agreement) and circumstances prevailing at the time of termination, the Issuer or the Swap Counterparty may be liable to make a termination payment to the other. This termination payment will be calculated and made in sterling. The amount of any termination payment will be based upon a good faith determination of total losses and costs (or gains) and will include any unpaid amounts that became due and payable prior to the date of termination, taking account of any Swap Collateral transferred by the Swap Counterparty to the Issuer.

Depending on the terms of the relevant Interest Rate Swap and the circumstances prevailing at the time of termination, any such termination payment could be substantial and may affect the funds available to pay amounts due to the Noteholders and Certificateholders.

The Swap Counterparty may, subject to certain conditions specified in the Swap Agreement including (without limitation) the satisfaction of certain requirements of the Rating Agencies, transfer its obligations under the Swap Agreement to another entity with the Swap Counterparty Required Ratings.

The Issuer is not obliged, under the Swap Agreement, to gross up payments made by it if a withholding or deduction for or on account of taxes is imposed on payments made under an Interest Rate Swap.

The Swap Counterparty will generally be obliged to gross up payments made by it to the Issuer if a withholding or deduction for, or on account of, tax is imposed on payments made by it under an Interest Rate Swap (other than in respect of any FATCA withholdings). However, if the Swap Counterparty is required to gross up a payment under an Interest Rate Swap due to a change in the law, the Swap Counterparty may terminate the relevant Interest Rate Swap.

The Transaction Documents provide that if any Benchmark Event occurs, the Mortgage Administrator shall, within 5 Business Days of becoming aware of such Benchmark Event, deliver to the Issuer, the Seller, the Legal Title Holder, the Mortgage Administrator, the Noteholders (in accordance with Note Condition 13 (*Notice to Noteholders*)), the Note Trustee, the Security Trustee and the Swap Counterparty, a Benchmark Event Notice and the Swap Counterparty shall commence consultation with the Issuer, the Seller, the Legal Title Holder and the Mortgage Administrator, with a view to the implementation of a Swap Benchmark Rate Adjustment (as defined below). Following such consultation, the Swap Counterparty shall, acting in good faith, determine such adjustments (including any Swap Adjustment Spread, as the case may be) (the “**Swap Benchmark Rate Adjustment**”) to the Swap Agreement as is in its reasonable opinion necessary, having regard to market practice at such time, to ensure the legal and commercial efficacy of any Transaction under the Swap Agreement.

The Swap Agreement, and any non-contractual obligations arising out of or in connection with it, will be governed by English law.

ADMINISTRATION, SERVICING AND CASH MANAGEMENT OF THE MORTGAGE POOL

Mortgage Administration Agreement

The Mortgage Administrator is required to administer the Mortgage Pool on behalf of the Issuer under the Mortgage Administration Agreement (see “*The Seller and the Mortgage Administrator*”). The duties of the Mortgage Administrator include, *inter alia*:

- (a) keeping records (written or computerised)/books of account/documents for the Issuer in relation to the Loans and their Mortgage Rights and keeping all key loan details in computerised form;
- (b) keeping records for all taxation purposes including VAT;
- (c) notifying relevant Borrowers of any changes in their payments;
- (d) assisting the auditors of the Issuer and providing information to them upon reasonable request;
- (e) providing a redemption statement to a Borrower or any person acting on the Borrower’s behalf, in each case upon written request or otherwise at the discretion of the Mortgage Administrator;
- (f) notifying relevant Borrowers of any other matter or thing which the applicable Loan Conditions or offer conditions require them to be notified of in the manner and at the time required by the relevant Loan Conditions;
- (g) subject to the provisions of the Mortgage Administration Agreement, taking all steps in accordance with the usual procedures undertaken by a Prudent Mortgage Lender acting reasonably and the servicing procedures, to recover all sums due to the Issuer including without limitation by the institution of proceedings and/or enforcement of any Loan or any Mortgage Rights;
- (h) taking all other action and doing all other things which it would be reasonable to expect a Prudent Mortgage Lender acting reasonably to do in servicing its Loans, including acting as collection agent for the Issuer under the Direct Debiting Scheme, monitoring performance of the Loans and the Borrowers and monitoring and taking such action as is necessary in relation to Loans in arrears;
- (i) keeping a Mortgage Account for each Loan which shall record all proceeds received in respect of that Loan and all amounts debited to such Mortgage Account;
- (j) if required by the relevant Loan Conditions but otherwise at its discretion, preparing and sending on request an annual statement to Borrowers in relation to each calendar year in the agreed form;
- (k) arranging for the renewal and continuation at all times of the Insurance Contracts;
- (l) taking such steps as are necessary to ensure that rights of set-off (other than set-off with respect to Borrower deposit) do not arise as between a Borrower and the Seller;
- (m) providing the reports and other information which it is required to provide under the Mortgage Administration Agreement, including but not limited to the EU SR Loan-by-Loan Report, the UK SR Loan-by-Loan Report and the BoE Loan-by-Loan Report, each of which shall be published by the Mortgage Administrator through the UK Reports Repository and EU Reports Repository on each Interest Payment Date;
- (n) maintaining adequate insurance against loss or damage to any documents or information held under the Mortgage Administration Agreement;
- (o) notifying any Losses determined in respect of a Loan in the Mortgage Pool to the Cash Administrator as soon as reasonably practicable after becoming aware of such Loss;
- (p) following the occurrence of a Perfection Event, take all such action as may be required to transfer legal title from the Seller to such person as directed by the Issuer;
- (q) (by reference to the method described in the Loan Conditions for each Loan) implementing the interest rate chargeable to borrowers in respect of such Loans as set by the BGFL (as Legal Title Holder); and
- (r) following the agreement of a Product Switch Loan, Further Advance or Regulated Amendment, to notify the Seller and the Issuer thereof.

In relation to any Swap Benchmark Rate Adjustment referred which may be made with respect to the Swap Agreement (See “*Credit Structure – The Swap Agreement*” above), the Mortgage Administrator shall commence consultation with the Issuer, the Seller, the Legal Title Holder and the Swap Counterparty with a view to the

implementation of a Reference Rate Modification with respect to the Notes in accordance with Note Condition 11(c)(viii).

If the Mortgage Administrator becomes aware that any Borrower in respect of a Loan is subject to any sanctions and/or any Loan breaches applicable sanctions, then the Mortgage Administrator shall make such notifications to the Seller and the Issuer (and, following the delivery of an Enforcement Notice, the Security Trustee) as required in accordance with the provisions of the Mortgage Administration Agreement.

Provided prior notification has been given to the Issuer and the Security Trustee, the Mortgage Administrator is permitted to sub-contract or delegate its obligations under the Mortgage Administration Agreement subject to various conditions. The Mortgage Administrator shall not be released or discharged from any liability and shall remain responsible for the performance of the obligations of the Mortgage Administrator. On the Issue Date, the Mortgage Administrator will delegate certain of its obligations to Homeloan Management Limited. Homeloan Management Limited is a private company with limited liability incorporated under the laws of England and Wales with registered number 02214839 and with its registered address at The Pavilions, Bridgwater Road, Bristol, Avon BS13 8AE. Homeloan Management Limited is a subsidiary of Computershare Limited, an Australian global financial administration company, and is regulated by the FCA (FCA Number 304476) with permissions to, amongst other things, administer residential mortgages in the United Kingdom on behalf of third parties.

In consideration for the performance of the services under the Mortgage Administration Agreement, the Issuer shall pay to the Mortgage Administrator a mortgage administrator fee equal to the product of 0.105 per cent. (inclusive of any applicable VAT) and the average aggregate Current Balance of each of the Loans in the Mortgage Pool as of the last day of each calendar month falling within the Determination Period immediately preceding the relevant Interest Payment Date, divided by four, or such other amount as may be agreed between the Issuer and the Mortgage Administrator and notified to the Rating Agencies from time to time.

Further, on each Interest Payment Date, the Mortgage Administrator will be reimbursed for all out-of-pocket costs, expenses and charges properly incurred by the Mortgage Administrator in the performance of the Services, in accordance with the relevant Priority of Payments.

The Mortgage Administrator may be terminated by the Issuer (prior to the service of an Enforcement Notice and with the consent of the Security Trustee) or the Security Trustee (following delivery of an Enforcement Notice), by written notice to the Mortgage Administrator if (each a “**Mortgage Administrator Termination Event**”):

- (a) the Mortgage Administrator defaults in making any payment under Mortgage Administration Agreement on the due date and such default continues unremedied for a period of 10 Business Days after the earlier of:
 - (i) the Mortgage Administrator becoming aware of such default; and
 - (ii) receipt by the Mortgage Administrator of written notice from the Issuer (or, following delivery of an Enforcement Notice, the Security Trustee) requiring the same to be remedied;
- (b) the Mortgage Administrator defaults in the performance or observance of any of its other covenants, undertakings and obligations under Mortgage Administration Agreement which in the opinion of the Security Trustee (acting on the instructions of the Note Trustee) is materially prejudicial to the interests of the holders of the Most Senior Class of Notes and (except where, in the opinion of the Security Trustee, such default is incapable of remedy, when no such continuation and/or notice as is hereinafter mentioned will be required) such default continues unremedied for a period of 30 days after the Mortgage Administrator becomes aware of such event provided however that where the relevant default occurs as a result of a default by any person to whom the Mortgage Administrator has sub-contracted or delegated part of its obligations hereunder, such default shall not constitute a Mortgage Administrator Termination Event if within such 30 day period the Mortgage Administrator has taken steps to remedy such default;
- (c) the Mortgage Administrator becomes subject to an Insolvency Event; or
- (d) the Mortgage Administrator fails to obtain or maintain the necessary licences or regulatory approval enabling it to continue servicing Loans.

The appointment of the Mortgage Administrator may also be terminated upon the expiry of not less than 12 months’ notice of termination given in writing by the Mortgage Administrator to the parties to the Mortgage Administration Agreement, *provided that, inter alia*, the Security Trustee consent in writing to such termination, a substitute administrator shall be appointed no later than the date of termination of the Mortgage Administrator and on substantially the same terms as the relevant terms of the Mortgage Administration Agreement and the then current ratings of the Rated Notes are not withdrawn, qualified or downgraded as the result of such resignation.

On receipt of the notice of termination of the Mortgage Administrator, the Back-up Mortgage Administrator Facilitator will use reasonable endeavours to identify and select a replacement Mortgage Administrator within 30 days. The Issuer shall appoint the proposed successor as Mortgage Administrator on substantially the same terms as those in the Mortgage Administration Agreement. Such appointment shall be subject to the prior written consent of the Security Trustee.

Enforcement Procedures

BGFL has established the Enforcement Procedures, including early contact with Borrowers in order to find a solution to any financial difficulties they may be experiencing.

Arrears and Default Procedures

Set out below is a description of the current arrears and default procedures applied by Belmont Green Finance Limited in its capacity as mortgage administrator (“BGFL”). These procedures may be changed by BGFL to reflect changes in the Seller’s arrears management policy and the standards of a Prudent Mortgage Lender and/or as required by applicable law and regulation.

BGFL collects all payments due under or in connection with the Loans in accordance with its administration procedures in force from time to time, but having regard to the circumstances of the relevant Borrower in each case and with repossession seen as a last resort.

BGFL identifies a Loan as being “in arrears” when, any amount owed is not paid by the due date.

The arrears are monitored daily and reported at each calendar month end. Contact is generally made with the Borrower from the point a Loan is identified as being in arrears by one whole monthly payment and BGFL will continue to contact the Borrower with a view to establishing the Borrower’s circumstances and agreeing an arrangement to return the account to order, where possible.

In some instances, based on the customer’s individual circumstances, it may be appropriate to consider a forbearance measure. BGFL currently offers a range of forbearance options aimed at assisting customers facing difficulties in maintaining their mortgage payments such as an arrangement to pay at a later date, temporary reduction in payment amount, conversion to interest only, capitalisation of arrears, interest rate change or term extensions.

These forbearance options are in line with current regulatory guidance and are clearly defined by policy and categorised as either temporary or permanent arrangements.

Where a satisfactory arrangement cannot be reached or maintained (for example due to insufficient funds paid, delayed payment, or any failure in the terms and conditions of the rescheduled agreement), BGFL will promptly re-engage with the customer to agree an appropriate and affordable solution, and if this is not possible, possession proceedings may be instigated to enable the Seller to enforce its security.

BGFL regards issuing possession proceedings as a last resort and will only consider doing so after having exhausted all other relevant options. In addition, for regulated agreements after proceedings are issued, BGFL will continue to work with customers to keep them in their home, where possible, but recognises that for some customers this may not be possible or may not be the fairest outcome for the customer.

Prior to commencing litigation proceedings, a check will be completed to ensure all requirements of the Pre-Action Protocol (or, in respect of a Scottish Loan, the relevant pre-action requirements) have been fulfilled.

The following will apply before an account may be considered for litigation:

- (a) there must be 3 or more contractual monthly payments in arrears;
- (b) the outstanding mortgage balance must be greater than £5,000; and
- (c) the minimum arrears balance must be £1,000 unless the arrears equates to more than 5 months in arrears or an unsuccessful field agent visit has occurred.

For Buy-to-Let Loans, BGFL may appoint an LPA Receiver (except in respect of a Scottish Loan as it is not possible to appoint an LPA receiver in Scotland) to act as an agent of the Borrower rather than BGFL. The receiver will have powers to manage the property either to collect rental income for BGFL or, subject to the terms and conditions of the mortgage deed and the requirements of BGFL, secure vacant possession with a view to sell the property.

In all cases, BGFL has a duty of care to the Borrower to act reasonably and fairly.

Subject as provided above, the Mortgage Administrator (on behalf of the mortgagee or, in Scotland, heritable creditor) has discretion as to the timing of any of these actions, including whether to postpone the action for any period of time.

Prospective investors should note that BGFL's ability to exercise its power of sale in respect of a mortgaged property is dependent upon mandatory legal restrictions as to notice requirements. In addition, there may be factors outside BGFL's control, such as whether the Borrower contests the sale and the market conditions at the time of sale, that may affect the length of time between BGFL's decision (on behalf of the mortgagee, or in Scotland, the heritable creditor) to exercise the power of sale and final completion of the sale.

Following possession, all offers outside of asking price are reviewed on an individual basis, with full justification documented for either acceptance or decline. BGFL will apply the net proceeds of sale of the mortgaged property against the sums owed by the Borrower to the extent necessary to discharge the mortgage including any accumulated fees and interest.

These arrears and security enforcement procedures may change over time as a result, amongst other things, of a change in BGFL's business practices, a change in the identity of the Mortgage Administrator or a change in any relevant business codes of practice or any legislative or regulatory changes.

Insurance arranged by the Borrower

At the time of completion, the relevant Property is required to be insured by the Borrower under an insurance policy to an amount not less than the full reinstatement value determined at or around the time the related Loan was made.

Cash Administration Agreement

For the purpose of the administration of the Mortgage Pool, the Cash Administrator will be authorised to operate the Transaction Account and the Swap Collateral Account for the purpose of the Cash Administration Agreement. The duties of the Cash Administrator include, *inter alia*:

- (a) making the required ledger entries and calculations in respect of such ledger entries;
- (b) maintaining and/or replenishing the General Reserve Fund and the Liquidity Reserve Fund on behalf of the Issuer in accordance with the relevant Pre-Enforcement Priority of Payments;
- (c) distributing the Available Revenue Funds in accordance with the Pre-Enforcement Revenue Priority of Payments, the Available Principal Funds in accordance with the relevant Pre-Enforcement Principal Priority of Payments and, on or following (i) the date on which the Note Trustee serves an Enforcement Notice on the Issuer pursuant to Note Condition 9 (*Events of Default*) declaring the Notes to be due and repayable or (ii) the occurrence of a Redemption Event, distributing available funds in accordance with the Post-Enforcement Priority of Payments and making arrangements for the payment by the Issuer of interest and principal in respect of the Notes subject to the terms thereof and to the availability of funds;
- (d) preparing the Investor Report, the EU SR Investor Report and the UK SR Investor Report and assisting in preparing the EU SR Inside Information and Significant Event Report and the UK SR Inside Information and Significant Event Report in accordance with the Cash Administration Agreement; and
- (e) establish (to the extent not already established) one or more Swap Collateral Accounts with the Swap Collateral Account Bank under the Bank Agreement and credit all swap collateral to the Swap Collateral Account(s).

The loan level data reports to be submitted to the Cash Administrator will be provided by the Mortgage Administrator to the Cash Administrator in a format that is compliant with the relevant Bank of England collateral eligibility criteria.

If for whatever reason, an incorrect payment is made to any party entitled thereto (including the Noteholders of any Class and/or the Certificateholders) pursuant to the Pre-Enforcement Revenue Priority of Payments and/or the Pre-Enforcement Principal Priority of Payments, the Cash Administrator will use reasonable endeavours to rectify the same by increasing or reducing payments to such party (including the Noteholders of any Class and/or the Certificateholders), as appropriate, on each subsequent Interest Payment Date or Interest Payment Dates (if applicable) to the extent required to correct the same. Where such an adjustment is required to be made, the Cash Administrator will notify Noteholders and/or the Certificateholders of the same in accordance with the terms of Note Condition 13 (*Notice to Noteholders*) and Certificate Condition 11 (*Notice to Certificateholders*). Neither the Issuer nor the Cash Administrator will have any liability to any person for making any such correction.

The Cash Administrator is entitled to charge a fee for its services under the Cash Administration Agreement, payable on each Interest Payment Date as provided for in the Pre-Enforcement Revenue Priority of Payments and the Post-Enforcement Priority of Payments.

The Issuer shall indemnify the Cash Administrator against all Liability which the Cash Administrator may incur or which may be made against it arising out of or in relation to, or in connection with its appointment or the exercise of its functions, except such as may result from its wilful misconduct, gross negligence or fraud.

The appointment of the Cash Administrator may be terminated by the Issuer (with the consent of the Note Trustee) upon the happening of certain events of default or if insolvency or similar events occur in relation to the Cash Administrator or if, following the giving of an Enforcement Notice in relation to the Notes, the Security Trustee is entitled to dispose of the assets comprised in the Security.

Following any such termination, the Issuer shall, within 60 days, use reasonable endeavours to enter into a replacement cash administration agreement on substantially the same terms as the Cash Administration Agreement with a replacement cash administrator with suitable experience and credentials in such form as the Issuer and the Security Trustee shall reasonably require. In addition to the above, the Cash Administrator may resign upon the expiry of not less than 60 days' notice given in writing by the Cash Administrator to the other parties to the Cash Administration Agreement, *provided that* a replacement Cash Administrator shall be appointed prior to such resignation taking effect. Following notification of such resignation, the Issuer shall, within 60 days, use reasonable endeavours to enter into a replacement cash administration agreement on substantially the same terms as the Cash Administration Agreement with a replacement cash administrator with suitable experience and credentials in such form as the Issuer and the Security Trustee shall reasonably require.

WEIGHTED AVERAGE LIVES OF THE NOTES

Weighted average life 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 investor of amounts distributed in net reduction of principal of such security (assuming no losses). The weighted average lives of the Notes will be influenced by, among other things, the actual rate of redemption of the Loans.

The model used in this Prospectus for the Loans represents an assumed constant per annum rate of prepayment (“CPR”) each month relative to the then outstanding principal balance of a pool of mortgage loans. CPR does not purport to be either an historical description of the prepayment experience of any pool of mortgage loans or a prediction of the expected rate of prepayment of any mortgage loans, including the Mortgages to be included in the Completion Mortgage Pool.

The following tables were prepared based on the characteristics of the Loans to be included in the Mortgage Pool and the following additional assumptions (the “**Modelling Assumptions**”):

- (a) as of the Cut-Off Date, the aggregate Current Balance of the Loans comprising the Completion Mortgage Pool is £231,903,657.07;
- (b) that as of the Cut-Off Date, the amortisation schedule for each Loan in the Completion Mortgage Pool mirrors the amortisation schedule calculated for each Loan in the Provisional Completion Mortgage Pool as at the Provisional Pool Reference Date by reference to the period commencing on the Cut-Off Date (and assuming, *inter alia*, the relevant assumptions documented below, including in particular but not limited to paragraphs (c), (d) and (t) together with the interest rate applicable to such Loan as of the Provisional Pool Reference Date and its remaining term (calculated using the Provisional Pool Reference Date and the maturity of each Loan));
- (c) subject to paragraph (t), the amortisation of any Repayment Loan is calculated as an annuity loan;
- (d) all Loans that are not Repayment Loans are Interest Only Loans;
- (e) the Issue Date is 9 July 2021;
- (f) the portfolio mix of loan characteristics will remain the same throughout the life of the Notes and 100 per cent. of the Provisional Completion Mortgage Pool is purchased on the Issue Date;
- (g) there are no arrears or enforcements;
- (h) no Principal Deficiency arises;
- (i) other than for the table entitled “*Weighted Average Life in Years (assuming a call option is exercised on the Call Option Date falling in August 2025)*”, no Loan is sold by the Issuer (other than, where applicable, on or immediately prior to the Call Option Date), either as a result of a repurchase by the Seller pursuant to the terms of the Mortgage Sale Agreement or otherwise;
- (j) no Product Switch Loans are entered into and no Further Advances are purchased in respect of the Loans comprising the Completion Mortgage Pool;
- (k) for the table entitled “*Weighted Average Life in Years (assuming a call option is exercised on the Call Option Date falling in August 2025)*”, the Notes are redeemed at their Principal Amounts Outstanding on the Call Option Date;
- (l) for the table entitled “*Weighted Average Life in Years (assuming no call option is exercised on any Call Option Date)*”, the Notes are not redeemed as a result of the sale of the Mortgage Pool;
- (m) Compounded Daily SONIA is equal to 0.05 per cent.;
- (n) the Bank of England base rate is equal to 0.25 per cent.;
- (o) the VVR is equal to 2.15 per cent.;
- (p) the fixed rate under the Swap Agreement is 1.10 per cent.;
- (q) no Enforcement Notice has been served on the Issuer and no Event of Default has occurred;
- (r) no interest is earned on the Transaction Account;

- (s) subject to paragraph (t), the fees in respect of the Completion Mortgage Pool are equal to the sum of:
 - (i) variable fees equal to 0.105 per cent. per annum of the aggregate Current Balance of the Loans at the beginning of each collection period; and
 - (ii) fixed fees of £100,000 per annum (inclusive of VAT) (distributed equally through time);
- (t) all collections in respect of the Mortgage Pool arising from the Cut-Off Date will be available in the Transaction Account for application on each relevant Interest Payment Date thereafter;
- (u) subject to paragraph (v) below, all amounts payable, including but not limited to interest on the Notes, are calculated based on the actual number of days in the period and a year of 365 days *provided that* in the case of (i) and (ii) below such amounts are calculated based on a month of 30 days and a year of 360 days:
 - (i) amortisation of the Loans calculated pursuant to paragraph (b) above; and
 - (ii) accrual of interest on the Loans;
- (v) each Interest Payment Date falls on 20th of February, May, August or November with no adjustment made for Business Day;
- (w) as of the Issue Date, the Principal Amount Outstanding of:
 - (i) the Class A Notes represents exactly 85.98%;
 - (ii) the Class B Notes represents exactly 4.40%;
 - (iii) the Class C Notes represents exactly 4.01%;
 - (iv) the Class D Notes represents exactly 3.10%;
 - (v) the Class X Notes represents exactly 2.98%;
 - (vi) the Class Z1 Notes represents exactly 2.50%; and
 - (vii) the Class Z2 Notes represents exactly 2.50%;

in each case, of the aggregate estimated Current Balance of the Mortgage Pool as of the Cut-Off Date, calculated in the manner outlined in paragraph (b) hereto;
- (x) the Swap Agreement is not terminated and the Swap Counterparty fully complies with its obligations under the Swap Agreement;
- (y) the Issuer enters into sufficient additional Interest Rate Swap transaction(s) to hedge the Additional Loans and which have the same characteristics as the initial Interest Rate Swap;
- (z) the balance of the Pre-Funding Principal Reserve Ledger, if any, is 0;
- (aa) the balance of the Pre-Funding Class X Reserve Ledger, if any, is 0;
- (bb) the Issuer will not, on the Issue Date, receive any excess proceeds from the issue of the Notes (on account of rounding or otherwise, and other than as contemplated herein) which will be applied to the Principal Ledger of the Transaction Account for application as Available Principal Funds on the First Interest Payment Date; and
- (cc) that the Rates of Interest payable on the Notes include certain assumptions regarding the Relevant Margins referable thereto.

The actual characteristics and performance of the Loans are likely to differ from the assumptions used in constructing the tables set forth below, which are hypothetical in nature and are provided only to give a general sense of how the principal cash flows might behave under varying prepayment scenarios. For example, it is not expected that the Loans will prepay at a constant rate until maturity, that all of the Loans will prepay at the same rate or that there will be no defaults or delinquencies of the aggregate Current Balance of the Loans under the collections on the Loans. Moreover, the diverse remaining terms to maturity of the Loans could produce slower or faster principal distributions than indicated in the tables at the various percentages of CPR specified, even if the weighted average remaining term to maturity of the Loans is assumed.

Any difference between such assumptions and the actual characteristics and performance of the Loans will cause the weighted average lives of the Notes to differ (which difference could be material) from the corresponding information in the tables for each indicated percentage of CPR.

Weighted Average Life in Years

The weighted average lives shown below were determined by (i) multiplying the net reduction, if any, of the Principal Amount Outstanding of each Class of Notes by the number of years from the date of issue of the Notes to the related Interest Payment Date, (ii) adding the results and (iii) dividing the sum by the aggregate of the net reductions of the Principal Amount Outstanding described in (i) above.

Subject to the foregoing discussion and assumptions, the following tables indicate the weighted average lives of the Notes. The weighted average lives of the Rated Principal Backed Notes and the X Notes have been calculated on a 30/360 basis.

Weighted Average Life in Years (assuming a call option is exercised on the Call Option Date falling in August 2025)

| Weighted Average Life | 0.0% CPR | 2.5% CPR | 5.0% CPR | 7.5% CPR | 10.0% CPR | 12.5% CPR | 15.0% CPR | 20.0% CPR | Pricing | CPR* |
|-----------------------|----------|----------|----------|----------|-----------|-----------|-----------|-----------|---------|------|
| A Notes | 4.06 | 3.86 | 3.65 | 3.44 | 3.25 | 3.06 | 2.89 | 2.55 | | 2.78 |
| B Notes | 4.1 | 4.1 | 4.1 | 4.1 | 4.1 | 4.1 | 4.1 | 4.1 | | 4.1 |
| C Notes | 4.1 | 4.1 | 4.1 | 4.1 | 4.1 | 4.1 | 4.1 | 4.1 | | 4.1 |
| D Notes | 4.1 | 4.1 | 4.1 | 4.1 | 4.1 | 4.1 | 4.1 | 4.1 | | 4.1 |
| X Notes | 0.81 | 0.82 | 0.83 | 0.84 | 0.86 | 0.87 | 0.89 | 0.92 | | 0.85 |

Weighted Average Life in Years (assuming no call option is exercised on any Call Option Date)

| Weighted Average Life | 0.0% CPR | 2.5% CPR | 5.0% CPR | 7.5% CPR | 10.0% CPR | 12.5% CPR | 15.0% CPR | 20.0% CPR | Pricing | CPR* |
|-----------------------|----------|----------|----------|----------|-----------|-----------|-----------|-----------|---------|------|
| A Notes | 10.56 | 8.42 | 6.91 | 5.82 | 4.98 | 4.32 | 3.79 | 3 | | 3.28 |
| B Notes | 16.73 | 15.82 | 14.03 | 12.48 | 11.4 | 10.35 | 9.46 | 7.93 | | 7.16 |
| C Notes | 16.91 | 16.35 | 14.6 | 13.1 | 11.85 | 11.08 | 10.1 | 8.6 | | 7.8 |
| D Notes | 17.1 | 16.35 | 14.6 | 13.1 | 11.85 | 11.1 | 10.1 | 8.6 | | 7.85 |
| X Notes | 0.81 | 0.82 | 0.83 | 0.84 | 0.86 | 0.87 | 0.89 | 0.92 | | 0.85 |

* CPR of 9% for 14 months, followed by 31% for 12 months, followed by 14% for 31 months, followed by 33% for 25 months and 27% thereafter.

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

The Global Notes contain provisions which apply to the Notes while they are in global form, some of which modify the effect of the terms and conditions of the Notes set out in this Prospectus. The following is a summary of certain of those provisions:

1. Form

All Notes will be issued in fully registered form and will be represented, on issue, by the Global Notes.

The Notes are not issuable in bearer form.

2. Nominal Amount

The nominal amount of the Global Notes shall be the aggregate amount from time to time entered in the Register, maintained by the Registrar.

The Global Notes will be issued and held under the new safekeeping structure and are intended upon issue to be deposited with, and registered in the name of a nominee for a common safekeeper on behalf of one of the ICSDs and in a manner which would allow Eurosystem eligibility. However, the deposit of the Global Notes with a common safekeeper on behalf of the ICSDs upon issuance or otherwise, does not necessarily mean that the Global 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.

The Register shall be conclusive evidence of the nominal amount of Notes represented by the Global Note and a statement issued by the Registrar at any time shall be conclusive evidence of the records of that Register at that time. The Note Trustee will not 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.

3. Issuance of Definitive Notes

Holder of Book-Entry Interests in the Global Notes will be entitled to receive certificates evidencing definitive notes in registered form ("**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 days (other than by reason of holiday, statutory or otherwise) or announce an intention permanently to cease business and do so cease to do business; or
- (b) as a result of any amendment to, or change in, the laws or regulations of the United Kingdom or of any political sub-division therein or thereof having power to tax or in the interpretation or administration of such legislation which becomes effective on or after the Issue Date, the Issuer or the Principal Paying Agent is or will be required to make any deduction or withholding for or on account of tax from any payment in respect of the Notes which would not be required were the Notes in definitive form.

In order to receive a Definitive Note a person having an interest in a Global Note must provide the Registrar with a written order containing instructions and such other information as the Issuer and the Registrar may require to complete, execute and deliver such Definitive Notes.

Any Definitive Notes issued in exchange for Book-Entry Interests in a 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. 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 Definitive Notes issued in exchange for Book-Entry Interests in a Global Note, as the case may be, will not be entitled to exchange such Definitive Note, for Book-Entry Interests in a Global Note. Any Notes issued in definitive form will be issued in registered form only and will be subject to the provisions set forth under Note Condition 1(b) (*Title and Transfer*) provided that no transfer shall be registered for a period of 15 days immediately preceding any due date for payment in respect of the Note or, as the case may be, the due date for redemption. Definitive Notes will not be issued in a denomination that is not an integral multiple of the Minimum Denomination or, for any amount in excess thereof, in integral multiples of £1,000. As the Notes have a denomination consisting of the Minimum Denomination plus a higher integral multiple of another smaller amount, it is possible that the Notes may be traded in amounts in excess of £100,000 (or its equivalent) that are not integral multiples of

£100,000 (or its equivalent). In such case a Noteholder who, as a result of trading such amounts, holds a principal amount of less than the Minimum Denomination may not receive a Definitive Note in respect of such holding (should Definitive Notes be issued) and would need to purchase a principal amount of Notes such that its holding amounts to the Minimum Denomination.

4. Payments

Payments of principal and interest in respect of Notes represented by the Global Note will be made to its holder. The Issuer shall procure that details of each such payment shall be entered *pro rata* in the records of the relevant Clearing System and, in the case of payments of principal, the nominal amount of the Notes will be reduced accordingly. Each payment so made will discharge the Issuer's obligations in respect thereof. Any failure to make the entries in the records of the relevant Clearing System shall not affect such discharge. 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 Common Safekeeper or its nominees in respect of those Book-Entry Interests.

For the purpose of any payments made in respect of a Global Note, Note Condition 6(d) (*Payments on Business Days*) shall not apply, and all such payments shall be made on a day which is a business day (as defined in Note Condition 6(d) (*Payments on Business Days*)).

5. Book-Entry Interests

Book-Entry Interests in respect of Global Notes will be recorded in denominations of £100,000 and, for so long as the rules of Euroclear or Clearstream, Luxembourg so permit integral multiples of £1,000 in excess thereof (a "**Minimum Denomination**"). Ownership of Book-Entry Interests is limited to persons that have accounts with Euroclear or Clearstream, Luxembourg or ("**Participants**") or persons that hold interests in the Book-Entry Interests through 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. Indirect Participants shall also include persons that hold beneficial interests through such Indirect Participants. Book-Entry Interests will not be held in definitive form. Instead, Euroclear and Clearstream, Luxembourg 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 by the Joint Arrangers. 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).

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, 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 Noteholders for the purposes of making payments to the Noteholders. The record date, in respect of the Notes shall be one Clearing System Business Day prior to the relevant Interest Payment Date where "**Clearing System Business Day**" means a day on which each clearing system for which the Notes are being held is open for business. 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 and will be the responsibility of such Participants or Indirect Participants. None of the Issuer, the Joint Arrangers, the Joint Lead Managers, the Cash Administrator, the Agents, the Note Trustee, the Security Trustee, the Swap Counterparty, the Swap Collateral Account Bank or any of their agents 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.

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 of the Common Safekeeper, as applicable, is the registered holder of the respective Global Notes underlying the Book-Entry Interests, the nominee of the Common Safekeeper will be considered the sole Noteholder of the relevant Global Note for all purposes under the Trust Deed and the Paying Agency Agreement. Except as set forth under "*Issuance of Definitive Notes*" above, Participants or Indirect Participants will not be entitled to have Notes registered in their names, will not receive or be entitled

to receive physical delivery of 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 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 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 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 Global Notes, holders of Book-Entry Interests will be restricted to acting through Euroclear or Clearstream, Luxembourg, as the case may be, unless and until Definitive Notes are issued in accordance with the Conditions. There can be no assurance that the procedures to be implemented by Euroclear or Clearstream, Luxembourg under such circumstances will be adequate to ensure the timely exercise of remedies under the Trust Deed.

Unless and until Book-Entry Interests in the Global Notes are exchanged for Definitive Notes, the Global Notes registered in the name of a nominee of 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 respective Global Notes relating thereto. Investors may hold their Book-Entry Interests in respect of a Global Note directly through Euroclear or Clearstream, Luxembourg, 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 each respective Global Note, as the case may be, 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.

6. Transfer

Transfers of interests in the Notes are subject to certain restrictions and must be made in accordance with the procedures set forth in the Trust Deed. Each purchaser of Notes in making its purchase will be required to make, or will be deemed to have made, certain acknowledgements, representations and agreements. The transfer of Notes in breach of certain of such representations and agreements will result in affected Notes becoming subject to certain forced transfer provisions. See Note Condition 1(b) (*Title and Transfer*).

7. Action in Respect of the Global Notes and the Book-Entry Interests

Not later than 10 days after receipt by the Issuer of any notices in respect of the Global Notes or any notice of solicitation of consents or requests for a waiver or other action by the holder of the Global Notes, 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 Notes and (c) a statement as to the manner in which such instructions may be given. Upon the written request of Euroclear and 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 Notes in accordance with any instructions set forth in such request. Euroclear or Clearstream, Luxembourg are expected to follow the procedures described under “Book-Entry Interests” 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.

8. Trading between Clearing System participants

Secondary market sales of Book-Entry Interests in the Notes held through Euroclear or Clearstream, Luxembourg to purchasers of Book-Entry Interests in the Notes held through Euroclear or Clearstream, Luxembourg will be conducted in accordance with the normal rules and operating procedures of Euroclear and Clearstream, Luxembourg and will be settled using the procedures applicable to conventional Eurobonds and sterling denominated bonds.

9. Notices

So long as the Notes are in global form and held on behalf of a relevant Clearing System, notices to Noteholders may be given by delivery of the relevant notice to that relevant Clearing System for communication by it to entitled accountholders in substitution for publication as required by the Conditions.

10. Prescription

Claims against the Issuer in respect of principal and interest on the Notes while the Notes are represented by the Global Notes will become void unless it is presented for payment within a period of 10 years (in the case of principal) and 5 years (in the case of interest) from the appropriate relevant date (as defined in Note Condition 7 (*Prescription*)).

11. Meetings

Subject to the provisions of the Trust Deed, the holder of the Global Note shall be treated as a Noteholder for the purposes of constituting a quorum for the purposes of meeting the quorum requirements of a meeting of Noteholders.

12. Purchase and Cancellation

On cancellation of any Note required by the Conditions to be cancelled following its purchase, the Issuer shall procure that details of such cancellation shall be entered *pro rata* in the records of the relevant Clearing Systems and, upon any such entry being made, the nominal amount of the Notes recorded in the records of the relevant Clearing Systems and represented by this Global Note shall be reduced by the aggregate nominal amount of the Notes so cancelled.

13. Note Trustee's Powers

In considering the interests of Noteholders while the Global Note is held on behalf of a relevant Clearing System, the Note Trustee may have regard to any information provided to it by such relevant Clearing System or its operator as to the identity (either individually or by category) of its accountholders with entitlements to the Global Note and may consider such interests as if such accountholders were the holder of the Global Note.

SUMMARY OF PROVISIONS RELATING TO THE CERTIFICATES WHILE IN GLOBAL FORM

The Global Certificates contain provisions which apply to the Certificates while they are in global form, some of which modify the effect of the terms and conditions of the Certificates set out in this Prospectus. The following is a summary of certain of those provisions:

1. Form

All Certificates will be issued in fully registered form and will be represented, on issue, by the Global Certificates.

The Certificates are not issuable in bearer form.

2. Amount

Each Certificate bears a right to receive, on a *pro rata* basis, a Residual Payment.

The amount of the Global Certificates shall be the aggregate amount from time to time entered in the records of Euroclear, Clearstream, Luxembourg or any alternative clearing system approved by the Note Trustee (each a relevant “**Clearing System**”).

The Certificates are intended upon issue to be deposited with, and registered in the nominee name of, a common depository.

The records of such relevant Clearing System shall be conclusive evidence of the amount of Certificates represented by the Global Certificates and a statement issued by such relevant Clearing System at any time shall be conclusive evidence of the records of that relevant Clearing System at that time. The Note Trustee will not 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.

3. Issuance of Definitive Certificates

Holders of Book-Entry Interests in the Global Certificates will be entitled to receive certificates evidencing definitive certificates in registered form (“**Definitive Certificates**”) 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 days (other than by reason of holiday, statutory or otherwise) or announce an intention permanently to cease business and do so cease to do business; 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 therein or thereof having power to tax or in the interpretation or administration of such legislation which becomes effective on or after the Issue Date, the Issuer or the Principal Paying Agent is or will be required to make any deduction or withholding for or on account of tax from any payment in respect of the Certificates which would not be required were the Certificates in definitive form.

In order to receive a Definitive Certificate a person having an interest in a Global Certificate must provide the Registrar with a written order containing instructions and such other information as the Issuer and the Registrar may require to complete, execute and deliver such Definitive Certificates.

Any Definitive Certificates issued in exchange for Book-Entry Interests in a Global Certificate will be registered by the Registrar in such name or names as the Issuer shall instruct the Registrar based on the instructions of Euroclear or Clearstream, Luxembourg. 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 Definitive Certificates issued in exchange for Book-Entry Interests in a Global Certificate, as the case may be, will not be entitled to exchange such Definitive Certificate, for Book-Entry Interests in a Global Certificate. Any Certificates issued in definitive form will be issued in registered form only and will be subject to the provisions set forth under Certificate Condition 1(b) (*Title*) provided that no transfer shall be registered for a period of 15 days immediately preceding any due date for payment in respect of the Certificate.

4. Payments

Residual Payments in respect of Certificates represented by the Global Certificate will be made to its holder. The Issuer shall procure that details of each such payment shall be entered *pro rata* in the records of the

relevant Clearing System. Each payment so made will discharge the Issuer's obligations in respect thereof. Any failure to make the entries in the records of the relevant Clearing System shall not affect such discharge. 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 Common Depositary or its nominees in respect of those Book-Entry Interests.

For the purpose of any payments made in respect of a Global Certificate, Certificate Condition 4(g) (*Payments on Business Days*) shall not apply, and all such payments shall be made on a day which is a business day (as defined in Certificate Condition 4(g) (*Payments on Business Days*)).

5. Book-Entry Interests

Ownership of Book-Entry Interests is limited to persons that have accounts with Euroclear or Clearstream, Luxembourg or ("**Participants**") or persons that hold interests in the Book-Entry Interests through 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. Indirect Participants shall also include persons that hold beneficial interests through such Indirect Participants. Book-Entry Interests will not be held in definitive form. Instead, Euroclear and Clearstream, Luxembourg 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 by the Joint Arrangers. 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).

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, 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 Certificateholders for the purposes of making payments to the Certificateholders. The record date, in respect of the Certificates shall be one Clearing System Business Day prior to the relevant Interest Payment Date where "**Clearing System Business Day**" means a day on which each clearing system for which the Certificates are being held is open for business. 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 and will be the responsibility of such Participants or Indirect Participants. None of the Issuer, any agent of the Issuer, the Joint Arrangers, the Joint Lead Managers, the Note Trustee, the Security Trustee, the Swap Counterparty, the Swap Collateral Account Bank, the Cash Administrator, the Agents or any of their agents 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.

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 of the Common Depositary, as applicable, is the registered holder of the respective Global Certificates underlying the Book-Entry Interests, the nominee of the Common Depositary will be considered the sole Certificateholder of the relevant Global Certificate for all purposes under the Trust Deed and the Paying Agency Agreement. Except as set forth under "*Issuance of Definitive Certificates*" above, Participants or Indirect Participants will not be entitled to have Certificates registered in their names, will not receive or be entitled to receive physical delivery of Certificates 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 Certificates under the Trust Deed. See "*Action in respect of the Global Certificate and the Certificate Book-Entry Interests*" below.

Unlike legal owners or holders of the Certificates, 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 Certificateholders. 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 Certificates, holders of Book-Entry Interests will be restricted to acting through Euroclear or Clearstream, Luxembourg, as the case may be, unless and until Definitive Certificates are issued in accordance with the Conditions. There can be no assurance that the procedures to be implemented by Euroclear or Clearstream, Luxembourg under such circumstances will be adequate to ensure the timely exercise of remedies under the Trust Deed.

Unless and until Book-Entry Interests in the Global Certificates are exchanged for Definitive Certificates, the Global Certificates registered in the name of a nominee of the Common Depositary may not be transferred except as a whole by the Common Depositary to a successor of the Common Depositary.

Purchasers of Book-Entry Interests in a Global Certificate will hold Book-Entry Interests in the respective Global Certificates relating thereto. Investors may hold their Book-Entry Interests in respect of a Global Certificate directly through Euroclear or Clearstream, Luxembourg, 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 each respective Global Certificate, as the case may be, 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.

6. Transfer

All transfers of Certificate 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 the section above entitled "*Book-Entry Interests*"). Beneficial interests in the Global Certificate may be held only through Euroclear or Clearstream, Luxembourg.

7. Action in respect of the Global Certificate and the Certificate Book-Entry Interests

Not later than 10 days after receipt by the Issuer of any notice in respect of the Global Certificate or any notice of solicitation of consents or requests for a waiver or other action by the holder of the Global Certificate, 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 Certificate Book-Entry Interests or the Global Certificate 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 Certificate Book-Entry Interests or the Global Certificate in accordance with any instructions set out in such request. Euroclear and Clearstream, Luxembourg are expected to follow the procedures described under the section above entitled "*Book-Entry Interests*", with respect to soliciting instructions from their respective Participants.

8. Trading between Clearing System participants

Secondary market sales of Book-Entry Interests in the Certificates held through Euroclear or Clearstream, Luxembourg to purchasers of Book-Entry Interests in the Certificates held through Euroclear or Clearstream, Luxembourg will be conducted in accordance with the normal rules and operating procedures of Euroclear and Clearstream, Luxembourg and will be settled using the procedures applicable to conventional Eurobonds and sterling denominated bonds.

9. Notices

So long as the Certificates are in global form and held on behalf of a relevant Clearing System, notices to Certificateholders may be given by delivery of the relevant notice to that relevant Clearing System for communication by it to entitled accountholders in substitution for publication as required by the Certificates Conditions.

10. Meetings

Subject to the provisions of the Trust Deed, the holder of the Global Certificate shall be treated as a Certificateholder for the purposes of constituting a quorum for the purposes of meeting the quorum requirements of a meeting of Certificateholders.

11. Purchase and Cancellation

On cancellation of any Certificate required by the Conditions to be cancelled following its purchase, the Issuer shall procure that details of such cancellation shall be entered *pro rata* in the records of the relevant Clearing Systems and, upon any such entry being made, the nominal amount of the Certificates recorded in the records of the relevant Clearing Systems and represented by the Global Certificate shall be reduced by the aggregate nominal amount of the Certificates so cancelled.

12. Trustee's Powers

In considering the interests of Certificateholders while the Global Certificate is held on behalf of a relevant Clearing System, the Note Trustee may have regard to any information provided to it by such relevant Clearing System or its operator as to the identity (either individually or by category) of its accountholders with entitlements to the Global Certificate and may consider such interests as if such accountholders were the holders of the Global Certificate.

TERMS AND CONDITIONS OF THE NOTES

The following are the terms and conditions of the Notes in the form in which they will be set out in the Trust Deed. If the Notes were to be represented by Definitive Notes, the Conditions set out on the reverse of each of such Definitive Notes would be as follows. While the Notes are represented by Global Notes, they will be governed by the same terms and conditions except to the extent that such terms and conditions are appropriate only to securities in definitive form or are expressly varied by the terms of such Global Notes. These terms and conditions are subject to the detailed provisions of the Trust Deed and the other Transaction Documents (as defined below).

The issue of £258,000,000 Class A Notes due on the Interest Payment Date falling on November 2063 (the “**A Notes**”), £13,200,000 Class B Notes due on the Interest Payment Date falling in November 2063 (the “**B Notes**”), £12,000,000 Class C Notes due on the Interest Payment Date falling in November 2063 (the “**C Notes**”), £9,300,000 Class D Notes due on the Interest Payment Date falling in November 2063 (the “**D Notes**”), £9,000,000 Class X Notes due on the Interest Payment Date falling in November 2063 (the “**X Notes**” and together with the A Notes, the B Notes, the C Notes and the D Notes, the “**Floating Rate Notes**”), £7,500,000 Class Z1 Notes due on the Interest Payment Date falling in November 2063 (the “**Z1 Notes**”), £7,500,000 Class Z2 Notes due on the Interest Payment Date falling in November 2063 (the “**Z2 Notes**” and, together with the Floating Rate Notes and the Z1 Notes, the “**Notes**”), of Tower Bridge Funding 2021-2 PLC (the “**Issuer**”) was authorised by a resolution of the board of directors of the Issuer passed on 5 July 2021. Together, the A Notes, the B Notes, the C Notes and the D Notes are the “**Rated Principal Backed Notes**” and, together with the X Notes, are the “**Rated Notes**”. Together, the A Notes, the B Notes, the C Notes, the D Notes and the Z1 Notes are the “**Principal Backed Notes**”.

The Notes are constituted by a trust deed (as amended or modified from time to time, the “**Trust Deed**”) dated on or about 9 July 2021 (the “**Issue Date**”) between the Issuer and U.S. Bank Trustees Limited (the “**Note Trustee**”) as trustee for the holders of the Notes (the “**Noteholders**”). Any reference in these terms and conditions to a “**Class**” of Notes or Noteholders shall be a reference to, as the case may be, the A Notes, the B Notes, the C Notes, the D Notes, the X Notes, the Z1 Notes and the Z2 Notes or to the respective holders thereof.

These Conditions include summaries of, and are subject to, the detailed provisions of (1) the Trust Deed, which includes the form of the Notes, (2) the paying agency agreement (the “**Paying Agency Agreement**”) dated the Issue Date relating to the Notes between, among others, the Issuer, the Note Trustee, Elavon Financial Services DAC as agent bank (the “**Agent Bank**”) and as principal paying agent (the “**Principal Paying Agent**”), Elavon Financial Services DAC as registrar (the “**Registrar**”) and the other paying agents named in it (the Principal Paying Agent and any other or further paying agent appointed under the Paying Agency Agreement, the “**Paying Agents**” and together with the Registrar and the Agent Bank, the “**Agents**”), (3) the deed of charge and assignment (the “**Deed of Charge**”) dated the Issue Date between the Issuer and U.S. Bank Trustees Limited (the “**Security Trustee**”) and (4) the cash administration agreement (the “**Cash Administration Agreement**”) dated the Issue Date between, inter alios, the Issuer and U.S. Bank Global Corporate Trust Limited (the “**Cash Administrator**”).

In these Note Conditions, capitalised words and expressions shall, unless otherwise defined below, have the same meanings as those given in the Master Definitions Schedule dated on or about the Issue Date and signed for the purpose of identification by the Issuer and the Seller.

Copies of the Trust Deed, the Paying Agency Agreement, the Deed of Charge, the Cash Administration Agreement, the Master Definitions Schedule and the other Transaction Documents may be (i) inspected in physical form or collected during usual business hours at the specified offices from time to time of the Principal Paying Agent or (ii) provided by email (upon request to the Principal Paying Agent or the Issuer and provision of proof of holding and identity (in a form satisfactory to the Principal Paying Agent or the Issuer, as the case may be)) and will be available in such manner for at least as long as the Notes are listed on the Official List of the Financial Conduct Authority and admitted to trading on the London Stock Exchange plc’s main market (the “**London Stock Exchange**”) and the guidelines of the London Stock Exchange so require. The Noteholders are entitled to the benefit of the Trust Deed and are bound by, and are deemed to have notice of, the provisions of the Trust Deed, the Paying Agency Agreement, the Deed of Charge, the Master Definitions Schedule and the other Transaction Documents.

1. Form, Denomination and Title

(a) *Form and Denomination*

- (i) The Notes are in fully registered form in the denominations of £100,000 and integral multiples of £1,000 in excess thereof up to and including £199,000. No Definitive Notes will be issued with a denomination above £199,000.
- (ii) The Notes of each Class of Notes will be represented on issue by beneficial interests in one or more Global Notes in fully registered form, without interest or principal receipts.
- (iii) For so long as any Notes are represented by a Global Note, transfers and exchanges of beneficial interests in Global Notes 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 or Clearstream, Luxembourg as appropriate.
- (iv) For so long as the Notes are represented by a Global Note and Euroclear and Clearstream, Luxembourg so permit, the Notes shall be tradable only in minimal amounts of £100,000 and integral multiples of £1,000 thereafter.
- (v) Certificates evidencing definitive registered Notes in an aggregate principal amount equal to the Principal Amount Outstanding of the Global Notes (the “**Definitive Notes**”) will be issued in registered form and in the circumstances referred to below. Definitive Notes, if issued, will be issued in the denomination of £100,000 and integral multiples of £1,000 thereafter.
- (vi) If, while the Notes are represented by a Global Note:
 - (A) both Euroclear and Clearstream, Luxembourg are closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announce an intention permanently to cease business and do so cease to do business; 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 therein or thereof having power to tax or in the interpretation or administration of such legislation which becomes effective on or after the Issue Date, the Issuer or the Principal Paying Agent is or will be required to make any deduction or withholding for or on account of tax from any payment in respect of the Notes which would not be required were the Notes in definitive form.

the holders of Book-Entry Interests in the Global Notes will be entitled to receive Definitive Notes in exchange for their respective holdings of Book-Entry Interests.

(b) *Title and Transfer*

- (i) The person registered in the register maintained by the Registrar (the “**Register**”) as the holder of any Note will (to the fullest extent permitted by applicable law) 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 Note regardless of any notice of ownership, theft or loss, of any trust or other interest therein or of any writing thereon or, if more than one person, the first named of such persons who will be treated as the absolute owner of such Note.
- (ii) The Issuer shall cause to be kept at the specified office of the Registrar, the Register on which shall be entered the names and addresses of the holders of the Notes and the particulars of the Notes held by them and of all transfers of the Notes.
- (iii) No transfer of a Note will be valid unless and until entered on the Registrar.
- (iv) Transfers and exchanges of beneficial interests in the Global Notes and any Definitive Notes and entries on the Register relating thereto will be made subject to any restrictions on transfers set forth on such Notes and the detailed regulations concerning transfers of such Notes contained in the Paying Agency Agreement and the Trust Deed. In no event will the transfer of a beneficial interest in a Global Note or the transfer of a Definitive Note be made absent compliance with the regulations referred to above, and any purported transfer in violation of such regulations shall be void ab initio and will not be honoured by the Issuer or the Note Trustee. The regulations referred to above may be changed by the Issuer with the prior written approval of the Registrar and the Note Trustee. A copy of the current regulations will be sent by the Principal Paying Agent in the U.K. or the Registrar to any holder of a Note who so requests (and who provides evidence of such holding where the Notes are in global form) and will be available upon request at the specified office of the Registrar or the Principal Paying Agent.

- (v) A Definitive Note may be transferred in whole or in part upon the surrender of the relevant Definitive Note, together with the form of transfer endorsed on it duly completed and executed, at the specified office of the Registrar or the Principal Paying Agent. In the case of a transfer of part only of a Definitive Note, a new Definitive Note, in respect of the balance remaining will be issued to the transferor by or by order of the Registrar.
- (vi) Each new Definitive Note, to be issued upon transfer of Definitive Notes will, within 5 Business Days of receipt of such request for transfer, be available for delivery at the specified office of the Registrar or the Principal Paying Agent stipulated in the request for transfer, or be mailed at the risk of the holder entitled to the Definitive Note, to such address as may be specified in such request.
- (vii) Registration of Definitive Notes on transfer will be effected without charge by or on behalf of the Issuer or the Registrar, but upon payment of (or the giving of such indemnity as the Registrar may require in respect of) any Tax or other governmental charges which may be imposed in relation to it.
- (viii) No holder of a Definitive Note, may require the transfer of such Note to be registered during the period of 15 days ending on the due date for any payment of principal or interest on such Note.
- (ix) All transfers of Notes and entities on the Register are subject to detailed regulations concerning the transfer of Notes scheduled to the Paying Agency Agreement. The regulations may be changed by the Issuer with the prior written approval of the Note Trustee and the Registrar. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Noteholder who requests in writing a copy of such regulations.

2. Status, Security and Administration

- (a) The Notes constitute direct, secured and unconditional obligations of the Issuer, recourse in respect of which is limited in the manner described in Note Condition 10 (*Enforcement of Security, Limited Recourse and Non-Petition*).
 - (i) As regards payments of interest:
 - (A) prior to the earlier to occur of (A) the date on which the Note Trustee serves an Enforcement Notice on the Issuer pursuant to Note Condition 9 (*Events of Default*) declaring the Notes to be due and repayable, (B) the Final Maturity Date, (C) the Interest Payment Date on which the relevant Notes are redeemed in accordance with Note Condition 5(d)(ii) (*Mandatory Redemption in Full - 10% clean up call*) or Note Condition 5(e) (*Optional Redemption for Taxation or Other Reasons*) and (D) the date on which the D Notes have been redeemed in full (in the case of (B) to (D) (inclusive) each such date a “**Redemption Event**”):
 - (I) the A Notes shall rank *pari passu* and without any preference or priority amongst themselves and in priority to the B Notes, the C Note, the D Notes, the X Notes, the Z1 Notes, the Z2 Notes and the Certificates;
 - (II) the B Notes shall rank *pari passu* and without any preference or priority amongst themselves and in priority to the C Notes, the D Notes, the X Notes, the Z1 Notes, the Z2 Notes and the Certificates;
 - (III) the C Notes shall rank *pari passu* and without any preference or priority amongst themselves and in priority to the D Notes, the X Notes, the Z1 Notes, the Z2 Notes and the Certificates;
 - (IV) the D Notes shall rank *pari passu* and without any preference or priority amongst themselves and in priority to the X Notes, the Z1 Notes, the Z2 Notes and the Certificates;
 - (V) the X Notes shall rank *pari passu* and without any preference of priority amongst themselves and in priority to the Z1 Notes, the Z2 Notes and the Certificates;
 - (VI) the Z1 Notes shall rank *pari passu* and without any preference of priority amongst themselves and in priority to the Z2 Notes and the Certificates;
 - (VII) the Z2 Notes shall rank *pari passu* and without any preference of priority amongst themselves and in priority to the Certificates;
 - (VIII) subject as provided below, the Certificates shall rank *pari passu* and without any preference or priority amongst themselves; and

- (B) on and following (i) the date on which the Note Trustee serves an Enforcement Notice on the Issuer pursuant to Note Condition 9 (*Events of Default*) declaring the Notes to be due and repayable or (ii) the occurrence of a Redemption Event, the provisions of Note Condition 2(d) (*Post-Enforcement Priority of Payments*) shall apply.
- (ii) As regards repayments of principal on the A Notes, the B Notes, the C Notes, the D Notes, the X Notes, the Z1 Notes and the Z2 Notes:
- (A) prior to (i) the date on which the Note Trustee serves an Enforcement Notice on the Issuer pursuant to Note Condition 9 (*Events of Default*) declaring the Notes to be due and repayable or (ii) the occurrence of a Redemption Event:
- (I) the A Notes shall rank *pari passu* and without any preference or priority amongst themselves and in priority to the B Notes, the C Notes, the D Notes, the Z1 Notes, the Z2 Notes and the X Notes;
- (II) the B Notes shall rank *pari passu* and without any preference or priority amongst themselves and in priority to the C Notes, the D Notes, the Z1 Notes, the Z2 Notes and the X Notes;
- (III) the C Notes shall rank *pari passu* and without any preference or priority amongst themselves and in priority to the D Notes, the Z1 Notes, the Z2 Notes and the X Notes;
- (IV) the D Notes shall rank *pari passu* and without any preference or priority amongst themselves and in priority to the Z1 Notes, the Z2 Notes and the X Notes;
- (V) the Z1 Notes shall rank *pari passu* and without any preference or priority amongst themselves and in priority to the Z2 Notes and the X Notes;
- (VI) the Z2 Notes shall rank *pari passu* and without any preference or priority amongst themselves and in priority to the X Notes; and
- (VII) the X Notes shall rank *pari passu* and without any preference or priority amongst themselves (but payments of principal on the X Notes shall only be payable out of Available Revenue Funds in accordance with the Pre-Enforcement Revenue Priority of Payments),
- provided that the Pre-Funding Unused Amount will be applied in accordance with item (i) of the Pre-Enforcement Principal Priority of Payments as *pro rata* repayment of the Principal Backed Notes and the X Notes) and, in addition, prior to a Redemption Event payments of principal on the X Notes shall be payable out of Available Revenue Funds in accordance with the Pre-Enforcement Revenue Priority of Payments and to that extent rank in priority to payments of principal on the other Notes; and
- (B) on or following (i) the date on which the Note Trustee serves an Enforcement Notice on the Issuer pursuant to Note Condition 9 (*Events of Default*) declaring the Notes to be due and repayable or (ii) the occurrence of a Redemption Event, the provisions of Note Condition 2(d) (*Post-Enforcement Priority of Payments*) shall apply.
- (iii) As regards payments on the Certificates:
- (A) prior to (i) the date on which the Note Trustee serves an Enforcement Notice on the Issuer pursuant to Note Condition 9 (*Events of Default*) declaring the Notes to be due and repayable or (ii) the occurrence of a Redemption Event, payments in respect of the Certificates shall be payable only out of Available Revenue Funds in accordance with the Pre-Enforcement Revenue Priority of Payments; and
- (B) on or following (i) the date on which the Note Trustee serves an Enforcement Notice on the Issuer pursuant to Note Condition 9 (*Events of Default*) declaring the Notes to be due and repayable or (ii) the occurrence of a Redemption Event, the provisions of Note Condition 2(d) (*Post-Enforcement Priority of Payments*) shall apply.
- (iv) An amount equal to the Issuer Costs and Expenses shall on the Issue Date be credited to a separate ledger within the Transaction Account (to be known as the Start-Up Costs Ledger) for the payment by the Issuer of such Issuer Costs and Expenses.
- (v) The Notes are constituted by the Trust Deed and are secured by the same security, but upon enforcement of the security created pursuant to the Deed of Charge (the “**Security**”), the Notes will rank in the priority as referred to above.

- (vi) The Trust Deed contains provisions requiring the Note Trustee to have regard to the interests of the Noteholders equally as regards all powers, trusts, authorities, duties and discretions of the Note Trustee (except where expressly provided otherwise), but requiring the Note Trustee to have (except where expressly provided otherwise) regard only to the interests of the holders of the Most Senior Class if, in the Note Trustee's opinion, there is a conflict between the interests of the holders of the Most Senior Class and the interests of any of the other Noteholders or Certificateholders and the other Noteholders or Certificateholders (not being holders of the Most Senior Class) shall have no claim against the Note Trustee for so doing.
- (vii) The Trust Deed contains provisions limiting the powers of the holders of those Classes of Notes other than the Most Senior Class, *inter alia*, to request or direct the Note Trustee to take any action or to pass an effective Extraordinary Resolution according to the effect thereof on the interests of the holders of the Most Senior Class. Except in certain circumstances set out in Note Condition 11 (*Meetings of Noteholders; Modifications; Consents; Waiver*), the Trust Deed contains no such limitation on the powers of the holders of the Most Senior Class, the exercise of which will be binding on the holders of the other Classes of Notes, irrespective of the effect thereof on their interests.
- (viii) The Trust Deed and Note Condition 11 (*Meetings of Noteholders; Modifications; Consents; Waiver*) also contain provisions regarding the resolution of disputes between the holders of more than one Class of Notes where all of such Classes are the Most Senior Class and between the holders of more than one Class of Notes other than the Most Senior Class.
- (ix) The Trust Deed contains provisions to the effect that, so long as any of the Notes are outstanding, the Note Trustee shall have regard to the interests of the Noteholders, or (if all of the Notes have been repaid in full) the Certificateholders, and shall not be required, when exercising its powers, authorities and discretions, to have regard to the interests of any other persons having the benefit of the Security constituted pursuant to the Deed of Charge and, in relation to the exercise of such powers, authorities and discretions, the Note Trustee shall have no liability to such persons as a consequence of so acting.
- (x) So long as any of the Notes and Certificates remain outstanding, in the exercise of its rights, authorities and discretions under the Trust Deed, the Note Trustee is not required to have regard to the interests of the other Secured Creditors (except for the Noteholders and Certificateholders).
- (xi) In determining whether the exercise of any right, power, trust, authority, duty or discretion by it under or in relation to the Conditions and/or any of the Transaction Documents is materially prejudicial to the interests of the Noteholders or Certificateholders (or any class thereof), the Note Trustee may take into account, if available, amongst any other things it may consider necessary and/or appropriate in its absolute discretion, whether the then rating of the Rated Notes will be adversely affected.

(b) **Security**

As security for the payment of all monies payable in respect of the Notes and otherwise under the Trust Deed (including the remuneration, expenses and any other claims of the Security Trustee and any Appointee thereof and any Receiver appointed under the Deed of Charge) and in respect of certain amounts payable to the Mortgage Administrator and the Back-up Mortgage Administrator Facilitator under the Mortgage Administration Agreement, the Cash Administrator under the Cash Administration Agreement, the Agents under the Paying Agency Agreement, the Account Bank and the Swap Collateral Account Bank under the Bank Agreement, the Collection Account Provider under the Collection Account Agreement, the Seller under the Mortgage Sale Agreement, the Swap Counterparty under the Swap Agreement, the Corporate Services Provider under the Corporate Services Agreement, and the Joint Lead Managers under the Subscription Agreement and any other party which is, or accedes to the Deed of Charge as a Secured Creditor, the Issuer will enter into the Deed of Charge, creating the following security in favour of the Security Trustee for itself and on trust for the other persons expressed to be secured parties thereunder:

- (i) first fixed equitable charges and security in favour of the Security Trustee over the Issuer's present and future right, title, benefit and interest in, to and under the Loans, the Mortgages and their related Mortgage Rights (other than in respect of Scottish Loans, the Scottish Mortgages and their related Mortgage Rights);
- (ii) an equitable assignment in favour of the Security Trustee of the Issuer's interests in the Insurance Contracts to the extent that they relate to the Loans;
- (iii) an assignment in favour of the Security Trustee of the Issuer's right, title, interest and benefit in, to and under the Bank Agreement, the Cash Administration Agreement, the Collection Account Agreement, the Collection Account Declaration of Trust, the Corporate Services Agreement, the Deed Poll, the

Deed of Charge, the Mortgage Administration Agreement, the Mortgage Sale Agreement, the Paying Agency Agreement, the Trust Deed, the Issuer/ICSD Agreement, the Swap Agreement and any other agreement entered into between the Issuer and a Secured Creditor (the “**Charged Obligation Documents**”);

- (iv) pursuant to each Scottish Supplemental Charge to be entered into pursuant to the Deed of Charge, each assignation in security of the Issuer’s interest in the Scottish Loans, the Scottish Mortgages and their related Mortgage Rights (comprising the Issuer’s beneficial interest under the relevant trust declared by the Seller over such Scottish Loans, Scottish Mortgages and their related Mortgage Rights for the benefit of the Issuer with the consent of the Seller pursuant to each relevant Scottish Declaration of Trust);
- (v) a first fixed charge in favour of the Security Trustee over (x) the Issuer’s interest in the Bank Accounts and any Authorised Investments, (y) the Issuer’s beneficial interest in the Collection Account and (z) any other accounts with any bank or financial institution in which the Issuer now or in the future has an interest (to the extent of its interest); and
- (vi) a first floating charge in favour of the Security Trustee (ranking after the security referred to in paragraphs (i) to (v) (inclusive) above) over the whole of the undertaking, property, assets and rights of the Issuer.

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 (although 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.

In the event of the delivery of a Scottish Transfer pursuant to the Mortgage Sale Agreement, fixed security will be created in favour of the Security Trustee over the property, rights and assets referred to in paragraph (iv) above by means of a Scottish Sub-Security granted by the Issuer pursuant to the Deed of Charge.

(c) **Pre-Enforcement Revenue Priority of Payments**

Prior to (i) the service of an Enforcement Notice or (ii) the occurrence of a Redemption Event, the Cash Administrator shall, on each Interest Payment Date, apply an amount equal to the Available Revenue Funds as at the immediately preceding Determination Date in making the following payments in the following order of priority, but in each case only to the extent that all payments of a higher priority have been made in full (the “**Pre-Enforcement Revenue Priority of Payments**”):

- (i) *first*, to pay *pro rata* (I) when due the remuneration payable to the Note Trustee and the Security Trustee (plus VAT, if any) and any fees (including legal fees), costs, charges, liabilities and expenses (including by way of indemnity) incurred by and/or payable to it under the provisions of or in connection with the Trust Deed or the Deed of Charge or either or both of them together or any other documents entered into by the Note Trustee and Security Trustee in its capacity as note trustee and security trustee respectively under the Trust Deed or the Deed of Charge or either or both of them with interest as provided in the Trust Deed or the Deed of Charge or either or both of them and (II) any amounts due and payable to any Appointee of the Note Trustee and Security Trustee in relation to the Transaction Documents;
- (ii) *second*, to pay *pro rata* and *pari passu*:
 - (A) the servicing fee payable under the Mortgage Administration Agreement to the Mortgage Administrator in respect of its performance of the Services (plus VAT, if any) under the Mortgage Administration Agreement together with costs, expenses and various sundry fees properly incurred by the Mortgage Administrator in accordance with the Mortgage Administration Agreement;
 - (B) the cash administration fee, payable under the Cash Administration Agreement to the Cash Administrator together with costs (including legal fees), charges, liabilities and expenses (including by way of indemnity) incurred by and/or payable to the Cash Administrator in accordance with the Cash Administration Agreement (plus VAT, if any);

- (C) amounts due and any fees (including legal fees), costs, charges, liabilities, and expenses (including by way of indemnity) incurred by and/or payable to the Agents under the Paying Agency Agreement, the Account Bank and the Swap Collateral Account Bank under the Bank Agreement (plus VAT, if any) and the Collection Account Provider under the Collection Account Agreement; and
 - (D) amounts due and payable (plus VAT, if any) to the Corporate Services Provider under and in accordance with the Corporate Services Agreement and the Back-up Mortgage Administrator Facilitator under the Mortgage Administration Agreement;
- (iii) *third*, to pay *pro rata* when due amounts, including audit fees and company secretarial expenses (plus VAT, if any), which are payable by the Issuer to third parties and incurred without breach by the Issuer pursuant to the Trust Deed or the Deed of Charge and not provided for payment elsewhere and to provide for any such amounts expected to become due and payable by the Issuer after that Interest Payment Date and prior to the next Interest Payment Date and to provide for the Issuer's liability or possible liability for tax to the extent not payable from the Issuer Profit Amount;
 - (iv) *fourth*, to retain an amount equal to the Issuer Profit Amount, which shall be credited to the Issuer Profit Ledger;
 - (v) *fifth*, in, or towards payment of any amounts to the Swap Counterparty in respect of a Swap Agreement (other than (a) any Swap Subordinated Amounts which are due and payable under item (xx) below; or (b) any Swap Excluded Payable Amounts which shall be discharged in accordance with the applicable Swap Agreement and the Transaction Documents);
 - (vi) *sixth*, to pay *pro rata* and *pari passu* amounts (other than in respect of principal) payable in respect of the A Notes (such amount to be paid *pro rata* according to the respective interest entitlement of the A Noteholders);
 - (vii) *seventh*, amounts to be credited to the A Principal Deficiency Sub-Ledger (such amounts to be applied in redemption of the Notes in accordance with Note Condition 5 (*Redemption*)) until the balance of the A Principal Deficiency Sub-Ledger has reached zero;
 - (viii) *eighth*, to pay *pari passu* and *pro rata* amounts (other than in respect of principal) payable in respect of the B Notes (such amounts to be paid *pro rata* according to the respective interest entitlements of the B Noteholders);
 - (ix) *ninth*, after the Liquidity Reserve Initial Funding Date, to fund the Liquidity Reserve Fund up to the Liquidity Reserve Fund Required Amount;
 - (x) *tenth*, amounts to be credited to the B Principal Deficiency Sub-Ledger (such amounts to be applied in redemption of the Notes in accordance with Note Condition 5 (*Redemption*)) until the balance of the B Principal Deficiency Sub-Ledger has reached zero;
 - (xi) *eleventh*, to pay *pari passu* and *pro rata* amounts (other than in respect of principal) payable in respect of the C Notes (such amounts to be paid *pro rata* according to the respective interest entitlements of the C Noteholders);
 - (xii) *twelfth*, amounts to be credited to the C Principal Deficiency Sub-Ledger (such amounts to be applied in redemption of the Notes in accordance with Note Condition 5 (*Redemption*)) until the balance of the C Principal Deficiency Sub-Ledger has reached zero;
 - (xiii) *thirteenth*, to pay *pari passu* and *pro rata* amounts (other than in respect of principal) payable in respect of the D Notes (such amounts to be paid *pro rata* according to the respective interest entitlements of the D Noteholders);
 - (xiv) *fourteenth*, amounts to be credited to the D Principal Deficiency Sub-Ledger (such amounts to be applied in redemption of the Notes in accordance with Note Condition 5 (*Redemption*)) until the balance of the D Principal Deficiency Sub-Ledger has reached zero;
 - (xv) *fifteenth*, while the Rated Principal Backed Notes remain outstanding, amounts to be credited to the General Reserve Fund Ledger, up to the General Reserve Fund Required Amount;
 - (xvi) *sixteenth*, amounts to be credited to the Z1 Principal Deficiency Sub-Ledger (such amounts to be applied in redemption of the Notes in accordance with Note Condition 5 (*Redemption*)) until the balance of the Z1 Principal Deficiency Sub-Ledger has reached zero;

- (xvii) *seventeenth*, to pay amounts (other than in respect of principal) payable in respect of the X Notes (such amounts to be paid *pro rata* according to the respective interest entitlements of the X Noteholders);
 - (xviii) *eighteenth*, to pay principal *pari passu* and *pro rata* to the holders of the X Notes until the Interest Payment Date on which the X Notes have been redeemed in full;
 - (xix) *nineteenth*, on the Step-Up Date and any Interest Payment Date thereafter until the Interest Payment Date on which the Rated Principal Backed Notes have been redeemed in full, all remaining amounts will be applied to the Principal Ledger of the Transaction Account for application as Available Principal Funds;
 - (xx) *twentieth*, in or towards payment according to the amount thereof and in accordance with the terms of the Swap Agreement to the Swap Counterparty of any Swap Subordinated Amounts (other than Swap Excluded Payable Amounts);
 - (xxi) *twenty-first*, on an Interest Payment Date immediately following an Estimation Period, all remaining amounts shall be credited to the Transaction Account to be applied on the next Interest Payment Date as Available Revenue Funds; and
 - (xxii) *twenty-second*, prior to (but excluding) the Step-Up Date, to pay any Residual Payments *pro rata* (according to the number of Certificates held by the relevant RC1 Certificateholders) and *pari passu* to the RC1 Certificateholders, and thereafter, to pay any Residual Payments *pro rata* (according to the number of Certificates held by the relevant RC2 Certificateholders) and *pari passu* to the RC2 Certificateholders.
- (d) **Post-Enforcement Priority of Payments**
- On or following (i) the service of an Enforcement Notice, the Security Trustee shall, to the extent that such funds are available, use funds standing to the credit of the Bank Accounts, excluding Swap Excluded Receivable Amounts, any amounts credited to the Swap Collateral Account and any excess Swap Collateral (and any interest thereto) in the Swap Collateral Account to the extent, in each case, utilised to discharge Swap Excluded Payable Amounts in accordance with the applicable Swap Agreement and excluding amounts standing to the credit of the Issuer Profit Ledger, or (ii) the occurrence of a Redemption Event, the Issuer (or the Cash Administrator) shall, to the extent that such funds are available, use funds standing to the credit of the Transaction Account (the “**Post-Enforcement Priority of Payments**”):
- (i) *first*, to pay, *pro rata*, any remuneration then due and/or payable to the Note Trustee, the Security Trustee, any Receiver or Appointee and all amounts due in respect of legal fees and other costs, charges, liabilities, losses, damages, proceedings, claims and demands (including by way of indemnity) (plus VAT, if any) then incurred by such Receiver and Appointee together with interest thereon and to pay all amounts due and/or payable to the Note Trustee and Security Trustee in respect of its remuneration, fees (including legal fees), costs, charges, losses, damages, proceedings, claims, demands, expenses and liabilities (including by way of indemnity) due to it (plus VAT, if any);
 - (ii) *second*, to pay, *pro rata* and *pari passu*:
 - (A) the servicing fee payable under the Mortgage Administration Agreement to the Mortgage Administrator in respect of its performance of the Services (exclusive of VAT, if any) under the Mortgage Administration Agreement together with costs, expenses and various sundry fees properly incurred by the Mortgage Administrator in accordance with the Mortgage Administration Agreement;
 - (B) the cash administration fee, payable under the Cash Administration Agreement to the Cash Administrator together with costs (including legal fees), charges, liabilities and expenses (including by way of indemnity) incurred by and/or payable to the Cash Administrator in accordance with the Cash Administration Agreement (plus VAT, if any);
 - (C) amounts due and any fees (including legal fees), costs, charges, liabilities, and expenses (including by way of indemnity) incurred by and/or payable to the Agents under the Paying Agency Agreement, the Account Bank and the Swap Collateral Account Bank under the Bank Agreement (plus VAT, if any) and the Collection Account Provider under the Collection Account Agreement; and
 - (D) amounts due and payable (plus VAT, if any) to the Corporate Services Provider under and in accordance with the Corporate Services Agreement, the Back-up Mortgage Administrator Facilitator under the Mortgage Administration Agreement;

- (iii) *third*, to retain an amount equal to the Issuer Profit Amount, which shall be credited to the Issuer Profit Ledger;
- (iv) *fourth*, to pay amounts payable to the Swap Counterparty (other than (a) any Swap Subordinated Amount which is due and payable under item (xv) below; or (b) any Swap Excluded Payable Amounts which shall be discharged in accordance with the applicable Swap Agreement and the Transaction Documents);
- (v) *fifth*, to pay *pro rata* and *pari passu*:
 - (A) amounts (other than in respect of principal) payable in respect of the A Notes (such amounts to be paid *pro rata* according to the respective interest entitlements of the A Noteholders in accordance with Note Condition 4 (*Interest*)); and
 - (B) amounts payable to the A Noteholders in respect of principal on the A Notes until the A Notes are redeemed in full.
- (vi) *sixth*, to pay, *pro rata* and *pari passu*:
 - (A) amounts (other than in respect of principal) payable and/or previously deferred in respect of the B Notes (such amounts to be paid *pro rata* according to the respective interest entitlements of the B Noteholders in accordance with Note Condition 4 (*Interest*)); and
 - (B) amounts payable to the B Noteholders in respect of principal on the B Notes until the B Notes are redeemed in full;
- (vii) *seventh*, to pay *pro rata* and *pari passu*:
 - (A) amounts (other than in respect of principal) payable and/or previously deferred in respect of the C Notes (such amounts to be paid *pro rata* according to the respective interest entitlements of the C Noteholders in accordance with Note Condition 4 (*Interest*)); and
 - (B) amounts payable to the C Noteholders in respect of principal on the C Notes until the C Notes are redeemed in full;
- (viii) *eighth*, to pay *pro rata* and *pari passu*:
 - (A) amounts (other than in respect of principal) payable and/or previously deferred in respect of the D Notes (such amounts to be paid *pro rata* according to the respective interest entitlements of the D Noteholders in accordance with Note Condition 4 (*Interest*)); and
 - (B) amounts payable to the D Noteholders in respect of principal on the D Notes until the D Notes are redeemed in full;
- (ix) *ninth*, to pay *pro rata* and *pari passu*, amounts (other than in respect of principal) payable and/or previously deferred in respect of the X Notes (such amounts to be paid *pro rata* according to the respective interest entitlements of the X Noteholders in accordance with Note Condition 4 (*Interest*));
- (x) *tenth*, to pay *pro rata* and *pari passu*, amounts payable to the Z1 Noteholders in respect of principal on the Z1 Notes until the Z1 Notes are redeemed in full;
- (xi) *eleventh*, to pay *pro rata* and *pari passu*, amounts payable to the Z2 Noteholders in respect of principal on the Z2 Notes until the Z2 Notes are redeemed in full;
- (xii) *twelfth*, to pay *pro rata* and *pari passu*, amounts payable to the X Noteholders in respect of principal on the X Notes until the X Notes are redeemed in full;
- (xiii) *thirteenth*, to pay amounts owing to any third parties (if any) including any tax payable by the Issuer (other than amounts payable out of the Issuer Profit Amount);
- (xiv) *fourteenth*, to pay to the Swap Counterparty any Swap Subordinated Amounts (other than Swap Excluded Payable Amounts); and
- (xv) *fifteenth*, prior to (but excluding) the Step-Up Date, to pay any Residual Payments *pro rata* (according to the number of Certificates held by the relevant RC1 Certificateholders) and *pari passu* to the RC1 Certificateholders, and thereafter, to pay any Residual Payments *pro rata* (according to the number of Certificates held by the relevant RC2 Certificateholders) and *pari passu* to the RC2 Certificateholders.

The Security will become enforceable upon the service of an Enforcement Notice (in the circumstances described in Note Condition 9 (*Events of Default*) provided that if the Security has become enforceable otherwise than by reason of a default in payment of any amount due on the Notes, the Security Trustee will not be entitled to dispose of the assets comprised in the Security or any part thereof unless either a sufficient amount would be realised to allow discharge in full of all amounts owing in respect of the Notes and all prior and *pari passu* liabilities of the Issuer or the Security Trustee is of the opinion, reached after considering at any time and from time to time the advice of an investment bank or other financial adviser selected by the Security Trustee, that the cash flow prospectively receivable by the Issuer will not (or that there is a significant risk that it will not) be sufficient, having regard to any other relevant actual, contingent or prospective liabilities of the Issuer, to discharge in full in due course all amounts owing in respect of the Notes and all prior and *pari passu* liabilities of the Issuer.

(e) ***The Certificates***

Holders of the Certificates shall be entitled to receive their *pro rata* entitlement to the balance of amounts remaining following payments of all other items senior to the Certificates in the relevant Priority of Payments.

3. Covenants of the Issuer

Save with the prior written consent of the Note Trustee or as expressly provided in or expressly envisaged by these Conditions, the Bank Agreement, the Cash Administration Agreement, the Collection Account Agreement, Collection Account Declaration of Trust, the Swap Agreement, the Corporate Services Agreement, the Deed Poll, the Deed of Charge, the Master Definitions Schedule, the Mortgage Administration Agreement, the Mortgage Sale Agreement, the Paying Agency Agreement, the Trust Deed, each Scottish Declaration of Trust, each Scottish Supplemental Charge, any Scottish Transfer, any Scottish Sub-Security, the Issuer/ICSD Agreement and any other document agreed between the Issuer, the Note Trustee and the Security Trustee as being a Transaction Document (together, the “**Transaction Documents**”), the Issuer shall not, so long as any Note remains outstanding (as defined in the Trust Deed), *inter alia*:

(a) ***Negative Pledge***

create or permit to subsist any mortgage, security, pledge, lien (unless arising by operation of law) or charge upon the whole or any part of its assets, present or future (including any uncalled capital) or its undertaking;

(b) ***Restrictions on Activities***

(i) engage in any activity which is not reasonably incidental to any of the activities which the Transaction Documents provide or envisage that the Issuer will engage in;

(ii) open nor have any interest in any account whatsoever with any bank or financial institution other than the Collection Account held with the Collection Account Provider, the Transaction Account held with the Account Bank and the Swap Collateral Account held with the Swap Collateral Account Bank, save where such account is immediately charged in favour of the Security Trustee so as to form part of the Security described in Note Condition 2 (*Status, Security and Administration*) and where the Security Trustee receives an acknowledgement from such bank or financial institution of the security rights and interests of the Security Trustee and an agreement that it will not exercise any right of set-off it might otherwise have against the account in question;

(iii) have any subsidiaries or employees or premises; or

(iv) act as a director of any company;

(c) ***Dividends or Distributions***

pay any dividend or make any other distribution to its shareholders except from the amount standing to the credit of the Issuer Profit Ledger;

(d) ***Borrowings***

incur or permit to subsist any indebtedness in respect of borrowed money whatsoever or give any guarantee in respect of any obligation of any person;

(e) ***Merger***

consolidate or merge with any other person or convey or transfer its properties or assets substantially or as an entirety to any other person;

(f) **Disposal of Assets**

transfer, sell, lend, part with or otherwise dispose of or deal with, or grant any option or trust over or present or future right to acquire, any of its assets or undertaking or any interest, estate, right, title or benefit therein *provided that* the Issuer may (and may agree to) transfer, sell, lend, pledge, part with or otherwise dispose of or deal with, or grant any option or trust over any present or future right to acquire any of its assets or undertaking or any interest, estate, right, title or benefit therein where the proceeds of the same are applied, *inter alia*, in or towards redemption of the Notes in accordance with the terms and conditions of the Notes and the terms of the Transaction Documents;

(g) **Tax Grouping**

be (and never has been) a member of a VAT group;

(h) **Independent Director**

at any time have fewer than one independent director;

(i) **Other**

permit any of the Transaction Documents, the Insurance Contracts relating to the Mortgages owned by the Issuer or the priority of the security interests created thereby to be amended, invalidated, rendered ineffective, terminated or discharged, or consent to any variation thereof, or exercise of any powers of consent or waiver in relation thereto pursuant to the terms of the Trust Deed and these Conditions, or permit any party to any of the Transaction Documents or Insurance Contracts or any other person whose obligations form part of the Security to be released from such obligations, or dispose of any Mortgage save as envisaged in the Transaction Documents.

4. **Interest**

(a) **Period of Accrual**

Each Note of each class bears interest from (and including) the Issue Date. Each Note shall cease to bear interest from its due date for redemption unless, upon due presentation, payment of the relevant amount of principal is improperly withheld or refused. In such event, interest will continue to accrue thereon in accordance with this Note Condition (as well after as before any judgment) up to (but excluding) the date on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder, or (if earlier) the seventh day after notice is duly given by the Principal Paying Agent to the holder thereof (in accordance with Note Condition 13 (*Notice to Noteholders*)) that it has received all sums due in respect of each such Note (except to the extent that there is any subsequent default in payment).

(b) **Interest Payment Dates and Interest Periods**

Subject to Note Condition 6 (*Payments*), interest on the Notes (and interest (if any) on the Certificates) is payable on the Interest Payment Date falling in November 2021, and thereafter quarterly in arrear on the 20th day in February, May, August and November in each year unless such day is not a Business Day, in which case interest shall be payable on the following Business Day unless it would thereby fall into the next calendar month in which case it shall be brought forward to the immediately preceding Business Day (each such date an “**Interest Payment Date**”). The period from (and including) an Interest Payment Date (or the Issue Date) to (but excluding) the next (or first) Interest Payment Date is called an “**Interest Period**” in these Note Conditions.

(c) **Floating Rate of Interest**

Subject to Note Condition 7 (*Prescription*), the Floating Rate of Interest (as defined below) payable from time to time and the Interest Amount (as defined below) in respect of the Floating Rate Notes will be determined on the basis of the provisions set out below:

- (i) 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, in respect of the Notes and any Interest Period, the Compounded Daily SONIA determined as at the related Interest Determination Date plus the Relevant Margin in respect of such class (save for the Z1 Notes and the Z2 Notes under which the rate of interest payable from time to time shall be fixed), and in the event that 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.
- (ii) In the event that 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 is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Relevant Margin relating to the relevant Interest Period in place of the Relevant Margin relating to that last preceding Interest Period) or (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).

For the purposes of these Note Conditions:

“Calculated Revenue Receipts” means 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;

“Compounded Daily SONIA” means in relation to an Interest Period, the percentage per annum 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, as follows, and the resulting percentage will be rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards:

$$\left[\prod_{i=1}^{d_0} \left(1 + \frac{\text{SONIA}_{i-p\text{LBD}} \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}$$

where:

“d” is the number of calendar days in the relevant Interest Period;

“d₀” is the number of Business Days in the relevant Interest Period;

“i” is a series of whole numbers from one to d₀, each representing the relevant Business Day in chronological order from, and including, the first Business Day in the relevant 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;

“p” means for any Interest Period, 5 Business Days; and

“SONIA_{i-pLBD}” means in respect of any Business Day falling in the relevant Interest Period, the SONIA Reference Rate for the Business Day falling “p” Business Days prior to that Business Day “i”;

“Floating Rate of Interest” means in relation to the Floating Rate Notes, the floating rate of interest as determined by the Agent Bank in accordance with this Note Condition 4 (*Interest*), *provided that*, where the Floating Rate of Interest applicable to any Class of Floating Rate Notes for any Interest Period is determined to be less than zero, the Floating Rate of Interest for such Interest Period shall be zero;

“Interest Determination Date” means the fifth London Banking Day before the Interest Payment Date for which the relevant Rate of Interest will apply with the first date being 5 Business Days prior to the First Interest Payment Date;

“Interest Determination Ratio” means: (i) the aggregate Revenue Receipts calculated in the 3 preceding Monthly Reports (or such smaller number of preceding Monthly Reports as may be available on the date the Interest Determination Ratio is calculated); divided by (ii) the aggregate of the Revenue Receipts and the Principal Receipts calculated in such Monthly Reports;

“Monthly Report” means the monthly report provided by the Mortgage Administrator to the Cash Administrator, substantially in the form set out in Schedule 3 (*Form of Monthly Report*) to the Mortgage Administration Agreement or from time to time agreed between the Issuer and the Mortgage Administrator;

“Observation Period” means the period from and including the date falling 5 London Banking Days prior to the first day of the relevant Interest Period (and the first Interest Period shall begin on and include the Issue Date) and ending on, but excluding, the date falling 5 London Banking Days prior to the Interest Payment

Date for such Interest Period (or, if applicable, the date falling 5 London Banking Days prior to any other date on which a payment of interest is to be made in respect of the Notes);

“**Reconciliation Amount**” means in respect of an Observation Period: (i) the actual Revenue Receipts as determined in accordance with the available Monthly Reports; less (ii) the Calculated Revenue Receipts in respect of such Observation Period;

“**Relevant Margin**” shall be:

- (a) on any Interest Determination Date occurring prior to the Step-Up Date:
 - (1) 0.78 per cent. for the A Notes;
 - (2) 1.10 per cent. for the B Notes;
 - (3) 1.50 per cent. for the C Notes;
 - (4) 1.80 per cent. for the D Notes; and
 - (5) 3.50 per cent. for the X Notes.
- (b) on any Interest Determination Date occurring on or after the Step-Up Date:
 - (1) 1.17 per cent. for the A Notes;
 - (2) 1.65 per cent. for the B Notes;
 - (3) 2.25 per cent. for the C Notes;
 - (4) 2.70 per cent. for the D Notes; and
 - (5) 3.50 per cent. for the X Notes.

“**Screen**” means the Reuters Screen SONIA Page or such other page as may replace Reuters Screen SONIA 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

“**SONIA Reference Rate**” means in respect of any London Banking Day, a reference rate equal to the daily Sterling Overnight Index Average (“**SONIA**”) rate for such London Banking Day as provided by the administrator of SONIA to authorised distributors and as then published on the Screen or, if the Screen is unavailable, as otherwise published by such authorised distributors (on the London Banking Day immediately following such London Banking Day). If, in respect of any London Banking Day in the relevant Observation Period, the Agent Bank determines that the SONIA Reference Rate is not available on the Screen 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 London Banking Day; plus (ii) the mean of the spread of the SONIA Reference Rate to the Bank Rate over the previous 5 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.

(d) **Fixed Rate Notes**

On any Interest Determination Date occurring, the rate of interest payable from time to time in respect of the Z1 Notes will be 0.00 per cent. per annum.

On any Interest Determination Date occurring, the rate of interest payable from time to time in respect of the Z2 Notes will be 0.00 per cent. per annum.

(e) **Determination of Floating Rates of Interest and Calculation of Interest Amount**

- (i) The Agent Bank shall, on each Interest Determination Date, determine and notify the Issuer, the Mortgage Administrator, the Cash Administrator, the Note Trustee, (for so long as the Notes are listed on the Official List of the Financial Conduct Authority and admitted to trading on the London Stock Exchange plc’s main market) the London Stock Exchange and the Paying Agent (which may be done by making available at <https://pivot.usbank.com>), (a) the Floating Rate of Interest applicable to the relevant Interest Period in respect of each Floating Rate Note and (b) the amount of interest (the “**Interest Amount**”) payable in respect of each such Note for such Interest Period.
- (ii) The Interest Amount for all Floating Rate Notes will be calculated by applying the relevant Floating Rate of Interest for such Interest Period to the Principal Amount Outstanding of such Note on the

first day of such Interest Period (after taking into account any redemptions occurring in respect of such Notes on such Interest Payment Date), multiplying the product by the actual number of days in such Interest Period divided by 365 and rounding the resulting figure down to the nearest penny.

- (iii) The Interest Amounts for the Fixed Rate Notes will be calculated by applying the relevant Fixed Rate of Interest for such Interest Period to the Principal Amount Outstanding of such Note on the first day of such Interest Period (after taking into account any redemptions occurring in respect of such Notes on such Interest Payment Date), multiplying the product by the actual number of days in such Interest Period divided by 365 and rounding the resulting figure down to the nearest penny.

(f) ***Publication of Floating Rate of Interest, Interest Amount and other Notices***

The Agent Bank shall, as soon as reasonably practicable after its determination, cause the Floating Rate of Interest and the Interest Amount in respect of each Floating Rate Note for each Interest Period and the immediately succeeding Interest Payment Date to be made available at <https://pivot.usbank.com> and, so long as the Notes are in global form, each of Euroclear and Clearstream, Luxembourg and will cause notice thereof to be given to the Noteholders in accordance with Note Condition 13 (*Notice to Noteholders*). The Floating Rate of Interest, Interest Amount and Interest Payment Date in respect of each Note so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of any extension or shortening of the Interest Period. If the Notes become due and payable under Note Condition 9 (*Events of Default*), the accrued interest per Interest Amount and the Floating Rate of Interest payable in respect of each Floating Rate Note shall nevertheless continue to be calculated as previously by the Agent Bank in accordance with this Note Condition 4 (*Interest*) but no publication of the rates of interest or the amounts of interest payable per Interest Amount so calculated need be made unless the Note Trustee otherwise requires.

(g) ***Notifications to be Final and Binding***

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Note Condition 4 (*Interest*), whether by the Agent Bank or the Cash Administrator or the Note Trustee (to the extent applicable in each instance) shall (in the absence of manifest error) be final and binding on the Issuer, the Cash Administrator, the Agent Bank, the Note Trustee and all Noteholders and (in the absence of gross negligence, fraud or wilful default in the case of the determining party) no liability to the Noteholders shall attach to the Note Trustee, the Issuer, the Agent Bank or the Cash Administrator in connection with the exercise or non-exercise (to the extent applicable in each instance) by them or any of them of their powers, duties and discretions under this Note Condition 4 (*Interest*).

(h) ***Agent Bank***

The Issuer shall ensure that, so long as any of the Notes remains outstanding, there shall at all times be an Agent Bank. The initial Agent Bank shall be Elavon Financial Services DAC. In the event of Elavon Financial Services DAC being unwilling to act as the Agent Bank, the Issuer shall appoint such other bank as may be approved by the Note Trustee to act as such in its place. The Agent Bank may not resign until a successor approved by the Note Trustee has been appointed.

(i) ***Deferral of Interest***

Interest on the Notes shall be payable in accordance with this Note Condition 4 (*Interest*) and Note Condition 6 (*Payments*) subject to the following terms of this Note Condition 4(i):

- (i) in the event that, whilst there are A Notes outstanding, the Available Revenue Funds (if any) calculated in accordance with the Priority of Payments as being available to the Issuer on any Interest Payment Date for application in or towards the payment of interest which is, subject to this Note Condition 4(i), due on the B Notes on such Interest Payment Date (such aggregate available funds being referred to in this Note Condition 4(i) as the “**B Residual Amount**”) are not sufficient to satisfy in full the aggregate amount of interest which is, subject to this Note Condition 4(i), due on the B Notes on such Interest Payment Date, the amount payable to the B Noteholders on such Interest Payment Date, by way of interest on each B Note, shall be a *pro rata* share of the B Residual Amount;
- (ii) in the event that, whilst there are A Notes and/or B Notes outstanding, the Available Revenue Funds (if any) calculated in accordance with the Priority of Payments as being available to the Issuer on any Interest Payment Date for application in or towards the payment of interest which is, subject to this Note Condition 4(i), due on the C Notes on any such Interest Payment Date (such aggregate available funds being referred to in this Note Condition 4(i) as the “**C Residual Amount**”) are not sufficient to satisfy in full the aggregate amount of interest which is, subject to this Note Condition 4(i), due on the C Notes

on such Interest Payment Date, the amount payable to the C Noteholders on such Interest Payment Date, by way of interest on each C Note, shall be a *pro rata* share of the C Residual Amount;

- (iii) in the event that, whilst there are A Notes, B Notes and/or C Notes outstanding, the Available Revenue Funds (if any) calculated in accordance with the Priority of Payments as being available to the Issuer on any Interest Payment Date for application in or towards the payment of interest which is, subject to this Note Condition 4(i), due on the D Notes on any such Interest Payment Date (such aggregate available funds being referred to in this Note Condition 4(i) as the “**D Residual Amount**”) are not sufficient to satisfy in full the aggregate amount of interest which is, subject to this Note Condition 4(i), due on the D Notes on such Interest Payment Date, the amount payable to the D Noteholders on such Interest Payment Date, by way of interest on each D Note, shall be a *pro rata* share of the D Residual Amount; and
- (iv) in the event that, whilst there are A Notes, B Notes, C Notes and/or D Notes outstanding, the Available Revenue Funds (if any) calculated in accordance with the Priority of Payments as being available to the Issuer on any Interest Payment Date for application in or towards the payment of interest which is, subject to this Note Condition 4(i), due on the X Notes on any such Interest Payment Date (such aggregate available funds being referred to in this Note Condition 4(i) as the “**X Residual Amount**”) are not sufficient to satisfy in full the aggregate amount of interest which is, subject to this Note Condition 4(i), due on the X Notes on such Interest Payment Date, the amount payable to the X Noteholders on such Interest Payment Date, by way of interest on each X Note, shall be a *pro rata* share of the X Residual Amount.

In the event that, by virtue of the provisions of paragraphs (i) to (iv) of this Note Condition 4(i), a *pro rata* share of the B Residual Amount, the C Residual Amount, the D Residual Amount or the X Residual Amount is paid in accordance with this Note Condition 4(i), the Issuer shall create provisions in its accounts for the shortfall equal to the amount by which the amount of interest paid on the B Notes, the C Notes, the D Notes, the X Notes, the Z1 Notes or the Z2 Notes, as the case may be, on any Interest Payment Date in accordance with this Note Condition 4(i) falls short of the aggregate amount of interest payable on the relevant class of Notes but for this Note Condition 4(i). Such shortfall (the “**Interest Shortfall**”) shall accrue interest at a rate for each Interest Period during which it is outstanding equal to the relevant Rate of Interest for the relevant class of Notes for such Interest Period. A *pro rata* share of such shortfall thereon shall be aggregated with the amount of, and treated for the purpose of this Note Condition 4(i) as if it were interest due, subject to this Note Condition 4(i), on each B Note, C Note, D Note, X Note, Z1 Note or Z2 Note, as the case may be, on the next succeeding Interest Payment Date. This provision shall cease to apply on the Interest Payment Date referred to in 5(a) (*Final Redemption of the Notes*) at which time all accrued interest shall become due and payable.

The non-payment of any deferred interest on any Class of Notes will not be an Event of Default unless and until such Notes are the Most Senior Class (other than the X Notes) at the time of such non-payment. No Event of Default prior to the Final Maturity Date will occur if there is a non-payment of deferred interest on the X Notes.

(j) **Determinations and Reconciliation**

- (i) In the event that the relevant Monthly Reports is/are not prepared with respect to a Determination Period (any such Determination Period being an “**Estimation Period**” for the purposes of this Note Condition 4(i) immediately prior to an Interest Payment Date, then the Cash Administrator shall use the Monthly Reports in respect of the 3 most recent months (or, where there are not at least 3 previous Monthly Reports, all previous Monthly Reports) for the purposes of calculating the amounts available to the Issuer to make payments, as set out in this Note Condition 4(i). If the relevant Monthly Reports relating to the Determination Period is/are subsequently received, the Cash Administrator will make the reconciliation calculations and reconciliation payments as set out in Note Condition 4(j)(iii). Any: (A) calculations properly done on the basis of such previous Monthly Reports; (B) payments made under any of the Notes and Transaction Documents in accordance with such calculations; (C) reconciliation calculations; and (D) reconciliation payments made as a result of such reconciliation calculations, each in accordance with Note Condition 4(j)(ii), 4(j)(iii) and/or 4(j)(iv) shall be deemed to be done in accordance with the provisions of the Transaction Documents and will not in themselves lead to 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.

- (ii) In respect of any Estimation Period, the Cash Administrator shall:
 - (A) determine the Interest Determination Ratio by reference to the 3 most recently received Monthly Reports (or, where there are not at least 3 previous Monthly Reports, all previous Monthly Reports);
 - (B) calculate the Revenue Receipts for such Estimation Period as the product of:
 - (1) the Interest Determination Ratio; and
 - (2) all payments received by the Issuer during such Estimation Period; and
 - (C) calculate the Principal Receipts for such Estimation Period as the product of:
 - (1) 1 minus the Interest Determination Ratio; and
 - (2) all payments received by the Issuer during such Estimation Period.
- (iii) Following any Estimation Period, upon delivery of the Monthly Reports in respect of such Estimation Period, the Cash Administrator shall reconcile the calculations made in accordance with Note Condition 4(j)(ii) above to the actual collections set out in the Monthly Reports as follows:
 - (A) if the Reconciliation Amount is a positive number, the Cash Administrator shall on the immediately following Interest Payment Date pay or provide for such amount by allocating amounts standing to the credit of the Revenue Ledger as Available Principal Funds; and
 - (B) if the Reconciliation Amount is a negative number, the Cash Administrator shall on the immediately following Interest Payment Date pay or provide for such amount by allocating amounts standing to the credit of the Principal Ledger as Available Revenue Funds.
- (iv) If amounts standing to credit of the Revenue Ledger or Principal Ledger, as the case may be, are insufficient to pay or provide for the applicable Reconciliation Amount in full on the relevant Interest Payment Date the Cash Administrator shall reallocate amounts standing to the credit of the Revenue Ledger or Principal Ledger (as applicable) in accordance with Note Condition 4(j)(iii)(A) or 4(j)(iii)(B) respectively in respect of each subsequent Determination Period (such Reconciliation Amounts to be applied accordingly on the immediately following Interest Payment Date) until such Reconciliation Amount is paid or provided for in full.
- (v) If the Cash Administrator is required to provide for a Reconciliation Amount in determining Available Revenue Funds and Available Principal Funds in respect of any Interest Payment Date, the Cash Administrator shall pay or provide for such Reconciliation Amount in accordance with the terms of the Cash Administration Agreement and the Cash Administrator shall promptly notify the Issuer and the Note Trustee of such Reconciliation Amount.

In this Note Condition 4(i):

“Interest Determination Ratio” means: (i) the aggregate Revenue Receipts calculated in the 3 preceding Monthly Reports (or such smaller number of preceding Monthly Reports as may be available on the date the Interest Determination Ratio is calculated); divided by (ii) the aggregate of the Revenue Receipts and the Principal Receipts calculated in such Monthly Reports;

“Monthly Report” means the monthly report provided by the Mortgage Administrator to the Cash Administrator, substantially in the form set out in Schedule 3 (*Form of Monthly Report*) to the Mortgage Administration Agreement or from time to time agreed between the Issuer and the Mortgage Administrator;

“Reconciliation Amount” means in respect of an Estimation Period: (i) the actual Principal Receipts as determined in accordance with the available Monthly Reports; less (ii) the Principal Receipts in respect of such Estimation Period, determined in accordance with Note Condition 4(j)(ii)(C);

“Revenue Receipts” means, in relation to an Estimation Period, the amount credited (or in relation to an Estimation Period, the actual amount that should have been credited) to the Revenue Ledger for such Estimation Period; and

“Principal Receipts” means, in relation to an Estimation Period, the amount credited (or in relation to an Estimation Period, the actual amount that should have been credited) to the Principal Ledger for such Estimation Period.

5. Redemption

(a) *Final Redemption of the Notes*

Unless previously redeemed or purchased and cancelled as provided in this Note Condition 5 (*Redemption*), the Issuer shall, subject always to the Pre-Enforcement Priority of Payments and Note Conditions 5(c) (*Note Principal Payments, Principal Amount Outstanding and Pool Factor*) and 10(b) (*Limited Recourse*), redeem (i) the A Notes at their Principal Amount Outstanding, together with accrued and unpaid interest, on the Interest Payment Date falling in November 2063, (ii) the B Notes at their Principal Amount Outstanding, together with accrued and unpaid interest, on the Interest Payment Date falling in November 2063, (iii) the C Notes at their Principal Amount Outstanding, together with accrued and unpaid interest, on the Interest Payment Date falling in November 2063, (iv) the D Notes at their Principal Amount Outstanding, together with accrued and unpaid interest, on the Interest Payment Date falling in November 2063, (v) the X Notes at their Principal Amount Outstanding, together with accrued and unpaid interest, on the Interest Payment Date falling in November 2063, (vi) the Z1 Notes at their Principal Amount Outstanding, together with accrued and unpaid interest, on the Interest Payment Date falling in November 2063, (vii) the Z2 Notes at their Principal Amount Outstanding, together with accrued and unpaid interest, on the Interest Payment Date falling in November 2063, and (viii) towards making payments in respect of the Certificates on the Interest Payment Date falling in November 2063, *provided that*, on or after (i) the date on which the Note Trustee serves an Enforcement Notice on the Issuer pursuant to Note Condition 9 (*Events of Default*) declaring the Notes to be due and repayable or (ii) the occurrence of a Redemption Event, the provisions of Note Condition 2(d) (*Post-Enforcement Priority of Payments*) shall apply.

The Issuer may not redeem Notes in whole or in part prior to such relevant date except as provided in paragraphs (b), (d) or (e) of this Note Condition 5 (*Redemption*) but without prejudice to Note Condition 9 (*Events of Default*).

(b) *Mandatory Redemption of the Notes*

Prior to (i) the service of an Enforcement Notice or (ii) the occurrence of a Redemption Event, on each Interest Payment Date, other than the Interest Payment Date on which the Notes are to be redeemed under paragraph (a) above or (d) or (e) below, the Issuer or the Cash Administrator on the Issuer's behalf shall apply an amount equal to the Available Principal Funds (as defined below) as at the date which falls 3 Business Days prior to such Interest Payment Date (each such date a "**Determination Date**") in making the following redemptions in the following priority (the "**Pre-Enforcement Principal Priority of Payments**"):

- (i) *first*, on the First Interest Payment Date only, in redeeming the Principal Backed Notes and the X Notes on a *pari passu* and *pro rata* basis in an amount equal to the Pre-Funding Unused Amount;
- (ii) *second*, on an Interest Payment Date prior to the Liquidity Reserve Initial Funding Date, to fund the Liquidity Reserve Fund until the cumulative amount of Available Principal Funds transferred to the Liquidity Reserve Funds on all prior Interest Payment Dates is equal to the Liquidity Reserve Fund Required Amount;
- (iii) *third*, following application of amounts standing to the credit of the General Reserve Fund and the Liquidity Reserve Fund, as Principal Addition Amounts to the extent there will be a Further Revenue Shortfall;
- (iv) *fourth*, in redeeming the A Notes on a *pari passu* and *pro rata* basis until the Interest Payment Date on which the A Notes have been redeemed in full;
- (v) *fifth*, after the A Notes have been redeemed in full, in redeeming the B Notes on a *pari passu* and *pro rata* basis until the Interest Payment Date on which the B Notes have been redeemed in full;
- (vi) *sixth*, after the A Notes and the B Notes have been redeemed in full, in redeeming the C Notes on a *pari passu* and *pro rata* basis until the Interest Payment Date on which the C Notes have been redeemed in full;
- (vii) *seventh*, after the A Notes, the B Notes and the C Notes have been redeemed in full, in redeeming the D Notes on a *pari passu* and *pro rata* basis until the Interest Payment Date on which the D Notes have been redeemed in full;
- (viii) *eighth*, after the A Notes, the B Notes, the C Notes and the D Notes have been redeemed in full, in redeeming the Z1 Notes on a *pari passu* and *pro rata* basis until the Interest Payment Date on which the Z1 Notes have been redeemed in full;

- (ix) *ninth*, after the A Notes, the B Notes, the C Notes, the D Notes and the Z1 Notes have been redeemed in full, in redeeming the Z2 Notes on a *pari passu* and *pro rata* basis until the Interest Payment Date on which the Z2 Notes have been redeemed in full; and
- (x) *tenth*, any remaining amounts to be applied as Available Revenue Funds.

The Cash Administrator is responsible, pursuant to the Cash Administration Agreement, for determining the amount of the Available Principal Funds as at any Determination Date and each determination so made shall (in the absence of manifest error) be final and binding on the Issuer, the Mortgage Administrator, the Note Trustee and all Noteholders, and no liability to the Noteholders, shall attach to the Issuer, the Note Trustee or (in such absence of gross negligence, fraud and wilful misconduct) to the Cash Administrator in connection therewith.

The “**Principal Collections**” as at any Determination Date is an amount determined by the Mortgage Administrator on such Determination Date or is the aggregate of:

- (a) all repayments or prepayments of principal received by the Issuer in relation to the Loans in respect of the Determination Period ending on or immediately prior to such Determination Date;
- (b) recoveries received by the Issuer and allocable to principal upon an enforcement of the Mortgage Rights, and recoveries received by the Issuer and allocable to principal upon a purchase or a repurchase of the Loans by the Seller (or an affiliate thereof), in accordance with the terms of the Mortgage Sale Agreement in each case received by the Issuer in the Determination Period preceding such Determination Date,

(less such amount, if any, as is applied by or on behalf of the Issuer during that Determination Period to pay the Issuer Further Advance Consideration in respect of Further Advance Loans purchased by the Issuer during that Determination Period).

(c) **Note Principal Payments, Principal Amount Outstanding and Pool Factor**

With respect to each Note on (or as soon as practicable after) each Determination Date, the Issuer shall determine (or cause the Cash Administrator to determine) (i) the amount of any principal amount due on the Interest Payment Date next following such Determination Date (a “**Note Principal Payment**”), (ii) the Principal Amount Outstanding of each such Note of such Class on the Interest Payment Date next following such Determination Date (after deducting any Note Principal Payment due to be made on that Interest Payment Date) (the “**Principal Amount Outstanding**”) and (iii) the fraction expressed as a decimal to the sixth point (the “**Pool Factor**”), of which the numerator is the Principal Amount Outstanding of a Note of that Class (as referred to in (ii) above) and the denominator is the Principal Amount Outstanding of that Note on the Issue Date. Each determination by or on behalf of the Issuer of any Note Principal Payment, the Principal Amount Outstanding of a Note and the Pool Factor shall in each case (in the absence of fraud, wilful default, bad faith or manifest error) be final and binding on all persons.

With respect to each of the Classes of Notes, the Issuer will cause each determination of a Note Principal Payment, Principal Amount Outstanding and Pool Factor to be notified forthwith to the Note Trustee, the Paying Agents, the Agent Bank and (for so long as the Notes are listed on one or more stock exchanges) the relevant stock exchanges, and will immediately cause notice of each such determination to be given in accordance with Note Condition 13 (*Notice to Noteholders*) by not later than two Business Days prior to the relevant Interest Payment Date. If no Note Principal Payment is due to be made on the Notes of any Class on any Interest Payment Date a notice to this effect will be given to the Noteholders. If the Issuer does not at any time for any reason determine (or cause the Cash Administrator to determine) with respect to each of the Classes of Notes, a Note Principal Payment, the Principal Amount Outstanding or the Pool Factor in accordance with the preceding provisions of this paragraph, such determination may be made by the Note Trustee (without liability accruing to the Note Trustee as a result) in accordance with this Note Condition based on information supplied to it by the Issuer or the Cash Administrator and each such determination or calculation shall be deemed to have been made by the Issuer and in the absence of fraud, wilful default, or gross negligence shall be final, and no liability to the Noteholders shall attach to the Note Trustee in connection with the exercise or non-exercise by the Note Trustee of its powers, duties, determinations and discretions under this Note Condition 5 (*Redemption*).

(d) **Mandatory Redemption in Full**

- (i) The Issuer shall redeem the Notes in whole, but not in part, on the Call Option Date specified by the Mortgage Pool Option Holder in connection with the exercise of the Mortgage Pool Option, *provided that*:

- (A) the Mortgage Pool Option is exercised by the Mortgage Pool Option Holder;
 - (B) not less than 15 nor more than 30 calendar days' notice is given to the Noteholders in accordance with Note Condition 13 (*Notice to Noteholders*) (which notice shall be irrevocable);
 - (C) the Issuer delivers to the Note Trustee a certificate signed by two directors of the Issuer stating that it will on the date for redemption have the necessary funds from a sale of the Charged Property pursuant to the Deed Poll, together with any amounts standing to the credit of the Transaction Account (including the General Reserve Fund and the Liquidity Reserve Fund) and/or any other cash held by or on behalf of the Issuer (other than any Swap Excluded Receivable Amounts and any Issuer Profit Amount) as would be required to (I) redeem all of the Notes then outstanding in full together with accrued and unpaid interest on such Notes, (II) pay amounts required under the Pre-Enforcement Priority of Payments to be paid in priority to or *pari passu* with the Notes on such Call Option Date; and (III) pay any other costs associated with the exercise of the Mortgage Pool Option; and
 - (D) on or prior to the specified Call Option Date, no Enforcement Notice has been served following an Event of Default.
- (ii) The Issuer shall redeem the Notes in whole, but not in part, on any Interest Payment Date, *provided that*:
- (A) the aggregate Principal Amount Outstanding of the Rated Principal Backed Notes is less than or equal to 10 per cent. of the aggregate Principal Amount Outstanding of the Principal Backed Notes upon issue;
 - (B) not less than 15 nor more than 30 days' notice is given to the Noteholders in accordance with Note Condition 13 (*Notice to Noteholders*) (which notice shall be irrevocable);
 - (C) the Issuer has delivered to the Note Trustee a certificate signed by two directors of the Issuer stating that it will on the date for redemption have the necessary funds from a sale of the Charged Property to the holders of the Certificates (together with any amounts then standing to the credit of the Transaction Account, amounts standing to the credit of the Collection Account which are at that time held for the benefit of the Issuer and any other funds available to the Issuer) required to (I) redeem all of the Notes then outstanding in full together with accrued and unpaid interest on such Notes, (II) pay amounts required under the Post-Enforcement Priority of Payments to be paid in priority to or *pari passu* with the Notes on such Interest Payment Date; and (III) pay any other costs associated with the exercise of the optional call; and
 - (D) on or prior to the Interest Payment Date on which such notice expires, no Enforcement Notice has been served following an Event of Default.
- (iii) Any Note redeemed pursuant to this Note Condition 5(d) (*Mandatory Redemption in Full*) will be redeemed at an amount equal to the Principal Amount Outstanding of the relevant Note to be redeemed with accrued (and unpaid) interest on the Principal Amount Outstanding of the relevant Note up to but excluding the date of redemption.
- (e) **Optional Redemption for Taxation or Other Reasons**
- If by reason of a change in or amendment to tax law (or regulation or the application or official interpretation thereof), which change becomes effective on or after the Issue Date, on the next Interest Payment Date, the Issuer or any Paying Agent has or will become obliged to deduct or withhold from any payment of principal or interest on any Class of Notes (other than because the relevant holder has some connection with the United Kingdom other than the holding of Notes of such Class) any amount for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the United Kingdom or any political sub-division thereof or any authority thereof or therein, then the Issuer shall, if the same would avoid the effect of such relevant event described in this paragraph (e), 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 as principal debtor under the Notes, *provided that* the Note Trustee is satisfied that (or, in respect of items (ii), (iii) and (iv), the Issuer has certified to the Note Trustee that) such substitution:
- (i) will not be materially prejudicial to the holders of the Most Senior Class (and in making such determination, the Note Trustee may rely on a Rating Agency Confirmation without further investigation and without liability to any person for doing so);

- (ii) would not have an adverse impact on the Issuer's ability to make payments under the Notes;
- (iii) would not affect the legality, validity and enforceability of any of Transaction Documents or any Security; and
- (iv) would not require registration of any new securities under U.S. securities law or materially increase the disclosure requirements under U.S. laws,

and *provided further that* if any of the taxes referred to in this Note Condition 5(e) arise in connection with FATCA, the requirement to avoid the effect of any event described above shall not apply.

If the Issuer delivers to the Note Trustee a certificate signed by two directors of the Issuer (immediately before giving the notice referred to below) stating that one or more of the events described in this paragraph (e) above 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, then the Issuer may, on any Interest Payment Date and having given not more than 45 nor less than 30 days' notice to the Note Trustee and Noteholders in accordance with Note Condition 13 (*Notice to Noteholders*) redeem all (but not some only) of the Notes on the next following Interest Payment Date at their respective Principal Amount Outstanding together with any interest accrued (and unpaid) thereon up to (but excluding) the date of redemption *provided that* (in either case), prior to giving any such notice, the Issuer shall have provided to the Note Trustee (i) a certificate signed by two directors of the Issuer stating that one or more of the circumstances referred to in this paragraph (e) above prevail(s) and setting out details of such circumstances and (ii) an opinion in form and substance satisfactory to the Note Trustee of independent legal advisers of recognised standing to the effect that the Issuer and any Paying Agent (as the case may be) has or will become obliged to deduct or withhold amounts as a result of such change or amendment. The Note Trustee shall be entitled to accept such certificate and opinion without any further enquiry or liability as sufficient evidence of the satisfaction of the circumstance set out in the paragraph immediately above, in which event they shall be conclusive and binding on the Noteholders.

The Issuer may only redeem the Notes as described above if the Issuer has certified to the Note Trustee that it will have the necessary funds, not subject to the interest of any other person, required to redeem the Notes as aforesaid and any amounts required under the Pre-Enforcement Revenue Priority of Payments to be paid in priority to or *pari passu* with the Notes outstanding in accordance with the terms and conditions thereof.

(f) ***Notice of Redemption***

Any such notice as is referred to in paragraph (d) or (e) above shall be irrevocable and, upon the expiration of such notice, the Issuer shall be bound to redeem the Notes at the Principal Amount Outstanding, plus accrued and unpaid interest, of the relevant Note.

The Issuer shall notify the Swap Counterparty upon the occurrence of a Redemption Event.

(g) ***Purchase***

The Issuer shall not purchase any Notes.

(h) ***Cancellation***

All Notes redeemed will be cancelled upon redemption and may not be resold or re-issued.

6. Payments

(a) ***Principal and interest***

Payments of principal and interest shall be made by transfer to an account in sterling, maintained by the payee with a bank in London and (in the case of final redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Notes at the specified office of any Paying Agent in accordance with the terms of the Paying Agency Agreement.

(b) ***Record Date***

Each payment in respect of a Note will be made to the person shown as the Noteholder in the Register at the opening of business in the place of the Registrar's specified office on the fifteenth day before the due date for such payment (the "**Record Date**"). The person shown in the Register at the opening of business on the relevant Record Date in respect of a Global Note shall be the only person entitled to receive payments in respect of any Note represented by such Global Note and the Issuer will be discharged by payment to, or to the order of, such person in respect of each amount so paid.

(c) **Payments Subject to Laws**

All payments are subject in all cases to any applicable laws and regulations in the place of payment or other laws to which the Issuer or the Agents agree to be subject and the Issuer and the Agents will not be liable for any taxes or duties of whatever nature imposed or levied by such laws, regulations or agreements, but without prejudice to the provisions of Note Condition 8 (*Taxation*). No commissions or expenses shall be charged to the Noteholders in respect of such payments.

(d) **Payments on Business Days**

If the due date for payment of any amount in respect of any Note is not a business day in the place of presentation, the holder shall not be entitled to payment in such place of the amount due until the next succeeding business day in such place, and shall not be entitled to any further interest or other payment in respect of such delay. In this paragraph, “business day” means, in respect of any place of presentation, any day on which banks are open for presentation and payment of bearer debt securities and for dealings in foreign currencies in such place of presentation and, in the case of payment by transfer to a sterling-denominated account as referred to above, on which dealings in foreign currencies may be carried on both in London and in such place of presentation.

(e) **Paying Agents**

The initial Paying Agent and its initial specified office is listed below. The Issuer reserves the right at any time with the approval of the Note Trustee to vary or terminate the appointment of any Paying Agent and appoint additional or other Paying Agents, *provided that* it will maintain a Principal Paying Agent.

The initial specified office of the Paying Agent is at:

Principal Paying Agent

Elavon Financial Services DAC
125 Old Broad Street, Fifth Floor
London EC2N 1AR
United Kingdom

Notice of any change in the Paying Agents or their specified offices will promptly be given to the Note Trustee and the Noteholders in accordance with Note Condition 13 (*Notice to Noteholders*).

(f) **Incorrect Payments**

The Cash Administrator will, from time to time, notify Noteholders in accordance with the terms of Note Condition 13 (*Notice to Noteholders*) of any over-payment or under-payment of which it has actual notice made on any Interest Payment Date to any party entitled to the same pursuant to the Pre-Enforcement Priority of Payments. Following the giving of such a notice, the Cash Administrator shall use reasonable endeavours to rectify such over-payment or under-payment by increasing or, as the case may be decreasing payments to the relevant parties on any subsequent Interest Payment Date or Interest Payment Dates (if applicable) to the extent required to correct the same. Any notice of over-payment or under-payment pursuant to this Note Condition shall contain reasonable details of the amount of the same, the relevant parties and the adjustments to be made to future payments to rectify the same. Neither the Issuer nor the Cash Administrator shall have any liability to any person for making any such correction.

7. Prescription

Claims in respect of principal and interest shall become void unless made within a period of 10 years, in the case of principal, and 5 years, in the case of interest, from the appropriate relevant date on which such sums became due and payable. After the date on which a Note becomes void in its entirety, no claim may be made in respect thereof. In this Note Condition 7, the “**relevant date**”, in respect of a Note is the date on which a payment in respect thereof first becomes due or (if the full amount of the monies payable in respect of all the Notes due on or before that date has not been duly received by the Principal Paying Agent or the Note Trustee on or prior to such date) the date on which the full amount of such monies having been so received, notice to that effect having been duly given to the Noteholders in accordance with Note Condition 13 (*Notice to Noteholders*).

8. Taxation

All payments in respect of the Notes will be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments, levies or charges of whatsoever nature unless the Issuer or any Paying Agent (as applicable) is required by applicable law to make any payment in respect of the Notes

subject to any withholding or deduction for, or on account of, any present or future taxes, duties, assessments, levies or charges of whatsoever nature, including FATCA. In that event, the Issuer or such Paying Agent (as the case may be) shall make such payment after such withholding or deduction has been made and shall account to the relevant authorities for the amount so required to be withheld or deducted. None of the Issuer, the Principal Paying Agent, any other Paying Agent, nor any other person will be obliged to make any additional payments to holders of Notes in respect of such withholding or deduction, including FATCA.

9. Events of Default

After any of the following events (each an “**Event of Default**”) occurs and is continuing, the Note Trustee at its discretion may, and if so requested in writing by holders of at least 25 per cent. of the aggregate in Principal Amount Outstanding of the Most Senior Class or if so directed by an Extraordinary Resolution of the Most Senior Class, shall (subject, in each case, to it being indemnified and/or secured and/or pre-funded to its satisfaction as more particularly described in the Trust Deed) give notice to the Issuer (an “**Enforcement Notice**”) (with a copy of such Enforcement Notice being sent simultaneously to the Security Trustee) that the Notes are, and they shall immediately become, due and payable at their Principal Amount Outstanding together with accrued interest:

- (i) default being made in the payment of any interest or principal due in respect of the Most Senior Class (other than the X Notes, the Z1 Notes and the Z2 Notes) and such default continues (i) for a period of 5 Business Days in respect of principal; or (ii) for a period of 3 Business Days in respect of interest; or
- (ii) the Issuer failing duly to perform or observe any other obligation binding upon it under the Notes, the Notes Conditions, the Trust Deed or any other Transaction Documents, as applicable, and, in any such case (except where the Note Trustee certifies that, such failure is (I) in the opinion of the Note Trustee, incapable of remedy or (II) in the opinion of the Note Trustee, capable of remedy but remains unremedied for a period of 30 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; or
- (iii) the Issuer, otherwise than for the purposes of such amalgamation or reconstruction as is referred to in sub-paragraph (iv) below, ceasing or, through an official action of the board of directors of the Issuer, threatening to cease to carry on business or being unable to pay its debts as and when they fall due; or
- (iv) an order being made or an effective resolution being passed for the winding-up of the Issuer except a winding-up for the purposes of or pursuant to an amalgamation or reconstruction the terms of which have previously been approved by the Note Trustee in writing or by an Extraordinary Resolution of the holders of the Most Senior Class; or
- (v) proceedings being otherwise initiated against the Issuer under any applicable liquidation, insolvency, an arrangement or compromise, reorganisation or other similar laws (including, but not limited to, presentation of a petition or filing documents with the court or making an application for the appointment of an administrator or liquidator or serving a notice of intent to appoint an administrator) or an administrator being appointed, or a receiver, liquidator or other similar official being appointed in relation to the Issuer or in relation to the whole or any substantial part of the undertaking or assets of the Issuer, or an encumbrancer taking possession of the whole or any substantial part of the undertaking or assets of the Issuer, or a distress, execution, diligence or other process being levied or enforced upon or sued out against the whole or any substantial part of the undertaking or assets of the Issuer and such possession or process (as the case may be) not being discharged or not otherwise ceasing to apply within 30 days, or the Issuer initiating or consenting to proceedings relating to itself under applicable liquidation, insolvency, an arrangement or compromise, reorganisation or other similar laws or making 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
- (vi) it is or will become unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Notes, the Notes Conditions, or the Transaction Documents,

provided that, in the case of each of the events described in sub-paragraph (ii) of this Note Condition 9, the Note Trustee shall have certified to the Issuer that such event is, in its opinion, materially prejudicial to the interests of the holders of the Most Senior Class.

10. Enforcement of Security, Limited Recourse and Non-Petition

(a) *Enforcement of Security*

The Note Trustee may, at any time, at its discretion and without notice, take (or instruct the Security Trustee to 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 Notes, the Certificates or the Trust Deed (including these 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 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:

- (i) it shall have been directed by a notice in writing by holders of Notes outstanding constituting at least 25 per cent. of the aggregate in Principal Amount Outstanding of the Most Senior Class or if so directed by an Extraordinary Resolution of the Noteholders of the Most Senior Class then outstanding; and
- (ii) in all cases it shall have been indemnified and/or secured and/or pre-funded to its satisfaction.

No Noteholder shall be entitled to proceed directly against the Issuer unless the Note Trustee (or as the case may be, the Security Trustee), having become bound so to do, fails or is unable to do so within a 60 day period and such failure or inability shall be continuing.

(b) *Limited Recourse*

(i) *Enforcement of Security*

Only the Security Trustee may enforce the Security over the Charged Property in accordance with, and subject to the terms of, the Deed of Charge (and the Transaction Documents entered into pursuant thereto).

(ii) *Insufficient Recoveries*

If at any time following:

(A) the occurrence of either:

- (1) the Interest Payment Date falling in November 2063 or any earlier date upon which all of the Notes of each Class are due and payable; or
- (2) the service of an Enforcement Notice; and

(B) Realisation of the Charged Property and application in full of any amounts available to pay amounts due and payable under the Notes in accordance with the applicable Post- Enforcement Priority of Payments,

the proceeds of such Realisation are insufficient, after the same have been allocated in accordance with the applicable Priority of Payments, to pay in full all claims ranking in priority to the Notes and all amounts then due and payable under any Class of Notes then the amount remaining to be paid (after such application in full of the amounts first referred to in paragraph (B) above) under such Class of Notes (and any Class of Notes junior to that Class of Notes) shall, on the day following such application in full of the amounts referred to in paragraph (B) above, cease to be due and payable by the Issuer.

For the purposes of this Note Condition 10:

“**Realisation**” means, in relation to any Charged Property, the deriving, to the fullest extent practicable, (in accordance with the provisions of the Transaction Documents) of proceeds from or in respect of such Charged Property including (without limitation) through sale, realisation or through performance by an obligor.

“**Charged Property**” means the property of the Issuer which is subject to the Security.

(iii) *Noteholder Acknowledgments*

Each Noteholder, by subscribing for or purchasing Notes, is deemed to accept and acknowledge that:

- (A) in the event of realisation or enforcement of the Charged Property, its right to obtain payment of interest and repayment of principal on the Notes in full is limited to recourse against the undertaking, property and assets of the Issuer comprised in the Charged Property;
- (B) the Issuer will have duly and entirely fulfilled its payment obligations by making available to such Noteholder its proportion of the proceeds of realisation or enforcement of the Charged Property in

accordance with the Post-Enforcement Priority of Payments and all claims in respect of any shortfall will be extinguished and discharged; and

- (C) in the event that a shortfall in the amount available to pay principal of the Notes of a Class exists on the Final Maturity Date or on any earlier date for redemption in full of the Notes or any Class of Notes, after payment on the Final Maturity Date or such date of earlier redemption of all other claims ranking higher in priority to or *pari passu* with the Notes or the related Class of Notes, and the Charged Property has not become enforceable as at the Final Maturity Date or such date of earlier redemption, the liability of the Issuer to make any payment in respect of such shortfall will cease and all claims in respect of such shortfall will be extinguished.

(c) ***Non-Petition***

No Noteholder may take any corporate action or other steps or legal proceedings for the winding-up, dissolution, arrangement or compromise, reconstruction or reorganisation of the Issuer unless the Note Trustee (or as the case may be the Security Trustee), having become bound so to do, fails or is unable to do so within 60 days and such failure or inability shall be continuing or for the appointment of a liquidator, receiver, administrative receiver, administrator, trustee, manager or similar officer in respect of the Issuer or over any or all of its assets or undertaking.

11. Meetings of Noteholders; Modifications; Consents; Waiver

- (a) The Trust Deed contains provisions for convening separate or combined meetings (including by way of conference call or by use of a videoconference platform) of the Noteholders of any Class to consider matters relating to the Notes, including subject to Note Condition 11(e) (Modification and Waiver) the sanctioning by Extraordinary Resolution of a modification of any of these Note Conditions or any provisions of the other Transaction Documents.

The Trust Deed provides that a resolution in writing signed by all of the holders of a particular Class or Classes of Notes by a majority consisting of not less than 50.1 per cent. by Principal Amount Outstanding of such Class or Classes of Notes shall for all purposes be as valid and effective as an Ordinary Resolution passed at a meeting of the Noteholders of such Class duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more of the Noteholders of such Class or Classes.

The Trust Deed provides that a resolution in writing signed by all of the holders of at least 75 per cent. by Principal Amount Outstanding of the relevant Class or Classes of Notes shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of the Noteholders of such Class or Classes duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more of the Noteholders of such Class or Classes.

- (b) Any Extraordinary Resolution or an Ordinary Resolution duly passed by a meeting of the Noteholders of a particular Class or Classes shall be binding on all Noteholders of such Class or Classes (whether or not they were present at the meeting at which such resolution was passed and whether or not voting).

An Extraordinary Resolution passed at a meeting of the holders of the Most Senior Class shall be binding on the holders of all other Classes of Notes and the Certificates irrespective of the effect on them, except an Extraordinary Resolution of the holders of the Most Senior Class to sanction a Notes Basic Terms Modification, which shall not take effect unless it has also been sanctioned by an Extraordinary Resolution of the holders of each other Class of Notes affected (economically or otherwise) and a Certificates Extraordinary Resolution of the Certificateholders (if affected, economically or otherwise).

No Extraordinary Resolution of any Class to approve any matter other than a Notes Basic Terms Modification shall be effective unless it is sanctioned by an Extraordinary Resolution of the holders of each of the other Classes of Notes then outstanding ranking senior to such Class in the Post-Enforcement Priority of Payments (to the extent that there are Notes ranking senior to such Class of Notes) unless, the Note Trustee is of the opinion that it will not be materially prejudicial to the interests of the holders of any more senior Class or it is sanctioned by an Extraordinary Resolution of the holders of each such more senior Class. Except in certain circumstances the Trust Deed imposes no such limitations on the powers of the holders of any Class of Notes the exercise of which will be binding on themselves and any junior Class of Notes, irrespective of the effect on their interests.

The Trust Deed provides that:

- (i) meetings of Noteholders of separate Classes may be held at the same time;

- (ii) meetings of Noteholders of separate Classes will normally be held separately, but the Note Trustee may from time to time determine that meetings of Noteholders of separate Classes shall be held together;
- (iii) an Ordinary Resolution or an Extraordinary Resolution that in the opinion of the Note Trustee affects one Class alone shall be deemed to have been duly passed if passed at a separate meeting of the Noteholders of the Class concerned;
- (iv) an Extraordinary Resolution that in the opinion of the Note Trustee affects the Noteholders of more than one Class but does not give rise to a conflict of interest between the Noteholders of the different Classes concerned shall be deemed to have been duly passed if passed at a single meeting of the Noteholders of the relevant Classes; and
- (v) an Extraordinary Resolution that in the opinion of the Note Trustee affects the Noteholders of more than one Class and gives or may give rise to a conflict of interest between the Noteholders of the different Classes concerned shall be deemed to have been duly passed only if it shall be duly passed at separate meetings of the Noteholders of each of the relevant Classes;

If a poll is called at a meeting of a Class of Noteholders, the number of votes which can be cast by each person present shall be proportionate to the Principal Amount Outstanding of the Notes of such Class that such person holds or represents at that meeting.

(c) ***Additional Right of Modification***

Notwithstanding the provisions of Note Condition 11(e) (*Modification and Waiver*) and subject to the provisions of Note Condition 11(f) (*Swap Counterparty Consent for Modification*), the Note Trustee shall be obliged, without the consent or sanction of the Noteholders or any of the other Secured Creditors (subject to the receipt of consent from any of the Secured Creditors party to the Transaction Document being modified or who would need to be a party to a new, supplemental or additional agreement, or which, as a result of the relevant amendment, would be further contractually subordinated to any Secured Creditor other than would otherwise have been the case prior to such amendment), to concur with the Issuer (and to direct the Security Trustee to concur) and any other relevant parties in making any modification (other than in respect of a Notes Basic Terms Modification) to these Note Conditions or any other Transaction Documents to which it is a party or the Issuer entering into new, supplemental or additional documents that the Issuer 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* in relation to any amendment under this paragraph:
 - (A) 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 of a Transaction Document proposed by any of the Swap Counterparty, the Account Bank, the Swap Collateral Account Bank or the Cash Administrator (for the purposes of this Note Condition 11(c) 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):
 - (1) the Relevant Party certifies in writing to the Issuer and the Note Trustee and the Security Trustee that such modification is necessary for the purposes described in paragraph (B)(x) and/or (y) (and in the case of a certification provided to the Issuer, the Issuer shall certify to the Note Trustee and the Security Trustee that it has received the same from the Swap Counterparty, Account Bank, Swap Collateral Account Bank or the Cash Administrator as the case may be);
 - (2) the Relevant Party obtains a Rating Agency Confirmation from each of the Rating Agencies and, if relevant, delivers a copy of each such confirmation to the Issuer and the Note Trustee and the Security Trustee; and
 - (3) the Relevant Party pays all costs and expenses (including legal fees) incurred by the Issuer, the Security Trustee, the Note Trustee and each other party to the relevant Transaction Documents proposed to be amended, in connection with such modification;

- (ii) in order to facilitate the appointment of a replacement Cash Administrator in accordance with the terms of the Cash Administration Agreement, subject to receipt by the Note Trustee and the Security Trustee of a certificate issued by the Issuer certifying to the Note Trustee and the Security Trustee the requested amendments are to be made solely for the purpose of facilitating the appointment of a replacement Cash Administrator in accordance with the terms of the Cash Administration Agreement and have been drafted solely to that effect;
- (iii) in order to enable the Issuer and/or the Swap Counterparty to comply with:
 - (A) any obligation which applies to it under Articles 9, 10 and 11 of UK EMIR or EU EMIR; or
 - (B) any other obligation which applies to it under UK EMIR or EU EMIR,

provided that the Issuer or the Swap Counterparty, as appropriate, certifies to the Note Trustee and the Security Trustee in writing that such modification is required solely for the purpose of enabling it to satisfy such obligation and has been drafted solely to such effect;
- (iv) for the purpose of complying with any changes in the requirements of Article 6(3)(d) of the EU Securitisation Regulation or Article 6(3)(d) of the UK Securitisation Regulation after the Issue Date, including as a result of the adoption of regulatory technical standards in relation to Article 6 of the EU Securitisation Regulation or Article 6 of the UK Securitisation Regulation or any other risk retention legislation 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;
- (v) for the purpose of enabling the Rated Notes to be (or to remain) listed on the Official List of the Financial Conduct Authority and admitted to trading on the London Stock Exchange plc's main market, *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;
- (vi) for the purposes of enabling the Issuer or any of the other Transaction Parties to comply with FATCA (or any voluntary agreement entered into with a taxing authority in relation thereto), *provided that* the Issuer or the relevant Transaction 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;
- (vii) for the purpose of complying with any changes in the requirements of the EU CRA Regulation or the UK CRA Regulation after the Issue Date, including as a result of the adoption of regulatory technical standards in relation to the EU CRA Regulation or the UK CRA Regulation 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; or
- (viii) for the purpose of a change to the reference rate (in respect of the Floating Rate Notes) from SONIA to an alternative reference rate (including where such base rate may remain linked to SONIA but may be calculated in a different manner) including any Note Adjustment Spread (as the case may be) (any such rate, an "**Alternative Reference Rate**") and make such other amendments as are necessary or advisable in the reasonable judgment of the Issuer to facilitate such change (a "**Reference Rate Modification**"), *provided that*:
 - (A) the Mortgage Administrator, on behalf of the Issuer, certifies to the Note Trustee and the Security Trustee in writing (such certificate, a "**Reference Rate Modification Certificate**") that:
 - (1) such Reference Rate Modification is being undertaken due to:
 - (I) an alternative manner of calculating a SONIA-based rate being introduced and becoming a standard means of calculating interest for similar transactions;
 - (II) a material disruption to SONIA, an adverse change in the methodology of calculating SONIA or SONIA ceasing to exist or be published;
 - (III) the insolvency or cessation of business of the SONIA administrator (in circumstances where no successor SONIA administrator has been appointed);

- (IV) 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);
 - (V) a public statement by the supervisor of the SONIA administrator that SONIA has been or will be permanently or indefinitely discontinued;
 - (VI) a public statement by the supervisor for the SONIA administrator that means SONIA may no longer be used or that its use is subject to restrictions or adverse consequences; or
 - (VII) the reasonable expectation of the Mortgage Administrator that any of the events specified in the sub-paragraphs above will occur or exist within six months of the proposed effective date of such Reference Rate Modification; and
- (2) such Alternative Reference Rate is derived from, based upon or otherwise similar to any of the foregoing (and, for the avoidance of doubt, may include any Note Adjustment Spread as the Issuer (or the Mortgage Administrator on its behalf) reasonably determines having regard to market practice at the relevant time):
- (I) a reference rate published, recognised, endorsed or approved by the FCA, the PRA or 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); or
 - (II) a reference rate utilised in a material number of public listed new issues of sterling denominated asset-backed floating rate notes prior to the effective date of such Reference Rate Modification; or
 - (III) a reference rate utilised in a material number of public listed new issues of sterling denominated asset-backed floating rate notes where the originator of the relevant assets is BGFL; or
 - (IV) such other reference rate as the Mortgage Administrator reasonably determines (including any alternative benchmark rate determined by reference to any Swap Benchmark Rate Adjustment made in accordance with the terms of the Swap Agreement and the Deed of Charge); and
- (B) the Mortgage Administrator pays (or arranges for the payment of) all properly incurred and documented fees, costs and expenses (including legal fees) incurred by the Issuer, the Seller, the Legal Title Holder, the Note Trustee, the Security Trustee, the Swap Counterparty, and each other party to the relevant Transaction Documents proposed to be amended by the Reference Rate Modification, in connection with such Reference Rate Modification,

(the certificate to be provided by the Issuer, the Mortgage Administrator (on behalf of the Issuer), the relevant Transaction Party as the case may be, pursuant to paragraphs (i) to (viii) above being a “**Modification Certificate**”), *provided that*:

- I at least 30 calendar days’ prior written notice of any such proposed modification has been given to the Note Trustee;
- II the Modification Certificate or Reference Rate Modification Certificate (as the case may be) in relation to such modification shall be provided to the Note Trustee and the Security Trustee (and, if applicable, to the Issuer) 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;
- III the consent of each Secured Creditor which is party to the relevant Transaction Document or whose contractual subordination in any Priority of Payment is affected has been obtained;
- IV other than in the case of a modification pursuant to paragraph (iii)(A) above:
 - (A) either (1) a Rating Agency Confirmation is or has been obtained (by the Issuer or any Relevant Party) from each of the Rating Agencies, or (2) in the case of a modification pursuant to paragraph (viii) above only, (x) the Issuer (or the Seller on its behalf) or any Relevant Party has used reasonable endeavours to obtain a Rating Agency Confirmation from each of the Rating Agencies within 30 calendar days of delivery of a Benchmark Event Notice but have not so obtained Rating

Agency Confirmations from each such Rating Agency within 30 calendar days of delivery of a Benchmark Event Notice; (y) the Seller has given its written approval of the proposed Reference Rate Modification to the Issuer, the Note Trustee and the Security Trustee; and (z) the proposed Reference Rate Modification has been approved by an Ordinary Resolution of the A Noteholders and the B Noteholders, respectively; and

- (B) the Issuer has provided at least 30 calendar days' notice to the Noteholders of each Class of Notes of the proposed modification in accordance with Note Condition 13 (*Notice to Noteholders*) and by publication on Bloomberg on the "Company News" screen relating to the Notes, and Noteholders representing at least 10 per cent. of the aggregate Principal Amount Outstanding of the Most Senior Class then outstanding have not contacted the Note Trustee in writing (or otherwise in accordance with the then current practice of any applicable clearing system through which such Notes may be held) within such notification period notifying the Note Trustee that such Noteholders do not consent to the modification; and
- V if Noteholders representing at least 10 per cent. of the aggregate Principal Amount Outstanding of the Most Senior Class then outstanding have notified the Note Trustee in writing (or otherwise in accordance with the then current practice of any applicable clearing system through which such Notes may be held) within the 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 Noteholders of the Most Senior Class then outstanding is passed in favour of such modification.

Objections made in writing other than through the applicable clearing systems must be accompanied by evidence to the Note Trustee's satisfaction (having regard to prevailing market practices) of the relevant Noteholder's holding of the Notes.

Other than where specifically provided in this Note Condition 11(c) (*Additional Right of Modification*) or any Transaction Document:

- (i) when implementing any modification pursuant to this Note Condition 11(c) (*Additional Right of Modification*) (save to the extent the Note Trustee considers that the proposed modification would constitute a Notes Basic Terms Modification), the Note Trustee shall not consider the interests of the Noteholders, any other Secured Creditor or any other person and shall act and rely solely, and without further enquiry or Liability, on any certificate (including any Modification Certificate or Reference Rate Modification Certificate (as the case may be)) or evidence provided to it by the Issuer or the relevant Transaction Party, as the case may be, pursuant to this Note Condition 11(c) (*Additional Right of Modification*) and shall not be liable to the Noteholders, 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; and
- (ii) the Note Trustee or the Security Trustee shall not be obliged to agree to any modification which, in its sole opinion would have the effect of (i) exposing it to any Liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction or (ii) increasing the obligations or duties, or decreasing the rights or protection, of the Note Trustee or the Security Trustee (as relevant) in the Transaction Documents and/or these Note Conditions.

For the avoidance of doubt, nothing in this Note Condition 11(c) (*Additional Right of Modification*) shall have the effect of waiving an Event of Default.

Any such modifications permitted by this Note Condition 11(c) (*Additional Right of Modification*) shall be binding on the Noteholders, Certificateholders and other Secured Creditors and, unless the Note Trustee otherwise agrees, the Issuer shall cause such modification to be notified to the Noteholders and Certificateholders as soon as practicable thereafter in accordance with Note Condition 13 (*Notice to Noteholders*) and Certificate Condition 11 (*Notice to Certificateholders*). So long as the Rated Notes, or any of them, are rated by the Rating Agencies the Issuer shall notify each of the Rating Agencies of any modification made by it in accordance with this Note Condition 11(c) (*Additional Right of Modification*) as soon as reasonably practicable thereafter.

(d) **Quorum**

The quorum at any meeting of Noteholders of a particular Class for passing:

- (i) an Extraordinary Resolution to approve a Notes Basic Terms Modification, shall be one or more persons holding Notes or representing Noteholders holding Notes in aggregate of (x) not less than 75 per cent. of the Principal Amount Outstanding of the relevant Class of Notes for the initial meeting or (y) not less

than 50 per cent. of the Principal Amount Outstanding of the relevant Class of Notes for the adjourned meeting;

- (ii) an Extraordinary Resolution to approve any matter other than a Notes Basic Terms Modification, shall be one or more persons holding Notes or representing Noteholders holding Notes in aggregate of (x) not less than 50 per cent. of the Principal Amount Outstanding of the Notes of such Class(es) or (y) not less than 25 per cent. of the Principal Amount Outstanding of the relevant Class(es) of Notes for the adjourned meeting; and
- (iii) an Ordinary Resolution, shall be one or more persons holding Notes or representing Noteholders holding Notes in aggregate of not less than (x) 25 per cent. of the Principal Amount Outstanding of the relevant Class(es) of Notes for the initial meeting and (y) 10 per cent. of the Principal Amount Outstanding of the relevant Class(es) of Notes for the adjourned meeting.

Subject to the provisions of the Trust Deed, the holder of the Global Note shall be treated as a Noteholder for the purposes of constituting a quorum for the purposes of meeting the quorum requirements of a meeting of Noteholders.

(e) ***Modification and Waiver***

Subject to Note Condition 11(c) (*Additional Right of Modification*) and Note Condition 11(f) (*Swap Counterparty Consent for Modification*), the Note Trustee may agree, without the consent or sanction of any of, or any liability to, the Noteholders, to:

- (i) (A) any modification of any of the provisions of the Trust Deed, the Conditions or any of the other Transaction Documents which is, in its opinion, of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of law or regulation, and (B) any other modification (excluding a Notes Basic Terms Modification), and any waiver or authorisation of any breach or proposed breach of the Notes of such Class, of any of the provisions of the Trust Deed, the Conditions or any of the other Transaction Documents which is in the opinion of the Note Trustee not materially prejudicial to the interests of the holders of the Most Senior Class (other than any Noteholders of the Most Senior Class who have confirmed their consent in writing to the relevant modification, waiver or authorisation); or
- (ii) determine that an Event of Default or Potential Event of Default will not be treated as such where in the opinion of the Note Trustee such waiver, authorisation or determination is not materially prejudicial to the interests of the holders of the Most Senior Class (other than any holders of the Most Senior Class who have confirmed their consent in writing to the relevant waiver, authorisation or determination),

provided that the Note Trustee will not do so in contravention of an express direction given by an Extraordinary Resolution of holders of the Most Senior Class made pursuant to Note Condition 9 (*Events of Default*). Any such modification, authorisation, determination or waiver shall be binding on the Noteholders and, if the Note Trustee so requires, the Issuer will arrange for it to be notified to the Noteholders and the Certificateholders as soon as practicable.

Any such modifications permitted by this Note Condition 11(e) (*Modification and Waiver*) shall be binding on the Noteholders, Certificateholders and other Secured Creditors and, unless the Note Trustee otherwise agrees, the Issuer shall cause such modification to be notified to the Noteholders and Certificateholders as soon as practicable thereafter in accordance with Note Condition 13 (*Notice to Noteholders*) and Certificate Condition 11 (*Notice to Certificateholders*). So long as the Rated Notes, or any of them, are rated by the Rating Agencies the Issuer shall notify each of the Rating Agencies of any modification made by it in accordance with this Note Condition 11(e) (*Modification and Waiver*) as soon as reasonably practicable thereafter.

Neither the Note Trustee nor the Security Trustee shall be obliged to agree to any modification of the Trust Deed, the Conditions or any other Transaction Document which (in the sole opinion of the Note Trustee or the Security Trustee (as applicable)) would have the effect of: (x) exposing it to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction; or (y) increasing the obligations or duties, or decreasing the rights or protections of the Note Trustee or Security Trustee (as applicable) in the Transaction Documents, the Trust Deed and/or the Conditions.

(f) ***Swap Counterparty Consent for Modification***

The prior written consent of the Swap Counterparty is required to modify or supplement any provision of the Transaction Documents, the Note Conditions or the Certificate Conditions if the Swap Counterparty determines that such modification or supplement would affect any of the following:

- (i) cause, in the reasonable opinion of the Swap Counterparty, (A) the Swap Counterparty to pay more or receive less under the Swap Agreement or (B) a decrease (from the Swap Counterparty's perspective) in the value of an Interest Rate Swap;
- (ii) result in any of the Issuer's obligations to the Swap Counterparty under the Swap Agreement to be further contractually subordinated, relative to the level of subordination of such obligations as of the Issue Date, to the Issuer's obligations to any other Secured Creditor;
- (iii) it would result in a change to the timing of any payment or delivery from either party to the other party under the Swap Agreement;
- (iv) if, the Swap Counterparty were to replace itself as swap counterparty under the Swap Agreement, require the Swap Counterparty to pay more or receive less in the reasonable opinion of the Swap Counterparty, in connection with such replacement, as compared to what the Swap Counterparty would have been required to pay or would have received had such modification or amendment not been made;
- (v) cause any adverse modification to the Swap Counterparty's rights in relation to any security (howsoever described, and including as a result of changing the nature or the scope of, or releasing such security) granted by the Issuer in favour of the Security Trustee on behalf of the Secured Creditors pursuant to the Deed of Charge;
- (vi) result in an amendment of this Note Condition or Clause 18.3 (*Swap Counterparty Consent for Modification*) of the Trust Deed where, in the reasonable opinion of the Swap Counterparty, such amendment would have an adverse effect on it; or
- (vii) result in an amendment to, or waiver of the undertakings of the Issuer as set out in, Clause 14.2.6 (*Disposal of Assets*) of the Trust Deed related to a refinancing, sale, transfer or disposal of assets of the Issuer with a view to prematurely redeeming the Notes in circumstances not expressly permitted or provided for in the Transaction Documents as at the Issue Date where, in the reasonable opinion of the Swap Counterparty, such amendment or waiver would have an adverse effect on it,

unless such modification, amendment, consent or waiver is in relation to a Reference Rate Modification made in accordance with Note Condition 11(c)(viii). The Issuer shall notify in writing the Swap Counterparty, the Note Trustee and the Security Trustee of any proposed modification or supplement to any provisions of the Transaction Documents, the Note Conditions or the Certificate Conditions that may affect any of the items listed in the previous paragraph as soon as reasonably practicable but not less than 15 Business Days (inclusive) prior to such modification or supplement being effected, notwithstanding any other provision of the Transaction Documents or the Conditions. The Swap Counterparty may notify the Note Trustee and the Security Trustee and the Issuer in writing if it determines that such modifications or supplement would affect any of the items listed in the previous paragraph. If the Issuer, Note Trustee and the Security Trustee receive notification (the "**Notification**") from the Swap Counterparty that the Swap Counterparty has determined that the modification and/or supplement would not affect any of the items listed in the previous paragraph or that the Swap Counterparty otherwise consents to such modification and/or supplement, such modification and/or supplement may take effect at any time from and including the date of receipt of the Notification. If the Swap Counterparty has not received notice in accordance with this paragraph, the proposed modification or supplement shall not be effective. If the Issuer, Note Trustee and the Security Trustee do not receive any such determination or a Notification within 15 Business Days (inclusive) of the Swap Counterparty having been notified of such proposed modification or supplement, the Seller (on behalf of the Issuer) will contact the Swap Counterparty directly and request such determination or, as applicable, Notification and the Swap Counterparty shall, in good faith, provide its determination or, as applicable, such Notification not later than the 2nd Business Days following receipt of such request.

(g) ***Substitution***

The Trust Deed contains provisions permitting the Note Trustee to agree, subject to such amendment of the Trust Deed and such other conditions as are set out in the Trust Deed or as the Note Trustee may otherwise require, but without the consent of, or any liability to, the Noteholders or the other Secured Creditors to the substitution of certain other entities in place of the Issuer, or of any previous substituted company, as principal debtor under the Trust Deed, the Notes and the other Transaction Documents. In the case of such a substitution the Note Trustee may agree, without the consent of the Noteholders, to a change of the law governing the Notes and/or the Trust Deed *provided that* such change would not in the opinion of the Note Trustee be materially prejudicial to the interests of the holders of the Most Senior Class.

(h) **Evidence of Notes**

Where for the purposes of these Note Conditions the Note Trustee or any other party to the Transaction Documents requires a Noteholder holding Notes through Euroclear or Clearstream, Luxembourg to establish its holding of the Notes to the satisfaction of such party, such holding shall be considered to be established (and the Noteholder in respect of which such holding is established shall be a “**Verified Noteholder**”) if such Noteholder provides to the requesting party with regard to the relevant date:

- (i) an Euclid Statement (in the case of Euroclear) or a Creation Online Statement (in the case of Clearstream, Luxembourg) in each case providing confirmation at the time of issue of the same of such person’s holding in the Notes; and
- (ii) if the relevant Notes are held through one or more custodians, a signed letter dated as of the date of the Euclid Statement or the Creation Online Statement from each such custodian confirming on whose behalf it is holding such Notes such that the Note Trustee or any other party to the Transaction Documents is able to verify to its satisfaction the chain of ownership to the beneficial owner.

If, in connection with verifying its holding, the Note Trustee or any other party to the Transaction Documents requires a Noteholder to temporarily block its Notes in Euroclear or Clearstream, Luxembourg, such Noteholder will be required to instruct Euroclear or Clearstream, Luxembourg (via its custodian) to do so.

(i) **Entitlement of the Note Trustee**

In connection with the exercise of its functions (including but not limited to those referred to in this Note Condition 11 (*Meetings of Noteholders; Modifications; Consents; Waiver*)) the Note Trustee:

- (i) shall have regard to the interests of the Noteholders (or, as applicable, the Noteholders of a particular Class) as a class and shall not have regard to the consequences of such exercise for individual Noteholders and the Note Trustee shall not be entitled to require, nor shall any Noteholder be entitled to claim, from the Issuer any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders;
- (ii) shall have regard only to the interests of the holders of the outstanding Notes of the Most Senior Class where, in the opinion of the Note Trustee, there is a conflict between the interests of the holders of the Most Senior Class and the interests of any other Noteholders;
- (iii) so long as any Class of Notes remain outstanding, shall have regard only to the interests of the Noteholders where, in the opinion of the Note Trustee, there is a conflict between the interest of any Noteholders and the Certificateholders; and
- (iv) may, in determining whether or not a proposed action will be materially prejudicial to the Noteholders (or, as applicable, the Noteholders of a particular Class), have regard to, among other things, a Rating Agency Confirmation.

12. 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 action or, in the case of the Security Trustee, enforcing the Security, unless indemnified and/or pre-funded 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 other securities or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, individual Noteholders 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.

The Note Trustee and/or the Security Trustee will not be responsible for any loss, expense or liability which may be suffered as a result of, *inter alia*, any assets comprised in the Security, or any deeds or documents of title thereto, being uninsured or inadequately insured or being held by or to the order of the Mortgage Administrator, the Cash Administrator or any agent or related company of the Mortgage Administrator, the Cash Administrator or by clearing organisations or their operators or by intermediaries such as banks, brokers

or other similar persons on behalf of the Note Trustee and/or the Security Trustee. The Trust Deed and the Deed of Charge provides that neither the Note Trustee nor the Security Trustee shall be under any obligation to monitor or supervise compliance by the Issuer, the Mortgage Administrator or the Cash Administrator or any other party with their respective obligations or to make any searches, enquiries, or independent investigations of title in relation to any of the properties secured by the Mortgages.

13. Notice to Noteholders

(a) *Forms of Notice*

All notices, other than notices given in accordance with any one or more of the following paragraphs of this Note Condition 13 (*Notice to Noteholders*), to holders of the Notes shall be deemed to have been validly given if:

- (i) for so long as the Notes are listed on a stock exchange, and the rules of such stock exchange and the Market Abuse Regulation so require, or at the option of the Issuer, if delivered through the announcements section of the relevant stock exchange and a regulated information service maintained or recognised by such stock exchange; and
- (ii) for so long as the Notes are represented by Global Notes, and if, for so long as the Notes are listed on a stock exchange, the rules of such stock exchange so allow if delivered to Euroclear and/or Clearstream, Luxembourg for communication by them to their participants and for communication by such participants to entitled account holders; and
- (iii) for so long as the Notes are represented by Global Notes and if, for so long as the Notes are listed on a stock exchange, rules of such stock exchange so allow if delivered to the electronic communications systems maintained by Bloomberg L.P. for publication on the relevant page for the Notes or such other medium for the electronic display of data as may be previously approved in writing by the Note Trustee; or
- (iv) if the Notes are in definitive form, if published in a leading daily newspaper printed in the English language and with general circulation in the United Kingdom (which is expected to be *The Financial Times*) or, if that is not practicable, in such English language newspaper or newspapers as the Note Trustee shall approve having a general circulation in the United Kingdom and the rest of the EU.

Any such notice shall be deemed to have been given on:

- (i) in the case of a notice delivered to the regulated information service of a stock exchange, the day on which it is delivered to such stock exchange;
- (ii) in the case of a notice delivered to Euroclear and/or Clearstream, Luxembourg, the day on which it is delivered to Euroclear and/or Clearstream, Luxembourg;
- (iii) in the case of a notice delivered to Bloomberg L.P., the day on which it is delivered to Bloomberg L.P.; and
- (iv) in the case of a notice published in a newspaper, 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 publication is required.

If it is impossible or impractical to give notice in accordance with paragraphs (i), (ii) or (iii) of Note Condition 13(a) (*Forms of Notice*) then notice of the relevant matters shall be given in accordance with paragraph (iv) of Note Condition 13(a) (*Forms of Notice*).

Any notices given to the Noteholders by the Issuer or the Note Trustee shall also be sent concurrently to the Swap Counterparty.

(b) *Other Methods*

The Note Trustee may approve some other method of giving notice to the Noteholders if, in its opinion, that other method is reasonable having regard to market practice then prevailing and to the requirements of any stock exchange on which Notes are then listed and *provided that* notice of that other method is given to the Noteholders in the manner required by the Note Trustee.

(c) *Notices to London Stock Exchange and Rating Agencies*

A copy of each notice given in accordance with this Note Condition 13 (*Notice to Noteholders*) shall be provided to the Rating Agencies and, for so long as the Notes are listed on the Official List of the Financial

Conduct Authority and admitted to trading on the London Stock Exchange and the guidelines of the London Stock Exchange so require, the London Stock Exchange and all notices to the Noteholders will be valid if published in a manner which complies with the rules and regulations of the London Stock Exchange (which includes delivering a copy of such notice to the London Stock Exchange) and any such notice will be deemed to have been given on the date so published.

(d) **Noteholder Notices**

Any Verified Noteholder shall be entitled from time to time to request the Cash Administrator to post a notice on its investor reporting website requesting other Verified Noteholders of any class or classes to contact it subject to and in accordance with the following provisions.

Following receipt of a request for the publication of a notice from a Verified Noteholder (the “**Initiating Noteholder**”), the Cash Administrator shall publish such notice on its investor reporting website as an addendum to any Investor Report or other report to Noteholders due for publication within 5 Business Days of receipt of the same (or, if there is no such report, through a special notice for such purpose as soon as is reasonably practical after receipt of the same) *provided that* such notice contains no more than:

- (i) an invitation to other Verified Noteholders (or any specified class or classes of the same) to contact the Initiating Noteholder;
- (ii) the name of the Initiating Noteholder and the address, phone number, website or email address at which the Initiating Noteholder can be contacted; and
- (iii) the date(s) from, on or between which the Initiating Noteholder may be so contacted.

The Cash Administrator shall not request any further or different information through this mechanism.

The Cash Administrator shall have no responsibility or liability for the contents, completeness or accuracy of any such published information and shall have no responsibility (beyond publication of the same in the manner described above) for ensuring Noteholders receive the same.

14. **Governing Law**

The Transaction Documents and the Notes 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 other than any terms of the Transaction Documents which are particular to Scots law, which will be construed in accordance with Scots law and any Transaction Document specific to the Scottish Loans, which shall be governed by Scots Law.

15. **Non-Responsive Rating Agency**

- (a) In respect of the exercise of any power, duty, trust, authority or discretion as contemplated hereunder or in relation to the Rated Notes and any of the Transaction Documents, the Note Trustee and the Security Trustee shall be entitled but not obliged to take into account any Rating Agency Confirmation.
- (b) If a Rating Agency Confirmation or other response by a Rating Agency is a condition to any action or step under any Transaction Document and a written request for such Rating Agency Confirmation or response is delivered to each Rating Agency by or on behalf of the Issuer (copied to the Note Trustee and the Security Trustee, as applicable) and:
 - (i) (A) one 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 days of delivery of such request, no Rating Agency Confirmation or response is received and such request elicits no statement by such Rating Agency that such Rating Agency Confirmation or response could not be given; and
 - (ii) 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 a Non-Responsive Rating Agency if the Issuer provides to the Note Trustee and the Security Trustee a certificate signed by a director certifying and confirming that each of the events in paragraphs (i) and (ii) above has occurred and the Note Trustee and the Security Trustee shall be entitled to rely on such certificate without further enquiry or liability.

16. Privity of Contract

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any terms of the Notes but this does not affect any right or remedy of any person which exists or is available apart from that Act.

17. Interpretation

In these Note Conditions:

“**Appointee**” means any delegate, agent, nominee, custodian, attorney or manager appointed by the Note Trustee and/or the Security Trustee pursuant to the provisions of the Trust Deed or the Deed of Charge (as the case may be);

“**Business Day**” means, a day on which commercial banks and foreign exchange markets settle payments in London;

“**EMU**” means the European Economic and Monetary Union;

“**Enforcement Notice**” means a notice given by the Note Trustee to the Issuer under Note Condition 9 (*Events of Default*) of the Notes;

“**Euro**” means the single currency introduced at the start of the third stage of EMU pursuant to the Treaty;

“**Extraordinary Resolution**” means:

- (a) a resolution passed at a duly convened meeting of the Noteholders or the Noteholders of such Class and held in accordance with the provisions of the Trust Deed by a majority consisting of not less than 75 per cent. of the persons voting thereat upon a show of hands, or if a poll is demanded, by a majority consisting of not less than 75 per cent. of the votes cast on such poll; or
- (b) a resolution in writing signed by or on behalf of the holders of not less than 75 per cent. of the Principal Amount Outstanding of the relevant Class or Classes of 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 such holders;

“**Investor Report**” means the monthly investor report published by the Cash Administrator, on each Interest Payment Date, or in any month in which an Interest Payment Date does not occur, the last calendar day of that month, substantially in the form scheduled as Schedule 1 (Form of Investor Report) to the Cash Administration Agreement or from time to time agreed between the Issuer and the Cash Administrator;

“**Member State**” means a member state of the European Union;

“**Most Senior Class**” means the A Notes for so long as there are any A Notes outstanding; thereafter the B Notes for so long as there are any B Notes outstanding; thereafter the C Notes for so long as there are any C Notes outstanding; thereafter the D Notes for so long as there are any D Notes outstanding; thereafter the X Notes for so long as there are any X Notes outstanding; thereafter the Z1 Notes for so long as there are any Z1 Notes outstanding; thereafter the Z2 Notes for so long as there are any Z2 Notes outstanding; thereafter the RC1 Certificates for so long as there are any RC1 Certificates outstanding prior to the Step-Up Date; and thereafter the RC2 Certificates for so long as there are any RC2 Certificates outstanding on or after the Step-Up Date;

“**Notes Basic Terms Modification**” means any modification to (a) the maturity of the Notes or the dates on which interest is payable in respect of the Notes, (b) the amount due in respect of or cancellation of the principal amount of, or interest on or variation of the method of calculating the rate of interest on, the Notes (other than any Reference Rate Modification made in accordance with Note Condition 11(c)(viii)), (c) the priority of payment of interest or principal on the Notes, (d) the currency of payment of the Notes, (e) the definition of Notes Basic Terms Modification or (f) the provisions concerning the quorum required at any meeting of Noteholders or the majority required to effect a Notes Basic Terms Modification or to pass an Extraordinary Resolution;

“**Ordinary Resolution**” means:

- (a) a resolution passed at a duly convened meeting of the Noteholders or the Noteholders of such Class and held in accordance with the provisions of the Trust Deed by a majority consisting of not less than 50.1 per cent. of the persons voting thereat upon a show of hands, or if a poll is demanded, by a majority consisting of not less than 50.1 per cent. of the votes cast on such poll; or

- (b) a resolution in writing signed by or on behalf of the holders of not less than 50.1 per cent. of the Principal Amount Outstanding of the relevant Class or Classes of 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 such holders;

“**Participating Member State**” means a Member State of the European Communities which adopts the Euro as its lawful currency in accordance with the Treaty;

“**Rating Agencies**” means DBRS and S&P and “**Rating Agency**” means either of them;

“**Rating Agency Confirmation**” means written confirmation from each Rating Agency that such modification would not result in the then current ratings of each Class of Notes rated thereby being qualified, downgraded, suspended or withdrawn, or such Rating Agency placing any Notes on rating watch negative (or equivalent) and, if relevant, the Issuer delivers a copy of each such confirmation to the Note Trustee and the Security Trustee; and

“**Treaty**” means the Treaty establishing the European Community, as amended by the Treaty on European Union and the Treaty of Amsterdam.

TERMS AND CONDITIONS OF THE CERTIFICATES

The following are the terms and conditions of the Certificates in the form (subject to amendment) in which they will be set out in the Trust Deed (as defined below).

The RC1 Certificates and the RC2 Certificates (together, the “**Certificates**”) are constituted by a trust deed (as amended or modified from time to time, the “**Trust Deed**”) dated on or about 9 July 2021 (the “**Issue Date**”) between the Issuer and U.S. Bank Trustees Limited (the “**Note Trustee**”) as trustee for the holders of the Certificates (the “**Certificateholders**”). Any reference in these terms and conditions (the “**Certificate Conditions**”) shall be a reference to the Certificates and the holders thereof.

These Certificate Conditions include summaries of, and are subject to, the detailed provisions of (1) the Trust Deed, which includes the form of the Certificates, (2) the paying agency agreement (the “**Paying Agency Agreement**”) dated the Issue Date relating to the Certificates between the Issuer, the Note Trustee, Elavon Financial Services DAC as agent bank (the “**Agent Bank**”), and as principal paying agent (the “**Principal Paying Agent**”), Elavon Financial Services DAC as registrar (the “**Registrar**”) and the other paying agents named in it (together with the Principal Paying Agent and any other or further paying agent appointed under the Paying Agency Agreement, the “**Paying Agents**” and together with the Registrar and the Agent Bank, the “**Agents**”), (3) the deed of charge and assignment (the “**Deed of Charge**”) dated the Issue Date between the Issuer and U.S. Bank Trustees Limited (the “**Security Trustee**”) and (4) the cash administration agreement (the “**Cash Administration Agreement**”) dated the Issue Date between, inter alios, the Issuer and U.S. Bank Global Corporate Trust Limited (the “**Cash Administrator**”).

In these Certificate Conditions, capitalised words and expressions shall, unless otherwise defined below, have the same meanings as those given in the Master Definitions Schedule dated on or about the Issue Date and signed for the purpose of identification by the Issuer and the Seller.

Copies of the Trust Deed, the Paying Agency Agreement, the Deed of Charge, the Cash Administration Agreement, the Master Definitions Schedule and the other Transaction Documents may be (i) inspected in physical form or collected during usual business hours at the specified offices from time to time of the Principal Paying Agent or (ii) provided by email (upon request to the Principal Paying Agent or the Issuer and provision of proof of holding and identity (in a form satisfactory to the Principal Paying Agent or the Issuer, as the case may be)). The Certificateholders are entitled to the benefit of the Trust Deed and are bound by, and are deemed to have notice of, the provisions of the Trust Deed, the Paying Agency Agreement, the Deed of Charge, the Master Definitions Schedule and the other Transaction Documents.

1. Form, Denomination and Title

(a) *Form and Denomination*

- (i) Each Certificate will initially be represented by a global certificate in registered form (a “**Global Certificate**”).
- (ii) For so long as any of the Certificates are represented by a Global Certificate, transfers and exchanges of beneficial interests in such Global Certificate and entitlement to payments thereunder will be effected subject to and in accordance with the rules and procedures from time to time of Euroclear or Clearstream, Luxembourg, as appropriate. The Global Certificate will be deposited with, and registered in the name of, a nominee of a common depositary (the “**Common Depositary**”).
- (iii) A Global Certificate will be exchanged for the relevant Certificate in definitive registered form (such exchanged Global Certificate in definitive registered form, the “**Definitive Certificates**”) only if either of the following applies:
 - (A) in the case of a Global Certificate held in Euroclear or Clearstream, Luxembourg, Euroclear or Clearstream, Luxembourg are closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announce an intention permanently to cease business and do so cease to do business; or
 - (B) as a result of any amendment to, or change in (I) the laws or regulations of the United Kingdom or any political sub-division therein or thereof having power to tax or (II) the interpretation or administration of such legislation which becomes effective on or after the Issue Date, the Issuer or the Principal Paying Agent is, or will be required to make any deduction or withholding for or on account of tax from any payment in respect of the Certificates which would not be required if the Certificates were in definitive form.

- (iv) If Definitive Certificates are issued in respect of Certificates originally represented by a Global Certificate, the beneficial interests represented by such Global Certificate shall be exchanged by the Issuer for the relevant Certificates in registered definitive form.
 - (v) Definitive Certificates will be serially numbered and will be issued in registered form only.
 - (vi) References to “**Certificates**” in these Certificates Conditions shall include the Global Certificate and the Definitive Certificates, and references to “**Certificateholders**” means the persons holding Certificates.
- (b) **Title**
- (i) The person registered in the Register as the holder of any Certificate will (to the fullest extent permitted by applicable law) 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 Certificate regardless of any notice of ownership, theft or loss, of any trust or other interest therein or of any writing thereon or, if more than one person, the first named of such persons who will be treated as the absolute owner of such Certificate.
 - (ii) The Issuer shall cause to be kept at the specified office of the Registrar, the Register on which shall be entered the names and addresses of the holders of the Certificates and the particulars of the Certificates held by them and of all transfers and redemptions of the Certificates.
 - (iii) No transfer of a Certificate will be valid unless and until entered on the Register.
 - (iv) Transfers and exchanges of beneficial interests in the Global Certificate and any Definitive Certificates and entries on the Register relating thereto will be made subject to any restrictions on transfers set forth on such Certificates and the detailed regulations concerning transfers of such Certificates contained in the Paying Agency Agreement and the Trust Deed. In no event will the transfer of a beneficial interest in a Global Certificate or the transfer of a Definitive Certificate be made absent compliance with the regulations referred to above, and any purported transfer in violation of such regulations shall be void ab initio and will not be honoured by the Issuer or the Note Trustee. The regulations referred to above may be changed by the Issuer with the prior written approval of the Registrar and the Note Trustee. A copy of the current regulations will be sent by the Principal Paying Agent in the U.K. or the Registrar to any holder of a Certificate who so requests (and who provides evidence of such holding where the Certificates are in global form) and will be available upon request at the specified office of the Registrar or the Principal Paying Agent.
 - (v) A Definitive Certificate may be transferred in whole or in part upon the surrender of the relevant Definitive Certificate, together with the form of transfer endorsed on it duly completed and executed, at the specified office of the Registrar or the Principal Paying Agent. In the case of a transfer of part only of a Definitive Certificate, a new Definitive Certificate, in respect of the balance remaining will be issued to the transferor by or by order of the Registrar.
 - (vi) Each new Definitive Certificate to be issued upon transfer of Definitive Notes will, within 5 Business Days of receipt of such request for transfer, be available for delivery at the specified office of the Registrar or the Principal Paying Agent stipulated in the request for transfer, or be mailed at the risk of the holder entitled to the Definitive Certificate, to such address as may be specified in such request.
 - (vii) Registration of Definitive Certificates on transfer will be effected without charge by or on behalf of the Issuer or the Registrar, but upon payment of (or the giving of such indemnity as the Registrar may require in respect of) any tax or other governmental charges which may be imposed in relation to it.

2. Status, Security and Administration

- (a) The Certificates constitute direct, secured and unconditional obligations of the Issuer, recourse in respect of which is limited in the manner described in Certificate Condition 7 (*Enforcement of Security, Limited Recourse and Non-Petition*).

The Certificates will at all times rank without preference or priority *pari passu* amongst themselves.

- (i) As regards payments on the Certificates:
 - (A) prior to (i) the date on which the Note Trustee serves an Enforcement Notice on the Issuer pursuant to Note Condition 9 (*Events of Default*) declaring the Notes to be due and repayable or (ii) the occurrence of a Redemption Event, payments in respect of the Certificates shall be payable only out of Available Revenue Funds in accordance with the Pre-Enforcement Revenue Priority of Payments; and

- (B) on or following (i) the date on which the Note Trustee serves an Enforcement Notice on the Issuer pursuant to Note Condition 9 (*Events of Default*) declaring the Notes to be due and repayable or (ii) the occurrence of a Redemption Event, the provisions of Note Condition 2(d) (*Post-Enforcement Priority of Payments*) shall apply.
- (ii) The Trust Deed contains provisions requiring the Note Trustee to have regard to the interests of the Certificateholders equally as regards all powers, trusts, authorities, duties and discretions of the Note Trustee (except where expressly provided otherwise), but requiring the Note Trustee to have (except where expressly provided otherwise) regard only to the interests of the holders of the Most Senior Class if, in the Note Trustee's opinion, there is a conflict between the interests of the holders of the Most Senior Class and the interests of any of the other Noteholders or Certificateholders and the other Noteholders or Certificateholders (not being holders of the Most Senior Class) shall have no claim against the Note Trustee for so doing.
- (iii) The Trust Deed contains provisions limiting the powers of the holders of those Classes of Notes other than the Most Senior Class, inter alia, to request or direct the Note Trustee to take any action or to pass an effective Extraordinary Resolution according to the effect thereof on the interests of the holders of the Most Senior Class. Except in certain circumstances set out in Note Condition 11 (*Meetings of Noteholders; Modifications; Consents; Waiver*), the Trust Deed contains no such limitation on the powers of the holders of the Most Senior Class, the exercise of which will be binding on the holders of the other Classes of Notes, irrespective of the effect thereof on their interests.
- (iv) The Trust Deed contains provisions to the effect that, so long as any of the Notes are outstanding, the Note Trustee shall have regard to the interests of the Noteholders or (if all of the Notes have been repaid in full) the Certificateholders and shall not be required, when exercising its powers, authorities and discretions, to have regard to the interests of any other persons having the benefit of the Security constituted pursuant to the Deed of Charge and, in relation to the exercise of such powers, authorities and discretions, the Note Trustee shall have no liability to such persons as a consequence of so acting.
- (v) So long as any of the Notes and Certificates remain outstanding, in the exercise of its rights, authorities and discretions under the Trust Deed, the Note Trustee is not required to have regard to the interests of the other Secured Creditors (except for the Noteholders and Certificateholders).
- (vi) In determining whether the exercise of any right, power, trust, authority, duty or discretion by it under or in relation to the Conditions and/or any of the Transaction Documents is materially prejudicial to the interests of the Noteholders or Certificateholders (or any class thereof), the Note Trustee may take into account, if available, amongst any other things it may consider necessary and/or appropriate in its absolute discretion, whether the then rating of the Rated Notes will be adversely affected.

(b) **Security**

As security for the payment of all monies payable in respect of the Certificates and otherwise under the Trust Deed (including the remuneration, expenses and any other claims of the Security Trustee, any Appointee thereof and any Receiver appointed under the Deed of Charge) and in respect of certain amounts payable to the Mortgage Administrator and the Back-up Mortgage Administrator Facilitator under the Mortgage Administration Agreement, the Cash Administrator under the Cash Administration Agreement, the Agents under the Paying Agency Agreement, the Account Bank and the Swap Collateral Account Bank under the Bank Agreement, the Collection Account Provider under the Collection Account Agreement, the Seller under the Mortgage Sale Agreement, the Swap Counterparty under the Swap Agreement, the Corporate Services Provider under the Corporate Services Agreement, and the Joint Lead Managers under the Subscription Agreement and any other party which is, or accedes to the Deed of Charge as a Secured Creditor, the Issuer will enter into the Deed of Charge, creating the following security in favour of the Security Trustee for itself and on trust for the other persons expressed to be secured parties thereunder:

- (i) first fixed equitable charge and security in favour of the Security Trustee over the Issuer's present and future right, title, benefit and interest in, to and under the Loans, the Mortgages and their related Mortgage Rights (other than in respect of Scottish Loans, the Scottish Mortgages and their related Mortgage Rights);
- (ii) an equitable assignment in favour of the Security Trustee of the Issuer's interests in the Insurance Contracts to the extent that they relate to the Loans;
- (iii) an assignment in favour of the Security Trustee of the Issuer's right, title, interest and benefit in, to and under the Bank Agreement, the Collection Account Agreement, the Cash Administration Agreement, the Collection Account Declaration of Trust, the Corporate Services Agreement, the Deed Poll, the

Deed of Charge, the Mortgage Administration Agreement, the Mortgage Sale Agreement, the Paying Agency Agreement, the Trust Deed, the Issuer/ICSD Agreement, the Swap Agreement and any other agreement entered into between the Issuer and a Secured Creditor (the “**Charged Obligation Documents**”);

- (iv) pursuant to each Scottish Supplemental Charge to be entered into pursuant to the Deed of Charge, each assignation in security of the Issuer’s interest in the Scottish Loans, the Scottish Mortgages and their related Mortgage Rights (comprising the Issuer’s beneficial interest under the trust declared by the Seller over such Scottish Loans, Scottish Mortgages and their related Mortgage Rights for the benefit of the Issuer with the consent of the Seller pursuant to each relevant Scottish Declaration of Trust);
- (v) a first fixed charge in favour of the Security Trustee over (x) the Issuer’s interest in the Bank Accounts and any Authorised Investments, (y) the Issuer’s beneficial interest in the Collection Account and (z) any other accounts with any bank or financial institution in which the Issuer now or in the future has an interest (to the extent of its interest); and
- (vi) a first floating charge in favour of the Security Trustee (ranking after the security referred to in paragraphs (i) to (v) (inclusive) above) over the whole of the undertaking, property, assets and rights of the Issuer.

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 (although 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.

In the event of the delivery of a Scottish Transfer pursuant to the Mortgage Sale Agreement, fixed security will be created in favour of the Security Trustee over the property, rights and assets referred to in paragraph (iv) above by means of a Scottish Sub-Security granted by the Issuer pursuant to the Deed of Charge.

(c) ***Pre-Enforcement Revenue Priority of Payments***

Prior to (i) the service of an Enforcement Notice or (ii) the occurrence of a Redemption Event, on each Interest Payment Date, the Cash Administrator shall apply an amount equal to the Available Revenue Funds as at the immediately preceding Determination Date, in making payments in accordance with the Pre-Enforcement Revenue Priority of Payments.

(d) ***Post-Enforcement Priority of Payments***

On or following (i) the service of an Enforcement Notice, the Security Trustee shall, to the extent that such funds are available, use funds standing to the credit of the Bank Accounts, excluding Swap Excluded Receivable Amounts, any amounts credited to the Swap Collateral Account and any excess Swap Collateral (and any interest thereto) in the Swap Collateral Account to the extent, in each case, utilised to discharge Swap Excluded Payable Amounts in accordance with the applicable Swap Agreement and excluding amounts standing to the credit of the Issuer Profit Ledger, or (ii) the occurrence of a Redemption Event, the Issuer (or the Cash Administrator) shall, to the extent that such funds are available, use funds standing to the credit of the Transaction Account, to make payments in accordance with the Post-Enforcement Priority of Payments.

The Security will become enforceable upon the service of an Enforcement Notice (in the circumstances described in Note Condition 9 (*Events of Default*) provided that if the Security has become enforceable otherwise than by reason of a default in payment of any amount due on the Notes, the Security Trustee will not be entitled to dispose of the assets comprised in the Security or any part thereof unless either a sufficient amount would be realised to allow discharge in full of all amounts owing in respect of the Notes and all prior and *pari passu* liabilities of the Issuer or the Security Trustee is of the opinion, reached after considering at any time and from time to time the advice of an investment bank or other financial adviser selected by the Security Trustee, that the cash flow prospectively receivable by the Issuer will not (or that there is a significant risk that it will not) be sufficient, having regard to any other relevant actual, contingent or prospective liabilities of the Issuer, to discharge in full in due course all amounts owing in respect of the Notes and all prior and *pari passu* liabilities of the Issuer.

(e) **The Certificates**

Holders of the Certificates shall be entitled to receive their *pro rata* entitlement to the balance of amounts remaining following payments of all other items senior to the Certificates in the relevant Priority of Payments.

3. Covenants of the Issuer

Save with the prior written consent of the Note Trustee or as expressly provided in or expressly envisaged by these Conditions, any of the Bank Agreement, the Cash Administration Agreement, the Collection Account Agreement, the Collection Account Declaration of Trust, the Swap Agreement, the Corporate Services Agreement, the Deed Poll, the Deed of Charge, the Master Definitions Schedule, the Mortgage Administration Agreement, the Mortgage Sale Agreement, the Paying Agency Agreement, the Trust Deed, each Scottish Declaration of Trust, each Scottish Supplemental Charge, any Scottish Transfer, any Scottish Sub-Security, the Issuer/ICSD Agreement and any other document agreed between the Issuer, the Note Trustee and the Security Trustee as being a Transaction Document (together, the “**Transaction Documents**”), the Issuer shall not, so long as any Certificates remain outstanding (as defined in the Trust Deed), *inter alia*:

(a) **Negative Pledge**

create or permit to subsist any mortgage, security, pledge, lien (unless arising by operation of law) or charge upon the whole or any part of its assets, present or future (including any uncalled capital) or its undertaking;

(b) **Restrictions on Activities**

- (i) engage in any activity which is not reasonably incidental to any of the activities which the Transaction Documents provide or envisage that the Issuer will engage in;
- (ii) open nor have any interest in any account whatsoever with any bank or financial institution other than the Collection Account held with the Collection Account Provider, the Transaction Account held with the Account Bank and the Swap Collateral Account held with the Swap Collateral Account Bank, save where such account is immediately charged in favour of the Security Trustee so as to form part of the Security described in Certificate Condition 2 (*Status, Security and Administration*) and where the Security Trustee receives an acknowledgement from such bank or financial institution of the security rights and interests of the Security Trustee and an agreement that it will not exercise any right of set-off it might otherwise have against the account in question;
- (iii) have any subsidiaries or employees or premises; or
- (iv) act as a director of any company;

(c) **Dividends or Distributions**

pay any dividend or make any other distribution to its shareholders except from amounts standing to the credit of the Issuer Profit Ledger;

(d) **Borrowings**

incur or permit to subsist any indebtedness in respect of borrowed money whatsoever or give any guarantee in respect of any obligation of any person;

(e) **Merger**

consolidate or merge with any other person or convey or transfer its properties or assets substantially or as an entirety to any other person;

(f) **Disposal of Assets**

transfer, sell, lend, part with or otherwise dispose of or deal with, or grant any option or trust over or present or future right to acquire, any of its assets or undertaking or any interest, estate, right, title or benefit therein *provided that* the Issuer may (and may agree to) transfer, sell, lend, pledge, part with or otherwise dispose of or deal with, or grant any option or trust over any present or future right to acquire any of its assets or undertaking or any interest, estate, right, title or benefit therein where the proceeds of the same are applied, *inter alia*, in or towards redemption of the Notes in accordance with the terms and conditions of the Notes and the terms of the Transaction Documents;

(g) **Tax Grouping**

be (and never has been) a member of a VAT group;

(h) **Independent Director**

at any time have fewer than one independent director;

(i) **Other**

permit any of the Transaction Documents, the Insurance Contracts relating to the Mortgages owned by the Issuer or the priority of the security interests created thereby to be amended, invalidated, rendered ineffective, terminated or discharged, or consent to any variation thereof, or exercise of any powers of consent or waiver in relation thereto pursuant to the terms of the Trust Deed and these Conditions, or permit any party to any of the Transaction Documents or Insurance Contracts or any other person whose obligations form part of the Security to be released from such obligations, or dispose of any Mortgage save as envisaged in the Transaction Documents.

4. **Residual Payments**

(a) **Right to Residual Payments**

Each Certificate bears an entitlement to receive a Residual Payment.

(b) **Payment**

Residual Payments are payable in sterling on each Interest Payment Date commencing on the First Interest Payment Date.

(c) **Record Date**

Each payment in respect of a Certificate will be made to the person shown as the Certificateholder in the Register at the opening of business in the place of the Registrar's specified office on the fifteenth day before the due date for such payment (the "**Record Date**"). The person shown in the Register at the opening of business on the relevant Record Date in respect of a Global Certificate shall be the only person entitled to receive payments in respect of such Global Certificate and the Issuer will be discharged by payment to, or to the order of, such person in respect of each amount so paid.

(d) **Calculation of Residual Payment**

Upon or as soon as practicable prior to any Interest Payment Date, the Issuer shall calculate (or shall cause the Cash Administrator to calculate) the Residual Payment payable on each Certificate for the related Interest Payment Date.

(e) **Calculations Final and Binding**

Each calculation by or on behalf of the Issuer of any Residual Payment shall, in the absence of any manifest error be final and binding on all persons and no liability shall attach to the Cash Administrator (in the absence of gross negligence, wilful default or fraud by the Cash Administrator) in connection with any such calculation.

(f) **Notification of Residual Payment and Interest Payment Date**

As soon as practicable, prior to each Interest Payment Date, the Issuer or, if acting in accordance with Certificate Condition 4(e) (*Calculations Final and Binding*), the Cash Administrator will cause each:

- (i) Residual Payment for the related Interest Payment Date; and
- (ii) after each Interest Determination Date, the Agent Bank will cause the Interest Payment Date next following the related Interest Period, to be notified to the Issuer, the Cash Administrator (as applicable), the Note Trustee, the Registrar and the Principal Paying Agent.

(g) **Payments on Business Days**

If the due date for payment of any amount in respect of any Certificate is not a business day in the place of presentation, the holder shall not be entitled to payment in such place of the amount due until the next succeeding business day in such place, and shall not be entitled to any further interest or other payment in respect of such delay. In this paragraph, "**business day**" means, in respect of any place of presentation, any day on which banks are open for presentation and payment of bearer debt securities and for dealings in foreign currencies in such place of presentation and, in the case of payment by transfer to a sterling-denominated account as referred to above, on which dealings in foreign currencies may be carried on both in London and in such place of presentation.

(h) **Paying Agents**

The initial Paying Agent and its initial specified office is listed below. The Issuer reserves the right at any time with the approval of the Note Trustee to vary or terminate the appointment of any Paying Agent and appoint additional or other Paying Agents, *provided that* it will maintain a Principal Paying Agent.

The initial specified office of the Paying Agent is at:

Principal Paying Agent

Elavon Financial Services DAC
125 Old Broad Street, Fifth Floor
London EC2N 1AR
United Kingdom

Notice of any change in the Paying Agents or their specified offices will promptly be given to the Note Trustee and the Certificateholders in accordance with Certificate Condition 11 (*Notice to Certificateholders*).

(i) **Incorrect Payments**

The Cash Administrator will, from time to time, notify Certificateholders in accordance with the terms of Certificate Condition 11 (*Notice to Certificateholders*) of any over-payment or under-payment of which it has actual notice made on any Interest Payment Date to any party entitled to the same pursuant to the Pre-Enforcement Priority of Payments. Following the giving of such a notice, the Cash Administrator shall use reasonable endeavours to rectify such over-payment or under-payment by increasing or, as the case may be decreasing payments to the relevant parties on any subsequent Interest Payment Date or Interest Payment Dates (if applicable) to the extent required to correct the same. Any notice of over-payment or under-payment pursuant to this Note Condition shall contain reasonable details of the amount of the same, the relevant parties and the adjustments to be made to future payments to rectify the same. Neither the Issuer nor the Cash Administrator shall have any liability to any person for making any such correction.

5. Taxation

All payments in respect of the Certificates will be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments, levies or charges of whatsoever nature unless the Issuer or any Paying Agent (as applicable) is required by applicable law to make any payment in respect of the Certificates subject to any withholding or deduction for, or on account of, any present or future taxes, duties, assessments, levies or charges of whatsoever nature, including FATCA. In that event, the Issuer or such Paying Agent (as the case may be) shall make such payment after such withholding or deduction has been made and shall account to the relevant authorities for the amount so required to be withheld or deducted. None of the Issuer, the Principal Paying Agent, any other Paying Agent, nor any other person will be obliged to make any additional payments to Certificateholders in respect of such withholding or deduction, including FATCA.

6. Events of Default

After any of the following events (each an “**Event of Default**”) occurs and is continuing, the Note Trustee at its discretion may, and if so requested in writing by holders of at least 25 per cent. of Certificateholders or if so directed by an Extraordinary Resolution of the Certificateholders, shall (subject, in each case, to it being indemnified and/or secured and/or pre-funded to its satisfaction as more particularly described in the Trust Deed) give notice to the Issuer (an “**Enforcement Notice**”) (with a copy of such Enforcement Notice being sent simultaneously to the Security Trustee) that the amounts due under the Certificates are, and they shall immediately become, due and payable:

- (i) the Issuer fails or is unable to pay a Residual Payment within 3 Business Days following the due date for payment *provided that* all of the Notes have been redeemed in full; or
- (ii) the Issuer failing duly to perform or observe any other obligation binding upon it under the Certificates, the Certificate Conditions, the Trust Deed or any other Transaction Documents, as applicable, and, in any such case (except where the Note Trustee certifies that, such failure is (I) in the opinion of the Note Trustee, incapable of remedy or (II) in the opinion of the Note Trustee, capable of remedy but remains unremedied for a period of 30 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; or

- (iii) the Issuer, otherwise than for the purposes of such amalgamation or reconstruction as is referred to in sub-paragraph (iv) below, ceasing or, through an official action of the board of directors of the Issuer, threatening to cease to carry on business or being unable to pay its debts as and when they fall due; or
- (iv) an order being made or an effective resolution being passed for the winding-up of the Issuer except a winding-up for the purposes of or pursuant to an amalgamation or reconstruction the terms of which have previously been approved by the Note Trustee in writing or by a Certificates Extraordinary Resolution of the Certificateholders; or
- (v) proceedings being otherwise initiated against the Issuer under any applicable liquidation, insolvency, an arrangement or compromise, reorganisation or other similar laws (including, but not limited to, presentation of a petition or filing documents with the court or making an application for the appointment of an administrator or liquidator or serving a notice of intent to appoint an administrator), or an administrator being appointed, or a receiver, liquidator or other similar official being appointed in relation to the Issuer or in relation to the whole or any substantial part of the undertaking or assets of the Issuer, or an encumbrancer taking possession of the whole or any substantial part of the undertaking or assets of the Issuer, or a distress, execution, diligence or other process being levied or enforced upon or sued out against the whole or any substantial part of the undertaking or assets of the Issuer and such possession or process (as the case may be) not being discharged or not otherwise ceasing to apply within 30 days, or the Issuer initiating or consenting to proceedings relating to itself under applicable liquidation, insolvency, an arrangement or compromise, reorganisation or other similar laws or making a conveyance or assignment for the benefit of its creditors generally; or
- (vi) it is or will become unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Certificates, the Certificate Conditions or the Transaction Documents.

provided that, in the case of each of the events described in sub-paragraph (ii) of this paragraph, the Note Trustee shall have certified to the Issuer that such event is, in its opinion, materially prejudicial to the interests of the holders of the Most Senior Class.

7. Enforcement of Security, Limited Recourse and Non-Petition

(a) *Enforcement of Security*

The Note Trustee may, at any time, at its discretion and without notice, take (or instruct the Security Trustee to 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 Notes, the Certificates or the Trust Deed (including these 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 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:

- (i) it shall have been directed by a notice in writing by holders of at least 25 per cent. in number of the Certificateholders: and
- (ii) in all cases, it shall have been indemnified and/or secured and/or pre-funded to its satisfaction.

No Certificateholder shall be entitled to proceed directly against the Issuer unless the Note Trustee (or as the case may be, the Security Trustee), having become bound so to do, fails or is unable to do so within 60 days and such failure or inability shall be continuing.

(b) *Limited Recourse*

(i) *Enforcement of Security*

Only the Security Trustee may enforce the Security over the Charged Property in accordance with, and subject to the terms of, the Deed of Charge (and the Transaction Documents entered into pursuant thereto).

(ii) *Insufficient Recoveries*

If at any time following:

(A) the occurrence of either:

- (1) the Interest Payment Date falling in November 2063 or any earlier date upon which all of the Notes of each Class and the Certificates are due and payable; or

- (2) the service of an Enforcement Notice; and
- (B) Realisation of the Charged Property and application in full of any amounts available to pay amounts due and payable under the Notes in accordance with the applicable Post- Enforcement Priority of Payments,

the proceeds of such Realisation are insufficient, after the same have been allocated in accordance with the applicable priority of payments, to pay in full all claims ranking in priority to the Notes and Certificates and all amounts then due and payable under any class of Notes and Certificates then the amount remaining to be paid (after such application in full of the amounts first referred to in paragraph (B) above) under such class of Notes (and any class of Notes junior to that class of Notes) shall, on the day following such application in full of the amounts referred to in paragraph (B) above, cease to be due and payable by the Issuer.

For the purposes of this Certificate Condition 7:

“**Realisation**” means, in relation to any Charged Property, the deriving, to the fullest extent practicable, (in accordance with the provisions of the Transaction Documents) of proceeds from or in respect of such Charged Property including (without limitation) through sale, realisation or through performance by an obligor.

“**Charged Property**” means the property of the Issuer which is subject to the Security.

(iii) ***Certificateholder Acknowledgments***

Each Certificateholder, is deemed to accept and acknowledge that:

- (A) in the event of realisation or enforcement of the Charged Property, its right to obtain payment on the Certificates in full is limited to recourse against the undertaking, property and assets of the Issuer comprised in the Charged Property; and
- (B) the Issuer will have duly and entirely fulfilled its payment obligations by making available to such Certificateholder its proportion of the proceeds of realisation or enforcement of the Charged Property in accordance with the Post-Enforcement Priority of Payments and all claims in respect of any shortfall will be extinguished and discharged.

(c) ***Non-Petition***

No Certificateholder may take any corporate action or other steps or legal proceedings for the winding-up, dissolution, arrangement or compromise, reconstruction or reorganisation of the Issuer unless the Note Trustee (or the Security Trustee as the case may be), having become bound so to do, fails or is unable to do so within 60 days and such failure or inability shall be continuing or for the appointment of a liquidator, receiver, administrative receiver, administrator, trustee, manager or similar officer in respect of the Issuer or over any or all of its assets or undertaking.

8. **Meetings of Certificateholders; Modifications; Consents; Waiver**

- (a) The Trust Deed contains provisions for convening separate or combined meetings (including by way of conference call or by use of a videoconference platform) of the Certificateholders to consider matters relating to the Certificates, including subject to Certificate Condition 8(g) (*Substitution*) the sanctioning by Certificates Extraordinary Resolution of a modification of any of these Certificate Conditions or any provisions of the other Transaction Documents.

The Trust Deed provides that a resolution in writing signed by all of the holders of at least 50.1 per cent. of the outstanding Certificates who for the time being are entitled to receive notice of a meeting in accordance with the Trust Deed shall for all purposes be as valid and effective as an Ordinary Resolution passed at a meeting of the Certificateholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more of the Certificateholders.

The Trust Deed provides that a resolution in writing signed by all of the holders of at least 75 per cent. of the outstanding Certificates who for the time being are entitled to receive notice of a meeting in accordance with the Trust Deed shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of the Certificateholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more of the Certificateholders.

- (b) Any Certificates Extraordinary Resolution or any Certificates Ordinary Resolution duly passed by a meeting of the Certificateholders shall be binding on all Certificateholders (whether or not they were present at the meeting at which such resolution was passed and whether or not voting).

No Certificates Extraordinary Resolution to approve any matter other than a Certificates Basic Terms Modification shall be effective unless it is sanctioned by an Extraordinary Resolution of the holders of each of the Classes of Notes then outstanding ranking senior to the Certificates in the Post-Enforcement Priority of Payments (to the extent that there are Notes ranking senior to the Certificates) unless, the Note Trustee is of the opinion that it will not be materially prejudicial to the interests of the holders of any Notes or it is sanctioned by an Extraordinary Resolution of the holders of such Notes. Except in certain circumstances the Trust Deed imposes no such limitations on the powers of the holders of any Class of Notes or Certificates the exercise of which will be binding on themselves and any junior Class of Notes or Certificates, irrespective of the effect on their interests.

(c) ***Additional Right of Modification***

Notwithstanding the provisions of Certificate Condition 8(e) (*Modification and Waiver*) and subject to the provisions of Certificate Condition 8(f) (*Swap Counterparty Consent for Modification*), the Note Trustee shall be obliged, without the consent or sanction of the Noteholders or any of the other Secured Creditors (subject to the receipt of consent from any of the Secured Creditors party to the Transaction Document being modified or who would need to be a party to a new, supplemental or additional agreement, or which, as a result of the relevant amendment, would be further contractually subordinated to any Secured Creditor other than would otherwise have been the case prior to such amendment), to concur with the Issuer (and direct the Security Trustee to concur) and any other relevant parties in making any modification (other than in respect of a Certificates Basic Terms Modification or any provisions of the Trust Documents referred to in the definition of Notes Basic Terms Modification) to these Certificate Conditions or any other Transaction Documents to which it is a party or the Issuer entering into new, supplemental or additional documents that the Issuer 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* in relation to any amendment under this paragraph:
- (A) 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 of a Transaction Document proposed by any of the Swap Counterparty, the Account Bank, the Swap Collateral Account Bank or the Cash Administrator (for the purposes of this Certificate Condition 8(c) 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):
- (1) the Relevant Party certifies in writing to the Issuer and the Note Trustee and the Security Trustee that such modification is necessary for the purposes described in paragraph (B)(x) and/or (y) (and in the case of a certification provided to the Issuer, the Issuer shall certify to the Note Trustee and the Security Trustee that it has received the same from the Swap Counterparty, Account Bank, Swap Collateral Account Bank or the Cash Administrator as the case may be);
- (2) the Relevant Party obtains a Rating Agency Confirmation from each of the Rating Agencies and, if relevant, delivers a copy of each such confirmation to the Issuer and the Note Trustee and the Security Trustee; and
- (3) the Relevant Party pays all costs and expenses (including legal fees) incurred by the Issuer, the Security Trustee, the Note Trustee and each other party to the relevant Transaction Documents proposed to be amended, in connection with such modification;
- (ii) in order to facilitate the appointment of a replacement Cash Administrator in accordance with the terms of the Cash Administration Agreement, subject to receipt by the Note Trustee and the Security Trustee of a certificate issued by the Issuer certifying to the Note Trustee and the Security Trustee the requested amendments are to be made solely for the purpose of facilitating the appointment of a replacement Cash Administrator in accordance with the terms of the Cash Administration Agreement and have been drafted solely to that effect;

- (iii) in order to enable the Issuer and/or the Swap Counterparty to comply with:
 - (A) any obligation which applies to it under Articles 9, 10 and 11 of UK EMIR or EU EMIR; or
 - (B) any other obligation which applies to it under UK EMIR or EU EMIR,

provided that the Issuer or the Swap Counterparty, as appropriate, certifies to the Note Trustee and the Security Trustee in writing that such modification is required solely for the purpose of enabling it to satisfy such obligation and has been drafted solely to such effect;
- (iv) for the purpose of complying with any changes in the requirements of Article 6(3)(d) of the EU Securitisation Regulation or Article 6(3)(d) of the UK Securitisation Regulation, after the Issue Date, including as a result of the adoption of regulatory technical standards in relation to Article 6 of the EU Securitisation Regulation or Article 6 of the UK Securitisation Regulation or any other risk retention legislation 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;
- (v) for the purpose of enabling the Rated Notes to be (or to remain) listed on the Official List of the Financial Conduct Authority and admitted to trading on the London Stock Exchange plc's main market, *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;
- (vi) for the purposes of enabling the Issuer or any of the other Transaction Parties to comply with FATCA (or any voluntary agreement entered into with a taxing authority in relation thereto), *provided that* the Issuer or the relevant Transaction 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;
- (vii) for the purpose of complying with any changes in the requirements of the EU CRA Regulation or the UK CRA Regulation after the Issue Date, including as a result of the adoption of regulatory technical standards in relation to the EU CRA Regulation or the UK CRA Regulation 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; or
- (viii) for the purpose of a change to the reference rate (in respect of the Floating Rate Notes) from SONIA to an alternative reference rate (including where such base rate may remain linked to SONIA but may be calculated in a different manner) including any Note Adjustment Spread (as the case may be) (any such rate, an "**Alternative Reference Rate**") and make such other amendments as are necessary or advisable in the reasonable judgment of the Issuer to facilitate such change (a "**Reference Rate Modification**"), *provided that*:
 - (A) the Mortgage Administrator, on behalf of the Issuer, certifies to the Note Trustee and the Security Trustee in writing (such certificate, a "**Reference Rate Modification Certificate**") that:
 - (1) such Reference Rate Modification is being undertaken due to:
 - (I) an alternative manner of calculating a SONIA-based rate being introduced and becoming a standard means of calculating interest for similar transactions;
 - (II) a material disruption to SONIA, an adverse change in the methodology of calculating SONIA or SONIA ceasing to exist or be published;
 - (III) the insolvency or cessation of business of the SONIA administrator (in circumstances where no successor SONIA administrator has been appointed);
 - (IV) 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);
 - (V) a public statement by the supervisor of the SONIA administrator that SONIA has been or will be permanently or indefinitely discontinued;
 - (VI) a public statement by the supervisor for the SONIA administrator that means SONIA may no longer be used or that its use is subject to restrictions or adverse consequences;
 - or

- (VII) the reasonable expectation of the Mortgage Administrator that any of the events specified in sub-paragraphs above will occur or exist within six months of the proposed effective date of such Reference Rate Modification; and
- (2) such Alternative Reference Rate is derived from, based upon or otherwise similar to any of the foregoing (and, for the avoidance of doubt, may include any Note Adjustment Spread as the Issuer (or the Mortgage Administrator on its behalf) reasonably determines having regard to market practice at the relevant time):
 - (I) a reference rate published, recognised, endorsed or approved by the FCA, the PRA or 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); or
 - (II) a reference rate utilised in a material number of public listed new issues of sterling denominated asset-backed floating rate notes prior to the effective date of such Reference Rate Modification; or
 - (III) a reference rate utilised in a material number of public listed new issues of sterling denominated asset-backed floating rate notes where the originator of the relevant assets is BGFL; or
 - (IV) such other reference rate as the Mortgage Administrator reasonably determines (including any alternative benchmark rate determined by reference to any Swap Benchmark Rate Adjustment made in accordance with the terms of the Swap Agreement and the Deed of Charge); and
- (B) the Mortgage Administrator pays (or arranges for the payment of) all properly incurred and documented fees, costs and expenses (including legal fees) incurred by the Issuer, the Note Trustee, the Security Trustee, the Swap Counterparty and each other party to the relevant Transaction Documents proposed to be amended by the Reference Rate Modification, in connection with such Reference Rate Modification,

(the certificate to be provided by the Issuer, the Mortgage Administrator (on behalf of the Issuer), the relevant Transaction Party as the case may be, pursuant to paragraphs (i) to (viii) above being a “**Modification Certificate**”), *provided that*:

- I at least 30 calendar days’ prior written notice of any such proposed modification has been given to the Note Trustee;
- II the Modification Certificate or Reference Rate Modification Certificate (as the case may be) in relation to such modification shall be provided to the Note Trustee and the Security Trustee (and, if applicable, to the Issuer) 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;
- III the consent of each Secured Creditor which is party to the relevant Transaction Document or whose contractual subordination in any Priority of Payment is affected has been obtained;
- IV other than in the case of a modification pursuant to paragraph (iii)(A) above:
 - (A) either (1) a Rating Agency Confirmation is or has been obtained (by the Issuer or any Relevant Party) from each of the Rating Agencies, or (2) in the case of a modification pursuant to paragraph (viii) above only, (x) the Issuer (or the Seller on its behalf) or any Relevant Party has used reasonable endeavours to obtain a Rating Agency Confirmation from each of the Rating Agencies within 30 calendar days of delivery of a Benchmark Event Notice but have not so obtained Rating Agency Confirmations from each such Rating Agency within 30 calendar days of delivery of a Benchmark Event Notice; (y) the Seller has given its written approval of the proposed Reference Rate Modification to the Issuer, the Note Trustee and the Security Trustee; and (z) the proposed Reference Rate Modification has been approved by an Ordinary Resolution of the A Noteholders and the B Noteholders, respectively; and
 - (B) the Issuer has provided at least 30 calendar days’ notice to the Certificateholders of the proposed modification in accordance with Certificate Condition 11 (*Notice to Certificateholders*) and by publication on Bloomberg on the “Company News” screen relating to the Notes, and Certificateholders representing at least 10 per cent. of the Certificates have not contacted the Note

Trustee in writing (or otherwise in accordance with the then current practice of any applicable clearing system through which such Notes may be held) within such notification period notifying the Note Trustee that such Noteholders do not consent to the modification; and

- V if Certificateholders representing at least 10 per cent. of the Certificates have notified the Note Trustee in writing (or otherwise in accordance with the then current practice of any applicable clearing system through which such Notes may be held) within the 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 Noteholders of the Most Senior Class then outstanding is passed in favour of such modification.

Objections made in writing must be accompanied by evidence to the Note Trustee's satisfaction (having regard to prevailing market practices) of the relevant Certificateholder's holding of the Certificates.

Other than where specifically provided in this Certificate Condition 8(c) (*Additional Right of Modification*) or any Transaction Document:

- (i) when implementing any modification pursuant to this Certificate Condition 8(c) (*Additional Right of Modification*) (save to the extent the Note Trustee considers that the proposed modification would constitute a Certificate Basic Terms Modification), the Note Trustee shall not consider the interests of the Noteholders, the Certificateholders, any other Secured Creditor or any other person and shall act and rely solely, and without further enquiry or Liability, on any certificate (including any Modification Certificate or Reference Rate Modification Certificate (as the case may be)) or evidence provided to it by the Issuer or the relevant Transaction Party, as the case may be, pursuant to this Certificate Condition 8(c) (*Additional Right of Modification*) and shall not be liable to the Noteholders, 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; and
- (ii) the Note Trustee or the Security Trustee shall not be obliged to agree to any modification which, in its sole opinion would have the effect of (i) exposing it to any Liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction or (ii) increasing the obligations or duties, or decreasing the rights or protection, of the Note Trustee or the Security Trustee (as relevant) in the Transaction Documents and/or these Certificate Conditions.

For the avoidance of doubt, nothing in this Certificate Condition 8(c) (*Additional Right of Modification*) shall have the effect of waiving an Event of Default.

Any such modifications permitted by this Certificate Condition 8(c) (*Additional Right of Modification*) shall be binding on the Noteholders, Certificateholders and other Secured Creditors and, unless the Note Trustee otherwise agrees, the Issuer shall cause such modification to be notified to the Noteholders and Certificateholders as soon as practicable thereafter in accordance with Note Condition 13 (*Notice to Noteholders*) and Certificate Condition 11 (*Notice to Certificateholders*). So long as the Rated Notes, or any of them, are rated by the Rating Agencies the Issuer shall notify each of the Rating Agencies of any modification made by it in accordance with this Certificate Condition 8(c) (*Additional Right of Modification*) as soon as reasonably practicable thereafter.

(d) **Quorum**

The quorum at any meeting of Certificateholders of a particular Class for passing:

- (i) a Certificates Extraordinary Resolution to approve a Certificates Basic Terms Modification, shall be one or more persons holding or representing, in aggregate, (x) not less than 75 per cent. of the outstanding Certificates for the initial meeting or (y) in relation to any adjourned meeting, not less than 25 per cent. of the outstanding Certificates;
- (ii) a Certificates Extraordinary Resolution to approve any matter other than a Certificates Basic Terms Modification, shall be one or more persons holding or representing, in aggregate, (x) not less than 50 per cent. of the outstanding Certificates or (y) in relation to any adjourned meeting, any proportion of the Certificates which the persons constituting the quorum is holding or representing; and
- (iii) a Certificates Ordinary Resolution shall be one or more persons holding or representing, in aggregate, not less than (x) 25 per cent. of the outstanding Certificates for the initial meeting and (y) in relation to any adjourned meeting, any proportion of the Certificates which the person constituting the quorum is holding or representing.

Subject to the provisions of the Trust Deed, the holder of the Global Certificate as shown on the Register shall be treated as a Certificateholder for the purposes of constituting a quorum for the purposes of meeting the quorum requirements of a meeting of Certificateholders.

(e) ***Modification and Waiver***

Subject to Certificate Condition 8(c) (*Additional Right of Modification*) and Certificate Condition 8(f) (*Swap Counterparty Consent for Modification*), the Note Trustee may agree, without the consent or sanction of any of, or any liability to, the Certificateholders, to:

- (i) (A) any modification of any of the provisions of the Trust Deed, the Conditions or any of the other Transaction Documents which is, in its opinion, of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of law or regulation, and (B) any other modification (excluding a Certificates Basic Terms Modification), and any waiver or authorisation of any breach or proposed breach of the Notes of such Class, of any of the provisions of the Trust Deed, the Conditions or any of the other Transaction Documents which is in the opinion of the Note Trustee not materially prejudicial to the interests of the holders of the Most Senior Class (other than any Noteholders of the Most Senior Class who have confirmed their consent in writing to the relevant modification, waiver or authorisation); or
- (ii) determine that an Event of Default or Potential Event of Default will not be treated as such where in the opinion of the Note Trustee such waiver, authorisation or determination is not materially prejudicial to the interests of the holders of the Most Senior Class (other than any holders of the Most Senior Class who have confirmed their consent in writing to the relevant waiver, authorisation or determination),

provided that the Note Trustee will not do so in contravention of an express direction given by a Certificates Extraordinary Resolution of holders of the Most Senior Class or a request made pursuant to Certificate Condition 6 (*Events of Default*). Any such modification, authorisation, determination or waiver shall be binding on the Certificateholders and, if the Note Trustee so requires, the Issuer will arrange for it to be notified to the Certificateholders as soon as practicable.

Any such modifications permitted by this Certificate Condition 8(e) (*Modification and Waiver*) shall be binding on the Noteholders, Certificateholders and other Secured Creditors and, unless the Note Trustee otherwise agrees, the Issuer shall cause such modification to be notified to the Noteholders and Certificateholders as soon as practicable thereafter in accordance with Note Condition 13 (*Notice to Noteholders*) and Certificate Condition 11 (*Notice to Certificateholders*). So long as the Rated Notes, or any of them, are rated by the Rating Agencies the Issuer shall notify each of the Rating Agencies of any modification made by it in accordance with this Certificate Condition 8(e) (*Modification and Waiver*) as soon as reasonably practicable thereafter.

Neither the Note Trustee nor the Security Trustee shall be obliged to agree to any modification of the Trust Deed, the Conditions or any other Transaction Document which (in the sole opinion of the Note Trustee or the Security Trustee (as applicable)) would have the effect of: (x) exposing it to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction; or (y) increasing the obligations or duties, or decreasing the protections of the Note Trustee or Security Trustee (as applicable) in the Transaction Documents, the Trust Deed and/or the Conditions.

(f) ***Swap Counterparty Consent for Modification***

The prior written consent of the Swap Counterparty is required to modify or supplement any provision of the Transaction Documents, the Note Conditions or the Certificate Conditions if the Swap Counterparty determines that such modification or supplement would:

- (i) cause, in the reasonable opinion of the Swap Counterparty, (A) the Swap Counterparty to pay more or receive less under the Swap Agreement or (B) a decrease (from the Swap Counterparty's perspective) in the value of the Interest Rate Swap;
- (ii) result in any of the Issuer's obligations to the Swap Counterparty under the Swap Agreement to be further contractually subordinated, relative to the level of subordination of such obligations as of the Issue Date, to the Issuer's obligations to any other Secured Creditor;
- (iii) it would result in a change to the timing of any payment or delivery from either party to the other party under the Swap Agreement;
- (iv) if, the Swap Counterparty were to replace itself as swap counterparty under the Swap Agreement, require the Swap Counterparty to pay more or receive less in the reasonable opinion of the Swap

Counterparty, in connection with such replacement, as compared to what the Swap Counterparty would have been required to pay or would have received had such modification or amendment not been made;

- (v) cause any adverse modification to the Swap Counterparty's rights in relation to any security (howsoever described, and including as a result of changing the nature or the scope of, or releasing such security) granted by the Issuer in favour of the Security Trustee on behalf of the Secured Creditors pursuant to the Deed of Charge;
- (vi) result in an amendment of this Certificate Condition or Clause 18.3 (*Swap Counterparty Consent for Modification*) of the Trust Deed where, in the reasonable opinion of the Swap Counterparty, such amendment would have an adverse effect on it; or
- (vii) result in an amendment to, or waiver of the undertakings of the Issuer as set out in, Clause 14.2.6 (*Disposal of Assets*) of the Trust Deed related to a refinancing, sale, transfer or disposal of assets of the Issuer with a view to prematurely redeeming the Notes in circumstances not expressly permitted or provided for in the Transaction Documents as at the Issue Date where, in the reasonable opinion of the Swap Counterparty, such amendment or waiver would have an adverse effect on it,

unless such modification, amendment, consent or waiver is to a Reference Rate Modification made in accordance with Note Condition 11(c)(viii).

The Issuer shall notify in writing the Swap Counterparty, the Note Trustee and the Security Trustee of any proposed modification or supplement to any provisions of the Transaction Documents, the Note Conditions or the Certificate Conditions that may affect any of the items listed in the previous paragraph as soon as reasonably practicable but not less than 15 Business Days (inclusive) prior to such modification or supplement being effected, notwithstanding any other provision of the Transaction Documents or the Conditions. The Swap Counterparty may notify the Note Trustee and the Security Trustee and the Issuer in writing if it determines that such modifications or supplement would affect any of the items listed in the previous paragraph. If the Issuer, Note Trustee and the Security Trustee receive notification (the "**Notification**") from the Swap Counterparty that the Swap Counterparty has determined that the modification and/or supplement would not affect any of the items listed in the previous paragraph or that the Swap Counterparty otherwise consents to such modification and/or supplement, such modification and/or supplement may take effect at any time from and including the date of receipt of the Notification. If the Swap Counterparty has not received notice in accordance with this paragraph, the proposed modification or supplement shall not be effective. If the Issuer, Note Trustee and the Security Trustee do not receive any such determination or a Notification within 15 Business Days (inclusive) of the Swap Counterparty having been notified of such proposed modification or supplement, the Seller (on behalf of the Issuer) will contact the Swap Counterparty directly and request such determination or, as applicable, Notification and the Swap Counterparty shall, in good faith, provide its determination or, as applicable, such Notification not later than the 2nd Business Days following receipt of such request.

(g) ***Substitution***

The Trust Deed contains provisions permitting the Note Trustee to agree, subject to such amendment of the Trust Deed and such other conditions as are set out in the Trust Deed or as the Note Trustee may otherwise require, but without the consent of, or any liability to, the Certificateholders or the other Secured Creditors, to the substitution of certain other entities in place of the Issuer, or of any previous substituted company, as principal debtor under the Trust Deed, the other Transaction Documents and the Certificates. In the case of such a substitution the Note Trustee may agree, without the consent of the Certificateholders to a change of the law governing Certificates and/or the Trust Deed *provided that* such change would not in the opinion of the Note Trustee be materially prejudicial to the interests of the holders of the Most Senior Class.

(h) ***Evidence of Certificates***

Where for the purposes of these Certificate Conditions the Note Trustee or any other party to the Transaction Documents requires a Certificateholder holding Certificates through Euroclear or Clearstream, Luxembourg to establish its holding of the Certificates to the satisfaction of such party, such holding shall be considered to be established if such Certificateholder provides to the requesting party with regard to the relevant date:

- (i) a Euclid Statement (in the case of Euroclear) or a Creation Online Statement (in the case of Clearstream, Luxembourg) in each case providing confirmation at the time of issue of the same of such person's holding in the Certificates; and
- (ii) if the relevant Certificates are held through one or more custodians, a signed letter dated as of the date of the Euclid Statement or the Creation Online Statement from each such custodian confirming on

whose behalf it is holding such Certificates such that the Note Trustee or any other party to the Transaction Documents is able to verify to its satisfaction the chain of ownership to the beneficial owner.

If in connection with verifying its holding the Note Trustee or any other party to the Transaction Documents requires a Certificateholder to temporarily block its Certificates in Euroclear or Clearstream, Luxembourg, such Certificateholder will be required to instruct Euroclear or Clearstream, Luxembourg (via its custodian) to do so.

(i) **Entitlement of the Note Trustee**

In connection with the exercise of its functions (including but not limited to those referred to in this Certificate Condition 8 (*Meetings of Certificateholders; Modifications; Consents; Waiver*)) the Note Trustee:

- (i) shall have regard to the interests of the Certificateholders as a class and shall not have regard to the consequences of such exercise for individual Certificateholders and the Note Trustee shall not be entitled to require, nor shall any Certificateholder be entitled to claim, from the Issuer any indemnification or payment in respect of any tax consequence of any such exercise upon individual Certificateholders; and
- (ii) may, in determining whether or not a proposed action will be materially prejudicial to the Certificateholders, have regard to, among other things, a Rating Agency Confirmation.

9. 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 action or, in the case of the Security Trustee, enforcing the Security, unless indemnified and/or pre-funded 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 other securities or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, 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.

The Note Trustee and/or the Security Trustee will not be responsible for any loss, expense or liability which may be suffered as a result of, inter alia, any assets comprised in the Security, or any deeds or documents of title thereto, being uninsured or inadequately insured or being held by or to the order of the Mortgage Administrator, the Cash Administrator or any agent or related company of the Mortgage Administrator, the Cash Administrator or by clearing organisations or their operators or by intermediaries such as banks, brokers or other similar persons on behalf of the Note Trustee and/or the Security Trustee. The Trust Deed and the Deed of Charge provides that neither the Note Trustee nor the Security Trustee shall be under any obligation to monitor or supervise compliance by the Issuer, the Mortgage Administrator or the Cash Administrator or any other party with their respective obligations or to make any searches, enquiries, or independent investigations of title in relation to any of the properties secured by the Mortgages.

10. Non-Responsive Rating Agency

- (a) In respect of the exercise of any power, duty, trust, authority or discretion as contemplated hereunder or in relation to the Rated Notes and any of the Transaction Documents, the Note Trustee and the Security Trustee shall be entitled but not obliged to take into account any Rating Agency Confirmation.
- (b) If a Rating Agency Confirmation or other response by a Rating Agency is a condition to any action or step under any Transaction Document and a written request for such Rating Agency Confirmation or response is delivered to each Rating Agency by or on behalf of the Issuer (copied to the Note Trustee and the Security Trustee, as applicable) and:
 - (i) (A) one 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 days of delivery of such request, no Rating Agency Confirmation or response is received

and such request elicits no statement by such Rating Agency that such Rating Agency Confirmation or response could not be given; and

(ii) 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 a Non-Responsive Rating Agency if the Issuer provides to the Note Trustee and the Security Trustee a certificate signed by a director certifying and confirming that each of the events in paragraphs (i) and (ii) above has occurred and the Note Trustee and the Security Trustee shall be entitled to rely on such certificate without further enquiry or liability.

11. Notice to Certificateholders

For so long as the relevant Certificates are in global form, any notice to Certificateholders shall be validly given to the relevant Certificateholders if sent to the Clearing Systems for communication by them to the holders of the relevant Certificates and shall be deemed to be given on the date on which it was sent. If Definitive Certificates are issued, any notice to the holders thereof shall be validly given if sent by first class mail to them at their respective addresses in the Register (or the first named of joint holders) and notice shall be deemed to have been given on the second Business Day after the date of the mailing.

The Note Trustee shall be at liberty to sanction some other method of giving notice to the Certificateholders if, in its opinion, such other method is reasonable having regard to market practice then prevailing and *provided that* notice of such other method is given to the Certificateholder in such manner as the Note Trustee shall require.

Any notices given to the Certificateholders by the Issuer or the Note Trustee shall also be sent concurrently to the Swap Counterparty.

12. Governing Law

The Transaction Documents and the Certificates 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 other than any terms of the Transaction Documents which are particular to Scots law, which will be construed in accordance with Scots law, and any Transaction Documents specific to the Scottish Loans, which shall be governed by Scots Law.

13. Privity of Contract

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any terms of the Certificates but this does not affect any right or remedy of any person which exists or is available apart from that Act.

14. Interpretation

In these Certificate Conditions:

“**Appointee**” means any delegate, agent, nominee, custodian, attorney or manager appointed by the Note Trustee and/or the Security Trustee pursuant to the provisions of the Trust Deed or the Deed of Charge (as the case may be);

“**Business Day**” means, a day on which commercial banks and foreign exchange markets settle payments in London;

“**Certificates Basic Terms Modification**” means any modification to (a) the priority of residual payments payable on the Certificates, (b) the currency of payment of the Certificates, (c) the definition of Certificates Basic Terms Modification, (d) the provisions concerning the quorum required at any meeting of Certificateholders or the majority required to effect a Certificates Basic Terms Modification or to pass a Certificates Extraordinary Resolution or (e) the definition of Notes Basic Terms Modification;

“**Certificates Extraordinary Resolution**” means:

- (a) a resolution passed at a duly convened meeting of the Certificateholders and held in accordance with the provisions of the Trust Deed by a majority consisting of not less than 75 per cent. of the persons voting thereat upon a show of hands, or if a poll is demanded, by a majority consisting of not less than 75 per cent. of the votes cast on such poll; or

- (b) a resolution in writing signed by or on behalf of the holders of not less than 75 per cent. of the Certificates, which resolution may be contained in one document or in several documents in like form each signed by or on behalf of one or more of such holders;

“Certificates Ordinary Resolution” means:

- (a) a resolution passed at a duly convened meeting of the Certificateholders and held in accordance with the provisions of the Trust Deed by a majority consisting of not less than 50.1 per cent. of the persons voting thereat upon a show of hands, or if a poll is demanded, by a majority consisting of not less than 50.1 per cent. of the votes cast on such poll; or
- (b) a resolution in writing signed by or on behalf of the holders of not less than 50.1 per cent. of the Certificates, which resolution may be contained in one document or in several documents in like form each signed by or on behalf of one or more of such holders;

“EMU” means the European Economic and Monetary Union;

“Enforcement Notice” means a notice given by the Note Trustee to the Issuer under Certificate Condition 6 (*Events of Default*) of the Certificates;

“Euro” means the single currency introduced at the start of the third stage of EMU pursuant to the Treaty;

“Most Senior Class” means the A Notes for so long as there are any A Notes outstanding; thereafter the B Notes for so long as there are any B Notes outstanding; thereafter the C Notes for so long as there are any C Notes outstanding; thereafter the D Notes for so long as there are any D Notes outstanding; thereafter the X Notes for so long as there are any X Notes outstanding; thereafter the Z1 Notes for so long as there are any Z1 Notes outstanding; thereafter the Z2 Notes for so long as there are any Z2 Notes outstanding; thereafter the RC1 Certificates for so long as there are any RC1 Certificates outstanding prior to the Step-Up Date; and thereafter the RC2 Certificates for so long as there are any RC2 Certificates outstanding on or after the Step-Up Date;

“Participating Member State” means a Member State of the European Communities which adopts the Euro as its lawful currency in accordance with the Treaty;

“Rating Agencies” means DBRS and S&P and **“Rating Agency”** means either of them; and

“Rating Agency Confirmation” means written confirmation from each Rating Agency that such modification would not result in the then current ratings of each Class of Notes rated thereby being qualified, downgraded, suspended or withdrawn, or such Rating Agency placing any Notes on rating watch negative (or equivalent) and, if relevant, the Issuer delivers a copy of each such confirmation to the Note Trustee and the Security Trustee.

UNITED KINGDOM TAXATION

The following is a summary of the Issuer's understanding of current United Kingdom tax law as applied in England and Wales and published HM Revenue & Customs practice (which may not be binding on HM Revenue & Customs) 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. It does 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. Prospective Noteholders who may be subject to tax in a jurisdiction other than the United Kingdom or who may be unsure as to their tax position should seek their own professional advice.

Payments of interest on the Notes may be made without deduction of or withholding on account of United Kingdom income tax *provided that* the Notes carry a right to interest and the Notes are and continue to be listed on a "recognised stock exchange" within the meaning of section 1005 of the Income Tax Act 2007. The London Stock Exchange is a recognised stock exchange. The Notes will be treated as listed on the London Stock Exchange if they are included in the Official List (within the meaning of and in accordance with the provisions of Part 6 of the Financial Services and Markets Act 2000) and admitted to trading on the London Stock Exchange. Provided, therefore, that the 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 deduction of or withholding on account of United Kingdom income tax.

If the Notes cease to be listed, any interest will generally be paid by the Issuer under deduction of income tax at the basic rate (currently 20 per cent.) unless: (i) another relief applies under domestic law; or (ii) the Issuer has received a direction to the contrary from HMRC in respect of such relief as may be available pursuant to the provisions of any applicable double taxation treaty.

FATCA WITHHOLDING

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a “foreign financial institution” may be required to withhold on certain payments it makes (“**foreign passthru payments**”) to persons that fail to meet certain certification, reporting, or related requirements. The Issuer is 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. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, proposed regulations have been issued that provide that such withholding would not apply prior to the date that is two years after the date on which final regulations defining “foreign passthru payments” are published in the U.S. Federal Register. In the preamble to the proposed regulations, the U.S. Treasury Department indicated that taxpayers may rely on these proposed regulations until the issuance of final regulations. Holders should consult their own tax advisors 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.

PURCHASE AND SALE

This Prospectus has been approved by the FCA as competent authority under the UK Prospectus Regulation. The FCA has only approved this Prospectus as meeting the requirements imposed under UK law pursuant to the UK Prospectus Regulation. Application has been made to the FCA for the Notes to be admitted to the Official List and to trading on the London Stock Exchange's main market.

The Joint Arrangers, the Joint Lead Managers, the Issuer and the Seller have entered into a Subscription Agreement (the "**Subscription Agreement**") pursuant to which the Joint Lead Managers have agreed to purchase or procure purchasers for the A Notes, B Notes, C Notes, D Notes and X Notes (together the "Subscribed Notes").

On the Issue Date, the Issuer will issue:

- (a) the A Notes at an issue price of 100 per cent. of the principal amount of the A Notes;
- (b) the B Notes at an issue price of 100 per cent. of the principal amount of the B Notes;
- (c) the C Notes at an issue price of 100 per cent. of the principal amount of the C Notes;
- (d) the D Notes at an issue price of 100 per cent. of the principal amount of the D Notes;
- (e) the X Notes at an issue price of 100 per cent. of the principal amount of the X Notes;
- (f) the Z1 Notes at an issue price of 100 per cent. of the principal amount of the Z1 Notes; and
- (g) the Z2 Notes at an issue price of 100 per cent. of the principal amount of the Z2 Notes.

On the Issue Date, the Issuer will also issue the Certificates to BGFL pursuant to the terms of the Mortgage Sale Agreement. BGFL has agreed to subscribe for 100 per cent. of the Z1 Notes and the Z2 Notes.

The Issuer and (in respect of certain expenses only) the Seller have agreed in the Subscription Agreement to reimburse and indemnify the Joint Lead Managers for certain of their expenses and liabilities in connection with the issue of Notes.

The Subscription Agreement is subject to a number of conditions and may be terminated by the Joint Lead Managers in certain circumstances prior to payment for the Subscribed Notes to the Issuer.

Prohibition of Sales to EEA Retail Investors

Each of the Joint Lead Managers 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 or Certificates 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 EU MiFID II; or
- (b) a customer within the meaning of the EU Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of EU MiFID II.

United Kingdom

Prohibition of Sales to UK Retail Investors

Each of the Joint Lead Managers 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 or Certificates 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 in the United Kingdom by virtue of the EUWA; or
- (b) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement the EU Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of UK MiFIR.

FSMA Requirements

Each of the Joint Lead Managers has represented to and agreed with the Issuer that:

- (a) 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; and
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer.

United States

The Notes and Certificates 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, sold, pledged, delivered or otherwise transferred 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) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state and local securities laws. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act (“**Regulation S**”).

Each of the Joint Lead Managers has agreed that, except as permitted by the Subscription Agreement, it will not offer or sell the Notes or Certificates as part of their distribution at any time or otherwise until 40 days after the later of the commencement of the offering of the Notes or Certificates and the Issue Date (the “**Distribution Compliance Period**”), within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells the Notes or Certificates during the Distribution Compliance Period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes or Certificates within the United States or to, or for the account or benefit of, U.S. persons. The Notes and Certificates are being offered and sold outside of the United States in offshore transactions to non-U.S. persons in reliance on Regulation S. Terms used in this paragraph have the meaning given to them by Regulation S.

In addition, until 40 days after the commencement of the offering of the Notes and Certificates, an offer or sale of the Notes or Certificates within the United States by any dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

Ireland

Each Joint Lead Manager has represented and agreed with the Issuer that:

- (a) it will not underwrite the issue of, or place the Notes and Certificates, otherwise than in conformity with the provisions of the European Union (Markets in Financial Instruments) Regulations 2017 (as amended, the “**MiFID II Regulations**”), including Regulation 5 (Requirement for Authorisation (and certain provisions concerning MTFs and OTFs)) thereof or, any codes or rules of conduct made under the MiFID II Regulations and the provisions of the Investor Compensation Act 1998 (as amended);
- (b) it will not underwrite the issue of, or place, the Notes and Certificates otherwise than in conformity with the provisions of the Irish Companies Act 2014 (as amended), the Irish Central Bank Acts 1942 – 2018 (as amended) and any codes of conduct rules made under Section 117(1) of the Irish Central Bank Act 1989 (as amended);
- (c) it will not underwrite the issue of, or place, or do anything in Ireland in respect of the Notes and Certificates otherwise than in conformity with the provisions of the EU Prospectus Regulation or any delegated or implementing acts relating thereto (as amended or superseded), the European Union (Prospectus) Regulations 2019 of Ireland and any rules and guidance issued under Section 1363 of the Irish Companies Act 2014, by the Central Bank of Ireland; and
- (d) it will not underwrite the issue of, place or otherwise act in Ireland in respect of the Notes and Certificates otherwise than in conformity with the provisions of the Irish Market Abuse Regulation (EU 596/2014) (as amended), the European Union (Market Abuse) Regulations 2016 (as amended) and any rules and guidance issued under Section 1370 of the Companies Act 2014 by the Central Bank of Ireland.

Japan

The Notes and Certificates have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the “**Financial Instruments and Exchange Act**”). Accordingly, each Joint Lead Manager has represented and agreed that it has not, directly or indirectly, offered or sold and will

not, directly or indirectly, offer or sell any Notes and Certificates in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

France

Each of the Joint Lead Managers has represented and agreed that it has not offered or sold and will not offer or sell, directly or indirectly, any Notes or Certificates to the public in France and it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, this Prospectus or any other offering material relating to the Notes and Certificates and such offers, sales and distributions have been and will be made in France only to (a) persons providing investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*), and/or (b) qualified investors (*investisseurs qualifiés*), acting for their own account, all as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 of the French Code *monétaire et financier*.

Italy

Each of the Joint Lead Managers has represented and agreed that it has not offered, sold or delivered, and will not offer, sell or deliver any Notes or Certificates or distribute any copy of this Prospectus or any other document relating to the Notes or the Certificates in Italy except to qualified investors (*investitori qualificati*), as defined pursuant to Article 100 of Legislative Decree no. 58 of 24 February 1998 (the “**Financial Services Act**”) and article 34-ter, paragraph 1, letter (b) of CONSOB regulation No. 11971 of 14 May 1999, all as amended from time to time.

In any event, any offer, sale or delivery of the Notes or distribution of copies of this Prospectus or any other document relating to the Notes or the Certificates in Italy under the paragraph above must be made:

- (a) by an investment firm (*impresa di investimento*), bank or financial intermediary permitted to conduct such activities in Italy in accordance with the Financial Services Act, the Legislative Decree No. 385 of 1 September 1993 (the “**Banking Act**”) and CONSOB Regulation No. 20307 of 15 February 2018, all as amended from time to time;
- (b) in compliance with Article 129 of the Banking Act, as amended from time to time, and the implementing guidelines of the Bank of Italy, as amended from time to time; and
- (c) in compliance with any other applicable laws and regulations, including any limitation or requirement which may be imposed from time to time by Commissione Nazionale per le Società e la Borsa (“**CONSOB**”) or the Bank of Italy or other competent authority.

Switzerland

Each of the Joint Lead Managers has represented and agreed that the Notes may not be publicly offered, sold, or advertised, directly or indirectly, in, into or from Switzerland, and will not be listed on SIX Swiss Exchange (“**SIX**”) or on any other exchange or regulated trading facility in Switzerland. Neither this Prospectus nor any other offering or marketing material relating to the Notes and the Certificates constitutes a prospectus as such term is understood pursuant to article 652a or article 1156 of the Swiss Code of Obligations, or a listing prospectus within the meaning of the listing rules of the SIX or any other stock market or regulated trading facility in Switzerland or a simplified prospectus as such term is defined in the Swiss Federal Act on Collective Investment Schemes. Neither this Prospectus nor any other offering or marketing material relating to the Notes and the Certificates or the offering of the Notes and Certificates may be publicly distributed or otherwise made publicly available in Switzerland.

Each of the Joint Lead Managers has represented and agreed that neither this Prospectus nor any other offering or marketing material relating to the offering of the Notes and the Certificates, the Issuer or the Notes and the Certificates have been or will be filed with or approved by any Swiss regulatory authority. In particular, this Prospectus will not be filed with, and the offer of Notes and Certificates will not be supervised by, the Swiss Financial Market Supervisory Authority FINMA (“**FINMA**”). Acquirers of the Notes and Certificates will not benefit from protection or supervision by FINMA.

Canada

Each of the Joint Lead Managers has represented to and agreed with the Issuer that the Notes and Certificates may be sold only to purchasers in the provinces of Canada purchasing, or deemed to be purchasing, as principal that

are accredited investors, as defined in National Instrument 45-106 Prospectus *Exemptions* or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*. Any resale of the Notes or Certificates must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Prospectus (including any amendment thereto) contains a misrepresentation, *provided that* the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Singapore

Each Joint Lead Manager has acknowledged that this Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Joint Lead Manager has represented and agreed that it has not offered or sold any Notes or Certificates or caused the Notes or Certificates to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or Certificates or cause the Notes or Certificates to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes or Certificates, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289 of Singapore) (the "SFA")) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

This Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of any Notes or Certificates may not be circulated or distributed, nor may any Notes or Certificates be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the SFA, (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where Notes or Certificates are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes or Certificates pursuant to an offer made under Section 275 of the SFA except:

- (i) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (ii) where no consideration is or will be given for the transfer;
- (iii) where the transfer is by operation of law;
- (iv) as specified in Section 276(7) of the SFA; or
- (v) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

Hong Kong

Each Joint Lead Manager has represented and agreed that:

- (a) it has not offered or sold and will not offer or sell any Notes or Certificates in Hong Kong, by means of any document, any securities other than (a) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and
- (b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes or Certificates, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to securities which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

Australia

This Prospectus has not been, and no prospectus, information memorandum or other disclosure document (as defined in the Corporations Act 2001 (Cth) (the “**Corporations Act**”)) in relation to the Notes or Certificates has been, or will be, lodged with or registered by the Australian Securities and Investments Commission (ASIC). Each Joint Lead Manager has represented and agreed that it:

- (a) has not made or invited, and will not make or invite, an offer of the Notes or Certificates for issue or sale in Australia (including an offer or invitation which is received by a person in Australia); and
- (b) has not distributed or published, and will not distribute or publish, any Prospectus, information memorandum or any other offering material or advertisement relating to any Notes or Certificates in Australia,

unless:

- (i) the aggregate consideration payable by each offeree is at least A\$500,000 (or its equivalent in an alternate currency, in either case, disregarding moneys lent by the offeror or its associates) or the offer or invitation does not otherwise require disclosure to investors under Parts 6D.2 or 7.9 of the Corporations Act;
- (ii) the offer or invitation does not constitute an offer to a ‘retail client’ as defined for the purposes of section 761G of the Corporations Act;
- (iii) such action complies with any applicable laws, regulations and directives in Australia; and
- (iv) such action does not require any document to be lodged with ASIC.

General

Under the Subscription Agreement, each of the Joint Lead Managers has acknowledged that, save for having obtained the approval of the Prospectus as a prospectus in accordance with the UK Prospectus Regulation, applying for the admission of the Notes to listing on the Official List and applying for the admission of the Notes to trading on the London Stock Exchange’s main market, no action has been or will be taken in any jurisdiction by it that would permit a public offering of the Notes and Certificates, or possession or distribution of this Prospectus (in preliminary or final form) or any amendment or supplement thereto or any other offering material relating to the Notes or Certificates in any country or jurisdiction where action for that purpose is required. Under the Subscription Agreement, each of the Joint Lead Managers has agreed to comply with all applicable laws and regulations in each jurisdiction in or from which it may offer or sell the Notes and Certificates or have in its possession or distribute this Prospectus (in preliminary or in final form) or any amendment or supplement thereto or any other offering material.

Attention is drawn to the information set out on the inside front cover of this Prospectus.

GENERAL INFORMATION

- (a) The issue of the Notes and Certificates has been authorised by resolution of the board of directors of the Issuer passed on 5 July 2021.
- (b) Application has been made to the Official List of the Financial Conduct Authority for the Notes to be admitted to the Official List and to trading on the London Stock Exchange's main market. The Notes are expected to be admitted to the Official List and to trading on the London Stock Exchange's main market on the first Business Day following the Issue Date but there can be no assurance that any such approval will be granted or, if granted, that such listing will be maintained. The London Stock Exchange's main market is a regulated market for the purposes of the UK MiFIR.
- (c) The Notes and the Certificates have been accepted for clearance through Euroclear and Clearstream, Luxembourg as follows:

| | Common Code | ISIN (Clearstream/ Euroclear) |
|------------------------|-------------|-------------------------------|
| A Notes | 236087646 | XS2360876465 |
| B Notes | 236087654 | XS2360876549 |
| C Notes | 236087662 | XS2360876622 |
| D Notes | 236087719 | XS2360877190 |
| X Notes | 236087727 | XS2360877273 |
| Z1 Notes | 236087735 | XS2360877356 |
| Z2 Notes | 236087743 | XS2360877430 |
| RC1 Certificates | 236087816 | XS2360878164 |
| RC2 Certificates | 236087832 | XS2360878321 |

- (d) The auditors of the Issuer, Deloitte LLP, is registered to carry on audit work in the UK and Ireland by the Institute of Chartered Accountants in England and Wales. The financial year end of the Issuer is 31 December. The first statutory financial statements of the Issuer will be prepared for the period ended 31 December 2021.
- (e) The Issuer is not and has not been involved in any governmental, legal or arbitration proceedings which may have or have had since its date of incorporation a significant effect on its financial position and profitability nor is the Issuer aware that any such proceedings are pending or threatened.
- (f) In relation to this transaction, the Issuer, on or about the date of this Prospectus, has entered into the Subscription Agreement referred to under "*Purchase and Sale*" above which is, or may be, material.
- (g) Since 7 May 2021 (being the date of incorporation of the Issuer), there has been no material adverse change in the financial position or prospects of the Issuer and no significant change in the financial position or financial performance of the Issuer.
- (h) From the date of this Prospectus until the earlier of redemption in full of the last outstanding Note or the Final Maturity Date, for as long as the Notes are listed on the Official List and admitted to trading on the London Stock Exchange's main market, electronic copies of the following documents will be available at the UK Reports Repository and the EU Reports Repository and physical copies may be inspected during usual business hours at the registered office of the Issuer and will be available in such manner for at least as long as the Notes are admitted to listing on the London Stock Exchange and the guidelines of the London Stock Exchange so require:
- (i) the Memorandum and Articles of Association of the Issuer;
 - (ii) drafts (subject to modification) or, if available, final versions of the following documents:
 - (A) the Master Definitions Schedule;
 - (B) the Bank Agreement;
 - (C) the Cash Administration Agreement;
 - (D) the Collection Account Agreement;
 - (E) the Collection Account Declaration of Trust;
 - (F) the Corporate Services Agreement;
 - (G) the Deed Poll;

- (H) the Swap Agreement;
- (I) the Deed of Charge;
- (J) the Mortgage Administration Agreement;
- (K) the Mortgage Sale Agreement;
- (L) any Scottish Declaration of Trust;
- (M) any Scottish Supplemental Charge;
- (N) the Paying Agency Agreement;
- (O) the Trust Deed; and
- (P) the Issuer/ICSD Agreement; and

(iii) this Prospectus.

Information required to be made available prior to pricing to potential investors in the Notes pursuant to Article 7 of the UK Securitisation Regulation was made available by means of the UK Reports Repository. Information required to be made available prior to pricing to potential investors in the Notes pursuant to Article 7 of the EU Securitisation Regulation was made available by means of the EU Reports Repository.

- (i) As at the date hereof, save for the issue of the Notes and Certificates, the Issuer, since its incorporation on 7 May 2021, has not commenced operations nor prepared any accounts.
- (j) The Issuer will, or will procure that, from the Issue Date until the earlier of redemption in full of the last Note or the Final Maturity Date, make available a cash flow model to Noteholders, either directly or indirectly through one or more entities that provide cash flow models to investors generally. At the date of the Prospectus the cashflow model shall be made available through the UK Reports Repository and the EU Reports Repository.
- (k) The Issuer will or will procure that the Cash Administrator will, on behalf of the Issuer, from the Issue Date until the earlier of redemption in full of the last outstanding Note or the Final Maturity Date, prepare on a monthly basis an Investor Report (containing information in relation to the Notes and Certificates including, but not limited to, ratings of the Rated Notes, amounts paid by the Issuer pursuant to the relevant Priority of Payments in respect of the relevant period and required counterparty information) which will be made available on a secure website at <https://pivot.usbank.com> in electronic form and accessible to investors. The contents of that website are for information purposes only and do not form part of this Prospectus.
- (l) For so long as the Notes are outstanding
 - (i) the Cash Administrator will, on behalf of the Issuer, prepare on a monthly basis a UK SR Investor Report;
 - (ii) the Mortgage Administrator will, on behalf of the Issuer, prepare on a quarterly basis the BoE Loan-by-Loan Report and the UK SR Loan-by-Loan Report; and
 - (iii) the Cash Administrator will, on behalf of the Issuer (and on the instructions of the Issuer or the Mortgage Administrator), prepare each quarter and, at any other required time, without delay any UK Inside Information and Significant Event Report,

and the Issuer will, or will procure that the Mortgage Administrator will, publish those reports through the UK Reports Repository.

- (m) For so long as the Notes are outstanding:
 - (i) the Cash Administrator will (save to the extent that the Issuer is permitted by ESMA to provide only a UK SR Investor Report), on behalf of the Issuer, prepare on a monthly basis a EU SR Investor Report;
 - (ii) the Mortgage Administrator will (save to the extent that the Issuer is permitted by ESMA to provide only a UK SR Loan-by-Loan Report), on behalf of the Issuer, prepare on a quarterly basis the EU SR Loan-by-Loan Report,
 - (iii) the Cash Administrator will (save to the extent that the Issuer is permitted by ESMA to provide only a UK SR Inside Information and Significant Event Report), on behalf of the Issuer (and on the instructions

of the Issuer or the Mortgage Administrator), prepare each quarter and, at any other required time, without delay any EU SR Inside Information and Significant Event Report,

and the Issuer will, or will procure that the Mortgage Administrator will, publish those reports through the EU Reports Repository in each case until such time when BGFL is able to certify to the Issuer and the Note Trustee that a competent EU authority has confirmed that the publication of the corresponding UK report will also satisfy the applicable EU requirement due to the application of an equivalency regime or similar analogous concept.

- (n) The Legal Entity Identifier (LEI) of the Issuer is 63540046RPZ8IOOPGL28.
- (o) This Prospectus is valid for a period of twelve months from the date of approval. The obligation to prepare a supplement to this Prospectus in the event of any significant new factor, material mistake or inaccuracy does not apply when the Prospectus is no longer valid. For the avoidance of doubt, the Issuer shall have no obligation to supplement this Prospectus after the closing of the offer period or the time when trading of such securities on a regulated market begins, whichever occurs later.
- (p) The language of this Prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

GLOSSARY OF DEFINED TERMS

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| “£”, “sterling”, “GBP” and “pounds” | means the lawful currency for the time being of the United Kingdom of Great Britain and Northern Ireland. |
| “¥” or “JPY” | means the lawful currency for the time being of Japan. |
| “€”, “EUR” or “Euro” | means the lawful currency of the member states of the European Union participating in Economic and Monetary Union as contemplated by the Treaty. |
| “A Global Note” | means the Global Note representing the A Notes, which will be substantially in the form set out in Schedule 1 (<i>Form of Global Note</i>) to the Trust Deed and which is intended to be held in a manner which would allow Eurosystem eligibility. |
| “A Noteholder” | means the persons who are for the time being holders of the A Notes. |
| “A Notes” | means the £258,000,000 Class A mortgage backed floating rate notes due on the Interest Payment Date falling in November 2063 and, unless expressly stated to the contrary, all references to an “A Note” shall be a reference to such A Note whether in global or definitive form. |
| “A Principal Deficiency” | means a deficiency of principal amounts to make payment on the A Notes. |
| “A Principal Deficiency Sub-Ledger” | means the sub ledger of such name created for the purpose of recording the A Principal Deficiency and maintained by the Cash Administrator as a sub ledger of the Principal Deficiency Ledger. |
| “Account Bank” | means Citibank, N.A., London Branch (or such other replacement bank or financial institution as may be appointed from time to time in accordance with the Transaction Documents) in its capacity as provider of the Transaction Account. |
| “Accrued Interest” | means any accrued interest on the Loans accruing prior to the Issue Date. |
| “Additional Loans” | means any Loans sold by the Seller to the Issuer on each Additional Loans Purchase Date. |
| “Additional Loans Cash Consideration” | means, with respect to the Additional Loans being purchased on each respective Additional Loans Purchase Date, an amount equal to the aggregate of: <ul style="list-style-type: none">(a) the Current Balance of the relevant Additional Loans as at the relevant Additional Loans Cut-Off Date; and(b) the Pre-Funding Excess Class X Amount, less the Additional Loan Collections Amount relating to such Additional Loans. |
| “Additional Loans Collections Amount” | means, with respect to any Additional Loans being purchased on each respective Additional Loans Purchase Date, all collections received by the Seller in respect of the Additional Loans from (and excluding) the Additional Loans Cut-Off Date to (and excluding) the relevant Additional Loans Purchase Date. |
| “Additional Loans Cut-Off Date” | means with respect to the purchase of Additional Loans, the date specified as such in the Additional Loans Sale Notice, which shall be the last calendar day of the month prior to the relevant Additional Loans Purchase Date. |
| “Additional Loans Purchase Date” | means the Business Day specified as such in each relevant Additional Loans Sale Notice, being a Business Day falling in the period following the Issue Date up to (and including) the First Interest Payment Date. |

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| “Additional Loans Sale Notice” | means, if any Additional Loans are sold to the Issuer, the notice by the Seller to the Issuer substantially in the form set out in Schedule 10 (<i>Additional Loans Sale Notice</i>) of the Mortgage Sale Agreement. |
| “Additional Loans Swap Condition” | has the meaning indicated in “ <i>Sale of the Mortgage Pool – Acquisition of Additional Loans following the Issue Date</i> ” above. |
| “Additional Termination Event” | has the meaning given to it in the Swap Agreement. |
| “Agent Bank” | means Elavon Financial Services DAC or any successor thereto. |
| “Agents” | means the Paying Agents, the Registrar and the Agent Bank or any of them. |
| “Applicable Laws” | means: <ul style="list-style-type: none"> (a) all applicable laws, rules, regulations, ordinances, directives, statutes, authorisations, permits, licences, notices, instructions and decrees of any relevant regulatory authority or any judgment or judicial practice of any court and any other legally binding requirement of any Regulatory Authority or government authority having jurisdiction with respect to the Loans, including, without limitation, MCOB and CONC; and (b) any publications of any relevant regulatory authority (including the FCA’s guidance, policies and publications relating to the Treating Customers Fairly initiative) to the extent it is legally binding and which does not conflict with any of the matters referred to in paragraph (a) of this definition. |
| “Arrears Policy” | means, in respect of Mortgage Loans, the arrears policy of the Seller from time to time. |
| “Authorised Investments” | means investments of the funds standing to the credit of the Transaction Account in: <ul style="list-style-type: none"> (a) sterling gilt-edged securities; (b) Money Market Funds; (c) sterling demand or time deposits and certificates of deposit; or (d) short-term debt obligations (including commercial paper), where: <ul style="list-style-type: none"> (i) the rate of interest earned on such investments is likely to exceed the rate of interest paid on the Transaction Account; (ii) the investments have a maturity date of 90 days or less and mature on or before the Interest Payment Date immediately succeeding the date on which the investments are made; and (iii) the investments are: <ul style="list-style-type: none"> (A) <ul style="list-style-type: none"> (1) where invested for a period of 30 days or less, sterling denominated securities, bank accounts or other obligations of or rights against entities (other than in respect of any asset-backed securities, credit linked notes, swaps, other derivative instruments or synthetic securities) whose short-term unsecured and unguaranteed debt is rated at least “A-1” by S&P; or (2) sterling denominated securities or other obligations of or rights against entities (other than in respect of any asset-backed securities, credit linked notes, swaps, other derivative instruments or synthetic securities) issued by |

Money Market Funds assigned a rating of “AAAm” from by S&P, in respect of Money Market Funds; or

(B)

- (1) where invested for a period of more than 30 days, in such other sterling denominated securities, bank accounts or other obligations (other than in respect of any asset-backed securities, credit linked notes, swaps, other derivative instruments or synthetic securities), as would not adversely affect the then current ratings of the Most Senior Class of Rated Notes, provided that any monies are invested in an entity (i) whose long term unsecured and unguaranteed debt is rated at least “AA-” by S&P; or (ii) whose short term unsecured and unguaranteed debt is rated at least “A-1+” by S&P; or
- (2) in such other sterling denominated securities or other obligations (other than in respect of any asset-backed securities, credit linked notes, swaps, other derivative instruments or synthetic securities), as would not adversely affect the then current ratings of the Most Senior Class of Rated Notes, issued by Money Market Funds assigned a rating of “AAAm” S&P, in respect of Money Market Funds,

provided that, in all cases, such investments (i) will only be made such that there is no withholding or deduction for or on account of taxes applicable thereto, and (ii) such investments fall within the definition of “financial asset” as defined in the Tax Regulations.

“Authorities”

means the FCA and PRA together with HM Treasury and the Bank of England.

“Available Principal Funds”

means an amount calculated by the Cash Administrator on a Determination Date, being the aggregate of the following amounts:

- (a) the Principal Collections received for the preceding Determination Period other than in respect of an Interest Payment Date following an Estimation Period;
- (b) any Liquidity Reserve Fund Excess Amount;
- (c) in respect of the Interest Payment Date on which the B Notes are redeemed in full (and, prior to the service of an Enforcement Notice, after the application of Available Revenue Funds in accordance with the Pre-Enforcement Revenue Priority of Payments), all amounts standing to the credit of the Liquidity Reserve Fund Ledger;
- (d) in respect of the Interest Payment Date on which the Rated Principal Backed Notes are redeemed in full (and, prior to the service of an Enforcement Notice, after the application of Available Revenue Funds in accordance with the Pre-Enforcement Revenue Priority of Payments), all amounts standing to the credit of the General Reserve Fund Ledger;
- (e) the amount (if any) calculated on that Determination Date pursuant to the Pre-Enforcement Revenue Priority of Payments to be the amount by which the debit balance on any of the Principal Deficiency Ledgers is expected to be reduced by the application of the Available Revenue Funds on the immediately succeeding Interest Payment Date;
- (f) in respect of an Interest Payment Date immediately following an Estimation Period, any Principal Receipts and if the Reconciliation Amount in respect of the relevant Estimation Period is a positive

number, an amount equal to such Reconciliation Amount, as determined in accordance with Note Condition 4(j) (*Determinations and Reconciliation*); and

- (g) on the Call Option Date in respect of which the Mortgage Pool Option is exercised, the proportion of the Mortgage Pool Purchase Price allocable to principal;
- (h) after the Step-Up Date until the Rated Principal Backed Notes have been redeemed in full, any Available Revenue Funds applied as Available Principal Funds in accordance with item (xix) (*Application as Available Principal Funds after Step-Up Date*) of the Pre-Enforcement Revenue Priority of Payments; and
- (i) in respect of the First Interest Payment Date only, the Pre-Funding Unused Amount,

less any amounts which are to be applied as item (h) (*Reconciliation following Estimation Period*) of Available Revenue Funds on the relevant Interest Payment Date.

“Available Revenue Funds”

means an amount calculated by the Cash Administrator on a Determination Date, being the aggregate of the following amounts:

- (a) interest (if any) earned on the amounts in the Bank Accounts (other than the Swap Collateral Account) for the Determination Period immediately preceding the relevant Determination Date;
- (b) the Revenue Collections received for the Determination Period immediately preceding the relevant Determination Date, other than in respect of an Interest Payment Date immediately following an Estimation Period;
- (c) any amounts received by the Issuer under the Swap Agreement or any replacement Swap Agreement on the relevant Interest Payment Date (excluding Swap Excluded Receivable Amounts, any amounts credited to the Swap Collateral Account and any excess Swap Collateral (and any interest thereto) in the Swap Collateral Account);
- (d) amounts (which would otherwise constitute Available Principal Funds) determined to be applied as Available Revenue Funds in accordance with item (x) (*Application as Available Revenue Funds*) of the Pre-Enforcement Principal Priority of Payment;
- (e) for so long as there are any Rated Principal Backed Notes outstanding (including on the Interest Payment Date on which the Rated Principal Backed Notes are redeemed in full), such amount equal to any Shortfall standing to the credit of the General Reserve Fund Ledger if and to the extent there will be a Shortfall on the immediately following Interest Payment Date;
- (f) for so long as there are any A Notes or B Notes outstanding (including on the Interest Payment Date on which the A Notes and the B Notes are redeemed in full), such amount equal to any Revenue Shortfall standing to the credit of the Liquidity Reserve Fund Ledger if and to the extent there will be a Revenue Shortfall on the relevant Interest Payment Date;
- (g) any Principal Addition Amounts if and to the extent there will be a Further Revenue Shortfall on the immediately following Interest Payment Date to be applied to items (i) (*Note Trustee and Security Trustee*) to (vi) (*A Notes interest*) and (if the A Notes have been redeemed in full) the relevant item corresponding to the payment of amounts (other than in respect of principal) in respect of the Most

Senior Class of Rated Principal Backed Notes, in each case of the Pre-Enforcement Revenue Priority of Payments;

- (h) in respect of an Interest Payment Date immediately following an Estimation Period, any Revenue Receipts and, if the Reconciliation Amount in respect of the relevant Estimation Period is a negative number, an amount equal to the absolute value of such Reconciliation Amount, each as determined in accordance with Note Condition 4(j) (*Determinations and Reconciliation*);
- (i) any amounts credited to the Transaction Account on the previous Interest Payment Date in accordance with item (xxi) (*Application as Available Revenue Funds following Estimation Period*) of the Pre-Enforcement Revenue Priority of Payments;
- (j) in respect of the Call Option Date in respect of which the Mortgage Pool Option is exercised, the proportion of the Mortgage Pool Purchase Price allocable to revenue;
- (k) income from any Authorised Investments in respect of the Determination Period ending immediately prior to the relevant Determination Date; and
- (l) in respect of the second Interest Payment Date, any remaining amounts standing to the credit of the Start-Up Costs Ledger on the Determination Date immediately prior thereto,

less any Third Party Amounts and any amounts which are to be applied as item (f) (*Reconciliation following Estimation Period*) of Available Principal Funds on the relevant Interest Payment Date.

“B Global Note”

means the Global Note representing the B Notes, which will be substantially in the form set out in Schedule 1 (*Form of Global Note*) to the Trust Deed and which is intended to be held in a manner which would allow Eurosystem eligibility.

“B Noteholders”

means the persons who are for the time being holders of the B Notes.

“B Notes”

means the £13,200,000 Class B mortgage backed floating rate notes due on the Interest Payment Date falling in November 2063 and, unless expressly stated to the contrary, all references to a “B Note” shall be a reference to such B Note whether in global or definitive form.

“B Principal Deficiency”

means a deficiency of principal amounts to make payment on the B Notes.

“B Principal Deficiency Sub-Ledger”

means the sub-ledger of such name created for the purpose of recording the Principal Deficiency on the B Notes and maintained by the Cash Administrator as a sub-ledger of the Principal Deficiency Ledger.

“B Residual Amount”

has the meaning given to such term in Note Condition 4(i) (*Deferral of Interest*).

“Back-up Mortgage Administrator Facilitator”

means CSC Capital Markets UK Limited.

“Bank Accounts”

means the Transaction Account and the Swap Collateral Account (or any replacement accounts for such account).

“Bank Agreement”

means the agreement so named dated on or about the Issue Date between, inter alios, the Issuer and the Account Bank.

“Bank Base Rate Mortgage”

means a Loan under the terms of which interest is payable at the applicable LIBOR Replacement Rate plus a margin.

“Banking Act”

means the UK Banking Act 2009.

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| “Barclays” | means Barclays Bank PLC (acting through its investment bank or through its affiliates). |
| “Basel Committee” | means the Basel Committee on Banking Supervision. |
| “Basic Terms Modification” | means the Notes Basic Terms Modification and the Certificates Basic Terms Modification. |
| “Benchmark Event” | means the occurrence of any of the events referred to in Note Condition 11(c)(viii)(A)(1) where, in relation to the discontinuation, cessation or non-publication of SONIA, a specific date is specified for such discontinuation, cessation or non-publication. |
| “Benchmark Event Notice” | means notice in writing from the Mortgage Administrator to the Noteholders (in accordance with Note Condition 13 (<i>Notice to Noteholders</i>)), Note Trustee, the Security Trustee, the Legal Title-Holder, the Issuer, the Seller, and the Swap Counterparty within five (5) Business Days of the Mortgage Administrator becoming aware of the occurrence of a Benchmark Event. |
| “BGFL” | means Belmont Green Finance Limited. |
| “BMR” | means the Benchmark Regulation (Regulation (EU) 2016/1011). |
| “BO” | means a bankruptcy order. |
| “Book-Entry Interests” | means the beneficial interests in the Global Notes recorded by Euroclear and Clearstream, Luxembourg. |
| “Borrower” | means, in relation to each Loan, the borrower or borrowers specified in such Loan. |
| “BTL Conditions” | means the terms and conditions set out in the Standard Documentation applicable to Buy-to-Let Loans. |
| “Business Day” | means a day on which commercial banks and foreign exchange markets settle payments in London. |
| “Buy-to-Let Loan” | means a Loan which is intended for a Borrower who wishes to use the Loan as a means to purchase a residential property for the purpose of letting to third parties. |
| “C Global Note” | means the Global Note representing the C Notes, which will be substantially in the form set out in Schedule 1 (<i>Form of Global Note</i>) to the Trust Deed and which is intended to be held in a manner which would allow Eurosystem eligibility. |
| “C Noteholders” | means the persons who are for the time being holders of the C Notes. |
| “C Notes” | means the £12,000,000 Class C mortgage backed floating rate notes due on the Interest Payment Date falling in November 2063 and, unless expressly stated to the contrary, all references to a “C Note” shall be a reference to such C Note whether in global or definitive form. |
| “C Principal Deficiency” | means a deficiency of principal amounts to make payment on the C Notes. |
| “C Principal Deficiency Sub-Ledger” | means the sub-ledger of such name created for the purpose of recording the C Principal Deficiency and maintained by the Cash Administrator as a sub-ledger of the Principal Deficiency Ledger. |
| “C Residual Amount” | has the meaning given to such term in Note Condition 4(i) (<i>Deferral of Interest</i>). |
| “Call Option Date” | means any Interest Payment Date falling in or after August 2025 in respect of a mandatory redemption of the Notes exercisable by the Issuer in whole (but not in part) with, <i>inter alia</i> , the proceeds of a sale of the Charged Property pursuant to the Deed Poll. |

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| “Cash Administration Agreement” | means the agreement so named dated on or about the Issue Date between, inter alios, the Issuer and the Cash Administrator. |
| “Cash Administrator” | means U.S. Bank Global Corporate Trust Limited or any successor thereto. |
| “CCA” | means the Consumer Credit Act 1974, as amended. |
| “CCJ” | means a county court judgment (or the Scottish equivalent). |
| “Certificate Conditions” | means the terms and conditions applicable to the Certificates as set out in Schedule 4 (<i>Terms and Conditions of the Certificates</i>) to the Trust Deed as may from time to time be modified in accordance with the Trust Deed. |
| “Certificateholders” | means the persons who for the time being are the holders of the Certificates. |
| “Certificates” | means the 1,000 residual certificates (made up of 500 RC1 Certificates and 500 RC2 Certificates) issued or due to be issued by the Issuer on the Issue Date, or, as the case may be, a specific number thereof. |
| “Certificates Basic Terms Modification” | means any modification to: <ul style="list-style-type: none"> (a) the priority of residual payments payable on the Certificates; (b) the currency of payment of the Certificates; (c) the definition of Certificates Basic Terms Modification; (d) the provisions concerning the quorum required at any meeting of Certificateholders or the majority required to effect a Certificates Basic Terms Modification or to pass a Certificates Extraordinary Resolution; or (e) the definition of Notes Basic Terms Modification. |
| “Certificates Extraordinary Resolution” | means: <ul style="list-style-type: none"> (a) a resolution passed at a duly convened meeting of the Certificateholders and held in accordance with the provisions of the Trust Deed by a majority consisting of not less than 75 per cent. of the persons voting thereat upon a show of hands, or if a poll is demanded, by a majority consisting of not less than 75 per cent. of the votes cast on such poll; or (b) a resolution in writing signed by or on behalf of the holders of not less than 75 per cent. of the Certificates, which resolution may be contained in one document or in several documents in like form each signed by or on behalf of one or more of such holders. |
| “Certificates Ordinary Resolution” | means: <ul style="list-style-type: none"> (a) a resolution passed at a duly convened meeting of the Certificateholders and held in accordance with the provisions of the Trust Deed by a majority consisting of not less than 50.1 per cent. of the persons voting thereat upon a show of hands, or if a poll is demanded, by a majority consisting of not less than 50.1 per cent. of the votes cast on such poll; or (b) a resolution in writing signed by or on behalf of the holders of not less than 50.1 per cent. of the Certificates, which resolution may be contained in one document or in several documents in like form each signed by or on behalf of one or more of such holders. |
| “Charged Obligation Documents” | means the documents set out at Note Condition 2(b)(iii) (<i>Security</i>). |
| “Charged Property” | means the property, assets, rights and undertakings for the time being comprised in or subject to the security contained in or granted pursuant to |

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| | the Deed of Charge and references to the Charged Property shall include references to any part of it. |
| “Class” | shall be a reference to a class of Notes being the A Notes, the B Notes, the C Notes, the D Notes, the X Notes, the Z1 Notes and the Z2 Notes and shall be a reference to the Certificates and “Classes” shall be construed accordingly. |
| “Clean Up Call Date” | means any Interest Payment Date after the first Call Option Date where the aggregate Principal Amount Outstanding of the Rated Principal Backed Notes is (or is projected to be) less than or equal to 10 per cent. of the aggregate Principal Amount Outstanding of the Principal Backed Notes upon issue. |
| “Clearing Systems” | means Clearstream, Luxembourg and Euroclear. |
| “Clearstream, Luxembourg” | means Clearstream Banking S.A.. |
| “CMA” | means the Competition and Markets Authority. |
| “Code” | means the U.S. Internal Revenue Code of 1986, as amended. |
| “Collection Account” | means the account in the name of the Seller held with the Collection Account Provider into which payments from Borrowers under the Loans are made; or (x) such replacement account(s) as may be established from time to time so long as those accounts are subject to a declaration of trust in favour of the Issuer and the Security Trustee, the relevant account holding bank has the Collection Account Required Rating, or (y) such other replacement account(s) as may be established from time to time in accordance with the Transaction Documents. |
| “Collection Account Agreement” | means the agreement so named and dated on or around the Issue Date between, <i>inter alios</i> , the Issuer and the Collection Account Provider. |
| “Collection Account Declaration of Trust” | means each declaration of trust dated on or about the Issue Date created in favour of the Issuer in respect of the Seller’s interest in the Collection Account. |
| “Collection Account Provider” | means Barclays Bank PLC (or such other replacement bank or financial institution as may be appointed from time to time in accordance with the Transaction Documents) in its capacity as provider of the Collection Account. |
| “Collection Account Provider Downgrade Event” | means where the Collection Account Provider fails to maintain the Collection Account Required Ratings. |
| “Collection Account Required Ratings” | means the required ratings of the Collection Account Provider as set out in the section entitled “ <i>Triggers tables</i> ”. |
| “Common Safekeeper” | means the Clearing Systems or such other entity which the Paying Agent (on behalf of the Issuer) may elect from time to time to perform the safekeeping roles (See “ <i>Summary of Provisions relating to the Notes While in Global Form</i> ”). |
| “Completion Loans Collections Amount” | means an amount equal to all collections received by the Seller in respect of the Loans comprising the Completion Mortgage Pool from (and excluding) the Cut-Off Date to (and excluding) the Issue Date. |
| “Completion Mortgage Pool” | means the Loans selected in accordance with clause 4 (<i>Period to Completion</i>) of the Mortgage Sale Agreement and to be sold and assigned to the Issuer pursuant to the Mortgage Sale Agreement on the Issue Date, as set out in Annexure A of the Mortgage Sale Agreement together with the Mortgage Rights relating to such Loan. |
| “Compounded Daily SONIA” | means in relation to an Interest Period, the percentage per annum 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, as follows, and the resulting percentage will be rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards:

$$\left[\prod_{i=1}^{d_0} \left(1 + \frac{\text{SONIA}_{i-p\text{LBD}} \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}$$

where:

“**d**” is the number of calendar days in the relevant Interest Period;

“**d₀**” is the number of Business Days in the relevant Interest Period;

“**i**” is a series of whole numbers from one to **d₀**, each representing the relevant Business Day in chronological order from, and including, the first Business Day in the relevant 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;

“**p**” means for any Interest Period, 5 Business Days; and

“**SONIA_{i-pLBD}**” means in respect of any Business Day falling in the relevant Interest Period, the SONIA Reference Rate for the Business Day falling “**p**” Business Days prior to that London Banking Day “**i**”.

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| “ CONC ” | means the Consumer Credit sourcebook. |
| “ Conditions ” | means both the Note Conditions and the Certificate Conditions. |
| “ Consumer Credit Directive ” | means the second Directive on consumer credit adopted by the European Parliament and the Council. |
| “ Corporate Services Agreement ” | means the agreement so named and dated on or around the Issue Date between, inter alios, the Issuer and the Corporate Services Provider. |
| “ Corporate Services Provider ” | means CSC Capital Markets UK Limited, a company incorporated in England and Wales with registered number 10780001 and having its registered office at 10th Floor, 5 Churchill Place, London E14 5HU. |
| “ Counter Notice ” | means a notice signed by the Issuer and sent by the Cash Administrator to the Mortgage Pool Option Holder specifying the Mortgage Pool Purchase Price. |
| “ CPR ” | means the constant per annum rate of prepayment. |
| “ CPUTRs ” | means the Consumer Protection from Unfair Trading Regulations 2008. |
| “ Credit Support Annex ” | means a 1995 ISDA Credit Support Annex (Bilateral Form – Transfer) entered into between the Swap Counterparty and the Issuer in connection with the Swap Agreement (or any 1995 ISDA Credit Support Annex (Bilateral Form – Transfer) entered into between the Issuer and any replacement Swap Counterparty). |
| “ Current Balance ” | means in relation to any Loan, all sums owing by the relevant Borrower under that Loan as at that date including all principal, interest (including accrued interest), fees, expenses, disbursements and any other sums or charges due pursuant to the Loan. |
| “ Current Loan to Value ” or “ Current LTV ” | means the ratio of (a) the Current Balance of a Loan as at 31 May 2020 together with any other indebtedness that is secured over the relevant Property as at the origination of the relevant Loan to (b) the lower of the purchase price or valuation of the relevant property, or in the case of right |

to buy properties, the valuation of the relevant property at the time of origination.

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| “Cut-Off Date” | means 30 June 2021. |
| “D Global Note” | means the Global Note representing the D Notes, which will be substantially in the form set out in Schedule 1 (<i>Form of Global Note</i>) to the Trust Deed and which is intended to be held in a manner which would allow Eurosystem eligibility. |
| “D Noteholders” | means the persons who are for the time being holders of the D Notes. |
| “D Notes” | means the £9,300,000 Class D mortgage backed floating rate notes due on the Interest Payment Date falling in November 2063 and, unless expressly stated to the contrary, all references to a “D Note” shall be a reference to such D Note whether in global or definitive form. |
| “D Principal Deficiency” | means a deficiency of principal amounts to make payment on the D Notes. |
| “D Principal Deficiency Sub-Ledger” | means the sub-ledger of such name created for the purpose of recording the D Principal Deficiency and maintained by the Cash Administrator as a sub-ledger of the Principal Deficiency Ledger. |
| “D Residual Amount” | has the meaning given to such term in Note Condition 4(i) (<i>Deferral of Interest</i>). |
| “DBRS” | means: <ul style="list-style-type: none">(a) for the purpose of identifying which DBRS entity has assigned the credit rating to the Rated Notes, DBRS Ratings Limited and any successor to that rating activity; and(b) in any other case, any entity that is part of DBRS Morningstar, which is either registered or not under the UK CRA Regulation, as it appears from the last available list published by the FCA on the Financial Services Register, or any other applicable regulation. |
| “DBRS Equivalent Chart” | means the table set out in “ <i>Triggers tables – Rating Triggers Table – DBRS Equivalent Chart</i> ” above. |
| “DBRS Equivalent Rating” | means: <ul style="list-style-type: none">(a) if a Fitch Public Long Term Rating, a Moody’s Public Long Term Rating and an S&P Public Long Term Rating in respect of a certain entity are all available at such date, the corresponding DBRS rating as shown in the DBRS Equivalent Chart of such Public Long Term Rating remaining after disregarding the highest and lowest of such Public Long Term Ratings from such rating agencies (provided that if a Public Long Term Rating is under credit watch negative, or any equivalent, then, for the purpose of determining the DBRS Equivalent Rating, such Public Long Term Rating will be deemed to be one notch below its current notch).<p>For this purpose, if more than one Public Long Term Rating has the same highest or same lowest DBRS rating as shown in the DBRS Equivalent Chart, then in each case only one of such Public Long Term Ratings shall be so disregarded in accordance with requirements of the previous sentence and the DBRS Equivalent Rating will be the remaining rating;</p>(b) if the DBRS Equivalent Rating cannot be determined under (a) above, but Public Long Term Ratings of a certain entity by any two of Fitch, Moody’s and S&P are available at such date, the corresponding DBRS rating as shown in the DBRS Equivalent Chart of the lower of such Public Long Term Rating (provided that if a Public Long Term Rating is under credit watch negative, or any equivalent, then, for the |

purpose of determining the DBRS Equivalent Rating, such Public Long Term Rating will be deemed to be one notch below its current notch); and

- (c) if the DBRS Equivalent Rating cannot be determined under (a) and (b) above, but a Public Long Term Rating by any one of Fitch, Moody's and S&P is available at such date, then the DBRS rating as shown in the DBRS Equivalent Chart will be such Public Long Term Rating (provided that if a Public Long Term Rating is under credit watch negative, or any equivalent, then, for the purpose of determining the DBRS Equivalent Rating, such Public Long Term Rating will be deemed to be one notch below its current notch),

provided that, if at any time the DBRS Equivalent Rating cannot be determined under subparagraphs (a) to (c) above, then the relevant entity will be deemed to have a DBRS rating of C at such time.

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| “DBRS Minimum Required Rating” | means the minimum required rating of DBRS in respect of a relevant matter or issue as set out in the Transaction Documents. |
| “Deed of Charge” | means the deed of charge so named dated on or about the Issue Date between, inter alios, the Issuer and the Security Trustee. |
| “Deed Poll” | means the Mortgage Pool Option deed and deed poll dated on or about the Issue Date, executed by the Issuer, in favour of the Mortgage Pool Option Holder from time to time. |
| “Determination Date” | means the Business Day which falls 3 Business Days prior to an Interest Payment Date. |
| “Determination Period” | means the quarterly period commencing on (and including) a Determination Period Start Date and ending on (and including) the Determination Period End Date, except that the first Determination Period will commence on (and include) 9 July 2021 and end on (and include) the Determination Period End Date falling on 31 October 2021. |
| “Determination Period End Date” | means the last calendar day of the calendar month immediately preceding the month in which a Determination Date falls. |
| “Determination Period Start Date” | means the first calendar day immediately following the preceding Determination Period End Date. |
| “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. |
| “Discretionary Rate” | means at any time a variable rate of interest set by the Mortgage Administrator from time to time. |
| “Discretionary Rate Mortgage” | means at any time a Loan where the terms applicable to that Loan indicate that at that time the rate of interest is a margin over the Discretionary Rate. |
| “Distribution Compliance Period” | has the meaning given to such term in the section entitled “ <i>Purchase and Sale</i> ”. |
| “distributor” | means any person subsequently offering, selling or recommending the Notes or the Certificates. |
| “EEA” | means the European Economic Area. |
| “EHRI” | has the meaning given to it in the section entitled “ <i>U.S. Risk Retention</i> ” above. |
| “EMU” | means European Economic and Monetary Union. |
| “Enforcement Liabilities” | means the entirety of amounts owed by a Borrower under a Loan. |

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| “Enforcement Notice” | means a notice given by the Note Trustee to the Issuer under Note Condition 9 (<i>Events of Default</i>) or Certificate Condition 6 (<i>Events of Default</i>). |
| “Enforcement Procedures” | means the exercise of the rights and remedies against a Borrower, or in relation to the security for the Borrower’s obligations arising from any default by the Borrower under or in connection with such Borrower’s Loan or related Mortgage Rights, in accordance with the procedures established by the Mortgage Administrator, as varied from time to time in accordance with the procedures that could reasonably be expected of a Prudent Mortgage Lender and completion of the Enforcement Procedures shall be deemed to have occurred in respect of a particular Loan and its related Mortgage Rights when the Mortgage Administrator determines that, having regard to the circumstances of the relevant Borrower and the then applicable Enforcement Procedures, the prospect of any further recovery of amounts due by that Borrower is remote or such further recovery is uneconomic. |
| “English Loans” | means the Loans in the Mortgage Pool which are, in each case, secured by a Mortgage over Properties in England and Wales, and each an “English Loan” . |
| “ESMA” | means the European Securities and Markets Authority. |
| “EU Article 7 Technical Standards” | means: <ul style="list-style-type: none"> (a) Commission Implementing Regulation (EU) 2020/1225; and (b) Commission Delegated Regulation (EU) 2020/1224, in each case, including any relevant guidance and policy statements relating to their application published by the European Banking Authority, the ESMA, the European Insurance and Occupational Pensions Authority (or their successor) or by the European Commission. |
| “EU CRA Regulation” | means Regulation (EC) 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended. |
| “EU EMIR” | has the meaning given to it in the <i>“Risk Factors”</i> section entitled <i>“7.19 UK European Market Infrastructure Regulation and EU European Market Infrastructure Regulation”</i> . |
| “EU Insurance Distribution Directive” | means Directive 2016/97/EU, as amended. |
| “EU MiFID II” | means Directive 2014/65/EU, as amended. |
| “EU PRIIPs Regulation” | means Regulation (EU) No 1286/2014, as amended. |
| “EU Prospectus Regulation” | means Regulation (EU) 2017/1129, as amended (including by Commission Delegated Regulation (EU) 2019/980 dated 14 March 2019 and/or any other relevant implementing measures or otherwise). |
| “EU Reports Repository” | means: <ul style="list-style-type: none"> (a) the UK Reports Repository at any time after the Mortgage Administrator is able to certify (and has certified) to the Issuer and the Note Trustee that a competent EU authority has confirmed that the UK Reports Repository will be treated as satisfying the applicable requirements of the EU Securitisation Regulation; or (b) (at any other time) a securitisation repository registered in accordance with Article 10 of the EU Securitisation Regulation. <p>As at the date of this Prospectus, the EU Reports Repository is SecRep B.V. (via its website at www.secprep.eu).</p> |

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| “EU Retained Interest” | has the meaning given to it in the section entitled “ <i>Certain Regulatory Requirements – UK and EU risk retention requirements – Compliance with EU Retention Requirement</i> ” above. |
| “EU Retention Requirement” | has the meaning given to it in the section entitled “ <i>Certain Regulatory Requirements – UK and EU risk retention requirements</i> ” above. |
| “EU Securitisation Regulation” | means Regulation (EU) 2017/2402, as amended, including: <ul style="list-style-type: none"> (a) relevant regulatory and/or implementing technical standards or delegated regulation in relation thereto (including any applicable transitional provisions); and/or (b) any relevant guidance and policy statements in relation thereto published by the European Banking Authority, the ESMA, the European Insurance and Occupational Pensions Authority and/or the European Commission, but excluding any national measures by any member state of the EU. |
| “EU SR Inside Information and Significant Event Report” | means an inside information or significant event information report as required by and in accordance with Articles 7(1)(f) and/or 7(1)(g) (as applicable) of the EU Securitisation Regulation. |
| “EU SR Investor Report” | means an investor report as required by and in accordance with Article 7(1)(e) of the EU Securitisation Regulation. |
| “Euroclear” | means Euroclear Bank SA/NV or its successor. |
| “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. |
| “Event of Default” | has the meaning given to it in Note Condition 9 (<i>Events of Default</i>) or, as applicable, Certificate Condition 6 (<i>Events of Default</i>). |
| “Excess Consideration” | means the cash consideration payable by the Issuer to the Seller on the Issue Date following the payment of all other amounts in the section entitled “ <i>Use of Proceeds</i> ”. |
| “Excess Consideration Amount” | means an amount equal to the remainder of the net proceeds of the Notes, less the aggregate of amounts applied towards items (a) to (e) inclusive as set out in the section entitled “ <i>Use of Proceeds</i> ”. |
| “Exercise Notice” | means a notice delivered by the Mortgage Pool Option Holder to the Issuer (with a copy to the Note Trustee, the Mortgage Administrator and the Cash Administrator) that it intends to exercise the Mortgage Pool Option at any time on or after the Call Option Date and with details of the Mortgage Pool Purchase Completion Date. |
| “Exercise Period” | means, in respect of a Call Option Date, the period which is not more than 60 nor less than 20 calendar days prior to such Call Option Date. |
| “Extraordinary Resolution” | means: <ul style="list-style-type: none"> (a) a resolution passed at a duly convened meeting of the Noteholders or the Noteholders of such Class and held in accordance with the provisions of the Trust Deed by a majority consisting of not less than 75 per cent. of the persons voting thereat upon a show of hands, or if a poll is demanded, by a majority consisting of not less than 75 per cent. of the votes cast on such poll; or (b) a resolution in writing signed by or on behalf of the holders of not less than 75 per cent. of the Principal Amount Outstanding of the relevant Class or Classes of 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 such holders.

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| “FATCA” | means: <ul style="list-style-type: none">(a) sections 1471 to 1474 of the Code and any associated regulations and other official guidance;(b) any treaty, law, regulation or other official guidance enacted in any other jurisdiction, or relating to an intergovernmental agreement between the US and any other jurisdiction, which (in either case) facilitates the implementation of paragraph (a) above; or(c) any agreement pursuant to the implementation of any treaty, law or regulation referred to in paragraphs (a) or (b) above with the U.S. Internal Revenue Service, the U.S. Government or any governmental or taxation authority in any other jurisdiction. |
| “FCA” | means the Financial Conduct Authority or any successor authority or authorities fulfilling the regulatory role currently occupied by the Financial Conduct Authority. |
| “FCA Payment Deferral Guidance” | means the FCA guidance for, inter alia, mortgage lenders and administrators entitled “ <i>Mortgages and coronavirus: our guidance for firms</i> ”, in connection with the ongoing outbreak of COVID-19 in the UK, originally published on 20 March 2020 and updated on 4 June 2020, on 16 June 2020 and again on 20 November 2020. |
| “FCA Tailored Support Guidance” | means the FCA guidance for, inter alia, mortgage lenders and administrators entitled “ <i>Mortgages and coronavirus: additional guidance for firms</i> ”, in connection with the ongoing outbreak of COVID-19 in the UK, originally published on 16 September 2020 and updated on 20 November 2020 and again with effect from 29 January 2020. |
| “FCA/UK Government Guidance” | means the FCA and/or UK Government guidance delivered in March 2020, as updated from time to time and published on the FCA’s website, in relation to, inter alia, mortgage lenders granting a customer a payment holiday or payment deferral for their mortgage loans, as well as a ban on all repossession activities in the UK, in connection with or as a result of COVID-19. |
| “Final Maturity Date” | means for all Notes and Certificates, the Interest Payment Date falling in November 2063. |
| “First Interest Payment Date” | means the First Interest Payment Date in respect of the Notes falling in November 2021. |
| “Fitch” | means Fitch Ratings Limited and its successors in its credit ratings business. |
| “Fixed Rate Mortgage” | means a Loan in relation to which (and for the period during which) the Borrower is obliged to pay a fixed rate of interest. |
| “Fixed Rate Notes” | means the Z1 Notes and the Z2 Notes. |
| “Fixed Rate Notional Amount” | means an amount in sterling determined in accordance with an agreed schedule of notional amounts (as specified in the Swap Agreement) calculated (i) with respect to the initial Interest Rate Swap by reference to the projected amortisation profile of the relevant Fixed Rate Mortgages as at the Issue Date and (ii) with respect to each additional Interest Rate Swap, by reference to the relevant notional amount hedged, as a result of an Interest Rate Swap Adjustment. |
| “Floating Rate of Interest” | means the rate of interest as determined by the Agent Bank in accordance with Note Condition 4(c) (<i>Floating Rate of Interest</i>). |

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| “Floating Rate Notes” | means the A Notes, the B Notes, the C Notes, the D Notes and the X Notes. |
| “foreign passthru payments” | has the meaning given to such term in the section entitled “ <i>FATCA withholding</i> ”. |
| “FSA” | means the Financial Services Authority or any successor authority or authorities fulfilling the regulatory role currently occupied by the FSA (which term, when used in relation to a date on or after 1 April 2013, shall be deemed to refer to the FCA and/or PRA (as applicable)). |
| “FSMA” | means the Financial Services and Markets Act 2000. |
| “Further Advance” | means, in relation to a Loan, any further amount to be lent to the relevant Borrower which is secured by the same Charged Property as the Loan. |
| “Further Advance Criteria” | has the meaning indicated in “ <i>Sale of the Mortgage Pool – Product Switch Loans and Further Advances</i> ” above. |
| “Further Advance Loan” | means where a Further Advance has been made in respect of a Loan and purchased by the Issuer from the Seller (either for cash or on a deferred purchase basis), the amount that is advanced in connection that Further Advance. |
| “Further Advance Purchase Date” | means, in relation to any Loan, the date upon which the Further Advance is advanced to the Borrower and beneficial ownership of such Further Advance is transferred to the Issuer under the Mortgage Sale Agreement or in terms of the relevant Scottish Declaration of Trust. |
| “Further Advance Swap Condition” | has the meaning indicated in “ <i>Sale of the Mortgage Pool – Product Switch Loans and Further Advances</i> ” above. |
| “Further Advance Upfront Fee Amounts” | has the meaning indicated in “ <i>Sale of the Mortgage Pool – Product Switch Loans and Further Advances</i> ” above. |
| “Further Revenue Shortfall” | means an amount, if greater than zero, by which the aggregate amounts required to pay items (i) (<i>Note Trustee and Security Trustee</i>) to (vi) (<i>A Notes interest</i>) of the Pre-Enforcement Revenue Priority of Payments and (if the A Notes have been redeemed in full) any interest payment due on the Most Senior Class of Rated Principal Backed Notes exceeds all Available Revenue Funds (excluding item (g)). |
| “General Reserve Fund” | means the amount reserved from time to time in the Transaction Account by depositing the General Reserve Fund Required Amount into the Transaction Account and crediting the General Reserve Fund Ledger in accordance with the Cash Administration Agreement. |
| “General Reserve Fund Ledger” | means the ledger of such name created and maintained by the Cash Administrator in the Transaction Account. |
| “General Reserve Fund Required Amount” | means: <ul style="list-style-type: none"> (a) prior to the redemption in full of the Rated Principal Backed Notes, an amount equal to 2.5 per cent. of the Principal Amount Outstanding of the Principal Backed Notes as at the Issue Date; and (b) on the Interest Payment Date on which the Rated Principal Backed Notes are to be redeemed in full, zero. |
| “Global Notes” | means the A Global Note, the B Global Note, the C Global Note, the D Global Note, the X Global Note, the Z1 Global Note and the Z2 Global Note, and “ Global Note ” means one of them. |
| “Help to Buy Loan” | means a Loan entered into under the UK Government’s “ <i>Help to Buy</i> ” Scheme or an equivalent scheme of the Scottish Government. |
| “HMO” | means a house rented out by at least 3 people who are not from 1 ‘household’ (for example a family) but share facilities like the bathroom |

and kitchen and, in Scotland, such occupants must not be of the same family or of a combination of two families.

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| “HMRC” | means Her Majesty’s Revenue and Customs. |
| “Holdings” | means Tower Bridge Funding 2021-2 Holdings Limited whose registered number is 13381541 and whose registered office is at 10th Floor, 5 Churchill Place, London E14 5HU. |
| “ICSDs” | means Euroclear and Clearstream, Luxembourg. |
| “Indexed LTV” | means with respect to any Loan on any date the ratio (expressed as a percentage) of the Current Balance of the relevant Loan divided by the indexed valuation of the relevant Property based on the ONS House Price Index, from the date of the latest recorded valuation of the Property to the relevant date on which the Indexed LTV is required to be determined (noting that indices published in connection with the ONS House Price Index are applied by the Seller on the month-end after the relevant month of publication). |
| “Initial Cash Purchase Price” | means the cash consideration payable by the Issuer on the Issue Date in respect of the Completion Mortgage Pool pursuant to the Mortgage Sale Agreement, being an amount equal to the aggregate Current Balance as at the Cut-Off Date of the Loans comprising the Completion Mortgage Pool less an amount equal to the Completion Loans Collections Amount. |
| “Initial Principal Amount” | means, in relation to each Note, the initial face principal amount of that Note upon issue of the relevant Global Note relating to that Note. |
| “Initiating Noteholder” | has the meaning given to such term in Note Condition 13(d) (<i>Noteholder Notices</i>). |
| “Insolvency Event” | in respect of the Seller, the Mortgage Administrator or an Account Bank (each, for the purposes of paragraphs (a) to (c) of this definition, a Relevant Entity) means: <ul style="list-style-type: none">(a) an order is made or an effective resolution passed for the winding up of the Relevant Entity or the appointment of an administrator over the Relevant Entity (except, in any such case, a winding-up or dissolution for the purpose of a reconstruction or amalgamation the terms of which have been previously approved by the Security Trustee or by an Extraordinary Resolution of the holders of the Most Senior Class of Notes);(b) the Relevant Entity ceases or threatens to cease to carry on its business or substantially the whole of its business (otherwise than for the purposes of such amalgamation or reconstruction as is referred to in paragraph (a) above or paragraph (c) below) or stops payment or threatens to stop payment of its debts or is deemed unable to pay its debts within the meaning of section 123(1)(a) or (e) of the Insolvency Act (as amended, modified or re-enacted) or becomes unable to pay its debts as they fall due or the value of its assets is less than the amount of its liabilities (taking into account its contingent and prospective liabilities) or otherwise becomes insolvent; or(c) proceedings are initiated against the Relevant Entity or any steps are taken in respect of a Relevant Entity under any applicable liquidation, administration, reorganisation (other than a reorganisation where the Relevant Entity is solvent), insolvency or other similar laws, save where such proceedings are being contested in good faith; or an administrative or other receiver, administrator or other similar official is appointed in relation to the whole or any substantial or material part of the undertaking or assets of the Relevant Entity; or an encumbrancer or other security holder shall take possession of the whole or any substantial part of the undertaking or assets of the |

Relevant Entity and in any of the foregoing cases it is not discharged within 30 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 or trust for the benefit of its creditors generally;

and, in respect of the Cash Administrator, “**Insolvency Event**” means:

- (a) the entry by a court having jurisdiction in the premises of (A) a decree or order for relief in respect of the Cash Administrator in an involuntary case or proceeding under any bankruptcy, insolvency, reorganisation or other similar law applicable to the Cash Administrator; or (B) a decree or order adjudging the Cash Administrator bankrupt or insolvent, or approving as properly filed a petition seeking reorganisation, arrangement, adjustment or an arrangement or compromise of or in respect of the Cash Administrator under any law applicable to the Cash Administrator, or appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator or other similar official of the Cash Administrator or of any substantial part of their respective property, or ordering the winding up or liquidation of their respective affairs, and the continuance of any such decree or order for relief or any such other decree or order unstayed and in effect for a period of 90 consecutive days; or
- (b) the commencement by the Cash Administrator of a voluntary case or proceeding under any bankruptcy, insolvency, reorganisation or other similar law applicable to the Cash Administrator or of any other case or proceeding to be adjudicated a bankrupt or insolvent, or the consent by it to the entry of a decree or order for relief in respect of the Cash Administrator in an involuntary case or proceeding under any applicable liquidation, bankruptcy, insolvency, reorganisation or other similar law applicable to the Cash Administrator or to the commencement of any bankruptcy or insolvency case or proceeding against it, or the filing by it of a petition or answer or consent seeking reorganisation or relief under any law applicable to the Cash Administrator, or the consent by it to the filing of such petition or to the appointment of or taking possession by a custodian, receiver, liquidator, assignee, trustee, sequestrator or other similar official of the Cash Administrator or of any substantial part of its property, or the making by it of an assignment for the benefit of creditors, or the admission by it in writing of its inability to pay its debts generally as they become due, or the taking of corporate action by the Cash Administrator in furtherance of any such action; or
- (c) the Cash Administrator ceases or threatens to cease to carry on all or any substantial part of its business.

“Insurance Contracts”

means the insurance contracts referred to in Schedule 6 (*Insurance Contracts*) of the Mortgage Sale Agreement, including the block contingency insurance policy (providing cover to the mortgagee for certain loss due to Borrowers failing to maintain buildings insurance and cover for certain loss while the mortgagee is in possession of a Property) and the No Search Indemnity Insurance Policy relating to the Loans, and any other additional, substitute or replacement insurance contracts or policies arranged by the Seller from time to time relating to the Loans or the Mortgage Pool.

“Interest Amount”

has the meaning given to such term in Note Condition 4(e) (*Determination of Floating Rates of Interest and Calculation of Interest Amount*).

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| “Interest Determination Date” | means the fifth London Banking Day before the Interest Payment Date for which the relevant Rate of Interest will apply. |
| “Interest Only Loan” | means a loan under the terms of which monthly instalments covering the interest due on the loan are payable by the borrower, with the principal amount not being repayable before the maturity of the loan in accordance with the relevant Loan Conditions. |
| “Interest Payment Date” | means the 20th day in February, May, August and November in each year unless such day is not a Business Day, in which case interest shall be payable on the 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, with the First Interest Payment Date falling in November 2021. |
| “Interest Period” | means the period from (and including) an Interest Payment Date to (but excluding) the next Interest Payment Date, <i>provided that</i> the first Interest Period shall be the period from (and including) the Issue Date to (but excluding) the First Interest Payment Date. |
| “Interest Rate Swap” | means an interest rate swap transaction entered into between the Issuer and the Swap Counterparty on or about the Issue Date or, as applicable, on or prior to an Interest Rate Swap Adjustment Date to hedge against the possible variance between the fixed rates of interest payable on Fixed Rate Mortgages in the Mortgage Pool and in floating rates of interest payable on the Floating Rate Notes. |
| “Interest Rate Swap Adjustment” | means an adjustment of the aggregate notional amount of hedging by entering into one or more additional Interest Rate Swap(s) in connection with the purchase by the Issuer of any Additional Loan, the retention of any Product Switch Loan or making of any Further Advance, in each case which is a Fixed Rate Mortgage, in order to satisfy (as applicable) the Additional Loans Swap Condition, the Product Switch Swap Condition or the Further Advance Swap Condition. |
| “Interest Rate Swap Adjustment Date” | means in relation to an Interest Rate Swap Adjustment, the Additional Loans Purchase Date or (with respect to a Product Switch Loan or Further Advance Loan) the Mortgage Pool Effective Date, (as applicable) upon which that Interest Rate Swap Adjustment becomes effective. |
| “Interest Shortfall” | means, on each Determination Date, the amount by which the Available Revenue Funds for the immediately following Interest Payment Date is insufficient to provide for payment of interest on the B Notes, the C Notes, the D Notes, the X Notes, the Z1 Notes or the Z2 Notes. |
| “Investor Report” | means the monthly investor report published by the Cash Administrator, on each Interest Payment Date, or in any month in which an Interest Payment Date does not occur, the last calendar day of that month, substantially in the form scheduled as Schedule 1 (<i>Form of Investor Report</i>) to the Cash Administration Agreement or from time to time agreed between the Issuer and the Cash Administrator. |
| “Issue Date” | means 9 July 2021. |
| “Issuer” | means Tower Bridge Funding 2021-2 PLC whose registered number is 13381504 and whose registered office is at 10th Floor, 5 Churchill Place, London E14 5HU. |
| “Issuer Costs and Expenses” | means the fees, costs and expenses of the Issuer arising in respect of the purchase of Loans and the issuance of the Notes and Certificates, amounting to £1,750,000. |
| “Issuer Further Advance Consideration” | means (a) in the event that the Issuer has already paid an amount equal to the Further Advance, the Current Balance of the Further Advance Loan, or |

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| | (b) in the event that the Issuer has not paid such Further Advance, the Current Balance of the Further Advance Loan minus the Further Advance. |
| “Issuer Profit Amount” | means retained profit of the Issuer in an amount of £1,500 per Determination Period for retention by the Issuer and to be recognised in the accounts of the Issuer as profit for the relevant accounting year and the payment of a distribution (if any) to Holdings. |
| “Issuer Profit Ledger” | means a ledger established in the Transaction Account used to record the retained revenue of the Issuer in accordance with the Cash Administration Agreement. |
| “Issuer Upfront Payment” | means any upfront swap payments (other than an Interest Period Issuer Amount or Swap Excluded Payable Amount) due and payable by the Issuer to a Swap Counterparty pursuant to the terms of the relevant Swap Agreement. |
| “Issuer/ICSD Agreement” | means the agreement so named dated on or before the date hereof between the Issuer and each of Euroclear and Clearstream, Luxembourg. |
| “IVA” | means an Individual Voluntary Arrangement. |
| “Joint Arrangers” | means Banco Santander, S.A. and NatWest Markets Plc. |
| “Joint Arrangers Related Person” | means the Joint Arrangers and the Joint Lead Managers and their respective related entities, associates, officers or employees. |
| “Joint Lead Managers” | means each of Barclays Bank PLC (acting through its investment bank or through its affiliates), Merrill Lynch International, NatWest Markets Plc and Banco Santander, S.A.. |
| “Land Registry” | means HM Land Registry. |
| “LBD” or “London Banking Day” | means a day (other than a Saturday or Sunday or public holiday) on which banks are open generally for business in London. |
| “Legal Title Holder” | means BGFL and/or any subsequent holder of the legal title of the Loans from time to time. |
| “Lending Criteria” | means the lending criteria applied in relation to the Loans originated by BGFL (as amended from time to time). |
| “Liability” | means any loss, damage, cost, charge, claim, demand, expense, judgment, action, proceeding or other liability whatsoever (including, without limitation, in respect of taxes, duties, levies, assessments and other charges) and including any VAT or similar tax charged or chargeable in respect thereof. |
| “LIBOR Replacement Rate” | means the rate set quarterly as the sum of the Bank of England base rate and the Spread Adjustment, with the sum floored at 0.25%, and rounded up to the nearest 5 basis points. |
| “Liquidity Reserve Fund” | means the amount reserved from time to time in the Transaction Account by depositing amounts into the Transaction Account and crediting the Liquidity Reserve Fund Ledger in accordance with the Cash Administration Agreement. |
| “Liquidity Reserve Fund Excess Amount” | means (after the application of amounts payable pursuant to item (ix) (<i>Liquidity Reserve Fund Required Amount</i>) of the Pre-Enforcement Revenue Priority of Payments on an Interest Payment Date) any amount standing to the credit of the Liquidity Reserve Fund Ledger in excess of the Liquidity Reserve Fund Required Amount on such Interest Payment Date and which will be applied as, and form part of, Available Principal Funds on that Interest Payment Date. |

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| “Liquidity Reserve Fund Ledger” | means the ledger of such name created and maintained by the Cash Administrator in the Transaction Account. |
| “Liquidity Reserve Fund Required Amount” | means: <ul style="list-style-type: none"> (a) while the A Notes or the B Notes remain outstanding, an amount equal to 1.5 per cent. of the aggregate Principal Amount Outstanding of the A Notes and the B Notes on the Determination Date immediately prior to such Interest Payment Date; and (b) on the Interest Payment Date on which the A Notes and the B Notes are to be redeemed in full, zero. |
| “Liquidity Reserve Initial Funding Date” | means the day after the Interest Payment Date on which the cumulative amount of Available Principal Funds previously transferred to the Liquidity Reserve Fund pursuant to item (ii) (<i>Fund the Liquidity Reserve Fund</i>) of the Pre-Enforcement Principal Priority of Payments on all prior Interest Payment Dates is equal to the Liquidity Reserve Fund Required Amount. |
| “Loan” | means a loan in the Mortgage Pool which is, in each case, secured by Mortgages over Properties located in England, Wales and Scotland, together with each Further Advance sold to the Issuer by the Seller after the Issue Date and any alteration to a Loan by the Seller pursuant to a Product Switch. |
| “Loan Advance Retention” | means at any date an amount or amounts to be advanced under a Loan but retained as at that date pending satisfaction of the Loan Advance Retention Conditions. |
| “Loan Advance Retention Conditions” | means, in relation to a Loan Advance Retention, the conditions for the release of such Loan Advance Retention, as described in the relevant letter of offer to the relevant Borrower. |
| “Loan Conditions” | means, in relation to each Loan, the terms and conditions on which it was made. |
| “Loan to Value Ratio” or “LTV” | means the ratio, expressed as a percentage, which the amount of a Loan (exclusive of any arrangement fee) bears to the valuation of the relevant Property at origination of the Loan or, in some cases as set out in the Lending Criteria, the lower of such valuation and the sale price of such Property. |
| “London Stock Exchange” or “Stock Exchange” | means London Stock Exchange plc. |
| “Losses” | means any losses arising in relation to a Loan in the Mortgage Pool (including any amount of principal which remains unpaid in respect of any Loan after the completion of any Enforcement Procedures relating to such Loans) or as a result of an insolvency event in relation to the Collection Account Provider which results in a shortfall in the amount of principal received on such Loan. |
| “Majority RC2 Holder ” | means: <ul style="list-style-type: none"> (a) (where the RC2 Certificates are represented by Registered Residual Certificates) the holder of greater than 50 per cent. in number of the RC2 Certificates or (where the RC2 Certificates are represented by a Global Residual Certificate) the Indirect Participant who holds the beneficial interest in more than 50 per cent. in number of the RC2 Certificates; or (b) (where the RC2 Certificates are represented by Registered Residual Certificates) where no person holds greater than 50 per cent. in number of the RC2 Certificates; or (where the RC2 Certificates are represented by a Global Residual Certificate) where no person holds |

beneficial interest in more than 50 per cent. in number of the RC2 Certificates, the person who holds the greatest aggregate number of RC2 Certificates or, as applicable, beneficial interest in the greatest aggregate number of RC2 Certificates.

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| “Master Definitions Schedule” | means the document named dated on or about the Issue Date and initialled for the purposes of identification by inter alios the Issuer and the Security Trustee. |
| “Material Adverse Effect” | means, in the context of the Loans, a material adverse effect on the interests of the Issuer or the Security Trustee in the Loans, or on the ability of the Issuer (or the Mortgage Administrator on behalf of the Issuer) to collect the amounts due on the Loan or on the ability of the Security Trustee to enforce its Security. |
| “MCD” | means the European Mortgage Credit Directive (2014/17/EU). |
| “MCOB” | means the FCA’s Mortgages and Home Finance: Conduct of Business sourcebook, as the same may be amended, revised or supplemented from time to time. |
| “Meeting” | means a meeting of Noteholders of any Class or Classes (whether originally convened or resumed following an adjournment). |
| “Member State” | means a member state of the European Union. |
| “MHA/CP Documentation” | means an affidavit, declaration, consent or renunciation granted in terms of the Matrimonial Homes (Family Protection) (Scotland) Act 1981 (as amended) or, as applicable, the Civil Partnership Act 2004 in connection with a Scottish Mortgage or the Scottish Property secured thereby. |
| “Modelling Assumptions” | means the assumptions set out in the section entitled “ <i>Weighted Average Lives of the Notes</i> ”. |
| “Money Market Funds” | means money market funds which have the characteristics of ‘short-Term Money Market Funds’ as set out in the Committee of the European Securities Regulator’s <i>Guidelines on a Common Definition of European Money Market Funds</i> (CESR/10-049), dated 19 May 2010 (as further delineated by ESMA’s Review of the CESR <i>Guidelines on a Common Definition of European Money Market Funds</i> , dated 22 August 2014, and as amended, supplemented or replaced from time to time). |
| “Monthly Report” | means the monthly report provided by the Mortgage Administrator to the Cash Administrator, substantially in the form set out in Schedule 3 (<i>Form of Monthly Report</i>) to the Mortgage Administration Agreement or from time to time agreed between the Issuer and the Mortgage Administrator. |
| “Moody’s” | means Moody’s Investors Service Limited and its successors in its credit ratings business. |
| “Mortgage” | means a first ranking legal mortgage or charge over Property located in England or Wales, or a first ranking standard security over Property located in Scotland, which is security for a Loan. |
| “Mortgage Account” | means as the context requires (a) all Loans secured on the same Charged Property and thereby forming a single mortgage account or (b) an account maintained by the Mortgage Administrator in respect of a particular Loan to record all amounts due in respect of that Loan (whether by way of principal, interest or otherwise) and all amounts received in respect thereof. |
| “Mortgage Administration Agreement” | means the agreement so named dated on or about the Issue Date between, inter alios, the Issuer and the Mortgage Administrator. |
| “Mortgage Administrator” | means (a) BGFL under the Mortgage Administration Agreement or (b) if BGFL’s appointment is terminated under the Mortgage Administration Agreement pursuant to a Mortgage Administrator Termination Event, the |

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| | successor or replacement mortgage administrator appointed in accordance with the Mortgage Administration Agreement. |
| “Mortgage Administrator Software” | means the software which is owned by and/or licensed to the Mortgage Administrator and which is used in the provision of the Services. |
| “Mortgage Administrator Termination Event” | means any of the events of default specified under Clause 22 (<i>Termination</i>) of the Mortgage Administration Agreement, including non-performance by the Mortgage Administrator of its obligations thereunder or if insolvency or similar events occur in relation to the Mortgage Administrator. See “ <i>Administration, Servicing and Cash Management of the Mortgage Pool – Mortgage Administration Agreement</i> ”. |
| “Mortgage Conditions” | means in relation to any Mortgage the conditions applicable to that Mortgage (including without limitation any set out in the relevant formal loan offer letter to Borrower). |
| “Mortgage Early Redemption Amounts” | means the compensation amounts payable by a Borrower if a Loan is redeemed (whether pre-enforcement or post-enforcement) within the Relevant Period (excluding, for the avoidance of doubt, any principal received in respect of the Loans to which the relevant Mortgages relate). |
| “Mortgage Pool” | means the Completion Mortgage Pool and any Additional Loans sold to the Issuer, any Further Advances sold to the Issuer and any Product Switch Loan retained by the Issuer (in each case together with the related Mortgage Rights), other than Loans which have been repaid or in respect of which funds representing principal outstanding have otherwise been received in full or which have been re-transferred to the Seller pursuant to the Mortgage Sale Agreement or in respect of which Enforcement Procedures have been completed (in each case together with the related Mortgage Rights). |
| “Mortgage Pool Calculation Date” | means the date that is 10 Business Days prior to the first Business Day of the next following calendar month. |
| “Mortgage Pool Effective Date” | means in relation to a Product Switch Loan or Further Advance in the Mortgage Pool the first Business Day of the calendar month following the Test Month in which the applicable Product Switch Effective Date or Further Advance Purchase Date occurred. |
| “Mortgage Pool Option” | means the option granted to the Mortgage Pool Option Holder documented in the Deed Poll. |
| “Mortgage Pool Option Holder” | means the Majority RC2 Holder, unless (i) the Majority RC2 Holder has not already exercised the Mortgage Pool Option, and has not delivered an Exercise Notice in the Exercise Period immediately prior to any Clean Up Call Date and (ii) the Seller has delivered an Exercise Notice in any such Exercise Period, in which case the Mortgage Pool Option Holder will be the Seller. For the avoidance of doubt, if both the Majority RC2 Holder and the Seller deliver an Exercise Notice during the Exercise Period, then the Mortgage Pool Option Holder will be the Majority RC2 Holder, irrespective of whose Exercise Notice is delivered first. |
| “Mortgage Pool Purchase” | means a purchase of all (but not part) of the Loans and their Mortgages and other Mortgage Rights by the Mortgage Pool Option Holder. |
| “Mortgage Pool Purchase Completion Date” | means the date on which (i) the Mortgage Pool Option Loans are to be purchased from the Issuer pursuant to the Mortgage Pool Option; and (ii) the Notes are to be redeemed in full upon the application of the Mortgage Pool Purchase Price for such purposes. |
| “Mortgage Pool Purchase Price” | means an amount which, together with any amounts standing to the credit of the Transaction Account (including the General Reserve Fund and |

Liquidity Reserve Fund) and/or any other cash held by or on behalf of the Issuer (other than any Swap Excluded Receivable Amounts or any Issuer Profit Amount), would be required to pay any amounts required under the relevant Priority of Payments to be paid in priority to or pari passu with the Notes on such Interest Payment Date, to redeem all Notes then outstanding in full together with accrued and unpaid interest on such Notes, and to pay costs associated with the redemption, as calculated as at the on the Determination Date immediately preceding the relevant Call Option Date.

“Mortgage Rights”

means the right to receive the sums relating to and the benefit of:

- (a) (subject to the subsisting rights of redemption of Borrowers) all right, title, interest and benefit of the Seller (both present and future) in and under each relevant Loan or, as applicable, Further Advance Loan, the related Mortgage in relation to such Loan, excluding any insurance premia payable by any Borrower under such Loan or, as applicable, Further Advance Loan or insurance commissions attributable to the Insurance Contracts in so far as they relate to such Loan or, as applicable, Further Advance Loan (“**Insurance Commissions**”), but including for the avoidance of doubt (without double-counting):
 - (i) all sums of principal or any other sum (other than interest) payable or paid under such Loan on or after (as applicable) the Cut-Off Date or the relevant Additional Loans Cut Off Date or (as applicable) such Further Advance Loan on or after the relevant Further Advance Purchase Date, as the case may be, and including the right to demand, sue for, recover, receive and give receipts for all principal monies payable or to become payable under such Loan or, as applicable, Further Advance Loan or the unpaid part thereof and for any other sums due under such Loan or, as applicable, Further Advance Loan other than in respect of Insurance Commissions;
 - (ii) all amounts of interest accruing in respect of the period, and payable or paid under such Loan on or after (as applicable) the Cut-Off Date or the relevant Additional Loans Cut Off Date or (as applicable) such Further Advance Loan on or after the relevant Further Advance Purchase Date, as the case may be, and including the right to demand, sue for, recover, receive and give receipts for interest due or to become due under such Loan on or after (as applicable) the Cut-Off Date or the relevant Additional Loans Cut Off Date or (as applicable) such Further Advance Loan on or after the relevant Further Advance Purchase Date, as the case may be;
- (b) the benefit of all securities for such principal monies and interest and other sums payable, the benefit of all consents to mortgages signed by occupiers of Properties and the benefit of and the right to sue on all covenants and undertakings in each such in each such Loan or, as applicable, Further Advance Loan and any guarantee in respect thereof and the right to exercise all powers in relation to each such Loan and the related Mortgage or, as applicable, Further Advance Loan;
- (c) all the estate and interest in the Properties subject to rights of redemption or cesser of the relevant Borrowers;
- (d) to the extent that they are assignable, all right, title and interest under any valuation and all causes and rights of action against any person in connection with any report, valuation, opinion, certificate, consent or other statement of fact or opinion given in connection with any

such Loan or, as applicable, Further Advance Loan or affecting the decision to make the relevant advance initially;

- (e) the arrears in respect of such Loan or, as applicable, Further Advance Loan; and
- (f) all right, title, interest and benefit in favour of the Seller (both present and future) in the Insurance Contracts with respect to such Loan or, as applicable, Further Advance Loan, including the right to receive the proceeds of any claims in so far as they relate to such Loan or, as applicable, Further Advance Loan.

“Mortgage Sale Agreement”

means the mortgage sale agreement dated on or about the Issue Date between the Issuer, the Seller and the Security Trustee.

“Most Senior Class”

means

- (a) the A Notes for so long as there are any A Notes outstanding;
- (b) thereafter the B Notes for so long as there are any B Notes outstanding;
- (c) thereafter the C Notes for so long as there are any C Notes outstanding;
- (d) thereafter the D Notes for so long as there are any D Notes outstanding;
- (e) thereafter the X Notes for so long as there are any X Notes outstanding;
- (f) thereafter the Z1 Notes for so long as there are any Z1 Notes outstanding;
- (g) thereafter the Z2 Notes for so long as there are any Z2 Notes outstanding;
- (h) thereafter the RC1 Certificates for so long as there are any RC1 Certificates outstanding prior to the Step-Up Date; and
- (i) thereafter the RC2 Certificates for so long as there are any RC2 Certificates outstanding on or after the Step-Up Date.

“MUB”

means a building that has a single freehold or heritable title, which is occupied by multiple tenants who live independently of each other.

“Note Adjustment Spread”

means the running adjustment to the spread, if any, that the Issuer (or the Mortgage Administrator on its behalf) determines is required in order to reduce or eliminate, to the extent reasonably practicable, any transfer of economic value from one party to the other as a result a Reference Rate Modification. The Note Adjustment Spread may be positive, negative or zero or determined pursuant to the relevant formula or methodology. If the Issuer (or the Mortgage Administrator on its behalf) is required to determine the Note Adjustment Spread, it shall consider any Relevant Information and if a spread or methodology for calculating a spread is formally recommended in relation to the replacement of the relevant benchmark by any Relevant Nominating Body, then the Issuer (or the Mortgage Administrator on its behalf) shall determine the Note Adjustment Spread by reference to such recommendation.

“Note Conditions”

means the terms and conditions applicable to the Notes as set out in Schedule 3 (*Terms and Conditions of the Notes*) to the Trust Deed as may from time to time be modified in accordance with the Trust Deed and, with respect to any Notes represented by a Global Note, as modified by the provisions of such Global Note and any reference to a particularly numbered Condition shall be construed accordingly.

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| “Note Principal Payment” | has the meaning given to such term in Note Condition 5(c) (<i>Note Principal Payments, Principal Amount Outstanding and Pool Factor</i>). |
| “Note Trustee” | means U.S. Bank Trustees Limited in its capacity as trustee for the Noteholders and such term shall include its successors and assignees. |
| “Noteholders” | means holders of the Notes. |
| “Notes” | means the A Notes, the B Notes, the C Notes, the D Notes, the X Notes, the Z1 Notes and the Z2 Notes. |
| “Notes Basic Terms Modification” | <p>means any modification to:</p> <ul style="list-style-type: none"> (a) the maturity of the Notes or the dates on which interest is payable in respect of the Notes; (b) the amount due in respect of or cancellation of the principal amount of, or interest on or variation of the method of calculating the rate of interest on, the Notes (other than any Reference Rate Modification made in accordance with Note Condition 11(c)(viii)); (c) the priority of payment of interest or principal on the Notes; (d) the currency of payment of the Notes; (e) the definition of Notes Basic Terms Modification; or (f) the provisions concerning the quorum required at any meeting of Noteholders or the majority required to effect a Notes Basic Terms Modification or to pass an Extraordinary Resolution. |
| “Observation Period” | has the meaning given to that term in Note Condition 4(c) (<i>Floating Rate of Interest</i>). |
| “OFT” | means the Office of Fair Trading. |
| “Ombudsman” | means the Financial Ombudsman Service. |
| “Ordinary Resolution” | <p>means:</p> <ul style="list-style-type: none"> (a) a resolution passed at a duly convened meeting of the Noteholders or the Noteholders of such Class and held in accordance with the provisions of the Trust Deed by a majority consisting of not less than 50.1 per cent. of the persons voting thereat upon a show of hands, or if a poll is demanded, by a majority consisting of not less than 50.1 per cent. of the votes cast on such poll; or (b) a resolution in writing signed by or on behalf of the holders of not less than 50.1 per cent. of the Principal Amount Outstanding of the relevant Class or Classes of 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 such holders. |
| “Original Loan to Value” or “Original LTV” | means the ratio of (a) the Principal Balance of each Loan together with the principal balance of any other indebtedness that is secured over the relevant Property, each as at the origination of the relevant Loan to (b) the lower of the purchase price or valuation of the relevant property, or in the case of right to buy properties or remortgages, the valuation of the relevant property at the time of origination. |
| “outstanding” | <p>means in relation to a Class of Notes or Certificates, all the Notes of that Class which have been issued except:</p> <ul style="list-style-type: none"> (a) those which have been redeemed in full in accordance with the Note Conditions or cancelled in respect of the Certificates; (b) those in respect of which the date for redemption in full has occurred and the full amount of redemption moneys (including all interest |

accrued on such Notes to the date for such redemption and any interest payable under the Note Conditions after such date) have been duly paid to the Note Trustee or to the Principal Paying Agent as provided in clause 2 (*Amount of the Notes and Covenant to Pay*) of the Trust Deed (and, where appropriate, notice to that effect has been given to the Noteholders in accordance with Note Condition 13 (*Notice to Noteholders*)) and remain available for payment against presentation and surrender of Notes; and

- (c) those which have become void or in respect of which claims have become prescribed,

provided that for each of the following purposes:

- (i) ascertaining the right to attend and vote at any meeting of the Noteholders;
- (ii) the determination of how many Notes or Certificates are outstanding for the purposes of:
 - (A) Note Condition 10 (*Enforcement of Security, Limited Recourse and Non-Petition*); Note Condition 11 (*Meetings of Noteholders; Modifications; Consents; Waiver*) and Schedule 5 (*Provisions for Meetings of Noteholders*) to the Trust Deed; and
 - (B) Certificate Condition 7 (*Enforcement of Security, Limited Recourse and Non-Petition*), Certificate Condition 8 (*Meetings of Certificateholders; Modifications; Consents; Waiver*) and Schedule 6 (*Provisions of Meetings of Certificateholders*) to the Trust Deed;
- (iii) the exercise of any discretion, power or authority which the Note Trustee is required, expressly or impliedly, to exercise in or by reference to the interests of the Most Senior Class; and
- (iv) the determination by the Note Trustee of whether any event or potential event is or would be materially prejudicial to the interests of the Most Senior Class,

those Notes which are beneficially held by or on behalf of BGFL or its affiliates shall (unless no longer so held) be deemed not to remain outstanding except where all of the Notes of any Classes or all of the Certificates are held by or on behalf of or for the benefit of one or more Relevant Persons, in which case such Classes of Notes (the “**Relevant Class of Notes**”) or such Certificates shall be deemed to remain outstanding or in issue (as the case may be), except that, if there is any other Class of Notes ranking *pari passu* with, or junior to, the Relevant Class of Notes and one or more Relevant Persons are not the beneficial owners of all the Notes of such Class, then the Relevant Class of Notes shall be deemed not to remain outstanding and *provided that* in relation to a matter relating to a Notes Basic Terms Modification any Notes 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 and for the purposes of this proviso, in the case of the Global Notes, the Note Trustee shall be entitled to rely on the Register in relation to any determination of the nominal amount outstanding of the Global Notes.

“Owner Occupied Loan”

means a Loan which is intended for a Borrower who wishes to use the Loan as a means to purchase or remortgage a residential property to be used as the Borrower’s own residence.

“Part and Part Loans”

means Loans under the terms of which the loan is effectively separated once and only at origination (at the option of, and at a level decided by, the Borrower) into two, principal amounts, one in respect of which the

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| | Borrower pays interest only and the other in respect of which the Borrower pays interest and principal. |
| “Participating Member State” | means a Member State of the European Communities which adopts the Euro as its lawful currency in accordance with the Treaty. |
| “Paying Agency Agreement” | means the agreement so named and dated on or about the Issue Date between, among others, the Issuer, the Note Trustee and the Agents. |
| “Paying Agents” | means the Principal Paying Agent and any additional paying agent appointed pursuant to the Paying Agency Agreement or any of them. |
| “Perfection Events” | means the occurrence of any of the following: <ul style="list-style-type: none"> (a) the service of an Enforcement Notice; (b) the Security Trustee determining that the Charged Property or any part thereof is in jeopardy; (c) certain insolvency events of the Seller; or (d) the Issuer, the Security Trustee or the Seller becoming obliged to provide notice of assignment or assignation (as applicable) of the Loan by order of court, by law or any relevant regulatory authority, as more particularly described in clause 6.1 (<i>Further Assurance</i>) of the Mortgage Sale Agreement. |
| “Pool Factor” | has the meaning given to such term in Note Condition 5(c) (<i>Note Principal Payments, Principal Amount Outstanding and Pool Factor</i>). |
| “Post-Enforcement Priority of Payments” | means the Post-Enforcement Priority of Payments set out in Note Condition 2(d) (<i>Post-Enforcement Priority of Payments</i>). |
| “Potential Event of Default” | means 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 Note Condition 9 (<i>Events of Default</i>), become an Event of Default. |
| “PPI” | means payment protection insurance. |
| “Pre-Action Protocol” | means the protocol for mortgage repossession cases in England and Wales which came into force on 19 November 2008. |
| “Pre-Enforcement Principal Priority of Payments” | means the Pre-Enforcement Principal Priority of Payments as set out in Note Condition 5(b) (<i>Mandatory Redemption of the Notes</i>). |
| “Pre-Enforcement Priority of Payments” | means the Pre-Enforcement Revenue Priority of Payments or the Pre-Enforcement Principal Priority of Payments, as the case may be. |
| “Pre-Enforcement Revenue Priority of Payments” | means the Pre-Enforcement Revenue Priority of Payments set out in Note Condition 2(c) (<i>Pre-Enforcement Revenue Priority of Payments</i>). |
| “Pre-Funding Availability Period” | means the period from the Issue Date up to (and including) the First Interest Payment Date. |
| “Pre-Funding Class X Reserve” | means the reserve comprising an amount equal to the Pre-Funding Maximum Principal Percentage multiplied by the Principal Amount Outstanding of the Class X Notes and credited by the Issuer to the Pre-Funding Class X Reserve Ledger on the Issue Date. |
| “Pre-Funding Class X Reserve Ledger” | means the ledger by that name on the Transaction Account to record the Pre-Funding Class X Reserve. |
| “Pre-Funding Criteria” | has the meaning indicated in “ <i>Sale of the Mortgage Pool – Acquisition of Additional Loans following the Issue Date</i> ” above. |

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| “Pre-Funding Eligible Loan” | means Loans which complete prior to the end of the Pre-Funding Availability Period and fulfil the Pre-Funding Criteria and would not cause a breach of the Pre-Funding Portfolio Tests. |
| “Pre-Funding Excess Class X Amount” | means an amount equal to 3 per cent. of the Current Balance of the relevant Additional Loans as at the relevant Additional Loans Cut-Off Date. |
| “Pre-Funding Excess Principal Amount” | means an amount equal to the Current Balance of the relevant Additional Loans as at the relevant Additional Loans Cut-Off Date. |
| “Pre-Funding Maximum Principal Percentage” | means a percentage representing the ratio between (a) the Principal Amount Outstanding of the Principal Backed Notes as at the Issue Date minus the aggregate Current Balance of the Loans comprising the Completion Mortgage Pool on the Cut-Off Date and (b) the Principal Amount Outstanding of the Principal Backed Notes as at the Issue Date). |
| “Pre-Funding Portfolio Tests” | has the meaning indicated in “ <i>Sale of the Mortgage Pool – Acquisition of Additional Loans following the Issue Date</i> ” above. |
| “Pre-Funding Principal Reserve” | means the reserve comprising an amount equal to the Pre-Funding Maximum Principal Percentage multiplied by the Principal Amount Outstanding of the Principal Backed Notes and credited by the Issuer to the Pre-Funding Principal Reserve Ledger on the Issue Date. |
| “Pre-Funding Principal Reserve Ledger” | means the ledger by that name on the Transaction Account to record the Pre-Funding Principal Reserve. |
| “Pre-Funding Unused Amount” | means, in respect of the First Interest Payment Date only, an amount equal to aggregate of the outstanding balance (if any) of: <ul style="list-style-type: none"> (a) the Pre-Funding Principal Reserve; and (b) the Pre-Funding Class X Reserve. |
| “Principal Addition Amounts” | means the amount of Available Principal Funds applied as item (iii) of the Pre-Enforcement Principal Priority of Payments to make up any Further Revenue Shortfall. |
| “Principal Amount Outstanding” | means the principal amount outstanding of each note as determined in accordance with Note Condition 5(c) (<i>Note Principal Payments, Principal Amount Outstanding and Pool Factor</i>). |
| “Principal Backed Notes” | means together, the A Notes, the B Notes, the C Notes, the D Notes and the Z1 Notes. |
| “Principal Balance” | means in relation to any Loan and on any day, the aggregate of: <ul style="list-style-type: none"> (a) the original principal amount advanced to any relevant Borrower pursuant to the related Mortgage Conditions, together with any further advance of principal, in each case inclusive of fees charged that are added to that Loan in connection with the origination of such Loan, made to such Borrower pursuant to the related Conditions; plus (b) any amounts which are overdue in respect of that Loan and which as at that date have been added to the principal amounts due under such Loan in accordance with the Mortgage Conditions or with the Borrower’s consent or in accordance with the Seller’s normal charging practices and any applicable regulatory obligations; minus (c) any repayments or reduction of the amounts specified in (a) and (b) above, but after completion of any Enforcement Procedures by the Mortgage Administrator in relation to a Loan, zero. |

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| “Principal Collections” | <p>means, as at any Determination Date, an amount determined by the Mortgage Administrator on such Determination Date in accordance with the Mortgage Administration Agreement or the aggregate of:</p> <ul style="list-style-type: none"> (a) all repayments or prepayments of principal received by the Issuer in relation to the Loans in respect of the Determination Period ending on or immediately prior to such Determination Date; and (b) recoveries received by the Issuer and allocable to principal upon an enforcement of the Mortgage Rights, and recoveries received by the Issuer and allocable to principal upon a purchase or a repurchase of the Loans by the Seller (or an affiliate thereof), in accordance with the terms of the Mortgage Sale Agreement in each case received by the Issuer in the Determination Period preceding such Determination Date, <p>(less such amount, if any, as is applied by or on behalf of the Issuer during that Determination Period to pay the Issuer Further Advance Consideration in respect of Further Advances purchased by the Issuer during that Determination Period).</p> |
| “Principal Deficiency” | means the amount debited from time to time to the Principal Deficiency Ledger for the purposes of recording Losses and/or the application of Principal Addition Amounts to provide for a Further Revenue Shortfall. |
| “Principal Deficiency Ledger” | means the A Principal Deficiency Sub-Ledger, the B Principal Deficiency Sub-Ledger, the C Principal Deficiency Sub-Ledger, the D Principal Deficiency Sub-Ledger and the Z1 Principal Deficiency Sub-Ledger. |
| “Principal Ledger” | means the ledger of such name created for the purpose of recording Principal Collections and maintained by the Cash Administrator in the Transaction Account. |
| “Principal Paying Agent” | means Elavon Financial Services DAC or any successor thereto. |
| “Principal Receipts” | has the meaning given to such term in Note Condition 4(j) (<i>Determinations and Reconciliation</i>). |
| “Priority of Payments” | means the Pre-Enforcement Priority of Payments or the Post-Enforcement Priority of Payments, as applicable. |
| “Product Switch” | <p>means any variation in the financial terms and conditions applicable to a Loan, excluding:</p> <ul style="list-style-type: none"> (a) any variation agreed with a Borrower to control or manage arrears on that Loan in line with the Arrears Policy; (b) any variation in the maturity date of that Loan unless the maturity date would be extended to a date no later than two years before the Final Maturity Date of the Notes; (c) any variation imposed by statute or a regulatory body; (d) any variation which changes that Loan from an Interest Only Loan to a Repayment Loan; (e) any variation in the rate of interest payable in respect of that Loan as a result of the operation and effect of and/or as contemplated by the existing terms of that Loan (including, without limitation, periodic resetting of a variable rate, whether or not by reference to a specific reference rate, or change to another rate of interest (including to a reversionary rate of the Seller)); (f) any variation which increases the frequency with which the interest payable in respect of that Loan is charged; |

- (g) any variation which results in a transfer of equity including:
 - (i) a Loan originally advanced to joint Borrowers being transferred solely into the name of one of the original Borrowers; or
 - (ii) a Loan originally advanced to a single Borrower being varied so as to be jointly in the name of the original Borrower and one or more additional Borrowers,

provided that there is no impact on the outcome of the affordability assessment; or
- (h) any variation which results in a Loan becoming a Further Advance Loan, subject to the Further Advance Criteria.

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| “Product Switch Criteria” | has the meaning indicated in <i>“Sale of the Mortgage Pool – Product Switch Loans and Further Advances”</i> above. |
| “Product Switch Effective Date” | means in relation to a Loan the date upon which that Loan becomes a Product Switch Loan. |
| “Product Switch Loan” | means a Loan where the Borrower has accepted a Product Switch which has become effective in relation to that Loan. |
| “Product Switch Swap Condition” | has the meaning indicated in <i>“Sale of the Mortgage Pool – Product Switch Loans and Further Advances”</i> above. |
| “Projected Fixed Rate Mortgage Principal Amount” | means: <ul style="list-style-type: none"> (a) on any Additional Loan Purchase Date, the aggregate Current Balance outstanding of the Fixed Rate Mortgages within the Mortgage Pool (including any Additional Loans which are Fixed Rate Mortgages sold to the Issuer on such Additional Loan Purchase Date) on each subsequent Interest Payment Date as projected by the Mortgage Administrator assuming a constant prepayment rate of zero; (b) on any Product Switch Effective Date, the aggregate Current Balance outstanding of the Fixed Rate Mortgages within the Mortgage Pool (including any Product Switch Loan which is intended to remain in the Mortgage Pool) on each subsequent Interest Payment Date as projected by the Mortgage Administrator assuming a constant prepayment rate of zero; and (c) on any Further Advance Purchase Date, the aggregate Current Balance outstanding of the Fixed Rate Mortgages within the Mortgage Pool (including any Further Advance Loans which are intended to remain in the Mortgage Pool) on each subsequent Interest Payment Date as projected by the Mortgage Administrator assuming a constant prepayment rate of zero. |
| “Property” | means, in relation to a Loan, the freehold or long leasehold residential property situated in England or Wales, or the heritable or long leasehold property located in Scotland, upon which the obligations of the Borrower are secured. |
| “Prospectus” | means this prospectus of the Issuer for the purposes of the Prospectus Regulation. |
| “Provisional Completion Mortgage Pool” | means the Loans proposed to be included in the Mortgage Pool as at the Cut-Off Date with the characteristics set out in the section entitled <i>“Constitution of the Mortgage Pool”</i> . |
| “Provisional Pool Reference Date” | 31 May 2021. |

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| “Provisions for Meetings of Noteholders” | means the provisions contained in Schedule 7 of the Trust Deed. |
| “Prudent Mortgage Lender” | means a reasonably prudent FCA-authorized lender managing loans of the type of the Loans made on terms which do not differ materially from the Loan Conditions to borrowers with similar credit histories to the Borrowers. |
| “Prudential Regulation Authority” or “PRA” | means the Prudential Regulation Authority which replaced the FSA on 1 April 2013. |
| “Public Long Term Rating” | means in relation to an entity at any time, a public rating in respect of the senior unsecured debt of that entity at that time. |
| “Rate of Interest” | means the relevant rate of interest for each Class of Note determined in accordance with Note Condition 4 (<i>Interest</i>). |
| “Rated Notes” | means the A Notes, the B Notes, the C Notes, the D Notes and the X Notes. |
| “Rated Principal Backed Notes” | means the A Notes, the B Notes, the C Notes and the D Notes. |
| “Rating Agencies” | means DBRS and S&P and “Rating Agency” means either of them. |
| “Rating Agency Confirmation” | means written confirmation from each Rating Agency (or certification from the Issuer to the Note Trustee and the Security Trustee that the Issuer has been unable to obtain written confirmation, but has received oral confirmation from an appropriately authorised person at each of the Rating Agencies) that such modification would not result in the then current ratings of each Class of Notes rated thereby being qualified, downgraded, suspended or withdrawn, or such Rating Agency placing any Notes on rating watch negative (or equivalent) and, if relevant, the Issuer delivers a copy of each such confirmation to the Note Trustee and the Security Trustee. |
| “RC1 Certificateholders” | means the persons who for the time being are the holders of the RC1 Certificates. |
| “RC1 Certificates” | means the 500 residual certificates issued by, or due to be issued by, the Issuer on the Issue Date, or as the case may be, a specific number thereof, the holding of which grants the right to the holder to receive any Residual Payments in the Pre-Enforcement Revenue Priority of Payments and in the Post-Enforcement Priority of Payments prior to the Step-Up Date. |
| “RC2 Certificateholders” | means the persons who for the time being are the holders of the RC2 Certificates. |
| “RC2 Certificates” | means the 500 residual certificates issued by, or due to be issued by, the Issuer on the Issue Date, or as the case may be, a specific number thereof, the holding of which grants to the holder the right to receive any Residual Payments in the Pre-Enforcement Revenue Priority of Payments and in the Post-Enforcement Priority of Payments on or after the Step-Up Date. |
| “Receiver” | means any receiver, manager or administrative receiver appointed in respect of the Issuer by the Security Trustee in accordance with clause 10 (<i>Receiver</i>) of the Deed of Charge. |
| “Reconciliation Amount” | has the meaning given to such term in Note Condition 4(c) (<i>Floating Rate of Interest</i>) or Note Condition 4(j) (<i>Determinations and Reconciliation</i>) as the context determines. |
| “Redemption Event” | means the earlier to occur of (i) the Final Maturity Date, (ii) the Interest Payment Date on which the relevant Notes are redeemed in accordance with Note Condition 5(d)(ii) (<i>Mandatory Redemption in Full - 10% clean up call</i>) or Note Condition 5(e) (<i>Optional Redemption for Taxation or Other Reasons</i>) and (iii) the date on which the D Notes have been redeemed in full. |

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| “Registers of Scotland” | means the Land Register of Scotland and/or (as the context requires) the General Register of Sasines. |
| “Registrar” | means Elavon Financial Services DAC or any successor thereto. |
| “Regulated Amendment” | means any amendment in relation to a Loan and its related Mortgage Rights which would constitute a regulated activity by the Issuer in respect of which the Issuer does not have the required regulatory authorisations to carry out that regulated activity. |
| “Regulated Mortgage Contract” | has the meaning given to such term in the section entitled “ <i>Further Information Relating to Regulation of Mortgages in the UK – Mortgages regulated under FSMA</i> ”. |
| “Regulation S” | means Regulation S of the Securities Act. |
| “Relevant Information” | has the meaning given to such term in the Risk Factor entitled “ <i>4.5 Certain material interests</i> ”. |
| “Relevant Margin” | has the meaning given to such term in Note Condition 4(c) (<i>Floating Rate of Interest</i>). |
| “Relevant Nominating Body” | means, in respect of a relevant benchmark: <ul style="list-style-type: none"> (a) the central bank for the currency in which the relevant benchmark is denominated or any central bank or other supervisory authority which is responsible for supervising the administrator of the relevant benchmark or the relevant benchmark; or (b) any working group or committee sponsored by, chaired or co-chaired by, or constituted at the request of (1) the central bank for the currency in which the relevant benchmark is denominated, (2) any central bank or other supervisory authority which is responsible for supervising the administrator of the relevant benchmark or relevant benchmark, (3) a group of those central banks or other supervisory authorities or (4) the Financial Stability Board or part thereof. |
| “Relevant Period” | means three years from the date of advance of the relevant Loan to the Borrower. |
| “Repayment Loan” | means a Loan under the terms of which monthly instalments covering both interest and principal are payable by the Borrower until the Loan is fully repaid by its maturity in accordance with the relevant Loan Conditions. |
| “Repurchase Date” | means the date on which a Loan is repurchased by the Seller (or an affiliate thereof). |
| “Repurchase Price” | means an amount equal to the aggregate of: <ul style="list-style-type: none"> (a) the Current Balance of the relevant Loan as at the Determination Period End Date immediately preceding the relevant Repurchase Date; and (b) the reasonable legal costs of the Issuer incurred in relation to the sale, re-transfer or re-assignment. |
| “Residual Payment” | means: <ul style="list-style-type: none"> (a) prior to the delivery of an Enforcement Notice, for an Interest Payment Date, the amount by which Available Revenue Funds exceeds the amounts required to satisfy items (i) (<i>Note Trustee and Security Trustee</i>) to (xxi) (<i>Application as Available Revenue Funds following Estimation Period</i>) of the Pre-Enforcement Revenue Priority of Payments on that Interest Payment Date; and (b) following the delivery of an Enforcement Notice, for any date on which amounts are to be applied in accordance with the Post- |

Enforcement Priority of Payments, the amount by which amounts available for payment in accordance with the Post-Enforcement Priority of Payments exceeds the amounts required to satisfy items (i) (*Note Trustee and Security Trustee*) to (xiv) (*Swap Subordinated Amounts*) of the Post-Enforcement Priority of Payments on that date.

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| “Return Amounts” | means Return Amounts as defined in a Credit Support Annex. |
| “Revenue Collections” | means the aggregate of: <ul style="list-style-type: none">(a) all payments of interest, fees, breakage costs and other sums not comprising Principal Collections, if any, received by the Issuer in relation to the Loans in the Mortgage Pool;(b) recoveries received by the Issuer and allocable to interest upon an enforcement of the Mortgage Rights upon a purchase or a repurchase of any Loans in the Mortgage Pool by the Seller, or any affiliate thereof in accordance with the terms of the Mortgage Sale Agreement; and(c) all Mortgage Early Redemption Amounts. |
| “Revenue Ledger” | means the ledger of such name created and maintained by the Cash Administrator in the Transaction Account. |
| “Revenue Receipts” | has the meaning given to such term in Note Condition 4(j) (<i>Determinations and Reconciliation</i>). |
| “Revenue Shortfall” | means an amount, if greater than zero, by which the required payment pursuant to items (i) (<i>Note Trustee and Security Trustee</i>) to (vi) (<i>A Notes interest</i>) (inclusive) and (viii) (<i>B Notes interest</i>) of the Pre-Enforcement Revenue Priority of Payments exceeds all Available Revenue Funds (excluding items (f) (<i>Liquidity Reserve Fund Ledger</i>) and (g) (<i>Principal Addition Amounts</i>) of the definition thereof). |
| “Risk Retention Holder” | has the meaning given to it in the section entitled “ <i>Certain Regulatory Requirements – UK and EU risk retention requirements</i> ” above. |
| “S&P” | means S&P Global Ratings UK Limited and its successors in its credit ratings business. |
| “Scottish Declaration of Trust” | means each Scots law declaration of trust granted by the Seller in favour of the Issuer in relation to the Scottish Loans and their related Scottish Mortgages and Mortgage Rights. |
| “Scottish Loans” | means the Loans in the Mortgage Pool which are, in each case, secured by a Scottish Mortgage, and each a “ Scottish Loan ”. |
| “Scottish Mortgage” | means a Mortgage over a Scottish Property which is security for a Scottish Loan. |
| “Scottish Property” | means a Property situated in Scotland and “ Scottish Properties ” shall be construed accordingly. |
| “Scottish Sub-Security” | means any standard security executed pursuant to the Deed of Charge. |
| “Scottish Supplemental Charge” | means each assignation in security granted by the Issuer in favour of the Security Trustee in respect of the Issuer’s beneficial interest in a Scottish Trust entered into pursuant to the Deed of Charge. |
| “Scottish Transfer” | means an SLR Transfer. |
| “Scottish Trust” | means the trust declared pursuant to a Scottish Declaration of Trust. |
| “Secured Creditors” | means each of the following: <ul style="list-style-type: none">(a) the Noteholders; |

- (b) the Note Trustee;
- (c) the Security Trustee;
- (d) any Receiver or Appointee (in its capacity as a creditor secured by the Deed of Charge);
- (e) the Agents;
- (f) the Cash Administrator;
- (g) the Mortgage Administrator;
- (h) the Back-up Mortgage Administrator Facilitator;
- (i) the Swap Counterparty;
- (j) the Account Bank;
- (k) the Swap Collateral Account Bank;
- (l) the Collection Account Provider;
- (m) the Corporate Services Provider;
- (n) the Seller;
- (o) the Certificateholders; and
- (p) any party who accedes to the Deed of Charge and any other person who is expressed in any deed supplemental to the Deed of Charge to be a Secured Creditor.

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| “Securities Act” | means the United States Securities Act of 1933, as amended. |
| “Security” | means the security created in favour of the Security Trustee by, and contained in or granted pursuant to the Deed of Charge (including each Scottish Supplemental Charge and, as applicable, each Scottish Sub-Security). |
| “Security Trustee” | means U.S. Bank Trustees Limited in its capacity as trustee for the Secured Creditors appointed in respect of the Security created pursuant to the Deed of Charge and any supplemental Deed of Charge and such term shall include its successors and assignees. |
| “Seller” | means BGFL as Seller of the Loans under the Mortgage Sale Agreement. |
| “Services” | means the services to be provided by the Mortgage Administrator or the Cash Administrator (as the case may be) to the Issuer pursuant to (respectively) the Mortgage Administration Agreement and the Cash Administration Agreement. |
| “Share Trustee” | means CSC Corporate Services (UK) Limited, a company incorporated in England and Wales with registered number 10831084 and having its registered office at 10th Floor, 5 Churchill Place, London E14 5HU, United Kingdom. |
| “Shortfall” | means an amount, if greater than zero, by which the required payment pursuant to items (i) to (xiv) of the Pre-Enforcement Revenue Priority of Payments exceeds all Available Revenue Funds (excluding items (e) (<i>General Reserve Fund Ledger for Shortfall</i>), (f) (<i>Liquidity Reserve Fund Ledger</i>) and (g) (<i>Principal Addition Amounts</i>) of the definition thereof). |
| “SLR Transfer” | means, in relation to Properties situated in Scotland title to which is registered or is in the course of being registered in the Land Register of Scotland, each assignment of their related Scottish Mortgages made by the Seller to the Issuer pursuant to the Mortgage Sale Agreement. |

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| “Spread Adjustment” | means the spread over the Bank of England base rate applied to Borrowers with Loans whose reference rate was transitioned from a LIBOR based rate. |
| “SPV Company” | means a special purpose company formed solely to hold and manage Buy-to-Let properties on behalf of its shareholders and directors. |
| “SRR” | means the special resolution regime. |
| “Standard Documentation” | means the documents used by the relevant lender in connection with its activities as residential mortgage lender in relation to the origination of the relevant Loans in substantially the forms identified in Appendix B (<i>Standard Documents</i>) to the Mortgage Sale Agreement and such other documents as may from time to time be substituted or added thereto. |
| “Start-Up Costs Ledger” | means the separate ledger within the Transaction Account into which the Issuer will pay an amount in respect of Issuer Costs and Expenses on the Issue Date from part of the proceeds of the issuance of the Notes. |
| “Step-Up Date” | means the Interest Payment Date falling in August 2025. |
| “Subscribed Notes” | means the £258,000,000 A Notes due on the Interest Payment Date falling in November 2063, the £13,200,000 B Notes due on the Interest Payment Date falling in November 2063, the £12,000,000 C Notes due on the Interest Payment Date falling in November 2063, the £9,300,000 D Notes due on the Interest Payment Date falling in November 2063 and the £9,000,000 X Notes due on the Interest Payment Date falling in November 2063. |
| “Subscription Agreement” | means the subscription agreement dated on or around 6 July 2021 between the Issuer and the Joint Lead Managers (amongst others). |
| “Sunset Date” | has the meaning given to it in the section entitled “ <i>U.S. Risk Retention</i> ” above. |
| “Swap Agreement” | means the 1992 ISDA Master Agreement (Multicurrency – Cross Border) dated on or about the Issue Date (together with the schedule, the confirmation relating to each Interest Rate Swap, the Credit Support Annex and any amendment agreements thereto) between the Issuer and the Swap Counterparty, or any replacement agreement between the Issuer and any replacement swap counterparty. |
| “Swap Collateral” | means any collateral which may be provided by the Swap Counterparty in accordance with the terms of the Swap Agreement. |
| “Swap Collateral Account” | means the account in the name of the Issuer at the Swap Collateral Account Bank or such other replacement account as may be established from time to time in accordance with the Transaction Documents. |
| “Swap Collateral Account Bank” | means Citibank, N.A., London Branch in its capacity as interest rate swap collateral account bank. |
| “Swap Counterparty” | means Banco Santander, S.A. in its capacity as interest rate swap counterparty pursuant to the Swap Agreement and any permitted successor thereto in such capacity. |
| “Swap Counterparty Required Rating Downgrade” | means the failure of the Swap Counterparty to maintain the applicable Swap Counterparty Required Rating, in accordance with the provisions of the Swap Agreement. |
| “Swap Counterparty Required Rating” | means, with respect to the Swap Counterparty or a replacement or guarantor in respect thereof, the minimum relevant rating(s) required by each Rating Agency as more particularly described in the “ <i>Triggers tables – Rating Triggers Table</i> ”. |

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| “Swap Excluded Payable Amounts” | means any amounts payable by the Issuer to the Swap Counterparty (i) that represent Return Amounts, Interest Amounts or Distributions due under a Credit Support Annex (for the purposes of this definition “ Interest Amounts ” and “ Distributions ” have the meaning given to them in the Swap Agreement); (ii) that are termination payments to the extent such payment can and has been satisfied from premiums received from a replacement Swap Counterparty. |
| “Swap Excluded Receivable Amounts” | means (i) any amount of interest actually determined in respect of the principal amount of the portion of the Credit Support Balance (as defined in the Swap Agreement) comprised of cash (net of any deduction or withholding for or on account of any tax), (ii) all principal, interest and other payments and distributions of cash or other property received (net of any deduction or withholding for or on account of any tax) by the Issuer from time to time with respect to the portion of the Credit Support Balance comprised of securities, (iii) any other amounts received by the Issuer pursuant to a Credit Support Annex, (iv) any early termination payment received by the Issuer from the Swap Counterparty until a new fixed/floating swap has been entered into and/or (v) any premiums received by the Issuer from a replacement Swap Counterparty to the extent required to pay termination payments to the existing Swap Counterparty. |
| “Swap Fixed Rate” | means: <ul style="list-style-type: none"> (a) in respect of the first Interest Rate Swap entered into on the Issue Date, a fixed rate of 0.997%; and (b) in respect of each additional Interest Rate Swap the applicable market fixed rate at time of entering into such additional Interest Rate Swap. |
| “Swap Notional Amount Schedule” | means a notional amount schedule calculated in accordance with the terms of the Swap Agreement. |
| “Swap Subordinated Amounts” | means any termination payment due to the Swap Counterparty which arises due to either (i) an Event of Default (as defined in the Swap Agreement) where the Swap Counterparty is the Defaulting Party (as defined in the Swap Agreement) or (ii) an Additional Termination Event which occurs as a result of a Swap Counterparty Required Rating Downgrade. |
| “Tax Regulations” | means the Taxation of Securitisation Companies Regulations 2006 (as amended) made under section 84 of the Finance Act 2005, now section 624 of the Corporate Tax Act 2010. |
| “Test Month” | means in relation to a Product Switch Loan or Further Advance the period from and including each Mortgage Pool Calculation Date to but excluding the next following Mortgage Pool Calculation Date. |
| “Test Period” | means in relation to a Test Month, the first Business Day following that Test Month to and including the date that is 5 calendar days prior to the Mortgage Pool Effective Date. |
| “Transaction” | means the transaction contemplated in this Prospectus and the Transaction Documents involving, among other things, the issue of the Notes and the Certificates. |
| “Transaction Account” | means the account in the name of the Issuer at the Account Bank used as the Issuer’s transaction account or such other replacement account as may be established from time to time in accordance with the Transaction Documents. |
| “Transaction Documents” | means the Master Definitions Schedule, the Bank Agreement, the Cash Administration Agreement, the Collection Account Agreement, the Collection Account Declaration of Trust, the Swap Agreement, the Corporate Services Agreement, the Deed Poll, the Deed of Charge, the Mortgage Administration Agreement, the Mortgage Sale Agreement, the |

Paying Agency Agreement, the Trust Deed, each Scottish Declaration of Trust, each Scottish Supplemental Charge, any Scottish Transfer, any Scottish Sub-Security, the Issuer/ICSD Agreement and any other document agreed between the Issuer, the Note Trustee and the Security Trustee to be a Transaction Document.

“Transaction Parties”

means each of the following:

- (a) the Note Trustee;
- (b) the Security Trustee;
- (c) the Agents;
- (d) the Cash Administrator;
- (e) the Mortgage Administrator;
- (f) the Back-up Mortgage Administrator Facilitator;
- (g) the Swap Counterparty;
- (h) the Account Bank;
- (i) the Collection Account Provider;
- (j) the Corporate Services Provider;
- (k) the Seller; and
- (l) the Swap Collateral Account Bank.

“Treaty”

means the Treaty on the functioning of the European Union (as amended).

“Trust Deed”

means the trust deed to be entered into between the Issuer, the Note Trustee and the Security Trustee on or about the Issue Date.

“Trust Documents”

means the Trust Deed and the Deed of Charge and (unless the context requires otherwise) includes any deed or other document executed in accordance with the provisions of the Trust Deed or (as applicable) the Deed of Charge and expressed to be supplemental to the Trust Deed or the Deed of Charge (as applicable).

“UCTA”

means the Unfair Contracts Terms Act 1977.

“UK Article 7 Technical Standards”

mean the EU Article 7 Technical Standards as they form part of domestic law in the United Kingdom by virtue of the EUWA and any applicable laws, regulations, rules, guidance or other implementing measures of the FCA, PRA or other relevant UK regulator (or their successor).

“UK CRA Regulation”

means the EU CRA Regulation as it forms part of domestic law in the United Kingdom by virtue of the EUWA.

“UK EMIR”

has the meaning given to it in the “*Risk Factors*” section entitled “7.19 UK European Market Infrastructure Regulation and EU European Market Infrastructure Regulation”.

“UK MiFIR”

means Regulation (EU) No 600/2014 as it forms part of domestic law in the United Kingdom by virtue of the EUWA.

“UK PRIIPs Regulation”

means the EU PRIIP Regulation as it forms part of domestic law in the United Kingdom by virtue of the EUWA.

“UK Prospectus Regulation”

means the EU Prospectus Regulation as it forms part of domestic law in the United Kingdom by virtue of the EUWA.

“UK Reports Repository”

means at any time each website, which conforms to the requirements set out in Article 7(2) of the UK Securitisation Regulation and has at that time been most recently notified by the Mortgage Administrator to the Issuer, the Cash Administrator, the Note Trustee, each Rating Agency, the

Noteholders and the Certificateholders as being used by the Issuer at that time for making available for inspection online and/or publishing certain information relating to the Issuer and the Transaction for the purposes of the UK Securitisation Regulation. As at the date of this Prospectus, the sole UK Reports Repository is the website of EuroABS Limited (via its website at www.euroabs.com).

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| “UK Retained Interest” | has the meaning given to it in the section entitled “ <i>Certain Regulatory Requirements – UK and EU risk retention requirements – Compliance with UK Retention Requirement</i> ” above. |
| “UK Retention Requirement” | has the meaning given to it in the section entitled “ <i>Certain Regulatory Requirements – UK and EU risk retention requirements</i> ” above. |
| “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. |
| “UK SR Inside Information and Significant Event Report” | Means an inside information or significant event information report as required by and in accordance with Articles 7(1)(f) and/or 7(1)(g) (as applicable) of the UK Securitisation Regulation. |
| “UK SR Investor Report” | means an investor report as required by and in accordance with Article 7(1)(e) of the UK Securitisation Regulation. |
| “Unfair Commercial Practices Directive” | means the directive on unfair business-to-consumer commercial practices adopted by the European Parliament and the Council on 11 May 2005. |
| “U.S. Retained Interest” | has the meaning given to it in the section entitled “ <i>U.S. Risk Retention</i> ” above. |
| “U.S. Retention Holder” | has the meaning given to it in the section entitled “ <i>U.S. Risk Retention</i> ” above. |
| “U.S. Retention Rules” | means the credit risk retention regulations implemented by the United States Securities Exchange Commission pursuant to Section 15G of the U.S. Securities Exchange Act of 1934, as amended. |
| “US\$” or “USD” | means the lawful currency for the time being of the United States of America. |
| “UTCCR” | means the Unfair Terms in Consumer Contracts Regulations 1999 as amended and (in so far as applicable) the Unfair Terms in Consumer Contracts Regulations 1994. |
| “Variable Rate Mortgage” | means any Bank Base Rate Mortgage and any Discretionary Rate Mortgage. |
| “VAT” | shall be construed as a reference to: <ul style="list-style-type: none">(a) within the European Union, such value added tax as may be imposed in compliance with (but subject to derogations from) the Council Directive of 28 November 2006 on the common system of value added tax (EC Directive 2006/112);(b) in relation to the United Kingdom, value added tax imposed by the Value Added Tax Act 1994 (the “VATA 1994”) and legislation and regulations supplemental thereto; and(c) in other countries outside the European Union, any similar Tax levied by reference to added value or sales. |

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| “Verified Noteholder” | means a Noteholder which has satisfied the Note Trustee or any other relevant Transaction Party that it is a Noteholder in accordance with Note Condition 11(h) (<i>Evidence of Notes</i>). |
| “VVR Mortgages” | means a mortgage where interest payable in respect of the mortgage is set by reference to a variable rate as set by the Mortgage Administrator. |
| “Warranties” | means, in relation to the Loans, the representations, warranties and undertakings referred to in Schedule 1 (<i>Warranties and Representations</i>) of the Mortgage Sale Agreement. |
| “Weighted Average Original LTV” | means, in respect of the Loans in the Mortgage Pool, the weighted average of the original loan balance divided by the property valuation against which the Loan was underwritten. |
| “Written Ordinary Resolution” | means a resolution in writing by holders of not less than 50.1 per cent. of the Principal Amount Outstanding of the Class of Notes then outstanding. A Written Ordinary Resolution has the same effect as an Ordinary Resolution. |
| “X Global Note” | means the Global Note representing the X Notes, which will be substantially in the form set out in Schedule 1 (<i>Form of Global Note</i>) to the Trust Deed and which is intended to be held in a manner which would allow Eurosystem eligibility. |
| “X Noteholder” | means the persons who are for the time being holders of the X Notes. |
| “X Notes” | means the £9,000,000 Class X floating rate notes due on the Interest Payment Date falling in November 2063 and, unless stated to the contrary, all references to “X Note” shall be construed as a reference to such Note whether in global or definitive form. |
| “X Residual Amount” | has the meaning given to such term in Note Condition 4(i) (<i>Deferral of Interest</i>). |
| “Z1 Global Note” | means the Global Note representing the Z1 Notes, which will be substantially in the form set out in Schedule 1 (<i>Form of Global Note</i>) to the Trust Deed and which is intended to be held in a manner which would allow Eurosystem eligibility. |
| “Z1 Noteholder” | means the persons who are for the time being holders of the Z1 Notes. |
| “Z1 Notes” | means the £7,500,000 Class Z1 Notes due on the Interest Payment Date falling in November 2063 and, unless stated to the contrary, all references to “Z1 Note” shall be construed as a reference to such Note whether in global or definitive form. |
| “Z1 Principal Deficiency” | means a deficiency of principal amounts to make payment on the Z1 Notes. |
| “Z1 Principal Deficiency Sub-Ledger” | means the sub-ledger of such name created for the purpose of recording the Principal Deficiency on the Z1 Notes and maintained by the Cash Administrator as a sub-ledger of the Principal Deficiency Ledger. |
| “Z2 Global Note” | means the Global Note representing the Z2 Notes, which will be substantially in the form set out in Schedule 1 (<i>Form of Global Note</i>) to the Trust Deed and which is intended to be held in a manner which would allow Eurosystem eligibility. |
| “Z2 Noteholder” | means the persons who are for the time being holders of the Z2 Notes. |
| “Z2 Notes” | means the £7,500,000 Class Z2 Notes due on the Interest Payment Date falling in November 2063 and, unless stated to the contrary, all references to “Z2 Note” shall be construed as a reference to such Note whether in global or definitive form. |

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The Issuer

Tower Bridge Funding 2021-2 PLC

10th Floor, 5 Churchill Place
London E14 5HU
United Kingdom

Note Trustee and Security Trustee

U.S. Bank Trustees Limited

125 Old Broad Street, Fifth Floor
London EC2N 1AR
United Kingdom

Joint Arrangers

Banco Santander, S.A.

2 Triton Square
Regent's Place
London NW1 3AN

NatWest Markets Plc

250 Bishopsgate
London EC2M 4AA
United Kingdom

Joint Lead Managers

Barclays Bank PLC

5 The North Colonnade
London E14 4BB
United Kingdom

Merrill Lynch International

2 King Edward Street
London EC1A 1HQ
United Kingdom

NatWest Markets Plc

250 Bishopsgate
London EC2M 4AA
United Kingdom

Banco Santander, S.A.

2 Triton Square
Regent's Place
London NW1 3AN

Cash Administrator

U.S. Bank Global Corporate Trust Limited

125 Old Broad Street, Fifth Floor
London EC2N 1AR
United Kingdom

Account Bank and Swap Collateral Account Bank

Citibank, N.A., London Branch

Citigroup Centre
Canada Square
London E14 5LB
United Kingdom

Principal Paying Agent and Agent Bank

Elavon Financial Services DAC

125 Old Broad Street
Fifth Floor
London EC2N 1AR
United Kingdom

Registrar

Elavon Financial Services DAC

Building 8, Cherrywood Business Park
Loughlinstown
Dublin 18, D18 W319, Ireland

Swap Counterparty

Banco Santander, S.A.

2 Triton Square
London NW1 3AN
United Kingdom

Legal Advisers

*To the Issuer and the Seller
as to English Law*

Cadwalader, Wickersham & Taft LLP

100 Bishopsgate
London EC2N 4AG
United Kingdom

*To the Issuer and the Seller
as to Scots Law*

Shepherd & Wedderburn LLP

1 Exchange Crescent
Conference Square
Edinburgh EH3 8UL

*To the Joint Lead Managers
as to English Law*

Allen & Overy LLP

One Bishops Square
London E1 6AD
United Kingdom

*To the Security Trustee and Note Trustee
as to English Law*

Allen & Overy LLP

One Bishops Square
London E1 6AD
United Kingdom

Auditors to the Issuer

Deloitte LLP

2 New Street Square
London EC4A 3BZ
United Kingdom