

Prospectus

Tower Bridge Funding 2024-2 PLC

(Incorporated under the laws of England and Wales with limited liability under registered number 15450344)

| 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 | | Moody's | S&P |
| A | £267,000,000 | 100% | Compounded Daily SONIA | 0.88% | 1.32% | May 2066 | Aaa | AAA |
| B | £21,000,000 | 100% | Compounded Daily SONIA | 1.20% | 1.80% | May 2066 | Aa1 | AA |
| C | £9,000,000 | 100% | Compounded Daily SONIA | 1.60% | 2.40% | May 2066 | A2 | A+ |
| D | £3,000,000 | 100% | Compounded Daily SONIA | 2.29% | 3.29% | May 2066 | Baa2 | A- |
| X | £6,000,000 | 100% | Compounded Daily SONIA | 5.00% | 5.00% | May 2066 | B2 | BB+ |
| Z | £4,500,000 | 100% | Fixed Rate | 0% | 0% | May 2066 | NR | NR |
| Certificates | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |

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

Joint Arrangers

BofA Securities (a trading name of Merrill Lynch International) **Santander Corporate & Investment Banking**

Joint Lead Managers

Barclays **BofA Securities (a trading name of Merrill Lynch International)** **Macquarie**

NatWest Markets **Santander Corporate & Investment Banking**

The date of this Prospectus is 17 April 2024.

| | |
|-------------------------------|---|
| Issue Date | The Issuer expects to issue the Notes and the Certificates in the Classes set out above on 23 April 2024 (the “ Issue Date ”). |
| Underlying Assets | <p>The Issuer will make payments on the Notes and the Certificates from, <i>inter alia</i>, 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, Wales, and Scotland which will be purchased by the Issuer on the Issue Date (the “Completion Mortgage Pool”).</p> <p>Please refer to the section entitled “<i>Constitution of the Mortgage Pool – The Mortgage Pool</i>” for further information.</p> |
| Credit Enhancement | <ul style="list-style-type: none"> • In respect of each Class of Notes (other than the Z 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. <p>Please refer to the section entitled “<i>Credit Structure</i>” for further information.</p> |
| Liquidity Support | <ul style="list-style-type: none"> • In respect of interest payments on each Class of Notes (other than the Z 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. <p>Please refer to the section entitled “<i>Credit Structure</i>” for further information.</p> |
| Redemption Provisions | Information on any optional and mandatory redemption of the Notes is summarised in “ <i>Transaction overview – Terms and Conditions of the Notes and Certificates – Redemption</i> ” and set out in full in Note Condition 5 (<i>Redemption</i>). |
| Credit Rating Agencies | <p>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.</p> <p>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)</p> |

issued by a third country credit rating agency that is certified in accordance with the UK CRA Regulation.

Each of Moody's 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 Moody's and S&P are included on the list of registered and certified credit rating agencies that is maintained by the FCA. The rating that Moody's is expected to assign to the Rated Notes on or before the Issue Date will be endorsed by Moody's Deutschland 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 Moody's 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 Moody's address, *inter alia*:

- (a) the likelihood of timely payment of interest and full and timely payment of principal:
 - (i) to the holders of the A Notes, and
 - (ii) where the B Notes, the C Notes, the D Notes or the X Notes, respectively, are the Most Senior Class of Notes, to the holders of the B Notes, the C Notes, the D Notes and the X Notes;
- (b) the likelihood of full payment to the holders of the Rated Notes (other than the A Notes) of all payments of interest in relation to the Rated Notes on or prior to 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 ratings expected to be assigned to the Rated Notes on or before the Issue Date by S&P 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.

Certain nationally recognised statistical rating organisations (“**NRSROs**”), as defined in Section 3(a)(62) of the U.S. Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), that were not appointed by the Issuer to rate the Rated Notes may use information they receive pursuant to Rule 17g-5 under the Exchange Act to rate the Rated Notes. No assurance can be given as to what ratings a non-hired NRSRO would assign. See “*Risk Factors – 6.11 The issuance of unsolicited ratings on the Rated Notes could adversely affect the market value and/or liquidity of the Rated Notes*” below.

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**”).

Application has been made for the Notes (other than the Z 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 admission of the Notes to the Official List will be granted or, if granted, that such admission to the Official List will be maintained and/or that any such admission to trading on the London Stock Exchange’s main market will be granted or, if granted, that such admission to trading on the London Stock Exchange’s main market will 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 (other than the Z Notes) being listed (and all related references) shall mean that such Notes (other than the Z 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 and the X 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 Z Notes will each be represented on issuance by a note certificate in definitive registered form and issued to BGFL.

The Certificates will be represented on issuance by a certificate in definitive registered form and issued to BGFL.

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 not less than 5 per cent. of the nominal value of each of the ‘tranches’ of Notes sold or transferred to investors as contemplated by Article 6(3)(a) of the UK Securitisation Regulation and Article 6(3)(a) of the EU Securitisation Regulation, respectively, such ‘tranches’ being the A Notes, the B Notes, the C Notes and the D Notes.

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, an eligible vertical interest (an “**EVI**”) equal to a minimum of 5 per cent. of the aggregate “ABS interests” (as defined in the U.S. Retention Rules) issued by the Issuer being, cumulatively, 5 per cent. of the Principal Amount Outstanding of each Class of Notes and 5 per cent. of the Certificates (the “**U.S. Retained Interest**”).

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 “*Certain Regulatory Requirements – 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 implementing 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 exclusion 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

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 18 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 Articles 18 to 22 of the UK Securitisation Regulation have been satisfied with respect to the Notes (such notification, a “**UK STS Notification**”).

There is no intention that any such notification will be filed at any point during the life of the Notes.

Benchmark Regulation

Amounts payable on the Notes (excluding the Z 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, 95 per cent. of the Principal Amount Outstanding of the D Notes will be held by a single investor and/or its affiliates. As a result, such holder(s), as at the Issue Date, will be able to pass or block Noteholder resolutions of the D Notes.

On the Issue Date, BGFL will hold 5 per cent. of the Principal Amount Outstanding of each of the A Notes, the B Notes, the C Notes and the D Notes and all of the Principal Amount Outstanding of each of the X Notes, the Z Notes and the Certificates. As a result, BGFL, as at the Issue Date, will be able to pass or block Noteholder resolutions of the X Notes and Z Notes and will be able to pass or block Certificateholder resolutions of the 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. THE ISSUER HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE INVESTMENT COMPANY ACT. 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 ARE ONLY BEING OFFERED AND SOLD (I) OUTSIDE THE UNITED STATES TO NON-U.S. PERSONS PURSUANT TO, AND IN COMPLIANCE, WITH REGULATIONS AND ANY APPLICABLE SECURITIES REGULATIONS IN EACH JURISDICTION IN WHICH THE NOTES ARE BEING OFFERED AND SOLD, OR (II) IN THE UNITED STATES TO PERSONS WHO ARE QIBS IN RELIANCE ON AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT PROVIDED BY RULE 144A OR PURSUANT TO ANOTHER AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF 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. For a description of certain restrictions on resales and transfers, see *“Transfer Restrictions and Investor Representations”*.

The Rule 144A Notes are being offered and sold to QIBs in reliance on Rule 144A and the Regulation S Notes are being offered outside the United States in offshore transactions to non-U.S. Persons in reliance on Regulation S. Prospective purchasers are hereby notified that the sellers of the Notes may be relying on the exemption from the registration requirements of Section 5 of the Securities Act provided by Rule 144A.

In compliance with Rule 144A with respect to the sale of the Rule 144A Notes, for so long as the Rule 144A Notes remain outstanding and are “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act, the Issuer will be required to furnish, upon request of a holder of such Rule 144A Note, or any beneficial owner therein or any prospective purchaser thereof, to such holder or beneficial owner and any prospective purchaser designated by such holder or beneficial owner, the information required to be delivered under Rule 144A(d)(4) under the Securities Act if, at the time of the request, the Issuer is neither a reporting company under Section 13 or Section 15(d) of the Exchange Act, nor exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act.

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 Account Bank, the Swap Counterparty, the Swap Collateral Account Bank, the Custodian 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 Custodian, 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 Custodian, 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 Account Bank, the Swap Counterparty, the Swap Collateral Account Bank, the Custodian, 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, the Custodian 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, the Custodian 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, the Custodian 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, the Mortgage Administrator and the Cash 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.

Crédit Agricole Corporate and Investment Bank accepts responsibility for the information set out in the section headed “*The Swap Counterparty*”. To the best of the knowledge of Crédit Agricole Corporate and Investment Bank (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 and Elavon Financial Services DAC, UK Branch accept 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 and Elavon Financial Services DAC, UK 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.

BNP Paribas SA, London branch accepts responsibility for the information set out in the section headed “*The Account Bank, the Swap Collateral Account Bank and the Custodian*”. To the best of the knowledge of BNP Paribas SA, 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.

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.

TABLE OF CONTENTS

| | |
|---|-----|
| RISK FACTORS | 3 |
| DIAGRAMMATIC OVERVIEW OF THE TRANSACTION..... | 47 |
| DIAGRAMMATIC OVERVIEW OF ONGOING CASH FLOW | 48 |
| DIAGRAMMATIC OVERVIEW OF THE OWNERSHIP STRUCTURE | 49 |
| TRANSACTION OVERVIEW – TRANSACTION PARTIES ON THE ISSUE DATE | 50 |
| TRANSACTION OVERVIEW – MORTGAGE POOL AND SERVICING..... | 53 |
| FULL CAPITAL STRUCTURE OF THE NOTES AND CERTIFICATES | 57 |
| TRANSACTION OVERVIEW – TERMS AND CONDITIONS OF THE NOTES AND CERTIFICATES..... | 60 |
| RIGHTS OF NOTEHOLDERS AND CERTIFICATEHOLDERS AND RELATIONSHIP WITH OTHER SECURED CREDITORS | 67 |
| OVERVIEW OF CREDIT STRUCTURE AND CASH FLOW | 77 |
| TRIGGERS TABLES..... | 84 |
| FEES..... | 89 |
| FURTHER INFORMATION RELATING TO REGULATION OF MORTGAGES IN THE UK | 90 |
| CERTAIN REGULATORY REQUIREMENTS..... | 103 |
| USE OF PROCEEDS..... | 112 |
| THE ISSUER..... | 113 |
| HOLDINGS | 115 |
| THE SELLER, THE MORTGAGE ADMINISTRATOR AND THE CASH ADMINISTRATOR | 116 |
| THE NOTE TRUSTEE AND THE SECURITY TRUSTEE..... | 117 |
| THE SWAP COUNTERPARTY | 118 |
| THE AGENT BANK, THE PRINCIPAL PAYING AGENT AND THE REGISTRAR..... | 119 |
| THE ACCOUNT BANK, THE SWAP COLLATERAL ACCOUNT BANK AND THE CUSTODIAN | 120 |
| THE CORPORATE SERVICES PROVIDER AND THE BACK-UP MORTGAGE ADMINISTRATOR FACILITATOR | 121 |
| CONSTITUTION OF THE MORTGAGE POOL..... | 122 |
| STATIC POOL INFORMATION | 128 |
| DYNAMIC ARREARS INFORMATION | 134 |
| CHARACTERISTICS OF THE UNITED KINGDOM RESIDENTIAL MORTGAGE MARKET | 135 |
| CHARACTERISTICS OF THE PROVISIONAL COMPLETION MORTGAGE POOL..... | 138 |
| TITLE TO THE MORTGAGE POOL..... | 148 |
| SALE OF THE MORTGAGE POOL..... | 149 |
| CREDIT STRUCTURE..... | 159 |
| ADMINISTRATION, SERVICING AND CASH MANAGEMENT OF THE MORTGAGE POOL | 169 |
| WEIGHTED AVERAGE LIVES OF THE NOTES..... | 174 |
| SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM..... | 177 |
| TERMS AND CONDITIONS OF THE NOTES..... | 182 |
| TERMS AND CONDITIONS OF THE CERTIFICATES | 218 |
| UNITED KINGDOM TAXATION | 235 |

CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS236
CERTAIN ERISA AND RELATED CONSIDERATIONS.....246
PURCHASE AND SALE249
TRANSFER RESTRICTIONS AND INVESTOR REPRESENTATIONS255
GENERAL INFORMATION264
GLOSSARY OF DEFINED TERMS267
INDEX OF DEFINED TERMS.....305

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 and revenue from the Loans in the Mortgage Pool, payments due from the Swap Counterparty under the Swap Agreement (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 Custodian, the Swap Collateral Account Bank, the Collection Account Provider, 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 "2.5 Delinquencies or default by Borrowers in paying amounts due on their Loans" 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 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 Z 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 Z Notes) are based on Compounded Daily SONIA. This risk is mitigated (but not obviated) by the fixed-floating Interest Rate Swap(s) 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 Floating Rate 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 may be entered into in order to effect an Interest Rate Swap Adjustment on or around (a) each Mortgage Pool Effective Date in respect of any Product Switch Loan which is a Fixed Rate Mortgage; or (b) 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 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 to effect an Interest Rate Swap Adjustment, 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 outstanding). 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, 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, inflation, cost of living, energy prices, the availability of alternative financing programmes, local and regional economic conditions, the existing regulatory environment 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*"). 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) *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 affected accordingly.

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 affected accordingly.

- (d) *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 affected accordingly.

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 affected accordingly.

- (e) *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 May 2027) 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 *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 D Principal Deficiency Sub-Ledger up to the Principal Amount Outstanding of the D Notes, (b) *second*, to the C Principal Deficiency Sub-Ledger up to the Principal Amount Outstanding of the C Notes, (c) *third*, to the B Principal Deficiency Sub-Ledger up to the Principal Amount Outstanding of the B Notes and (d) *fourth*, 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 26: 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. 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. Downturns in the performance of the United Kingdom economy (due to local, national and/or global macroeconomic factors) generally may have a negative effect on the housing market. In addition, any natural disasters, impacts of climate change (including, but not limited to, increased flood risk or coastal erosion), wars, increase of interest rates, inflation or widespread health crises or the fear of such crises (such as a pandemic or epidemic), government policies, action or inaction in response to such crises or such potential crises, and/or the fear of any such crises whether in the United Kingdom or in any other jurisdiction, may lead to a deterioration of economic conditions in the United Kingdom and also globally and may reduce the value of the affected Properties.

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. Different geographic areas of Great Britain might be impacted differently by any economic downturn and by any government action taken in relation to it. In addition, any natural disasters, impacts of climate change (including, but not limited to, increased flood risk or coastal erosion), wars or widespread health crises (such as a pandemic or epidemic), government policies, action or inaction in response to such crises or such potential crises, and/or the fear of any such crises whether in a particular region, in the United Kingdom or in any other jurisdiction, may lead to a deterioration of economic conditions in a particular region, within the United Kingdom and also globally and may reduce the value of affected Properties and/or otherwise affect receipts on the Loans.

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.

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 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 *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.

2.4 *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 the Scottish Declaration of Trust to be entered into on the Issue Date by the Seller, 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 the Scottish Declaration of 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 the role of the Mortgage Administrator to an entity other than BGFL (which may occur, without limitation, upon 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 the 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.

2.5 Delinquencies or default by Borrowers in paying amounts due on their Loans

Defaults may occur for a variety of reasons. The ability of the Borrowers to pay amounts owed under the Mortgage Loans may be affected by credit, liquidity, inflation and interest rate risks. Various factors influence mortgage delinquency rates, prepayment rates, repossession frequency and the ultimate payment of interest and principal, such as (including but not limited to) changes in the national or international economic climate, regional economic (due to local, national and/or global macroeconomic and geopolitical factors such as war) or weaker housing conditions, changes in tax laws, interest rates, inflation, cost of living, energy prices, the availability of financing, political developments and government policies.

In addition, the UK economy is experiencing a range of economic effects, partly associated with the war between Russia and Ukraine, the war in the Middle East and the lasting effects of the global response to the COVID-19 pandemic, with uneven impacts. Developments such as consumer energy price inflation and disruption to global supply chains alongside elevated global demand for goods and supply shortages of specific goods have led to recent inflationary pressure. In response to such pressure, the Bank of England's Monetary Policy Committee has frequently increased the Bank of England's base rate ("BBR") since December 2021, raising it from 0.1% to 5.25% in August 2023. Further inflationary pressure may result in further interest rate increases over time (although at present the general expectation is that there may be some modest decreases during this year). There is currently some economic uncertainty and concern in relation to potential stagnation or recession. If there were further interest rate increases, this could adversely affect Borrowers' disposable income and ability to pay interest or repay principal on their Loans, particularly against a background of price rises for essential goods. If inflationary pressure on prices combines with suppressed wage growth, there is the potential for stagflation. Widespread economic impacts have the potential to create contagion effects. A deflationary environment may negatively affect Property values.

Other factors in Borrowers' or tenants of Borrowers' individual, personal or financial circumstances may affect those Borrowers' ability to repay their Loan. Illness (including any illness arising in connection with an epidemic or pandemic), divorce or widespread health crises or the fear of such crises and other similar factors may lead to an increase in delinquencies by and bankruptcies (and analogous arrangements) of the Borrowers, and could ultimately have an adverse impact on the ability of the Borrowers to repay their Loans.

In addition, certain Borrowers may be, or may become, unemployed (or see a reduction in volume of work and/or income) throughout the life of the Loan taken out by them, which could affect their ability to make payments and repayments under such Loan. Government actions taken in response to a downturn may include cuts in public benefits or public sector employment, or other austerity measures that may directly affect Borrowers by reducing or eliminating their income, which could impact their ability to pay their debts. Private businesses may also reduce hiring or implement layoffs or reduce hours of work, which would potentially affect Borrowers. Additionally, Borrowers who are self-employed or who operate as independent contractors may have an income stream which is more susceptible to change (including the reduction or loss of future earnings due to illness, loss of business, tax laws or general economic conditions including as a result of a shortage of materials) than Borrowers who are in full time employment. Each such Borrower may resultantly be more likely to fall into payment difficulties. In addition, the ability of a Borrower to sell a property given as security for a Loan at a price sufficient to repay the amounts outstanding under that Loan will depend upon a number of factors, including the availability of buyers for that property, the value of that property and property values in general at the time (including reductions in property value as a result of macroeconomic conditions). Loans in arrears and subject to historical breaches by borrowers are generally likely to experience higher rates of delinquency, write-offs, enforcements and bankruptcy, than Loans without such arrears or breaches which may impact the ability of the Issuer to make payments on the Notes.

In particular, some of the Borrowers do not satisfy the lending criteria of traditional sources of residential mortgage capital and the rate of delinquencies and/or defaults may be higher in respect of such Borrowers.

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.

2.6 *Interest Only Loans*

Approximately 60.33 per cent. of the aggregate number of Loans (representing 69.41 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.

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.

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

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 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.

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.

2.7 *Buy-to-Let Loans*

Approximately 62.44 per cent. of the aggregate number of the Loans (representing 69.20 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) is allowed to appoint (in respect of Properties in England and Wales) a receiver of rent, who would either collect any rents payable in respect of the Property and apply them accordingly in payment of any interest and arrears accruing under the Mortgage, and/or obtain vacant possession to allow the Property to be sold. For cases of enforcement in respect of Properties in Scotland cases, and in respect of Properties in England and Wales where a receiver of rent is not able to obtain vacant possession of the Property, 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.

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

The Private Housing (Tenancies) (Scotland) Act 2016 (as amended) provides that (i) various mandatory grounds for eviction, including the landlord’s intention to sell the property, are discretionary, to allow the First Tier Tribunal flexibility in dealing with eviction cases during the pandemic, and (ii) the minimum notice period is 28 days in certain circumstances, including where the tenant no longer occupies the property, but otherwise the notice period is 84 days. In addition, in assessing whether it is reasonable to make an eviction order on the grounds of rent arrears, the First Tier Tribunal must consider the extent to which the landlord has complied with pre-action requirements before applying for the eviction order. There are similar provisions for assured and other tenancies. Delays to landlords seeking possession of a Property may result in less rental income being available to meet the Borrower’s repayment obligations in respect of the Loans.

A rent cap, which was introduced by the Scottish Parliament, in response to rapid increases in inflation and the cost of living that have been affecting the UK since the beginning of the energy crisis in the first half of 2022, ended on 31 March 2024. From 1 April 2024, transitional regulations implemented by the Scottish Parliament introduced a replacement rent adjudication scheme which temporarily amends the rent adjudication process for 12 months (with the option to extend for a further to 12 months). Under the modified process, tenants wishing to dispute a rent increase notice can apply to a rent officer at Rent Service Scotland or to the First Tier Tribunal for rent adjudication. Any changes in rent must be based on one of three comparators: (i) the open market rent; (ii) a landlord's proposed rental increase; and (iii) a new taper calculation that will specify a maximum 'reasonable' increase for that tenancy.

The Housing (Scotland) Bill was introduced by the Scottish Government on 26 March 2024. The Bill includes proposals for long-term rent controls for private tenancies, including provisions relating to the designation of rent control areas and related restrictions on the amount by which rents can be increase in those areas within a 12 month period (both within and between tenancies). The Bill also includes proposals to provide greater protection to tenants during the eviction process, including a requirement on the First Tier Tribunal and the Sheriff Court to consider whether a delay to eviction should occur based on the individual circumstances of a case, including in relation to seasonal pressures.

Restrictions on a landlord’s ability to increase rent during the period in which these temporary rent adjudication protections are in place, and any long-term rent restrictions or delays to a landlord's ability to seek possession of a property introduced under the Housing (Scotland) Bill, may result in less rental income being available to meet the Mortgage Borrower’s repayment obligations in respect of the Mortgage Loans.

The effects of the Private Housing (Tenancies) (Scotland) Act 2016 (as amended) are primarily restricted to any Buy-to-Let Loans secured over Scottish Property. From 6 April 2020 there is no deduction available for finance costs from rental income and instead all rental income is only eligible for a tax credit at the basic rate of income

tax. This may result in less rental income being available for individual Borrowers of Buy-to-Let Loans to meet their repayment obligations under those Loans.

A higher rate of stamp duty land tax (“**SDLT**”) (and Welsh Land Transaction Tax (“**WLTT**”)) applies to the purchase of additional residential properties located in England and Wales (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). The current additional rates are 3 per cent. above the current SDLT rates with respect to properties located in England. In relation to properties located in Wales, the additional residential rate is 4 per cent. higher than the main WLTT rate for the first £180,000 of purchase price; for subsequent bands of purchase price, the additional rates remain higher than the main WLTT rates (by differing percentages) and the bands of purchase price to which the additional rates are applied are structured differently to the main WLTT bands. In Scotland, the Additional Dwelling Supplement (akin to the additional rate) is 4 per cent. above the current LBTT rates (for properties purchased prior to 16 December 2022) and 6 per cent. above the current LBTT rates (for properties purchased on or after 16 December 2022).

Since 1 April 2021, a 2 per cent. SDLT surcharge applies to non-UK residents purchasing residential property in England. This applies in addition to the 3 per cent. additional rate that applies to the purchase of additional residential properties in England described above.

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

Furthermore, the UK Government introduced the Renters (Reform) Bill to the UK Parliament on 17 May 2023. This proposes certain changes to housing laws as they relate to the private rental sector, including a proposal to abolish “no fault” evictions by landlords. As at the date of this Prospectus the impact of the proposed legislation is uncertain but may adversely affect the private residential rental market in England and Wales and the ability of individual Borrowers of Buy-to-Let loans to meet their obligations under those Loans.

The matters described in this section may adversely affect prices of houses in England, Wales and Scotland in general. These matters 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. On 7 November 2023, the UK Government announced that the ban on Section 21 “no-fault” evictions will not be brought in until a new court process and stronger possession grounds for landlords are in place.

2.8 Accuracy of property valuations

Property valuations, including full internal and external property inspection, 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*”.

2.9 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.

2.10 *Limitations on enforcement*

There are constraints upon a lender seeking possession of a Property, as further described in the section entitled “*Further Information Relating to Regulation of Mortgages in the UK – Mortgage repossession*” below. In addition, the Mortgages Tailored Support Guidance emphasises the MCOB requirement that a lender must not repossess a property unless all other reasonable attempts to resolve the position have failed, as further described in the section entitled “*Further Information Relating to Regulation of Mortgages in the UK – FCA response to the cost of living crisis*”.

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.

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 fair 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 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 position in Scotland is broadly equivalent to the position in England and Wales (see “*Further Information Relating to Regulation of Mortgages in the UK – Scottish Loans*”).

Proceedings for the repossession and/or sale of the relevant property would generally 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.

2.11 *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.

2.12 *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.

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

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

2.14 *Energy Efficiency Regulations 2015*

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

There is currently no minimum EPC rating required for domestic rented properties in Scotland, however, the Scottish Government has introduced proposals for new legislation which will require all private rented sector properties to reach a minimum energy efficiency standard by the end of 2028. A more detailed consultation on the

proposed minimum energy efficiency standard is expected, however, initial proposals indicate that it will be achieved by installing certain energy efficiency measures within a property (including appropriate insulation and heating controls) or where a good level of energy efficiency can be shown based on an EPC assessment. The proposed legislation also introduces an overarching Heat in Buildings Standard which, in addition to the requirement to meet a minimum energy efficiency standard, will require all building owners in Scotland to have moved to clean heating systems by the end of 2045, with earlier implementation periods for those purchasing properties and where a heat network zone applies. Separately, the Scottish Government have also consulted on proposals to reform EPCs more generally, which includes the addition of a new 'fabric rating' to indicate how well a building retains heat. Implementing regulations in relation to this EPC reform are expected in 2024.

These measures may adversely affect prices of houses in England, Wales and Scotland in general. These measures may also adversely affect the private residential rental market in England, Wales and Scotland in general, or the ability of individual Borrowers of Buy-to-Let 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.

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

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 Z Notes; and
- (e) the Z 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,

provided that 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 effectively rank in priority to (and are not subordinated to) payments of principal on the other Notes. No interest is payable in respect of the Z 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 and the Z 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 Z 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.

Similar requirements apply in relation to calling meetings of the Certificateholders and the requisite quorum for meetings of the Certificateholders.

As a result of these requirements, it is possible that a valid Noteholder or Certificateholder meeting, as applicable, may be held without the attendance of Noteholders or Certificateholders, as applicable, who may have wished to

attend and/or vote and, accordingly, the interests of a Noteholder or Certificateholder, as applicable, who does not attend and/or vote may be adversely affected.

In addition, the Note Trustee shall be obliged, without any consent or sanction of the Noteholders, Certificateholders 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, the Certificate 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) in the case of the Note Conditions only, make any modification of the Notes or any of the Transaction Documents to comply with the provisions of Rule 17g-5 of the Securities Exchange Act of 1934, (vi) 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, (vii) complying with any disclosure or reporting requirements under the EU Securitisation Regulation or UK Securitisation Regulation, (viii) enabling the Issuer or any of the other Transaction Parties to comply with FATCA, (ix) complying with any changes in the requirements of the EU CRA Regulation or the UK CRA Regulation after the Issue Date, and (x) 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*) and Certificate Condition 8(c) (*Additional Right of Modification*).

In relation to any such Proposed Amendment (other than a Proposed Amendment relating to any obligation under Articles 9, 10 and 11 of 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 and Certificateholders 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 (or Certificateholders representing at least 10 per cent. of the Certificates) have 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, the modification can be made without Noteholder or Certificateholder 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 or Certificateholders, 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 or Certificates Basic Terms Modification, as applicable), 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*) and Certificate Condition 8(e) (*Modification and Waiver*).

As a result of the provisions summarised in this paragraph 4.1, a modification, waiver or authorisation of (i) any breach or proposed breach of the Notes, or (ii) any of the provisions of the Trust Deed, the Conditions or any of the other Transaction Documents, may become binding on all Noteholders and other Secured Creditors. This may be adverse to the interests of one or more Noteholders where, as applicable, the interests of such adversely affected Noteholder(s) were to be disregarded and/or where such adversely affected Noteholder(s) failed to exercise their rights and/or such adversely affected Noteholder(s) was/were out-voted by other Noteholders.

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.

If the Note Trustee does not use its discretion where it is entitled to do so, it may adversely affect the amount received on the Notes and the Certificateholders.

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 and this may adversely affect Noteholders and/or Certificateholders (see “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”, “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” and “7.7 U.S. risk retention requirements” below).

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 (and, therefore, in such circumstances the interests of the Certificateholders or other Secured Creditors may be adversely affected). If there are no Notes outstanding, the Note Trustee is to have sole regard to the interest of the Certificateholders and shall not have regard to the interests of the other Secured Creditors, subject to the provisions of the Trust Deed (and, therefore, in such circumstances the interests of those other Secured Creditors may be adversely affected).

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 Z 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 Z 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 Z 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 Z 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 Z Noteholders and/or the Certificateholders, the Note Trustee shall give priority to the interests of the X Noteholders whose interests shall prevail; and
- (f) (i) the Z Noteholders and (ii) the Certificateholders, the Note Trustee shall give priority to the interests of the Z 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/or the Joint Lead Managers and their respective related entities, associates, officers or employees (each a “**Joint Arrangers/Joint Lead Managers 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/Joint Lead Managers Related Person in the course of its business (including in respect of interests described above) may act independently of any other Joint Arrangers/Joint Lead Managers Related Person or Transaction Party;
- (b) to the maximum extent permitted by applicable law, the duties of each Joint Arrangers/Joint Lead Managers 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/Joint Lead Managers 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/Joint Lead Managers 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/Joint Lead Managers Related Person is under any obligation to disclose any Relevant Information to any other Joint Arrangers/Joint Lead Managers Related Person, to any Transaction Party or to any prospective investor and this Prospectus and any subsequent conduct by a Joint Arrangers/Joint Lead Managers Related Person should not be construed as implying that such person is not in possession of such Relevant Information; and
- (e) each Joint Arrangers/Joint Lead Managers 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/Joint Lead Managers 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/Joint Lead Managers 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/Joint Lead Managers Related Persons. Other than where required in accordance with applicable law, the Joint Arrangers/Joint Lead Managers 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/Joint Lead Managers 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/Joint Lead Managers 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/Joint Lead Managers 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 to the Swap Counterparty (other than any Swap Excluded Payable Amounts which shall be discharged in accordance with the Swap Agreement, 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 Account Bank or the Swap Collateral Account Bank or the Swap Counterparty is downgraded, it is possible that such 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 – Account Bank, Swap Collateral Account Bank and Swap Counterparty*”. There can be no assurance that the Account Bank, the Swap Collateral Account Bank, the Swap Counterparty or the Issuer will be able to procure that the Account Bank, the Swap Collateral Account Bank or the Swap Counterparty (as applicable) be replaced within 60 calendar 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 to perform certain cash management functions pursuant to the Cash Administration Agreement (see “*Administration, Servicing and Cash Management of the Mortgage Pool*”), 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 Agreement or the Cash Administration Agreement. While BGFL is under contract to perform certain mortgage settlement and related administration services under the Mortgage Administration Agreement and certain cash management services under the Cash Administration Agreement, there can be no assurance that they will be willing or able to perform these services in the future. In respect of BGFL’s engagement as administrator of the Mortgage Pool, 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.

With the increased use of technologies such as the internet and the dependence on computer systems to perform necessary business functions, the Mortgage Administrator may be exposed to operational and information security risks resulting from cyber-attacks. In general, cyber-attacks result from deliberate attacks, but unintentional events may have effects similar to those caused by cyber-attacks. Cyber-attacks include, among other behaviours, stealing or corrupting data maintained online or digitally, denial-of-service attacks on websites, the unauthorised release of confidential information and causing operational disruption. Successful cyber-attacks against, or security breakdowns of, the Mortgage Administrator and/or other third-party service providers may adversely impact the Mortgage Administrator’s ability to service the Loans. The Mortgage Administrator may also incur substantial costs for cyber security risk management in order to prevent any cyber incidents in the future. With respect to any business continuity plans and systems designed to prevent such cyber-attacks, there are inherent limitations in such plans and systems including the possibility that certain risks have not been identified.

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 Z 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 fails 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 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 the rates of interest payable on the Floating Rate Notes which are based on 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 the rates of interest payable on the Floating Rate Notes which are based on 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)(ix).

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 The COVID-19 pandemic and the rising cost of living

The COVID-19 pandemic has had a significant impact in the United Kingdom in respect of social behaviour, macroeconomic outlook and the response of the United Kingdom government. The COVID-19 pandemic resulted in authorities worldwide implementing numerous measures to try to contain COVID-19, which led to severe disruptions in the global supply chain, capital markets and economies. The temporary closures of many businesses resulted in a loss of revenues and unprecedented increases in unemployment in certain countries and accordingly a poorer consumer outlook. Its impact on economic conditions continues to be uncertain and there are no comparable events in recent history that may provide guidance as to the long-term effect of the economic impacts of such a global pandemic. The United Kingdom government passed various regulations in response to the pandemic, including measures to avoid bankruptcies of business that are exclusively caused by the COVID-19 pandemic and has also provided guidance to regulated firms on how to address forbearance in the buy-to-let mortgage market and specifically the Mortgages Tailored Support Guidance, as further described in the section entitled “*Further Information Relating to Regulation of Mortgages in the UK – FCA response to the cost of living crisis*”.

On 10 March 2023, the FCA confirmed in its guidance FG 23/2 that the Tailored Support Guidance remains also relevant in the case of borrowers in financial difficulty due to the rising cost of living. So, if a customer indicates that they are experiencing or reasonably expect to experience payment difficulties due to the rising cost of living, firms should offer prospective forbearance to enable them to avoid, reduce, or manage any payment shortfall that would otherwise arise. This includes customers who have not yet missed a payment. When forbearance is not required, firms may still offer a range of contract variations to support borrowers who would like to reduce their monthly payments. The FCA also indicated it plans to incorporate aspects of the Mortgages Tailored Support Guidance into its MCOB and Consumer Credit (CONC) sourcebooks.

On 26 June 2023, HM Treasury published the *Mortgage Charter* in light of the current pressures on households following interest rate rises and the cost-of-living crisis (the “**Mortgage Charter**”). The Mortgage Charter states that the UK's largest mortgage lenders and the FCA have agreed with the Chancellor a set of standards that they will adopt when helping their regulated residential mortgage borrowers worried about high interest rates. The Mortgage Charter provides that, among other things, a borrower will not be forced to leave their home without their consent unless in exceptional circumstances, in less than a year from their first missed payment. Lenders that have signed the Mortgage Charter have also agreed to provide well-timed information and support for customers on switching to a new mortgage deal, including the ability to

secure a new rate up to six months before their current fixed rate deal ends. In addition, lenders will permit borrowers who are up to date with their payments to: (a) switch to interest- only payments for six months; and/or (b) extend their mortgage term to reduce their monthly payments with the option to revert to their original term within six months by contacting their lender. These options can be taken by borrowers who are up to date with their payments without a new affordability check or affecting their credit score. The Mortgage Charter commitments do not apply to buy-to-let mortgages. To date, only banks or building societies have signed up to the Mortgage Charter.

The FCA has amended the *Mortgages and Home Finance: Conduct of Business Sourcebook* (MCOB) to allow (rather than require) lenders to give effect to the provisions in the Mortgage Charter. The amendments made by the FCA to MCOB do not apply to buy-to-let mortgages. As at the date of this Prospectus, it is not possible to predict how many Borrowers will seek to avail of the measures outlined in MCOB and whether it is appropriate in all cases to apply such measures to the Loans of such Borrowers. Therefore it is not possible to determine the impact that the new measures may have on the timing and amounts of payments in respect of the Loans. See further the section entitled “*Further Information Relating to Regulation of Mortgages in the UK – Mortgage Charter*”.

There can be no assurance that the FCA, or other UK government or regulatory bodies, will not take further steps in response to the rising cost of living in the UK which may impact the performance of the Loans, including further amending and extending the scope of the above guidance and rules. Further, no assurance can be given of the impact that the rising cost of living, the measures discussed above and/or any future measures which may be undertaken in relation to the Loans or the general deterioration in economic conditions may have on the performance of the Loans (including the ability of Borrowers to make timely payments in full on Loans) and therefore the ability of the Issuer to satisfy its obligations to make payments on the Notes and the Certificates.

As a consequence, COVID-19 and the rising cost of living could exacerbate numerous risks in respect of the Notes and in this respect see in particular “*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 “*2.5 Delinquencies or default by Borrowers in paying amounts due on their Loans*”, and “*5 Counterparty risk*” above.

More broadly, the extent and duration of the rising cost of living cannot be determined at present. The ultimate impact of the consequences of the cost of living crisis is uncertain and may pervade over time and may adversely affect the ability of the Issuer to satisfy its obligations under the Notes.

6.2 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. In the event that a Joint Lead Manager chooses to establish a secondary market in the future, the ability of that Joint Lead Manager to make a market in the Notes may be impacted by changes in regulatory requirements applicable to marketing and selling of, and issuing quotations with respect to, asset backed securities generally (including, without limitation, the application of Rule 15c2-11 under the Exchange Act), to the publication or submission of quotations, directly or indirectly, in any quotation medium by a broker or dealer for securities such as 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. Recent global social, political and economic events and trends, including current geopolitical risks and wars, have resulted in increased uncertainty in the secondary market for mortgage-backed securities. Such uncertainty could continue or be contributed to by a myriad of unforeseen factors.

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.

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

Wars and threats of war and wider global supply chain issues have contributed to increases in inflation. Central banks have responded by increasing interest rates consistently since December 2021 (including the Bank of England raising the BBR from 0.1% to 5.25% in that period), although at present the general expectation is that there may be one or more modest decreases during this year. Increases in interest rates may adversely affect Borrowers' ability to pay interest or repay principal on their Mortgages. 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.

6.4 Bank of England funding scheme eligibility

Certain investors in the A Notes may wish to consider the use of the 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 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 A Notes do not satisfy such criteria, there is a risk that the 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, the Back-up Mortgage Administrator Facilitator, the Account Bank, the Custodian or the Swap Collateral Account Bank makes any representation, warranty, confirmation or guarantee to any investor in the A Notes that the 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 A Notes should make its own determinations and seek its own advice with respect to whether or not the A Notes constitute eligible collateral for such schemes. No assurance can be given that the 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 or will take any steps to register such collateral.

6.5 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.

6.6 Changes or uncertainty in respect of SONIA may affect the value of 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.

6.7 The relationship between the United Kingdom and 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 “6.8 Market uncertainty” below), there are a number of potential risks for the Transaction that Noteholders should consider:

(a) Political uncertainty

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

(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. While most legislative frameworks affecting the Noteholders in the UK and EU currently remain broadly aligned (largely still consisting of EU law onshored into UK law following the UK’s departure from the EU), as more time elapses since the UK’s departure from the EU, the possibility of

legislative divergence increases (for example in the respective EU and UK Securitisation Regulation regimes as proposed by the Financial Services and Markets Act 2023 (“**FSMA 2023**”), to which see further “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*” below, although this could extend to the parallel regimes relating to financial markets, financial services, prudential and conduct regulation of financial institutions, bank recovery and resolution, payment services and systems, settlement finality, market infrastructure, and mortgage credit regulation or any other regulatory framework which affects the Noteholders). The Issuer cannot predict what changes to English law 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 and Moody’s. As at the date of this Prospectus, Moody’s UK sovereign rating and rating of the Bank of England indicated a stable outlook and S&P’s UK sovereign rating and rating of the Bank of England indicated a stable outlook.

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

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

Following a pro-independence majority in the Scottish parliamentary elections in May 2021, the First Minister of Scotland indicated an intention to hold a second independence referendum in October 2023. However, in November 2022 the UK Supreme Court ruled that the Scottish Parliament did not have the power to hold such a referendum without the consent of the UK Parliament. The Issuer cannot predict the outcome of this continuing constitutional tension or how the potential future departure of Scotland 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 5.29 per cent. of the aggregate number of Loans (representing 3.26 per cent. of the aggregate Current Balance of the 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.

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

No assurance can be given that any of the matters outlined above would not adversely affect the ability of the Issuer to satisfy its obligations under the Notes and/or the market value and/or liquidity of the Notes in the secondary market (see also “6.2 *Lack of liquidity in the secondary market may adversely affect the market value of the Notes*” above).

6.8 *Market uncertainty*

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

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

6.9 *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. 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 any of the Account Bank, the Swap Collateral Account Bank and 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 expected to be assigned to the Rated Notes on or before the Issue Date by Moody's address, *inter alia*:

- (a) the likelihood of timely payment of interest and full and timely payment of principal:
 - (i) to the holders of the A Notes, and
 - (ii) where the B Notes, the C Notes, the D Notes or the X Notes, respectively, are the Most Senior Class of Notes, to the holders of the B Notes, the C Notes, the D Notes and the X Notes;
- (b) the likelihood of full payment to the holders of the Rated Notes (other than the A Notes) of all payments of interest in relation to the Rated Notes on or prior to 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 ratings expected to be assigned to the Rated Notes on or before the Issue Date by S&P 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 Moody's 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 Moody's and/or S&P those unsolicited ratings could have an adverse effect on the market value and/or liquidity of the Rated Notes (see 6.11 "*The issuance of unsolicited ratings on the Rated Notes could adversely affect the market value and/or liquidity of the Rated Notes*" below). 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.

6.10 *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.

6.11 *The issuance of unsolicited ratings on the Rated Notes could adversely affect the market value and/or liquidity of the Rated Notes*

Credit rating agencies that have not been engaged to rate the Rated Notes by the Issuer may issue unsolicited credit ratings on the Rated Notes at any time, in each case relying on information they receive pursuant to Rule 17g-5 under the Exchange Act, or otherwise. Any unsolicited ratings in respect of the Rated Notes may differ from the ratings expected to be assigned by Moody’s and S&P and may not be reflected in this Prospectus. Issuance of an unsolicited rating which is lower than the ratings assigned by Moody’s and S&P in respect of the Rated Notes may adversely affect the regulatory characteristics, market value and/or the liquidity of the Rated Notes. Although unsolicited ratings may be issued by any rating agency, a rating agency might be more likely to issue an unsolicited rating if it was not selected after having provided preliminary feedback to the Issuer.

The Issuer has engaged Moody’s and S&P to rate the Rated Notes. There can be no assurance that, were the Issuer to select other rating agencies to rate the Rated Notes, the ratings that such rating agencies would have ultimately assigned to the Rated Notes would be equivalent to those assigned by Moody’s and S&P, as applicable. Neither the Issuer nor any other person or entity will have any duty to notify the holders of the Rated Notes if any other NRSRO issues, or delivers notice of its intention to issue, unsolicited ratings on the Rated Notes after the Issue Date.

6.12 *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 the United Kingdom, 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

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

Implementation of the Basel framework (to the extent that it has not already been fully implemented in member countries) and/or of any of the changes put forward by the Basel Committee as described above may have an impact on the capital requirements in respect of the Notes or 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. A “**UK Affected Investor**” means each of the 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.

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. Also, some legislative measures necessary for the full implementation of the UK Securitisation Regulation regime have not yet been finalised and compliance with certain requirements is subject to the application of transitional provisions. Furthermore, when the relevant sections of FSMA 2023 come into force, they will repeal the UK Securitisation Regulation and regulation of securitisation in the UK will then be replaced by statutory instruments and rules made by the regulators. The UK Securitisation Regulations 2024 were enacted on 29th January 2024 and are expected to be phased in during 2024. In addition, FCA and PRA consultation papers, setting out the draft rules for securitisation in the UK, have been published and are expected to be finalised and become applicable in Q2 2024. These reforms will impact new securitisations closed after the relevant date of application and they also have potential implications for securitisations in-scope of the UK Securitisation Regulation that closed prior to such date, although the exact operation of any transitional or grandfathering provisions is yet to be confirmed. Also note that during the second half of 2024 the UK government, the PRA and the FCA are expected to consult on further changes to the UK Securitisation Regulation framework including, but not limited to, the recast of the transparency and reporting requirements. Therefore, at this stage, the timing and all of the details for the implementation of securitisation-specific reforms are not yet fully known and the outcome of ongoing and any new consultations on such reforms will unfold throughout 2024 and 2025. Please note that some divergence between the EU and UK regimes exists already. While the UK Securitisation Regulation reforms propose some alignment with the EU regime, these reforms also introduce new points of divergence and the risk of further divergence between EU and UK regimes cannot be ruled out as it is not known at this stage how the ongoing reforms or any future reforms will be finalised and implemented in the UK or the EU. 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 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 Account Bank, the Custodian, 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 (including, without limitation, where any such failure occurs on or after and/or as a direct or indirect consequence of the service of an Enforcement Notice or the occurrence of a Redemption Event), 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 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. Also, some legislative measures necessary for the full implementation of the EU Securitisation Regulation regime have not yet been finalised and compliance with certain requirements is subject to the application of transitional provisions. In addition, further amendments are expected to be introduced to the EU Securitisation Regulation regime as a result of its wider review on which, under Article 46 of the EU Securitisation Regulation, the European Commission published a report on 10 October 2022 outlining a number of areas where legislative changes may be introduced in due course, which was followed in December 2023 by the consultation of the ESMA on the possible options for introducing reforms to the EU reporting regime. 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. Some divergence between the EU and UK regimes exists already. While the UK Securitisation Regulation reforms propose some alignment with the EU regime, these reforms also introduce new points of divergence and the risk of further divergence between EU and UK regimes cannot be ruled out as it is not known at this stage how the ongoing reforms or any future reforms will be finalised and implemented in the UK or the EU.

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 Account Bank, the Custodian, 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 (including, without limitation, where any such failure occurs on or after and/or as a direct or indirect consequence of the service of an Enforcement Notice or the occurrence of a Redemption Event), 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 EVI, equal to a minimum of 5 per cent. of the aggregate “ABS interests” (as defined in the U.S. Retention Rules) issued by the Issuer being, cumulatively, 5 per cent. of the Principal Amount Outstanding of each Class of Notes and 5 per cent. of the 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 Issuer, the Seller, BGFL, 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 Account Bank, the Custodian, the Swap Collateral Account Bank or any other Transaction Party 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/Joint Lead Managers Related Persons and may require the grant of a security interest over or repo of 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 has 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 relevant Secretary of State 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 relevant Secretary of State 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 A Notes, the B Notes, the C Notes, the D Notes and the X Notes (together the “**Listed 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 Listed Notes. However, there can be no assurance that the law in this area will not change during the life of the Listed Notes.

In the event that any withholding or deduction for or on account of any tax is imposed on payments in respect of any Class of 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 “*United Kingdom Taxation*” 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 *US Tax Risks*

Prospective investors in the Notes should consider the tax position of the Issuer and the Notes as described in the sections of the Prospectus entitled “*Certain U.S. Federal Income Tax Considerations*” and are advised to seek their own professional advice in relation to such matters.

Distributions on the Notes to a Non-U.S. Holder (as defined in “*Certain U.S. Federal Income Tax Considerations*”) that provides appropriate tax certifications to the Issuer and gain recognised on the sale, exchange or retirement of the Notes by the Non-U.S. Holder will not be subject to U.S. federal income tax unless the payments or gain are effectively connected with a trade or business conducted by the Non-U.S. Holder in the United States or, in the case of gain, the Non-U.S. Holder is a non-resident alien individual who holds the Notes as a capital asset and is present in the United States for more than 182 days in the taxable year of the sale and certain other conditions are satisfied. However, no assurance can be given that Non-U.S. Holders will not in the future be subject to tax imposed by the United States.

Pursuant to certain provisions of the U.S. Tax Code, 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.

Based on the assets that the Issuer expects to hold and the income anticipated thereon, the Issuer should be classified as a PFIC (as defined in “*Certain U.S. Federal Income Tax Considerations*”) for U.S. federal income tax purposes for its current taxable year and in the foreseeable future. U.S. Holders of U.S. Tax Equity Notes (as such terms are defined in “*Certain U.S. Federal Income Tax Considerations*”) should assume that they will be subject to the U.S. federal income tax consequences described in “*Certain U.S. Federal Income Tax Considerations – U.S. Federal Tax Treatment of U.S. Holders of the U.S. Tax Equity Notes – Investment in a Controlled Foreign Corporation*” that result from owning stock in a PFIC. Alternatively, the U.S. Holders of U.S. Tax Equity Notes could be subject to the rules pertaining to 10 per cent United States shareholders of CFCs (defined below). See “*Certain U.S. Federal Income Tax Considerations – U.S. Federal Tax Treatment of U.S. Holders of the U.S. Tax Equity Notes – Investment in a Controlled Foreign Corporation*”.

The U.S. federal income tax consequences of an investment in the Notes are uncertain, as to both the timing and character of any inclusion in income in respect of the Notes. Because of this uncertainty, prospective investors are urged to consult their tax advisors as to the tax consequences of an investment in a Note. For a more complete discussion of the U.S. federal income tax consequences of an investment in a Note, please see the summary under “*Certain U.S. Federal Income Tax Considerations*” below.

7.19 *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 implementing 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). For the purposes of the Volcker Rule, a “covered fund” includes an issuer that is exempt from registration as an investment company in reliance on the exclusions found in Sections 3(c)(1) or 3(c)(7) of the Investment Company Act. Issuers that are exempt based on other exclusions or exemptions are not considered covered funds.

The Issuer has been structured so as not to constitute a “covered fund” for purposes of the Volcker Rule and its implementing regulations in reliance on the exclusion found in Section 3(c)(5) of the Investment Company Act. 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.

7.20 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”) as amended or supplemented or replaced from time to time. The UK government has indicated that UK EMIR will be repealed with domestic legislation under FSMA 2023. However, UK EMIR is not subject to immediate policy review or reform and so substantive requirements are not expected to change as a result of the repeal and replacement of UK EMIR.

The Issuer will be subject to certain regulatory requirements in relation to 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.

Given that the Swap Counterparty is established in the EU, the Issuer will require the Swap Counterparty to co-operate with the Issuer to ensure the applicable rules under UK EMIR are complied with and the Swap Counterparty will require the Issuer to co-operate with the 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 the Swap Counterparty is established in the EU or the UK. However, over time, divergences between the UK EMIR (or any amendment, replacement or supplement thereof, including under FSMA 2023) and the EU EMIR rules may arise and this may ultimately lead to additional costs being incurred by the Issuer to the extent that it continues to enter into derivative transactions (including to effect Interest Rate Swap Adjustments from time to time) with any Swap Counterparty established in both the UK and the EU.

7.21 Equitable interest and the 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 the Scottish Declaration of Trust. Save in the circumstances set out in “2.4 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 “2.4 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 “2.4 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.

7.22 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 Moody’s and S&P are included on the list of registered and certified credit rating agencies that is maintained by the FCA. The rating that Moody’s is expected to assign to the Rated Notes on the Issue Date will be endorsed by Moody’s Deutschland 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 in exchange for Book-Entry Interests, 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 the Registrar 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 the Common Safekeeper (or 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.

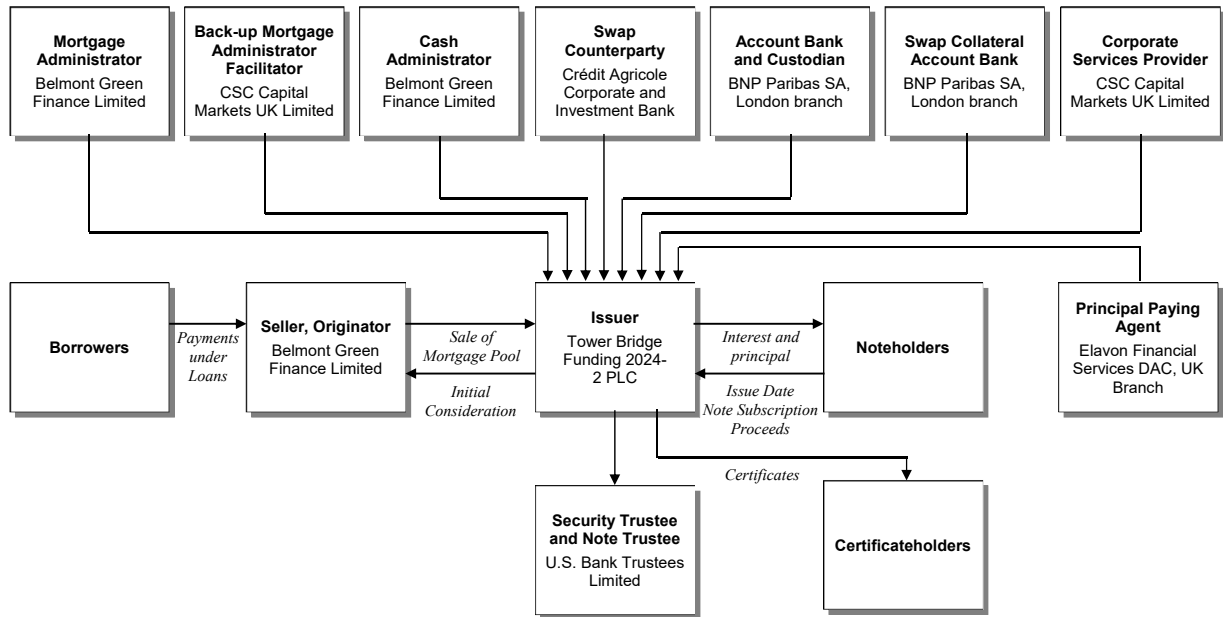
The lack of Notes in physical form could also make it difficult for a Noteholder to pledge such Notes if Notes in physical form are required by the party demanding the pledge and hinder the ability of the Noteholder to recall such Notes because some investors may be unwilling to buy Notes that are not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

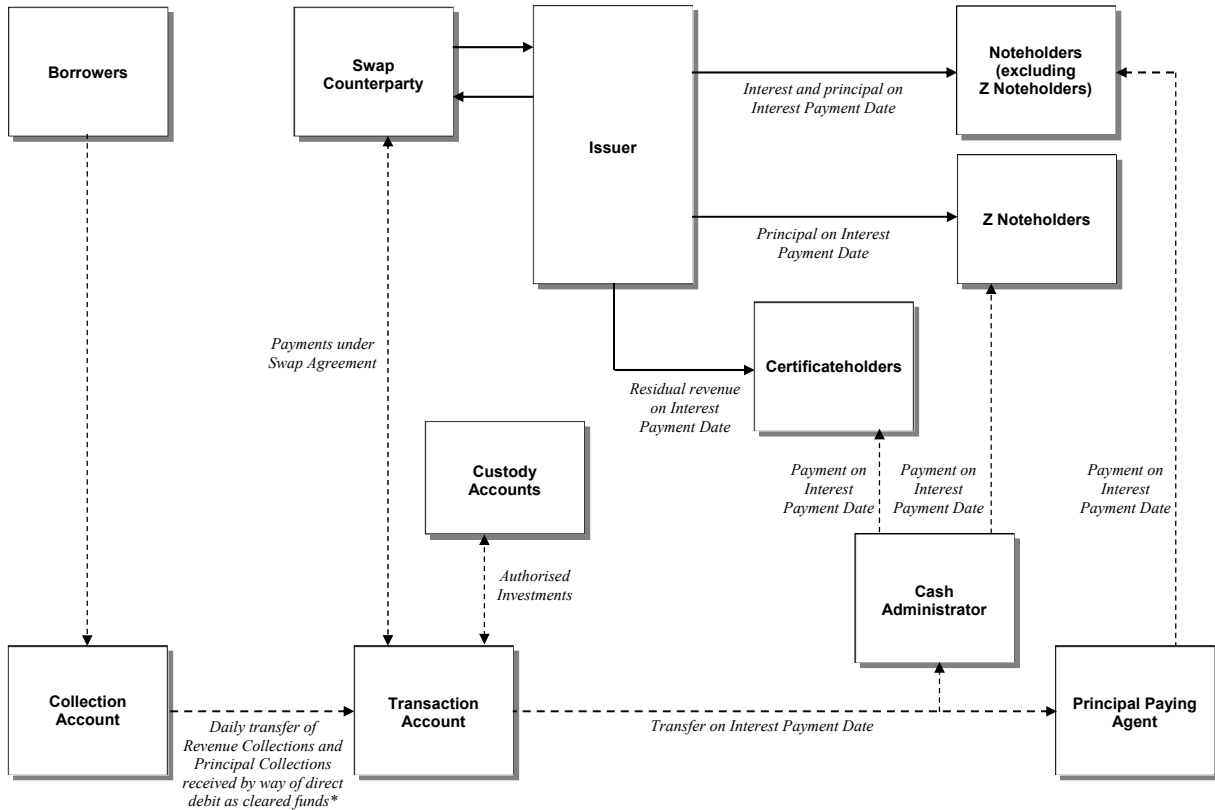
The Issuer believes that the risks described above are the principal risks inherent in the transaction for the Noteholders and Certificateholders, but the inability of the Borrowers to pay interest, principal or other amounts

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

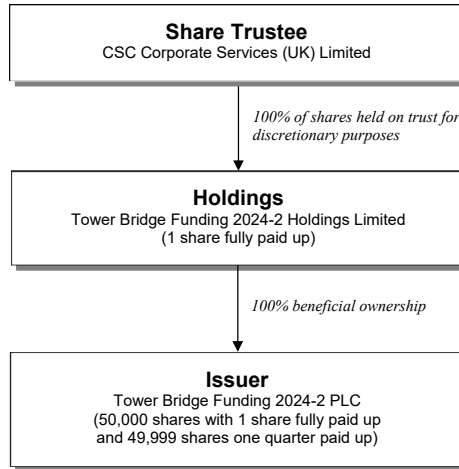


—————
Contractual obligations

- - - - -
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 1 Business Day 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. | Ciudad Grupo Santander Avenida de Cantabria s/n Edificio Encinar 28660, Boadilla del Monte Madrid, Spain | N/A |
| | BofA Securities (a trading name of Merrill Lynch International) | 2 King Edward Street London EC1A 1HQ | N/A |
| Joint Lead Managers | Banco Santander, S.A. | Ciudad Grupo Santander Avenida de Cantabria s/n Edificio Encinar 28660, Boadilla del Monte Madrid, Spain | Subscription Agreement. |
| | Barclays Bank PLC | 1 Churchill Place Canary Wharf London E14 5HP | Subscription Agreement. |
| | BofA Securities (a trading name of Merrill Lynch International) | 2 King Edward Street London EC1A 1HQ | Subscription Agreement. |
| | Macquarie Bank Limited, London Branch | Ropemaker Place 28 Ropemaker Street London EC2Y 9HD | Subscription Agreement. |
| | Macquarie Bank Europe Designated Activity Company, acting through its Paris Branch | 12-14 Rond Point des Champs-Élysées Marcel-Dassault Floor 3 75008 Paris France | Subscription Agreement. |
| | NatWest Markets Plc | 250 Bishopsgate London EC2M 4AA | Subscription Agreement. |
| Issuer | Tower Bridge Funding 2024-2 PLC | 10th Floor, 5 Churchill Place, London E14 5HU | N/A. |
| Holdings | Tower Bridge Funding 2024-2 Holdings Limited | 10th Floor, 5 Churchill Place, London E14 5HU | N/A. |
| Seller | Belmont Green Finance Limited | 1 Battle Bridge Lane, London SE1 2HP, United Kingdom | N/A. |
| Mortgage Administrator | Belmont Green Finance Limited | 1 Battle Bridge Lane, London SE1 2HP, United Kingdom | Mortgage Administration Agreement. See the sections entitled “ <i>The Seller, the Mortgage Administrator and the Cash Administrator</i> ” and “ <i>Administration, Servicing and Cash Management of the Mortgage Pool</i> ” for further information. |

| Party | Name | Address | Document under which appointed /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 “Administration, Servicing and Cash Management of the Mortgage Pool” 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. |
| Cash Administrator | Belmont Green Finance Limited | 1 Battle Bridge Lane, London SE1 2HP, United Kingdom | Cash Administration Agreement. See the section entitled “Administration, Servicing and Cash Management of the Mortgage Pool” for further information. |
| Swap Counterparty | Crédit Agricole Corporate and Investment Bank | 12 place des Etats-Unis, CS70052, 92547, Montrouge Cedex, France | Swap Agreement. See the sections entitled “The Swap Agreement” and “The Swap Counterparty” for further information. |
| Collection Account Provider | Barclays Bank PLC | 1 Churchill Place, London E14 5HP, United Kingdom | Collection Account Agreement. See the section entitled “Credit Structure – Collection Account, Bank Accounts, Custody Accounts and Authorised Investments” for further information. |
| Account Bank and Swap Collateral Account Bank | BNP Paribas SA, London branch | 10 Harewood Avenue, London NW1 6AA | Bank Agreement. See the section entitled “The Account Bank, the Swap Collateral Account Bank and the Custodian” for further information. |
| Custodian | BNP Paribas SA, London branch | 10 Harewood Avenue, London NW1 6AA | Custody Agreement. See the section entitled “The Account Bank, the Swap Collateral Account Bank and the Custodian” for further information. |
| Principal Paying Agent and Agent Bank | Elavon Financial Services DAC, UK Branch | 125 Old Broad Street, Fifth Floor, London EC2N 1AR, United Kingdom | Paying Agency Agreement. See the section entitled “The Agent Bank, the Principal Paying Agent and the Registrar” for further information. |
| Registrar | Elavon Financial Services DAC | Block F1, Cherrywood Business Park, Cherrywood, Dublin 18, D18 W2X7, Ireland | Paying Agency Agreement. See the section entitled “The Agent Bank, the Principal Paying Agent and the Registrar” 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. |

| Party | Name | Address | Further information |
|-----------------------|-----------------------------------|--|---------------------|
| | Clearstream Banking S.A. | 42 Avenue JF Kennedy, L-1855 Luxembourg | N/A. |
| Rating Agencies | Moody's Investors Service Limited | 1 Canada Square, London E14 5FA | N/A. |
| | S&P Global Ratings UK Limited | 25 Ropemaker Street, London EC2Y 9LY, United Kingdom | N/A. |
| UK Reports Repository | SecRep 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. |
| 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 the Issue Date (in the case of the Scottish Loans and their related Mortgage Rights, pursuant to the 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

Charge ranking: First charge mortgages only

Buy-to-let Loans: 69.20 per cent. of the aggregate Current Balance

Number of Loans: 1,568

Loans to Borrowers with CCJs: 11.26 per cent. of the aggregate Current Balance

Loans to self-employed Borrowers: 32.45 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) the Initial Cash Purchase Price plus (if any) the Excess Consideration payable on the Issue Date and (ii) delivery of and the right to Residual Payments under the Certificates.

Proceeds of the Notes The proceeds of the Notes and (if any) the Issuer Upfront Swap Receipt 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; and (iii) following the funding and

payment of items (i) and (ii), pay the remainder of the proceeds of the Notes and (if any) the Issuer Upfront Swap Receipt 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.

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 Mortgage Pool Effective Date in relation to Product Switch Loans, and (iii) 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 of 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 – 2.4 Seller to initially retain legal title to the Loans and risks relating to set-off*” and “*Risk Factors – 7.21 Equitable interest and the 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*, in certain circumstances a Rating Agency Confirmation is obtained.

See the sections entitled “*The Seller, the Mortgage Administrator and the Cash 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 Z | Certificates |
|--|--|---|---|---|---|---|--------------|
| Currency | £ | £ | £ | £ | £ | £ | £ |
| Initial Principal Amount | 267,000,000 | 21,000,000 | 9,000,000 | 3,000,000 | 6,000,000 | 4,500,000 | N/A |
| Credit Enhancement | Over-collateralisation funded by the B Notes, the C Notes, the D Notes and the Z 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, the D Notes and the Z 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 and the Z 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 Z 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. | Revenue Collections; and additionally, following service of an Enforcement Notice, the General Reserve Fund and the Liquidity Reserve Fund. | N/A |
| Liquidity Support | Subordination in payment of the B Notes, the C Notes, the D Notes, the X Notes and the Z Notes; the General Reserve Fund; the Liquidity Reserve Fund; and Available Principal Funds to make up Further Revenue Shortfall, or Shortfall | Subordination in payment of the C Notes, the D Notes, the X Notes and the Z Notes; the General Reserve Fund; the Liquidity Reserve Fund; and Available Principal Funds to make up Further Revenue Shortfall, or Shortfall | Subordination in payment of the D Notes, the X Notes and the Z Notes; the General Reserve Fund; and Available Principal Funds to make up Further Revenue Shortfall | Subordination in payment of the X Notes, the Z Notes, the General Reserve Fund; and Available Principal Funds to make up Further Revenue Shortfall, or Revenue Shortfall | Subordination in payment of the Z Notes | N/A | N/A |
| Issue Price | 100% | 100% | 100% | 100% | 100% | 100% | N/A |
| Interest Reference Rate on Floating Rate Notes | Compounded Daily SONIA | Compounded Daily SONIA | Compounded Daily SONIA | Compounded Daily SONIA | Compounded Daily SONIA | N/A | N/A |
| Relevant Margin prior to Step-Up Date | 0.88% | 1.20% | 1.60% | 2.29% | 5.00% | N/A | N/A |

| | Class A | Class B | Class C | Class D | Class X | Class Z | Certificates |
|---|---|--|--|--|--|--|--------------------|
| Relevant Margin on and following Step-Up Date | 1.32% | 1.80% | 2.40% | 3.29% | 5.00% | N/A | N/A |
| Step-Up Date | May 2027 | May 2027 | May 2027 | May 2027 | May 2027 | 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 |
| Rate of Interest for Fixed Rate Notes | N/A | N/A | N/A | N/A | N/A | 0% | 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 |
| Business Day Convention | Modified Following | Modified Following | Modified Following | Modified Following | Modified Following | Modified Following | Modified Following |
| First Interest Payment Date | The Interest Payment Date falling in August 2024 | The Interest Payment Date falling in August 2024 | The Interest Payment Date falling in August 2024 | The Interest Payment Date falling in August 2024 | The Interest Payment Date falling in August 2024 | The Interest Payment Date falling in August 2024 | 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 |
| 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 |
| Call Option Date | Any Interest Payment Date falling on or after the Interest Payment Date falling in May 2027 | | | | | | N/A |
| Call option | On a Call Option Date (being any Interest Payment Date falling on or after the Interest Payment Date falling in May 2027), 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 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>). | | | | | | N/A |
| Clean Up Call | 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 | | | | | | 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 |
| Other Early Redemption in Full Events | Tax call. Please refer to Note Condition 5(e) (<i>Optional Redemption for Taxation or Other Reasons</i>). | | | | | | N/A |
| Final Maturity Date | The Interest Payment Date falling in May 2066 | The Interest Payment Date falling in May 2066 | The Interest Payment Date falling in May 2066 | The Interest Payment Date falling in May 2066 | The Interest Payment Date falling in May 2066 | The Interest Payment Date falling in May 2066 | N/A |
| Form of the Notes | Registered Global Notes | Registered Global Notes | Registered Global Notes | Registered Global Notes | Registered Global Notes | Registered Definitive Note | N/A |

| | Class A | Class B | Class C | Class D | Class X | Class Z | Certificates |
|-------------------------|--|---|---|---|---|---|--------------|
| Application for Listing | London Stock Exchange | London Stock Exchange | London Stock Exchange | London Stock Exchange | London Stock Exchange | N/A | N/A |
| Reg S ISIN | XS2799470880 | XS2799471003 | XS2799471268 | XS2799471698 | XS2799471854 | N/A | N/A |
| Rule 144A ISIN | XS2799470963 | XS2799471185 | XS2799471425 | XS2799471771 | XS2799471938 | N/A | N/A |
| Reg S Common Code | 279947088 | 279947100 | 279947126 | 279947169 | 279947185 | N/A | N/A |
| Rule 144A Common Code | 279947096 | 279947118 | 279947142 | 279947177 | 279947193 | N/A | N/A |
| Clearance/ Settlement | 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 | N/A |
| Retained Amount | (a) BGFL holding not less than 5 per cent. of the nominal value of each of the ‘tranches’ of Notes sold or transferred to investors as contemplated by Article 6(3)(a) of the UK Securitisation Regulation and Article 6(3)(a) of the EU Securitisation Regulation, respectively, such ‘tranches’ being the A Notes, the B Notes, the C Notes and the D Notes, and (b) BGFL acquiring and, to the extent required, retaining through the Sunset Date an EVI equal to a minimum of 5 per cent. of the aggregate “ABS interests” (as defined in the U.S. Retention Rules) issued by the Issuer being, cumulatively, 5 per cent. of the Principal Amount Outstanding of each Class of Notes and 5 per cent. of the 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 (other than the Z Notes) will be represented on issue by beneficial interests in one or more Global Notes in fully registered form, without interest or principal receipts.

The Z Notes will be issued in fully registered definitive form to BFGF.

The Notes (other than the Z 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 in the Global Notes. 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 “*Summary of Provisions relating to the Notes While in Global Form – 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 Z Notes whilst they remain outstanding; and
- (g) 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 Z 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 Z Notes; and
- (f) *sixth*, to the X Notes,

provided that 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

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 Certificate represents a *pro rata* entitlement to receive by way of deferred consideration for the purchase by the Issuer of the Completion Mortgage Pool, 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 and the Z 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 the 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 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 the 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, the Custody 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 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 Z 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 thereafter 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 any Interest Payment Date falling in or after May 2027 (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.

Relevant Dates and Periods

| | |
|----------------------------------|---|
| Issue Date: | The date of initial issuance for the Notes and the Certificates will be 23 April 2024 (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 August 2024 (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) the Issue Date and end on (and include) the Determination Period End Date falling in July 2024. |
| 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. |

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 and the Z 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

| Resolutions at meetings | 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 Notes 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 Notes 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 Notes 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 Certificates 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 resolutions

A written resolution in respect of Notes has the same effect as a Notes Ordinary Resolution or a Notes Extraordinary Resolution (as applicable). A written resolution in respect of Certificates has the same effect as a Certificates Ordinary Resolution or a Certificates Extraordinary Resolution (as applicable).

| | |
|---------------------------------|--|
| Notes Ordinary Resolution: | Not less than 50.1 per cent. of the Principal Amount Outstanding of the relevant Class or Classes of Notes. |
| Notes Extraordinary Resolution: | Not less than 75 per cent. of the Principal Amount Outstanding of the relevant Class or Classes of Notes (including in respect of a Notes Basic Terms Modification). |

Certificates
Ordinary
Resolution: Not less than 50.1 per cent. of the outstanding Certificates.

Certificates
Extraordinary
Resolution: Not less than 75 per cent. of the outstanding Certificates (including in respect of a Certificates Basic Terms Modification).

Electronic Consents
resolutions

Noteholders (other than the Z Noteholders) may also pass an Extraordinary Resolution by way of electronic consents communicated through the electronic communications systems of the clearing system(s) to the Principal Paying Agent or another specified agent and/or the Note Trustee in accordance with the operating rules and procedures of the relevant clearing system(s) (“**Electronic Consents**”).

An Electronic Consents resolution in respect of Notes has the same effect as an Notes Ordinary Resolution or an Notes Extraordinary Resolution (as applicable). There is no requirement as to the minimum number of Noteholders of any Class who must vote in favour of an Electronic Consents resolution.

Notes Ordinary
Resolution: Not less than 50.1 per cent. of the total Principal Amount Outstanding of the relevant Class or Classes of Notes voting in respect of the Ordinary Resolution.

Notes
Extraordinary
Resolution: Not less than 75 per cent. of the total Principal Amount Outstanding of the relevant Class or Classes of Notes (including in respect of a Notes Basic Terms Modification) voting in respect of the Extraordinary 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)(ix));
- (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 quarter (to the extent required under Article 7(1) of the UK Securitisation Regulation); and
 - (ii) a UK SR Loan Level 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 quarter (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 Level Report) an EU SR Loan Level 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.

UK Reports Repository and EU Reports Repository

As at the date of this Prospectus, the UK Reports Repository selected for the purposes of this transaction is the website of SecRep Limited (via its website at www.secrep.co.uk) and the EU Reports Repository selected for the purposes of this transaction 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.

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 Level Report**") which will be made available through the UK Reports Repository.

Investor Report

The Issuer will or will procure that from the first Interest Payment 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 (other than the Z Notes) are listed on the Official List and admitted to trading on the London Stock Exchange's main market, all notices to the Noteholders (other than the Z 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 Notes (other than the Z 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) for so long as Notes (other than the Z 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 Z Notes if, 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 Z 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

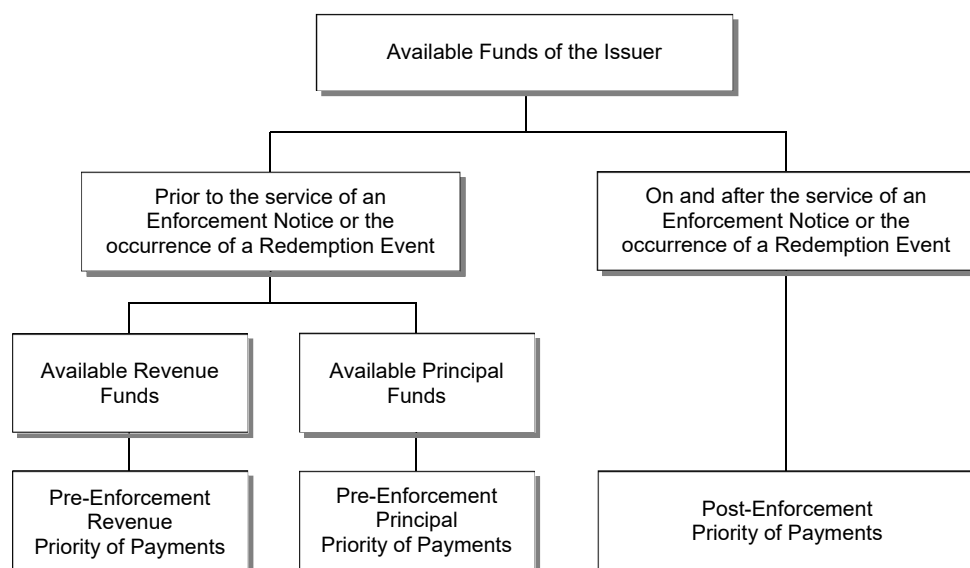
The implementation of certain matters will, pursuant to the Transaction Documents, be subject to the receipt of written confirmation from each Rating Agency that such modification would not result in the then current ratings of each Class of Notes rated thereby being qualified, downgraded, suspended 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 (viii) 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) (*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 the 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 (xx) (*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 (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 (f) (*Reconciliation following Estimation Period*) 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) 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
- (c) 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 or the balance of the General Reserve Fund being greater than or equal to the balance of the Rated Principal Backed Notes (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) on and 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 (xviii) of the Pre-Enforcement Revenue Priority of Payments,

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.

“**Shortfall**” means an amount, if greater than zero, by which the required payment pursuant to items (i) (*Note Trustee and Security Trustee*) to (xiv) (*D Principal Deficiency Sub-Ledger*) 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 the 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 | Before the Liquidity Reserve Initial Funding Date, funding the Liquidity Reserve Fund | Trustee and receiver fees and expenses |
| Transaction Parties' fees | Principal Addition Amounts | Transaction Parties' fees |
| Other senior expenses incurred by the Issuer | Principal on A Notes | Issuer Profit Amount |
| Issuer Profit Amount | Principal on B Notes | Certain amounts due to Swap Counterparty |
| Certain amounts due to Swap Counterparty | Principal on C Notes | A Notes interest and principal |
| Interest on A Notes | Principal on D Notes | B Notes interest and principal |
| A Principal Deficiency Sub-Ledger | Principal on Z Notes | C Notes interest and principal |
| Interest on B Notes | Applied as Available Revenue Funds | 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 | | X Notes interest |
| B Principal Deficiency Sub-Ledger | | Z Notes principal |
| Interest on C Notes | | X Notes principal |
| C Principal Deficiency Sub-Ledger | | Amounts owing to third parties |
| Interest on D Notes | | Swap Subordinated Amounts |
| D Principal Deficiency Sub-Ledger | | Surplus to Certificateholders |
| While the Rated Principal Backed Notes remain outstanding, funding the General Reserve Fund Ledger up to the General Reserve Fund Required Amount | | |
| 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; and
- (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.

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 (i) the redemption in full of the Rated Principal Backed Notes or (ii) the balance of the General Reserve Fund being greater than or equal to the balance of the Rated Principal Backed Notes, an amount equal to 1.50 per cent. of the Principal Amount Outstanding of the Principal Backed Notes as at the Issue Date;
- (b) on the Interest Payment Date on which the Rated Principal Backed Notes are to be redeemed in full, zero.
- (c) on the Interest Payment Date on which the balance of the General Reserve Fund becomes greater than or equal to the balance of the Rated Principal Backed Notes, 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 or the balance of the General Reserve Fund being greater than or equal to the balance of the Rated Principal Backed Notes. On the Interest Payment Date on which the Rated Principal Backed Notes are redeemed in full or the balance of the General Reserve Fund being greater than or equal to the balance of the Rated Principal Backed Notes, 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 1.50 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 and the D 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 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);
- (b) *secondly*, 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);
- (c) *thirdly*, 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
- (d) *fourthly*, 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 1 Business Day of such cleared funds being credited to the Collection Account.

Custody Accounts

BGFL or the Cash Administrator, acting on the direction of the Issuer and/or BGFL, may invest funds of the Issuer in the Transaction Account into Authorised Investments in accordance with applicable laws and regulations (as set out in the Cash Administration Agreement).

Pursuant to the Custody Agreement, the Issuer will open each Custody Securities Account and Custody Cash Account with the Custodian.

Each Authorised Investment that is a security shall be held by the Custodian in a Custody Securities Account for the benefit of the Issuer and all proceeds received in respect of such security (including periodic distributions and the net proceeds upon disposal of such security) shall be deposited into a Custody Cash Account by the Custodian and then transferred by the Cash Administrator to the Transaction 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>Moody's</i>: a short-term deposit rating of at least "P-1" by Moody's or a long-term deposit rating of at least "A3" by Moody's; (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. | The consequences for the Account Bank of a breach under the Bank Agreement include a requirement for the Issuer to replace the Account Bank within 60 calendar days of the downgrade of the relevant entity. |
| <i>Swap Collateral Account Bank</i> | <ul style="list-style-type: none"> (a) <i>Moody's</i>: a short-term deposit rating of at least "P-1" by Moody's or a long-term deposit rating of at least "A3" by Moody's; (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. | The consequences for the Swap Collateral Account Bank of a continuing breach under the Bank Agreement include a requirement for the Issuer to replace the Swap Collateral Account Bank within 60 calendar days of the downgrade of the relevant entity. |
| <i>Swap Counterparty or any credit support provider of the Swap Counterparty</i> | <p><i>Moody's required ratings</i></p> <ul style="list-style-type: none"> (a) Collateral trigger: (i) if such entity has a counterparty risk assessment from Moody's of A3(cr) or above; or (ii) if such entity does not have a counterparty risk assessment from Moody's, its long-term, unsecured and unsubordinated debt or counterparty obligations are rated A3 or above by Moody's (the "Moody's Qualifying Collateral Required Rating"). (b) Transfer trigger: (i) if such entity has a counterparty risk assessment from Moody's of Baa3(cr) or above; or (ii) if such entity does not have a counterparty risk assessment from Moody's, its long-term, unsecured and unsubordinated debt or counterparty obligations are rated Baa3 or above by Moody's (the "Moody's Qualifying Transfer Required Rating"). | <ul style="list-style-type: none"> (a) If the Swap Counterparty (or its successor or any relevant guarantor) does not have the Moody's Qualifying Collateral Required Rating and either (i) has not had a Moody's Qualifying Collateral Required Rating since the Issue Date or (ii) at least 30 Business Days have elapsed since the last time the Swap Counterparty (or its successor or relevant guarantor) had the Moody's Qualifying Collateral Required Rating, the Swap Counterparty must, if required, post collateral and may either (1) transfer its rights and obligations under the Swap Agreement to an appropriately rated replacement third party, or (2) procure a guarantee from an appropriately rated third party. <p>The Issuer may terminate the Swap Agreement if the Swap Counterparty fails to provide collateral in respect of the Swap Agreement in the relevant time period (to</p> |

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

the extent the Swap Counterparty is required to do so) and such failure is not remedied within the applicable grace period under the Swap Agreement.

(b) If the Swap Counterparty (or its successor or any relevant guarantor) does not have the Moody's Qualifying Transfer Required Rating, the Swap Counterparty must, at its own cost, use commercially reasonable efforts to, as soon as reasonably practicable (and in any event within 30 Business Days), either (i) transfer its rights and obligations under the Swap Agreement to an appropriately rated replacement third party, or (ii) procure a guarantee from an appropriately rated third party.

A failure by the Swap Counterparty to take such steps will, in certain circumstances, allow the Issuer to terminate the Swap Agreement.

S&P required ratings

S&P Global Ratings' 'Counterparty Risk Framework: Methodology And Assumptions', dated 8 March 2019 (as republished on 16 December 2021, 14 December 2022 and 27 July 2023) (the "S&P Criteria") 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.

S&P Replacement Option "Strong" will apply on the Issue Date.

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 (RCR) by S&P, or if no such rating is published by S&P, an issuer credit rating (ICR) by S&P, of at least "A-" where S&P Replacement

Collateral S&P Rating Event

Where S&P Replacement Option "Strong", "Adequate" or "Moderate" applies

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 trigger for a Collateral S&P Rating Event shall be no lower than the trigger for a Replacement S&P Rating Event.

Replacement S&P Rating Event

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

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

Option “Strong” applies, “A-” where S&P Replacement Option “Adequate” applies, “A” where S&P Replacement Option “Moderate” applies, or as otherwise determined in accordance with the S&P Criteria (a “**Collateral S&P Rating Event**”).

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 (RCR) by S&P or, if no such rating is published by S&P, an issuer credit rating (ICR) by S&P that will not, provided that collateral is being provided in accordance with the Swap Agreement, cause a downgrade, withdrawal or qualification of the current rating of the then Most Senior Class of Notes, being the lowest rating specified in the column headed “Replacement Trigger” that corresponds to the then current rating of the Most Senior Class of Notes specified in the applicable column for the selected S&P Replacement Option applicable at that time, in each case, in the table below (each a “**Replacement S&P Rating Event**”).

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.

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).

| 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 |

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 | 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 |
|---|--|---|
| | <p>to the possible insolvency of the Seller);</p> <p>(c) the occurrence of an Insolvency Event occurring in relation to the Seller; or</p> <p>(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.</p> | |
| <i>Cash Administrator Termination Events</i> | <p>The occurrence of any of the following:</p> <p>(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: (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;</p> <p>(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;</p> <p>(c) the occurrence of an Insolvency Event occurring in relation to the Cash Administrator; or</p> <p>(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> | <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> <p>(a) the Mortgage Administrator defaults in making any payment under the</p> | <p>If a Mortgage Administrator Termination Event occurs the Issuer (prior to the service of an Enforcement Notice and with the</p> |

| Nature of Trigger | Description of Trigger | Consequence of Trigger |
|-------------------|--|---|
| | <p>Mortgage Administration Agreement on the due date and such default continues unremedied for a period of 10 Business Days after the earlier of:</p> <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>(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>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.</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. |
| Cash Administrator fees | The Issuer shall pay to the Cash Administrator a cash administrator fee equal to the product of 0.02 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 Cash 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 Swap Collateral Account Bank, the Custodian, the Corporate Services Provider and the Back-up Mortgage Administrator Facilitator | Estimated annual fees of £130,000 (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 £17,820 (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

From 31 October 2004, most businesses advancing first-charge owner-occupied residential mortgages 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 a regulated mortgage contract as a lender, arranging a regulated mortgage contract or advising in respect of a regulated mortgage contract, and administering a regulated mortgage contract (or 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 contract provides that the obligation of the borrower to repay is to be 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 the 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 the 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. Under the RAO, 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 (beginning with the day on which such arrangement terminates) 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 or Product Switch 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 appropriately authorised 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. 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).

Under MCOB, a firm (such as the Seller) 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. While the FSA had previously indicated that it does not expect each forbearance option referred to in MCOB to be explored at every stage of interaction with the borrower, it is clear that the FCA handbook (in particular, MCOB) imposes mandatory obligations on firms without regard to any relevant contractual obligations or restrictions. The Transaction Documents will provide that the Seller will incur no liability as a result of the 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.

FCA response to the cost of living crisis

On 16 June 2022, the FCA sent a "Dear CEO" letter which stated that the FCA consider that the *Mortgages Tailored Support Guidance* published on 25 March 2021 (as amended and supplemented from time to time, the "**Mortgages Tailored Support Guidance**") which was issued to address exceptional circumstances arising out of coronavirus, is also relevant for borrowers in financial difficulties due to other circumstances such as the rising cost of living. Therefore, if a borrower indicates that they are experiencing or reasonably expect to experience payment difficulties due to the rising cost of living, the FCA have said that lenders should offer prospective

forbearance to enable them to avoid, reduce, or manage any payment shortfall that would otherwise arise. This includes borrowers who have not yet missed a payment.

The Mortgages Tailored Support Guidance emphasises the MCOB requirement that a lender must not repossess a property unless all other reasonable attempts to resolve the position have failed. It further states that mortgage lenders must also establish and implement clear, effective and appropriate policies and procedures for the fair and appropriate treatment of borrowers whom the lender understands, or reasonably suspects, to be particularly vulnerable. The Mortgages Tailored Support Guidance also confirms the FCA's expectation that action to seek possession should be a last resort.

In addition, the FCA proposed that lenders considering or resuming possession proceedings, should support and enable borrowers to disclose circumstances that might make them particularly vulnerable to repossession action at this time - and to consider whether additional care may be required as a result.

On 13 March 2023, the FCA published finalised guidance: "*Guidance for firms supporting their existing mortgage borrowers impacted by the rising cost of living*" (FG23/2). The FCA stated that the purpose of the finalised guidance was to ensure that lenders are clear about the effect of the FCA rules and the range of options lenders have to support their customers including those who are facing higher interest rates alongside the rising cost of living. The FCA have said that the guidance clarifies the effect of their existing rules and principles and is not intended to set new expectations or requirements of lenders or to repeat the position set out in other documents such as the expectations around repossessions or the treatment of vulnerable customers. It explains how lenders can support borrowers in, or at risk of, payment difficulty and confirms the flexibility lenders have under FCA rules and guidance to support borrowers in different ways.

In March 2021, the FCA stated that as the more immediate impacts of coronavirus begin to subside, they were considering whether they will need to make any permanent changes to their forbearance regimes for mortgages and credit in light of the Mortgages Tailored Support Guidance. This could include updating the rules and guidance in MCOB and incorporating elements of the Mortgages Tailored Support Guidance. On 25 May 2023, the FCA launched consultation CP23/13 setting out how they plan to incorporate aspects of the Mortgages Tailored Support Guidance into MCOB and withdraw the Mortgages Tailored Support Guidance. The FCA are also proposing targeted additional changes to support consumers in financial difficulty. The FCA expect to publish their new rules in the first half of 2024, and propose to withdraw the Mortgages Tailored Support Guidance at the same time, but the implementation timeframe is currently unknown. There can be no assurance that the FCA, or other UK government or regulatory bodies, will not take further steps in response to the rising cost of living in the UK which may impact the performance of the Loans, including further amending and extending the scope of the above guidance.

Strengthening Protections for Borrowers in Financial Difficulty: FCA Consultation Paper

On 25 May 2023, the FCA published consultation paper CP23/13 entitled "*Strengthening Protections for Borrowers in Financial Difficulty: Consumer Credit and Mortgages*" in connection with the rising cost of living (the "**FCA Borrowers in Financial Difficulty Consultation**"). Amongst other things, this consultation sets out how the FCA plans to incorporate aspects of the Mortgages Tailored Support Guidance, introduced during the coronavirus pandemic, into binding rules under the MCOB sourcebook and withdraw the Mortgages Tailored Support Guidance.

Key proposals under the FCA Borrowers in Financial Difficulty Consultation include: making clear to firms that appropriate support should be provided to customers in or at risk of payment difficulty; enhancing the FCA's expectations around customer engagement and providing information including on money guidance and debt advice; and expecting firms to consider a range of forbearance options and take reasonable steps to ensure arrangements remain appropriate.

In addition, the FCA has proposed targeted additional changes, separate to the Mortgages Tailored Support Guidance, to support consumers in financial difficulty. For mortgage firms, these include allowing firms more scope to capitalise payment shortfalls where appropriate and improving disclosure for all customers in payment shortfall.

The proposed rules are still under consultation and, therefore, the final rules may differ from the proposals. Accordingly, it is difficult to predict their impact on the Loans, but a likely outcome is that, amongst other things, additional support will be required to be given to Borrowers in financial difficulty, including allowing for reduced or no payments temporarily or changing the Loan term, taking account of individual circumstances.

The FCA expects the rules to be published in the first half of 2024, and proposes to withdraw the Mortgages Tailored Support Guidance at the same time, but the implementation timeframe is currently unknown.

Mortgage Charter

On 26 June 2023, a group of mortgage lenders agreed the Mortgage Charter with the Chancellor of the Exchequer and the FCA, comprising a series of new commitments to support regulated residential mortgage borrowers, following a prolonged period of high inflation and a resulting increase in UK interest rates. The Mortgage Charter provides, among other things, that a borrower will not be forced to leave their home without their consent unless in exceptional circumstances, in less than a year from their first missed payment. In addition, lenders will permit borrowers who are up to date with their payments to: (a) switch to interest-only payments for six months (the “**MC Interest-only Agreement**”); or (b) extend their mortgage term to reduce their monthly payments and give borrowers the option to revert to their original term within six months by contacting their lender (the “**MC Extension Agreement**”). These options can be taken by borrowers who are up to date with their payments without a new affordability check or affecting their credit score. The Mortgage Charter commitments do not apply to buy-to-let mortgages.

With effect from 30 June 2023, the FCA amended the MCOB to allow (rather than require) lenders to give effect to any MC Interest-only Agreement or MC Extension Agreement in order to support the implementation of the Mortgage Charter. These changes enable lenders to offer support mechanisms set out in the Mortgage Charter even though such lenders were not original signatories to the Mortgage Charter. The FCA has separately indicated in its Policy Statement PS23/8 that firms (including mortgage lenders and administrators) will also need to meet expectations set out under the ‘consumer understanding’ outcome which forms part of the FCA Consumer Duty (see “*FCA Consumer Duty*” below). Firms will need to make sure customers understand the features, costs, and benefits of the option they choose. This extends the principles of the Mortgage Charter to other UK mortgage lenders, including those that are not direct signatories to the Mortgage Charter.

The charter is currently voluntary and adhering to it will be a decision for lenders to make individually. Notwithstanding that, as at the date of this Prospectus, BGFL remains committed to supporting Borrowers residing in the Property on which their Loan is secured and who may be facing financial difficulties, where to do so would be in the best interests of the relevant Borrower and is consistent with the standards of a Prudent Mortgage Lender.

There can be no assurance that the FCA or other UK government or regulatory bodies, will not take further steps in response to the rising cost of living in the UK which may impact the performance of the Loans, including further amending and extending the scope of the Mortgage Charter or related rules.

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 properly brought before the Ombudsman for consideration must be decided on a case-by-case basis, with reference to the particular facts of any individual case. Each case would first be adjudicated by an adjudicator. Either party to the case may appeal against the adjudication. In the event of an appeal, the case proceeds to a final decision by the Ombudsman.

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.

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 three 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. 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.

Subject to any relevant government restrictions on repossessions, mortgage lenders/administrators may enforce repossessions provided they act in accordance with the Mortgages Tailored Support Guidance, MCOB 13 and relevant regulatory and legislative requirements. Action to seek possession should be a last resort and should not be started unless all other reasonable attempts to resolve the position have failed.

See further "*Risk Factors – 2 Risks relating to the underlying assets – Limitations on enforcement*".

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 the 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.

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 9.30 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. No new applications are currently being accepted under the Help to Buy scheme in England and Wales.

The second scheme 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 previously applied which were run by the Scottish Government and under which a contribution of up to 15 per cent. of the purchase price was 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. No new applications are currently being accepted under the primary Help to Buy (Scotland) schemes although some additional financial support schemes for home buyers still remain available through the Scottish government.

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, 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.

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 of Schedule 2 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.

Ultimately, only a court can decide whether a term is fair, however it may take into account relevant guidance published by the CMA or the FCA.

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, the interpretation of the UTCCR and/or the Consumer Rights Act is open to some doubt, particularly in light of sometimes conflicting reported case law between English courts and the Court of Justice of the European Union. 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.

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.

Financial Services (Distance Marketing) Regulations 2004

In the UK, the Financial Services (Distance Marketing) Regulations 2004 (the “**DM Regulations**”) 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 DM 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 the DM Regulations but will be subject to related pre-contract disclosure requirements in MCOB. Certain other credit agreements will be cancellable under the DM 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 DM Regulations, the borrower may send notice of cancellation under the DM Regulations at any time before the expiry of fourteen days beginning with (i) the day after the day on which the cancellable agreement is made (where all of the prescribed information has been provided prior to the contract being entered into); or (ii) the day after the day on which the last of the prescribed information is provided (where all the prescribed information was not provided prior to the cancellable agreement being entered into).

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

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. Most of the provisions of the Consumer Protection (Amendment) Regulations 2014 came into force on 1 October 2014 and amended the CPUTR. In certain circumstances, these amendments to the CPUTR give consumers a right to redress for misleading or aggressive commercial practices (as defined in the CPUTR), including a right to unwind agreements.

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.

Breathing Space Regulations

The Debt Respite Scheme (Breathing Space Moratorium and Mental Health Crisis Moratorium) (England and Wales) Regulations 2020 (the “**Breathing Space Regulations**”) (which came into force in England and Wales on 4 May 2021) gives eligible individuals in England and Wales with problem debt the right to legal protection from their creditors, including almost all enforcement action, during a period of “breathing space”. A standard breathing space will give an individual with problem debt legal protection from creditor action for up to 60 days to receive debt advice; and a mental health crisis breathing space will give an individual protection from creditor action for the duration of their mental health crisis treatment (which is not limited in duration) plus an additional 30 days following the end of such treatment.

However, the Breathing Space Regulations do not apply to mortgages, except for arrears which are uncapitalised at the date of the application under the Breathing Space Regulations. Interest can still be charged on the principal secured debt during the breathing space period, but not on the arrears. Any mortgage arrears incurred during any breathing space period are not protected from creditor action. The Borrower must continue to make mortgage payments in respect of any mortgage secured against their primary residence (save in respect of arrears accrued prior to the moratorium) during the breathing space period, otherwise the relevant debt adviser may cancel the breathing space period.

In February 2021, the FCA issued a policy statement (PS21/1) on the application of the Breathing Space Regulations, in which they confirm that no changes are currently being made to the rules under MCOB, in relation to how mortgage lenders should treat a “breathing space” as an indicator of payment difficulties. The FCA's view is that this is something that firms should take into account, but should not be treated more specifically than other potential indicators of payment difficulties.

In Scotland, eligible individuals are afforded similar legal protection under the Bankruptcy (Scotland) Act 2016 although the moratorium period of 6 months is longer than in England and Wales and does not make any accommodation for mental health crisis. The Scottish Government has however introduced The Bankruptcy and Diligence (Scotland) Bill which, if enacted, will permit regulations to be made for the introduction of a similar form of moratorium in Scotland as currently exists under the Breathing Space Regulations. It is anticipated that the Bill will come into force by summer 2024, although regulations on the proposed moratorium will likely follow later.

FCA Consumer Duty

The FCA has published final rules on the introduction of a new consumer duty on regulated firms (the “**Consumer Duty**”), which aims to set a higher level of consumer protection in retail financial markets. The FCA published its final rules on the Consumer Duty in July 2022, which provide that the Consumer Duty came into effect from 31 July 2023 for products and services that remain open to sale or renewal and will apply from 31 July 2024 for closed products and services.

The Consumer Duty applies to the regulated activities and ancillary activities of all firms authorised under the FSMA.

There are three main elements to the new Consumer Duty, comprising a new consumer principle, that “a firm must act to deliver good outcomes for retail customers”, cross-cutting rules supporting the consumer principle, and four outcomes, relating to the quality of firms' products and services, price and value, consumer understanding and consumer support.

The Consumer Duty applies not only at origination of a product but throughout its subsistence (so in the case of a mortgage loan, throughout the period the mortgage loan is outstanding). The cross-cutting rules include an obligation to avoid causing foreseeable harm to the consumer and the outcomes include an obligation to ensure that the product (for example, a mortgage loan) provides fair value to the retail customer. These obligations (as with the remainder of the Consumer Duty) must be assessed on a regular basis throughout the life of the product.

The Consumer Duty applies in respect of Regulated Mortgage Contracts (as well as loans falling within the consumer credit regime). It applies to product manufacturers and distributors, which include purchasers of in scope mortgage loans, as well as firms administering or servicing those mortgage loans. Although the Consumer Duty does not apply retrospectively, the FCA will require firms to apply the Consumer Duty to existing products on a forward-looking basis.

The FCA may further seek redress for customers who have suffered losses resulting from a firm's breach of the Consumer Duty. Under Section 384 of FSMA, the FCA has the power to require restitution if it is satisfied that a firm has contravened a relevant requirement (including requirements under the Consumer Duty), or has been knowingly concerned in the contravention of such a requirement, where the firm has made a profit as a result of the contravention or one or more persons have suffered loss or been otherwise adversely affected as a result of the contravention.

The FCA's guidance states that the Consumer Duty does not apply to unregulated buy to let mortgage loans but there are some circumstances in which the Consumer Duty would apply to the servicing of buy to let loans.

The industry is still navigating the post-implementation guidance/narrative from the FCA, whilst continuing to deliver the requirements for closed books (due by 31st July 2024) and, therefore, it is not yet possible to predict the precise effect of the new Consumer Duty on the Loans with any certainty.

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.

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, debt collection and some aspects of assessment of applications. 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.

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) (and, therefore, BGFL (as originator) is not required to have permission

for the regulated activities of debt administration and debt collection which are necessary in respect of servicing unregulated loans). The Issuer is excluded as lender from the regulated activities of debt administration and debt collection in respect of any unregulated loans.

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 is restricted to any Buy-to-Let Loans secured over property in Scotland. See also “*Risk Factors – 2 Risks relating to the underlying assets – 2.7 Buy-to-Let Loans*”.

Unfair relationships

Under the CCA, the “extortionate credit” regime was replaced by an “unfair relationship” test. The unfair relationship test applies to all existing and new credit agreements except Regulated Mortgage Contracts under the FSMA. 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 are 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”) and the CRA. 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 has a wide range of powers and 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, and may require the lender to 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 June 2022, HM Treasury announced its intention to reform the CCA. It subsequently published a consultation paper on 9 December 2022 which aimed to gather views on the ways in which the Consumer Credit Act 1974 might be reformed and its provisions implemented through the FCA’s rules. In its response to the consultation published in July 2023, HMT confirmed that the reform will aim to be proportionate, aligned with current and future regulatory frameworks, forward-looking, deliverable and simplified, and that HM Treasury will consult further on the detail of the reforms in 2024. It is not possible to predict how a change to this area of law and regulation may impact the rules laid out above, or what impact, if any, a change in those rules may have on the regulatory treatment, enforcement and income derived from the Loans, and the ability of the Issuer to satisfy its obligations.

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*").

Assured tenancies, assured shorthold tenancies and occupation contracts

Depending on the level of ground rent payable at any one time it is possible that a long leasehold in England 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; or
 - (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, as applicable (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 a Government consultation underway to review residential leasehold law generally in England and Wales 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 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) 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.

In Wales, the Renting Home (Wales) Act fully entered into force on 1 December 2022 and converted the majority of existing residential tenancies in Wales into an “occupation contract” with retrospective effect. Subject to certain criteria being met, residential lettings and tenancies granted on or after 1 December 2022 will be “occupation contracts”. Where a tenant has breached the occupation contract the minimum notice that must be given to the tenant by the landlord of termination of the contract is one month. The notice period can be shorter where it relates to acts of anti-social behaviour or serious rent arrears. Where a “no fault” notice is issued, the minimum notice that must be given to a tenant is six months. The Renting Homes (Wales) Act (which only has effect in Wales) does not contain an equivalent mandatory ground for possession that a lender had under the Housing Act 1988 where a property was subject to a mortgage granted before the beginning of the tenancy and the lender required possession in order to dispose of the property with vacant possession.

See further “*Risk Factors – 2.7 Buy-to-Let Loans*” above.

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. 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.

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 (meaning that the amendments that took effect in the EU from 9 April 2021 are not part of the UK regime).

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. However, as indicated in “*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, when the relevant sections of the FSMA 2023 come into force, they will repeal the UK Securitisation Regulation and regulation of securitisation in the UK will then be replaced by statutory instruments and rules made by the relevant UK regulators.

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 the 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 and the FSMA 2023, 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***

publish each quarter (commencing on the First Interest Payment Date) 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 Level Report***

publish each quarter (commencing on the First Interest Payment Date) a report (prepared by the Mortgage Administrator) containing certain loan level information in relation to the Mortgage Pool in respect of each Determination Period (each a “**UK SR Loan Level 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.

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) publish each quarter (commencing on the First Interest Payment Date) 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 Level 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 Level 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) publish each quarter (commencing on the First Interest Payment Date) a report (prepared by the Mortgage Administrator) containing certain loan level information in relation to the Mortgage Pool in respect of each Determination Period (each a “**EU SR Loan Level 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). However, the reporting requirements of the EU Securitisation Regulation are under review. In December 2023, the ESMA published a consultation on the possible options for introducing reforms to the EU reporting regime, which includes an option intended to facilitate compliance with the EU reporting requirements on third country (non-EU securitisations), which will be relevant to this transaction.

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 a securitisation repository registered in accordance with Article 10 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 UK Reports Repository selected for the purposes of this transaction is the website of SecRep Limited (via its website at www.secprep.co.uk) and the EU Reports Repository selected for the purposes of this transaction 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.

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)(a) 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 UK Retained Interest 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 holding not less than 5 per cent. of the nominal value of each of the ‘tranches’ of Notes sold or transferred to investors as contemplated by Article 6(3)(a) of the UK Securitisation Regulation, such ‘tranches’ being the A Notes, the B Notes, the C Notes and the D Notes.

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)(a) 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 EU Retained Interest 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 holding not less than 5 per cent. of the nominal value of each of the ‘tranches’ of Notes sold or transferred to investors as contemplated by Article 6(3)(a) of the EU Securitisation Regulation, such ‘tranches’ being the A Notes, the B Notes, the C Notes and the D Notes.

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, the 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*").

U.S. Risk Retention

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 vertical interest (an "**EVI**") equal to a minimum of 5 per cent. of the aggregate "ABS interests" (as defined in the U.S. Retention Rules) issued by the Issuer being, cumulatively, 5 per cent. of the Principal Amount Outstanding of each Class of Notes and 5 per cent. of the Certificates.

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.

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 EVI, such amount of the interest that exceeds the EVI requirement may, at any time, be transferred to any third party or an affiliate without affecting its compliance with the U.S. Retention Rules.

In addition to the above, prior to the Sunset Date, the U.S. Retention Holder will not purchase, transfer or sell any Notes, or enter into any derivative, agreement or position, which in either case would reduce or limit its financial exposure in respect of the EVI that it will maintain to satisfy the U.S. Retention Rules to the extent such activities would be prohibited activities in accordance with the U.S. Retention Rules.

Subject to the U.S. Retention Rules and any applicable restrictions on transfer set out in the Transaction Documents, the U.S. Retention Holder may, at any time and from time to time, sell or otherwise transfer all or any portion of the EVI that is in excess of the portion it is required to retain to comply with the U.S. Retention Rules.

In the monthly Investor Reports, relevant information with regard to the U.S. Retention Rules will be disclosed in accordance with applicable disclosure requirements.

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.

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 implementing 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 exclusion from registration as an “investment company” provided by Section 3(c)(5) of the Investment Company Act.

The Issuer’s status for the purposes of the Volcker Rule is discussed under “*Risk Factors – 7.19 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.

Rule 15Ga-2 under the Exchange Act

On 27 August 2014, the SEC approved rules and issued a release regarding third-party due diligence reports. The release relates primarily to Rule 15Ga-2 and Rule 17g-10 under the Exchange Act, each of which became effective on 10 June 2015. Rule 15Ga-2 requires any issuer or underwriter of asset-backed securities (including, for this purpose, securitisations of residential and commercial mortgage loans as well as other asset classes) rated by a NRSRO to furnish a form (a Form ABS-15G) via the SEC’s EDGAR database describing the findings and conclusions of any third-party due diligence report obtained by an issuer or an underwriter, at least five business days prior to the first sale of the asset-backed securities. The filing requirements apply to both publicly registered offerings and unregistered securitisations of assets offered within the United States such as those relying on Rule 144A. A third party due diligence report is any report containing findings and conclusions relating to due diligence

services, which are defined as a review of pool assets for the purposes of issuing findings on: (a) the accuracy of the asset data; (b) determining whether the assets conform to stated underwriting standards; (c) asset value(s); (d) legal compliance by the originator; and (e) any other factor material to the likelihood that the issuer will pay interest and principal as required. These due diligence services are routinely provided by third-party due diligence vendors in asset-backed securities structured transactions and affect their credit ratings.

A Form ABS-15G containing diligence findings and conclusions with respect to a third party due diligence report prepared for the purpose of the transaction contemplated by this Prospectus was prepared and furnished by the Seller no later than five U.S. business days prior to the pricing date and is publicly available on the SEC's EDGAR database using BGFL's CIK number, which is 0001900686. Any such Form ABS-15G is not and will not be, by this reference or otherwise, incorporated into this Prospectus and should not be relied upon by any prospective investor as a basis for making a decision to invest in any Notes. Prospective investors should rely exclusively on this Prospectus in making their investment decisions.

Rule 17g-5 Compliance

In order to permit the Rating Agencies to comply with their obligations under Rule 17g-5 under the Exchange Act, all information that is provided to the Rating Agencies for the purposes of determining the initial credit ratings of the Notes or undertaking credit rating surveillance of the Notes will be posted on a password-protected internet website, at the same time such information is provided to the Rating Agencies. Any notices or requests to, or any other written communications with or written information provided to, the Rating Agencies, or any of their officers, directors or employees pursuant to, in connection with or related directly or indirectly to the Portfolio, the Notes or otherwise in connection with the transaction described in this Prospectus will be, in each case, posted to that website.

USE OF PROCEEDS

The net proceeds of the issue of the Notes are expected to amount to approximately £310,500,000. The net proceeds of the Notes and (if any) the Issuer Upfront Swap Receipt 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; and
- (d) pay the remainder of the proceeds of the Notes and (if any) the Issuer Upfront Swap Receipt to the Seller as Excess Consideration.

THE ISSUER

Introduction

Tower Bridge Funding 2024-2 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 29 January 2024 with registered number 15450344. 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 2024-2 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 |
|------------------------------|---|---------------------------------|
| Debra Amy Parsall | 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 |
|---------------------|---|------------------------------|
| Alasdair Watson | 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 |
| Charmaine de Castro | 10th Floor, 5 Churchill Place, London E14 5HU | Associate Director |
| Debra Parsall | 10th Floor, 5 Churchill Place, London E14 5HU | Director |
| Helena Whitaker | 10th Floor, 5 Churchill Place, London E14 5HU | Director |
| John Paul 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 |
| Jordina Walker | 10th Floor, 5 Churchill Place, London E14 5HU | Solicitor |
| Oskari Tammenmaa | 10th Floor, 5 Churchill Place, London E14 5HU | Chartered Secretary |
| Raheel Khan | 10th Floor, 5 Churchill Place, London E14 5HU | Accountant |
| Renda Manyika | 10th Floor, 5 Churchill Place, London E14 5HU | Associate Director |

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 2024-2 Holdings Limited (“**Holdings**”) was incorporated in England and Wales on 29 January 2024 (registered number 15450210) 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> |
|------------------------------|---|----------------------------|
| Debra Amy Parsall | 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> |
|---------------------|---|------------------------------|
| Alasdair Watson | 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 |
| Charmaine de Castro | 10th Floor, 5 Churchill Place, London E14 5HU | Associate Director |
| Debra Parsall | 10th Floor, 5 Churchill Place, London E14 5HU | Director |
| Helena Whitaker | 10th Floor, 5 Churchill Place, London E14 5HU | Director |
| John Paul 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 |
| Jordina Walker | 10th Floor, 5 Churchill Place, London E14 5HU | Solicitor |
| Oskari Tammenmaa | 10th Floor, 5 Churchill Place, London E14 5HU | Chartered Secretary |
| Raheel Khan | 10th Floor, 5 Churchill Place, London E14 5HU | Accountant |
| Renda Manyika | 10th Floor, 5 Churchill Place, London E14 5HU | Associate Director |

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, THE MORTGAGE ADMINISTRATOR AND THE CASH ADMINISTRATOR

Belmont Green Finance Limited

Belmont Green Finance Limited (“**BGFL**”) was established in 2015 as a specialist mortgage lender, meeting the needs of under-served customers who typically fall outside the underwriting parameters of mainstream mortgage lenders through the Vida Homeloans brand, providing residential owner-occupied and buy-to-let mortgages to customers in England, Wales and Scotland. Distribution is exclusively through a network of FCA-authorized mortgage intermediaries.

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 Battle Bridge Lane, London SE1 2HP, United Kingdom, and having additional offices in Egham and Skipton, United Kingdom.

Pine Brook PD (Cayman) Intermediate, LP indirectly holds 99.5% of the share capital of BGFL.

BGFL is the authorized mortgage lender of loans within the BGFL group, being an “authorized person” approved by the FCA to carry out certain regulated activities and holds the relevant authorisations under FSMA and Data Protection Legislation.

BGFL has submitted an application for a UK banking licence, seeking to extend its regulatory permissions to accepting retail deposits.

BGFL has engaged Homeloan Management Limited to perform certain of its activities as Mortgage Administrator.

Repurchase Requests

The Mortgage Sale Agreement contains certain covenants requiring the repurchase in certain cases of Loans from the Issuer for the uncured breach of a related representation and warranty. Repurchase requests and other repurchase activity with respect to the mortgage loans securitized by BGFL will be made available on the SEC Form ABS-15G filings to be made by BGFL. BGFL most recently filed a Form ABS-15G with respect to repurchase demands on January 12, 2024. The report can be accessed on the SEC’s EDGAR database (www.sec.gov) using BGFL’s CIK number, which is 0001900686. These filings are not incorporated by reference into this Prospectus.

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 and 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

Crédit Agricole Corporate and Investment Bank will serve as the Swap Counterparty. Crédit Agricole Corporate and Investment Bank is a public limited company under French laws (with a Board of Directors), whose registered office is at 12, place des Etats-Unis, CS 70052, 92547 Montrouge Cedex - France. Crédit Agricole Corporate and Investment Bank is registered at the Trade and Commercial Register of Nanterre (France) under the number 304 187 701. Crédit Agricole Corporate and Investment Bank is subject to Articles L.225-1 et seq. of Book 2 of the French Commercial Code. As a credit institution, Crédit Agricole Corporate and Investment Bank is subject to Articles L.511-1 et seq. and L.531-1 et seq. of the French Monetary and Financial Code.

As of 30 June 2023, Crédit Agricole Corporate and Investment Bank's shareholders' capital amounted to €7,851,636,342 divided into 290,801,346 shares with a par value of €27 each. Crédit Agricole Corporate and Investment Bank's share capital is held at 100% by Crédit Agricole Group and where Crédit Agricole S.A. holds 97.77% of the share capital of Crédit Agricole Corporate and Investment Bank.

Crédit Agricole Corporate and Investment Bank is the corporate and investment banking arm of Crédit Agricole Group.

Crédit Agricole Corporate and Investment Bank offers banking services to its customers on a global basis. Its main activities are Financing, Capital markets and investment banking and Wealth management.

Financing business covers:

- Structured finance, i.e. originating, structuring and financing major export and investment operations in France and abroad, often backed with assets as collateral (aircraft, shipping, real estate and hotel business, commodities, etc.), along with complex and structured loans; and
- Commercial banking, i.e. trade and export finance, including domestic and international cash management, short-term and medium-term trade finance, syndicated loans, leasing, factoring, international trade, domestic and international guarantees, market guarantees and interest rates and foreign exchange risk management products, as well as Corporate and Leveraged Finance activities (formerly Debt Optimisation and Distribution) including leverage, telecom and Corporate debt origination activities.

Capital markets and investment banking covers treasury and liquidity management, fixed income, foreign exchange, credit markets, equity solutions activities as well as activities dedicated to mergers and acquisitions.

Crédit Agricole Corporate and Investment Bank also runs a wealth management business in Europe out of France, Belgium, Switzerland, Luxembourg, Monaco, Spain, Italy and in Asia (Singapore and Hong Kong).

On 26 October 2023 S&P affirmed long term and short term resolution counterparty ratings of AA-(RCR) and A-1+(RCR) with a stable outlook for Crédit Agricole Corporate and Investment Bank; on 15 December 2023 Moody's affirmed long term and short term counterparty risk ratings of Aa2(cr) and P-1(cr) with a stable outlook for Crédit Agricole Corporate and Investment Bank; and on 10 January 2024 Fitch affirmed a derivative counterparty rating of AA-(DCR) with a stable outlook for Crédit Agricole Corporate and Investment Bank.

Any further information on Crédit Agricole Corporate and Investment Bank's can be obtained on Crédit Agricole Corporate and Investment Bank's website at www.ca-cib.com. That website does not form part of this Prospectus.

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 Block F1, Cherrywood Business Park, Cherrywood, Dublin 18, Ireland D18 W2X7 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 and regulated by the Central Bank of Ireland and the activities of its UK Branch are also subject to the regulation of the UK FCA and limited regulation of the 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 “A+” by S&P (stable) and “A2” (negative) by Moody’s, and its long-term issuer default rating by Fitch is “A+” (stable). The short-term deposits obligations of Elavon Financial Services DAC are currently rated “P-1” by Moody’s and “F1” by Fitch; and the long-term deposits obligations of Elavon Financial Services DAC are currently rated “A1” by Moody’s and “A+” (stable) 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 contents of that website do not form part of this Prospectus and are not incorporated by reference into this Prospectus.

THE ACCOUNT BANK, THE SWAP COLLATERAL ACCOUNT BANK AND THE CUSTODIAN

BNP Paribas SA is a significant credit institution that is authorised to perform banking activities and investment services under the law applicable in France and is subject to prudential supervision on a consolidated basis by the European Central Bank, in cooperation with the Autorité de contrôle prudentiel et de résolution. As a public listed company and as an investment service provider, BNP Paribas SA is also in France under the supervision of the Autorité des marchés financiers. Its registered office address is 16 boulevard des Italiens, 75009 Paris, France, and its website is <https://group.bnpparibas>. The contents of that website do not form part of this Prospectus and are not incorporated by reference into this Prospectus.

In the UK, BNP Paribas SA is deemed authorised by the Prudential Regulation Authority and with deemed variation of permission. Subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. Details of the Temporary Permissions Regime, which allows EEA-based firms to operate in the UK for a limited period while seeking full authorisation, are available on the Financial Conduct Authority's website. BNP Paribas SA, London branch is registered in the UK under number FC13447. UK establishment number: BR000170. UK establishment office address: 10 Harewood Avenue, London NW1 6AA.

The short-term unsecured obligations of BNP Paribas SA are currently rated "A-1" by S&P and its short-term issuer default rating and short-term bank deposits rating by Fitch is "F1", and the long-term unsecured unsubordinated obligations of BNP Paribas SA are currently rated "A+" (stable) by S&P, and its long-term issuer default rating and long-term bank deposits rating by Fitch is "A+" (stable).

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).

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 23 March 2017, 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; and
- (b) Interest Only Loans.

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 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 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.

Under the terms and conditions set out in the Standard Documentation applicable to Discretionary Rate mortgages, the Discretionary Rate is set by the Seller 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, or not be 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 23 March 2017 and the Provisional Pool Reference Date (the "**Lending Criteria**") which will form the Mortgage Pool at the Issue Date.

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) 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.
- (d) 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).
- (e) Suitable building insurance should be in place upon completion.
- (f) 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.
- (g) The following types of Property are usually acceptable:
 - (i) Properties situated above/adjacent to commercial premises up to a maximum of 75% LTV except where the relevant commercial premises is a restaurant, takeaway, launderette/dry cleaner, hairdresser, tattoo, piercing or nail parlour, public house, or petrol station the loan will generally 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); and
 - (B) Properties that have been built within the last ten years hold an acceptable guarantee/certificate.

- (v) Properties up to 3 acres in size provided (i) the Property is primarily residential; 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.
- (h) 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 and Buy-to-Let Loans, the minimum loan amount is £25,000 and the maximum loan amount is £2,000,000.

The maximum aggregate exposure to any 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) 90% for Repayment Owner Occupied Loans; and
- (c) 85% for Buy-to-Let Loans.

Term

A loan term of between 5 and 45 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) A Borrower who is a natural person must not exceed 85 years of age at the end of the mortgage term. For lending to SPV Companies, at least one of the Directors must not exceed 85 years of age at the end of the mortgage term.
- (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) In the case of Buy-to-Let Loans, Borrowers must demonstrate continuous residency in the UK for the last two years. This is not a requirement for Borrowers under the ex-pat Buy-to-Let Loan product, who must be British Citizens living abroad, hold a UK bank account and own a UK property. Foreign Nationals are acceptable if they have a permanent right to reside, settled status or indefinite leave to remain. For Owner Occupied Loans, Borrowers must have been a resident in the UK for at least one year. Applicants with UK residency of less than a year or with no permanent right to reside are only considered if they apply jointly with another principal applicant who is a UK National or a Foreign National who demonstrates the residency requirements. Foreign Nationals are acceptable provided they have either a permanent right to reside, are an EU National with pre-settled status, settled status or hold an acceptable visa (Family, Tier 1 Entrepreneur, Tier 2 Skilled Worker, UK Ancestry, British National Overseas, Senior or Specialist Worker and Health and Care Worker visas only).

- (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 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 3 years.
- (l) Borrowers must not have had a property under a mortgage loan repossessed in the last 6 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, regular bonus, car, shift, housing allowances, pension, court-ordered maintenance payments, child tax credit and investment/rental profit income. 100 per cent. of these items are used within the affordability calculation.
 - (ii) Other income includes overtime, commission payments, disability living allowance and tronc income (tips). 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 of 3 months remaining at application.

Buy-to-Let Loans

Rental cover rate at origination must be a minimum of:

- (a) 125 per cent. for Borrowers who are basic rate taxpayers or SPV Companies.
- (b) 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 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 with their mortgage payments at the time of the application; 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

BGFL will accept title insurance in respect of certain limited title defects (e.g. restrictive covenants) and not in lieu of an investigation of title. The benefit of that title insurance is assignable to the Issuer.

No Search Indemnity Insurance

In respect of Loans comprising the Mortgage Pool, 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 (provided that BGFL will accept no search indemnity insurance (the benefit of which is assignable to the Issuer) in lieu of searches in certain remortgage circumstances) and in each case received a certificate of title or report on title relating to such Property.

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.

Details of a comparable property can be provided for each RICS valuation report, 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 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 (other than loans sold by the Seller to third parties pursuant to portfolio sale and forward flow sale transactions).

These tables show, for originations in each year, the distribution of such loans originated in that year by delinquency category as at each year end. Those 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. The information contained in the tables in this section has been subject to rounding and, in particular, in some cases totals may not sum to either the relevant total balance or 100% (as applicable).

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 < 4 | 0.0 | 0 | 0.00% | 0.00% | 0.5 | 2 | 0.12% | 0.09% |
| ≥ 4 < 5 | 0.0 | 0 | 0.00% | 0.00% | 0.1 | 1 | 0.03% | 0.05% |
| ≥ 5 < 6 | 0.0 | 0 | 0.00% | 0.00% | 0.0 | 0 | 0.00% | 0.00% |
| ≥ 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 < 18 | 0.0 | 0 | 0.00% | 0.00% | 0.0 | 0 | 0.00% | 0.00% |
| ≥ 18 | 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 | 285.0 | 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 < 4 | 0.9 | 5 | 0.29% | 0.33% | 1.0 | 4 | 0.43% | 0.33% |
| ≥ 4 < 5 | 0.5 | 2 | 0.18% | 0.13% | 0.2 | 2 | 0.10% | 0.17% |
| ≥ 5 < 6 | 0.6 | 4 | 0.20% | 0.26% | 0.9 | 5 | 0.35% | 0.42% |
| ≥ 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 < 18 | 0.0 | 0 | 0.00% | 0.00% | 0.9 | 3 | 0.35% | 0.25% |
| ≥ 18 | 0.0 | 0 | 0.00% | 0.00% | 0.0 | 0 | 0.00% | 0.00% |
| 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 | | |

| Months in Arrears | 31 December 2021 | | | | 31 December 2022 | | | |
|-----------------------------|------------------|-------------|----------------|----------------|------------------|------------|----------------|----------------|
| | Balance (£m) | Count | % of Balance | % of Count | Balance (£m) | Count | % of Balance | % of Count |
| Not in Arrears | 192.3 | 948 | 92.00% | 92.13% | 131.4 | 653 | 89.97% | 91.58% |
| < 1 | 5.9 | 33 | 2.80% | 3.21% | 2.5 | 15 | 1.72% | 2.10% |
| ≥ 1 < 2 | 5.3 | 23 | 2.56% | 2.24% | 3.2 | 13 | 2.20% | 1.82% |
| ≥ 2 < 3 | 1.0 | 4 | 0.47% | 0.39% | 1.6 | 5 | 1.13% | 0.70% |
| ≥ 3 < 4 | 1.0 | 4 | 0.49% | 0.39% | 0.6 | 2 | 0.41% | 0.28% |
| ≥ 4 < 5 | 0.1 | 1 | 0.03% | 0.10% | 1.3 | 5 | 0.91% | 0.70% |
| ≥ 5 < 6 | 0.2 | 1 | 0.09% | 0.10% | 0.6 | 2 | 0.39% | 0.28% |
| ≥ 6 < 9 | 0.4 | 5 | 0.18% | 0.49% | 3.5 | 12 | 2.39% | 1.68% |
| ≥ 9 < 12 | 1.1 | 4 | 0.53% | 0.39% | 0.5 | 3 | 0.32% | 0.42% |
| ≥ 12 < 18 | 1.1 | 4 | 0.51% | 0.39% | 0.2 | 1 | 0.13% | 0.14% |
| ≥ 18 | 0.7 | 2 | 0.35% | 0.19% | 0.6 | 2 | 0.42% | 0.28% |
| Total | 209.1 | 1029 | 100.00% | 100.00% | 146.0 | 713 | 100.00% | 100.00% |
| Of which in possession | 0.0 | 0 | | | 1.6 | 6 | | |

| Months in Arrears | 31 December 2023 | | | |
|-----------------------------|------------------|------------|----------------|----------------|
| | Balance (£m) | Count | % of Balance | % of Count |
| Not in Arrears | 106.2 | 523 | 86.05% | 87.17% |
| < 1 | 3.6 | 19 | 2.94% | 3.17% |
| ≥ 1 < 2 | 4.7 | 24 | 3.84% | 4.00% |
| ≥ 2 < 3 | 1.1 | 5 | 0.91% | 0.83% |
| ≥ 3 < 4 | 0.9 | 6 | 0.77% | 1.00% |
| ≥ 4 < 5 | 0.4 | 1 | 0.29% | 0.17% |
| ≥ 5 < 6 | 0.0 | 0 | 0.00% | 0.00% |
| ≥ 6 < 9 | 2.9 | 10 | 2.35% | 1.67% |
| ≥ 9 < 12 | 1.0 | 4 | 0.80% | 0.67% |
| ≥ 12 < 18 | 2.0 | 6 | 1.60% | 1.00% |
| ≥ 18 | 0.5 | 2 | 0.43% | 0.33% |
| Total | 123.4 | 600 | 100.00% | 100.00% |
| Of which in possession | 2.4 | 7 | | |

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 < 4 | 0.6 | 2 | 0.07% | 0.05% | 0.4 | 4 | 0.06% | 0.10% |
| ≥ 4 < 5 | 0.0 | 0 | 0.00% | 0.00% | 1.5 | 4 | 0.20% | 0.10% |
| ≥ 5 < 6 | 0.2 | 1 | 0.03% | 0.03% | 0.8 | 3 | 0.11% | 0.08% |
| ≥ 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 < 18 | 0.0 | 0 | 0.00% | 0.00% | 0.2 | 1 | 0.03% | 0.03% |
| ≥ 18 | 0.0 | 0 | 0.00% | 0.00% | 0.0 | 0 | 0.00% | 0.00% |
| 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 | | | | 31 December 2021 | | | |
|-----------------------------|------------------|-------------|----------------|----------------|------------------|-------------|----------------|----------------|
| | Balance (£m) | Count | % of Balance | % of Count | Balance (£m) | Count | % of Balance | % of Count |
| Not in Arrears | 574.9 | 2860 | 94.90% | 95.17% | 480.3 | 2357 | 94.40% | 94.77% |
| < 1 | 16.6 | 75 | 2.74% | 2.50% | 11.8 | 51 | 2.32% | 2.05% |
| ≥ 1 < 2 | 7.4 | 34 | 1.22% | 1.13% | 6.1 | 34 | 1.21% | 1.37% |
| ≥ 2 < 3 | 1.5 | 7 | 0.25% | 0.23% | 2.3 | 14 | 0.46% | 0.56% |
| ≥ 3 < 4 | 1.8 | 11 | 0.30% | 0.37% | 1.2 | 5 | 0.23% | 0.20% |
| ≥ 4 < 5 | 0.8 | 6 | 0.14% | 0.20% | 0.8 | 3 | 0.16% | 0.12% |
| ≥ 5 < 6 | 0.0 | 0 | 0.00% | 0.00% | 0.0 | 0 | 0.00% | 0.00% |
| ≥ 6 < 9 | 1.0 | 6 | 0.16% | 0.20% | 2.3 | 9 | 0.46% | 0.36% |
| ≥ 9 < 12 | 0.8 | 4 | 0.14% | 0.13% | 1.5 | 7 | 0.29% | 0.28% |
| ≥ 12 < 18 | 0.9 | 2 | 0.16% | 0.07% | 0.5 | 3 | 0.10% | 0.12% |
| ≥ 18 | 0.0 | 0 | 0.00% | 0.00% | 2.0 | 4 | 0.39% | 0.16% |
| Total | 605.8 | 3005 | 100.00% | 100.00% | 508.8 | 2487 | 100.00% | 100.00% |
| Of which in possession | 0.6 | 1 | | | 0.2 | 1 | | |

| Months in Arrears | 31 December 2022 | | | | 31 December 2023 | | | |
|-----------------------------|------------------|---------------|----------------|----------------|------------------|--------------|----------------|----------------|
| | Balance (£m) | Count | % of Balance | % of Count | Balance (£m) | Count | % of Balance | % of Count |
| Not in Arrears | 393.9 | 1,933 | 93.18% | 93.56% | 275.3 | 1,369 | 87.98% | 89.19% |
| < 1 | 9.6 | 51 | 2.26% | 2.47% | 10.8 | 48 | 3.46% | 3.13% |
| ≥ 1 < 2 | 8.8 | 35 | 2.08% | 1.69% | 10.7 | 46 | 3.43% | 3.00% |
| ≥ 2 < 3 | 2.7 | 11 | 0.65% | 0.53% | 4.8 | 20 | 1.52% | 1.30% |
| ≥ 3 < 4 | 1.4 | 8 | 0.34% | 0.39% | 1.9 | 11 | 0.61% | 0.72% |
| ≥ 4 < 5 | 0.9 | 5 | 0.21% | 0.24% | 1.7 | 9 | 0.55% | 0.59% |
| ≥ 5 < 6 | 0.4 | 3 | 0.09% | 0.15% | 1.3 | 7 | 0.41% | 0.46% |
| ≥ 6 < 9 | 2.6 | 11 | 0.62% | 0.53% | 3.6 | 13 | 1.14% | 0.85% |
| ≥ 9 < 12 | 1.1 | 4 | 0.25% | 0.19% | 0.8 | 4 | 0.24% | 0.26% |
| ≥ 12 < 18 | 0.8 | 4 | 0.19% | 0.19% | 1.4 | 7 | 0.46% | 0.46% |
| ≥ 18 | 0.6 | 1 | 0.13% | 0.05% | 0.6 | 1 | 0.20% | 0.07% |
| Total | 422.7 | 2,066. | 100.00% | 100.00% | 312.9 | 1,535 | 100.00% | 100.00% |
| Of which in possession | 0.6 | 2 | | | 1.3 | 4 | | |

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 < 4 | 0.3 | 2 | 0.05% | 0.07% | 1.1 | 3 | 0.20% | 0.10% |
| ≥ 4 < 5 | 0.0 | 0 | 0.00% | 0.00% | 0.4 | 2 | 0.07% | 0.07% |
| ≥ 5 < 6 | 0.5 | 2 | 0.10% | 0.07% | 0.0 | 0 | 0.00% | 0.00% |
| ≥ 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 < 18 | 0.0 | 0 | 0.00% | 0.00% | 1.0 | 3 | 0.19% | 0.10% |
| ≥ 18 | 0.0 | 0 | 0.00% | 0.00% | 0.0 | 0 | 0.00% | 0.00% |
| 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 | | |

| Months in Arrears | 31 December 2021 | | | | 31 December 2022 | | | |
|-----------------------------|------------------|-------------|----------------|----------------|------------------|-------------|----------------|----------------|
| | Balance (£m) | Count | % of Balance | % of Count | Balance (£m) | Count | % of Balance | % of Count |
| Not in Arrears | 409.8 | 2253 | 95.24% | 95.95% | 337.4 | 1831 | 94.66% | 94.92% |
| < 1 | 7.4 | 35 | 1.71% | 1.49% | 7.1 | 37 | 1.98% | 1.92% |
| ≥ 1 < 2 | 4.8 | 24 | 1.11% | 1.02% | 4.6 | 25 | 1.28% | 1.30% |
| ≥ 2 < 3 | 1.8 | 8 | 0.41% | 0.34% | 2.5 | 13 | 0.69% | 0.67% |
| ≥ 3 < 4 | 1.3 | 6 | 0.30% | 0.26% | 1.7 | 7 | 0.48% | 0.36% |
| ≥ 4 < 5 | 1.4 | 4 | 0.32% | 0.17% | 0.4 | 3 | 0.12% | 0.16% |
| ≥ 5 < 6 | 1.8 | 6 | 0.41% | 0.26% | 0.2 | 1 | 0.06% | 0.05% |
| ≥ 6 < 9 | 0.4 | 3 | 0.10% | 0.13% | 0.4 | 4 | 0.12% | 0.21% |
| ≥ 9 < 12 | 0.2 | 1 | 0.05% | 0.04% | 0.6 | 1 | 0.17% | 0.05% |
| ≥ 12 < 18 | 0.2 | 2 | 0.04% | 0.09% | 1.2 | 4 | 0.33% | 0.21% |
| ≥ 18 | 1.4 | 6 | 0.32% | 0.26% | 0.4 | 3 | 0.11% | 0.16% |
| Total | 430.3 | 2348 | 100.00% | 100.00% | 356.4 | 1929 | 100.00% | 100.00% |
| Of which in possession | 0.4 | 2 | | | 0.9 | 2 | | |

| Months in Arrears | 31 December 2023 | | | |
|-----------------------------|------------------|--------------|----------------|----------------|
| | Balance (£m) | Count | % of Balance | % of Count |
| Not in Arrears | 308.9 | 1,667 | 93.55% | 93.76% |
| < 1 | 6.0 | 31 | 1.80% | 1.74% |
| ≥ 1 < 2 | 5.8 | 31 | 1.77% | 1.74% |
| ≥ 2 < 3 | 1.2 | 6 | 0.35% | 0.34% |
| ≥ 3 < 4 | 1.9 | 13 | 0.59% | 0.73% |
| ≥ 4 < 5 | 2.3 | 9 | 0.69% | 0.51% |
| ≥ 5 < 6 | 1.0 | 6 | 0.32% | 0.34% |
| ≥ 6 < 9 | 1.3 | 7 | 0.40% | 0.39% |
| ≥ 9 < 12 | 0.0 | 0 | 0.00% | 0.00% |
| ≥ 12 < 18 | 0.3 | 3 | 0.10% | 0.17% |
| ≥ 18 | 1.4 | 5 | 0.43% | 0.28% |
| Total | 330.2 | 1,778 | 100.00% | 100.00% |
| Of which in possession | 0.1 | 1 | | |

Loans originated in 2020 as at each specified date

| Months in Arrears | 31 December 2020 | | | | 31 December 2021 | | | |
|-----------------------------|------------------|-------------|----------------|----------------|------------------|-------------|----------------|----------------|
| | Balance (£m) | Count | % of Balance | % of Count | Balance (£m) | Count | % of Balance | % of Count |
| Not in Arrears | 250.4 | 1342 | 97.27% | 97.74% | 234.0 | 1261 | 95.97% | 96.70% |
| < 1 | 5.9 | 23 | 2.31% | 1.68% | 6.3 | 25 | 2.60% | 1.92% |
| ≥ 1 < 2 | 1.0 | 7 | 0.39% | 0.51% | 2.7 | 12 | 1.10% | 0.92% |
| ≥ 2 < 3 | 0.1 | 1 | 0.03% | 0.07% | 0.2 | 1 | 0.08% | 0.08% |
| ≥ 3 < 4 | 0.0 | 0 | 0.00% | 0.00% | 0.3 | 3 | 0.14% | 0.23% |
| ≥ 4 < 5 | 0.0 | 0 | 0.00% | 0.00% | 0.0 | 0 | 0.00% | 0.00% |
| ≥ 5 < 6 | 0.0 | 0 | 0.00% | 0.00% | 0.0 | 0 | 0.00% | 0.00% |
| ≥ 6 < 9 | 0.0 | 0 | 0.00% | 0.00% | 0.1 | 1 | 0.05% | 0.08% |
| ≥ 9 < 12 | 0.0 | 0 | 0.00% | 0.00% | 0.0 | 0 | 0.00% | 0.00% |
| ≥ 12 < 18 | 0.0 | 0 | 0.00% | 0.00% | 0.1 | 1 | 0.05% | 0.08% |
| ≥ 18 | 0.0 | 0 | 0.00% | 0.00% | 0.0 | 0 | 0.00% | 0.00% |
| Total | 257.4 | 1373 | 100.00% | 100.00% | 243.9 | 1304 | 100.00% | 100.00% |
| Of which in possession | 0.0 | 0 | | | 0.0 | 0 | | |

| Months in Arrears | 31 December 2022 | | | | 31 December 2023 | | | |
|-----------------------------|------------------|------------|----------------|----------------|------------------|------------|----------------|----------------|
| | Balance (£m) | Count | % of Balance | % of Count | Balance (£m) | Count | % of Balance | % of Count |
| Not in Arrears | 181.1 | 913 | 95.15% | 95.01% | 162.7 | 816 | 92.30% | 92.41% |
| < 1 | 5.3 | 25 | 2.81% | 2.60% | 7.6 | 35 | 4.33% | 3.96% |
| ≥ 1 < 2 | 2.2 | 11 | 1.17% | 1.14% | 3.2 | 15 | 1.81% | 1.70% |
| ≥ 2 < 3 | 0.4 | 3 | 0.23% | 0.31% | 0.7 | 3 | 0.41% | 0.34% |
| ≥ 3 < 4 | 0.2 | 1 | 0.09% | 0.10% | 0.4 | 2 | 0.23% | 0.23% |
| ≥ 4 < 5 | 0.4 | 2 | 0.21% | 0.21% | 0.4 | 2 | 0.25% | 0.23% |
| ≥ 5 < 6 | 0.0 | 0 | 0.00% | 0.00% | 0.0 | 0 | 0.00% | 0.00% |
| ≥ 6 < 9 | 0.7 | 6 | 0.34% | 0.62% | 0.6 | 4 | 0.34% | 0.45% |
| ≥ 9 < 12 | 0.0 | 0 | 0.00% | 0.00% | 0.5 | 5 | 0.28% | 0.57% |
| ≥ 12 < 18 | 0.0 | 0 | 0.00% | 0.00% | 0.1 | 1 | 0.04% | 0.11% |
| ≥ 18 | 0.0 | 0 | 0.00% | 0.00% | 0.0 | 0 | 0.00% | 0.00% |
| Total | 190.3 | 961 | 100.00% | 100.00% | 176.3 | 883 | 100.00% | 100.00% |
| Of which in possession | 0.2 | 1 | | | 0.2 | 2 | | |

Loans originated in 2021 as at each specified date

| Months in Arrears | 31 December 2021 | | | | 31 December 2022 | | | |
|-----------------------------|------------------|-------------|----------------|----------------|------------------|-------------|----------------|----------------|
| | Balance (£m) | Count | % of Balance | % of Count | Balance (£m) | Count | % of Balance | % of Count |
| Not in Arrears | 415.3 | 1982 | 98.82% | 98.71% | 351.0 | 1716 | 97.58% | 97.56% |
| < 1 | 1.7 | 9 | 0.41% | 0.45% | 3.8 | 18 | 1.05% | 1.02% |
| ≥ 1 < 2 | 2.2 | 13 | 0.53% | 0.65% | 2.9 | 15 | 0.81% | 0.85% |
| ≥ 2 < 3 | 0.2 | 1 | 0.04% | 0.05% | 1.1 | 5 | 0.30% | 0.28% |
| ≥ 3 < 4 | 0.5 | 2 | 0.12% | 0.10% | 0.0 | 0 | 0.00% | 0.00% |
| ≥ 4 < 5 | 0.3 | 1 | 0.07% | 0.05% | 0.2 | 1 | 0.05% | 0.06% |
| ≥ 5 < 6 | 0.0 | 0 | 0.00% | 0.00% | 0.4 | 2 | 0.10% | 0.11% |
| ≥ 6 < 9 | 0.0 | 0 | 0.00% | 0.00% | 0.3 | 1 | 0.08% | 0.06% |
| ≥ 9 < 12 | 0.0 | 0 | 0.00% | 0.00% | 0.1 | 1 | 0.03% | 0.06% |
| ≥ 12 < 18 | 0.0 | 0 | 0.00% | 0.00% | 0.0 | 0 | 0.00% | 0.00% |
| ≥ 18 | 0.0 | 0 | 0.00% | 0.00% | 0.0 | 0 | 0.00% | 0.00% |
| Total | 420.3 | 2008 | 100.00% | 100.00% | 359.7 | 1759 | 100.00% | 100.00% |
| Of which in possession | 0.0 | 0 | | | 0.0 | 0 | | |

| Months in Arrears | 31 December 2023 | | | |
|-----------------------------|------------------|--------------|----------------|----------------|
| | Balance (£m) | Count | % of Balance | % of Count |
| Not in Arrears | 278.7 | 1,345 | 94.32% | 94.52% |
| < 1 | 3.7 | 20 | 1.25% | 1.41% |
| ≥ 1 < 2 | 6.8 | 31 | 2.31% | 2.18% |
| ≥ 2 < 3 | 1.6 | 8 | 0.53% | 0.56% |
| ≥ 3 < 4 | 1.6 | 7 | 0.54% | 0.49% |
| ≥ 4 < 5 | 1.2 | 3 | 0.39% | 0.21% |
| ≥ 5 < 6 | 0.7 | 4 | 0.24% | 0.28% |
| ≥ 6 < 9 | 0.9 | 3 | 0.29% | 0.21% |
| ≥ 9 < 12 | 0.2 | 1 | 0.07% | 0.07% |
| ≥ 12 < 18 | 0.2 | 1 | 0.06% | 0.07% |
| ≥ 18 | 0.0 | 0 | 0.00% | 0.00% |
| Total | 295.5 | 1,423 | 100.00% | 100.00% |
| Of which in possession | 0.2 | 1 | | |

Loans originated in 2022 as at each specified date

| Months in Arrears | 31 December 2022 | | | | 31 December 2023 | | | |
|-----------------------------|------------------|-------------|----------------|----------------|------------------|--------------|----------------|----------------|
| | Balance (£m) | Count | % of Balance | % of Count | Balance (£m) | Count | % of Balance | % of Count |
| Not in Arrears | 269.9 | 1217 | 98.28% | 97.91% | 259.3 | 1,178 | 95.96% | 95.77% |
| < 1 | 2.8 | 16 | 1.03% | 1.29% | 2.3 | 11 | 0.84% | 0.89% |
| ≥ 1 < 2 | 1.7 | 9 | 0.62% | 0.72% | 4.5 | 25 | 1.68% | 2.03% |
| ≥ 2 < 3 | 0.0 | 0 | 0.00% | 0.00% | 1.3 | 4 | 0.47% | 0.33% |
| ≥ 3 < 4 | 0.0 | 0 | 0.00% | 0.00% | 0.5 | 4 | 0.18% | 0.33% |
| ≥ 4 < 5 | 0.0 | 0 | 0.00% | 0.00% | 1.2 | 2 | 0.45% | 0.16% |
| ≥ 5 < 6 | 0.0 | 0 | 0.00% | 0.00% | 0.6 | 3 | 0.21% | 0.24% |
| ≥ 6 < 9 | 0.2 | 1 | 0.07% | 0.08% | 0.3 | 2 | 0.13% | 0.16% |
| ≥ 9 < 12 | 0.0 | 0 | 0.00% | 0.00% | 0.0 | 0 | 0.00% | 0.00% |
| ≥ 12 < 18 | 0.0 | 0 | 0.00% | 0.00% | 0.0 | 0 | 0.00% | 0.00% |
| ≥ 18 | 0.0 | 0 | 0.00% | 0.00% | 0.2 | 1 | 0.08% | 0.08% |
| Total | 274.6 | 1243 | 100.00% | 100.00% | 270.2 | 1,230 | 100.00% | 100.00% |
| Of which in possession | 0.0 | 0 | | | 0.0 | 0 | | |

Loans originated in 2023 as at the specified date

| Months in Arrears | 31 December 2023 | | | |
|-----------------------------|------------------|--------------|----------------|----------------|
| | Balance (£m) | Count | % of Balance | % of Count |
| Not in Arrears | 186.4 | 1,038 | 97.81% | 97.74% |
| < 1 | 1.1 | 6 | 0.59% | 0.56% |
| ≥ 1 < 2 | 2.3 | 14 | 1.19% | 1.32% |
| ≥ 2 < 3 | 0.1 | 1 | 0.06% | 0.09% |
| ≥ 3 < 4 | 0.6 | 2 | 0.31% | 0.19% |
| ≥ 4 < 5 | 0.1 | 1 | 0.05% | 0.09% |
| ≥ 5 < 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 < 18 | 0.0 | 0 | 0.00% | 0.00% |
| ≥ 18 | 0.0 | 0 | 0.00% | 0.00% |
| Total | 190.6 | 1,062 | 100.00% | 100.00% |
| Of which in possession | 0.0 | 0 | | |

DYNAMIC ARREARS INFORMATION

The tables below summarise loans in arrears and repossession experience as at the dates indicated below with respect to mortgage loans originated by the Seller (other than loans sold by the Seller to third parties pursuant to portfolio sale and forward flow sale transactions) as at the dates indicated below.

| Months in Arrears | 31 Dec 2017 | 31 Dec 2018 | 31 Dec 2019 | 31 Dec 2020 | 31 Dec 2021 | 31 Dec 2022 | 31 Dec 2023 |
|-------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>By outstanding balance (£m):</i> | | | | | | | |
| Not in Arrears | 426.5 | 1,173.6 | 1,563.1 | 1,568.0 | 1,731.9 | 1,664.6 | 1,577.5 |
| < 1 | 0.8 | 7.4 | 16.0 | 37.8 | 33.1 | 31.1 | 35.1 |
| ≥ 1 < 2 | 2.1 | 8.3 | 13.3 | 16.7 | 21.2 | 23.4 | 38.1 |
| ≥ 2 < 3 | 0.1 | 1.3 | 4.8 | 4.0 | 5.5 | 8.4 | 10.7 |
| ≥ 3 < 4 | 0.0 | 1.1 | 1.6 | 3.9 | 4.3 | 3.9 | 7.9 |
| ≥ 4 < 5 | 0.0 | 0.1 | 2.0 | 1.5 | 2.6 | 3.2 | 7.3 |
| ≥ 5 < 6 | 0.0 | 0.2 | 1.9 | 0.9 | 2.0 | 1.5 | 3.6 |
| ≥ 6 < 9 | 0.0 | 0.0 | 0.7 | 3.1 | 3.2 | 7.7 | 9.6 |
| ≥ 9 < 12 | 0.0 | 0.0 | 0.6 | 2.9 | 2.8 | 2.2 | 2.5 |
| ≥ 12 < 18 | 0.0 | 0.0 | 0.2 | 2.8 | 1.9 | 2.2 | 4.0 |
| ≥ 18 | 0.0 | 0.0 | 0.0 | 0.0 | 4.1 | 1.6 | 2.8 |
| Total | 429.5 | 1,191.9 | 1,604.3 | 1,641.5 | 1,812.3 | 1,749.8 | 1,699.0 |
| Of which in possession | 0 | 0 | 0.2 | 1.5 | 0.6 | 3.3 | 4.3 |
| <i>By number of loans:</i> | | | | | | | |
| Not in Arrears | 2,186 | 6,044 | 8,251 | 8,221 | 8,801 | 8,263 | 7,936 |
| < 1 | 4 | 37 | 82 | 172 | 153 | 162 | 170 |
| ≥ 1 < 2 | 9 | 41 | 72 | 85 | 106 | 108 | 186 |
| ≥ 2 < 3 | 1 | 7 | 26 | 18 | 28 | 37 | 47 |
| ≥ 3 < 4 | 0 | 4 | 11 | 18 | 20 | 18 | 45 |
| ≥ 4 < 5 | 0 | 1 | 6 | 10 | 9 | 16 | 27 |
| ≥ 5 < 6 | 0 | 1 | 9 | 5 | 7 | 8 | 20 |
| ≥ 6 < 9 | 0 | 0 | 5 | 15 | 18 | 35 | 39 |
| ≥ 9 < 12 | 0 | 0 | 3 | 13 | 12 | 9 | 14 |
| ≥ 12 < 18 | 0 | 0 | 1 | 8 | 10 | 9 | 18 |
| ≥ 18 | 0 | 0 | 0 | 0 | 12 | 6 | 9 |
| Total | 2,200 | 6,135 | 8,466 | 8,565 | 9,176 | 8,671 | 8,511 |
| Of which in possession | 0 | 0 | 1 | 6 | 3 | 11 | 15 |

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 majority of the periods covered in the preceding table. Since 2022, interest rates have increased frequently which may translate into greater arrears and repossessions than reflected in the current data. If interest rates were to continue 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 | 1998 | 0.30 | 2011 | 0.33 |
| 1986 | 0.30 | 1999 | 0.27 | 2012 | 0.30 |
| 1987 | 0.32 | 2000 | 0.20 | 2013 | 0.26 |
| 1988 | 0.22 | 2001 | 0.16 | 2014 | 0.19 |
| 1989 | 0.17 | 2002 | 0.11 | 2015 | 0.09 |
| 1990 | 0.17 | 2003 | 0.07 | 2016 | 0.07 |
| 1991 | 0.45 | 2004 | 0.07 | 2017 | 0.07 |
| 1992 | 0.76 | 2005 | 0.12 | 2018 | 0.06 |
| 1993 | 0.68 | 2006 | 0.18 | 2019 | 0.07 |
| 1994 | 0.56 | 2007 | 0.22 | 2020 | 0.02 |
| 1995 | 0.47 | 2008 | 0.34 | 2021 | 0.02 |
| 1996 | 0.46 | 2009 | 0.43 | 2022 | 0.04 |
| 1997 | 0.40 | 2010 | 0.34 | 2023 | 0.04 |

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 |
|------|-------------------------------|------|-------------------------------|------|-------------------------------|
| 2000 | 5.51 | 2008 | 7.81 | 2016 | 8.24 |
| 2001 | 5.66 | 2009 | 7.13 | 2017 | 8.42 |
| 2002 | 6.37 | 2010 | 7.37 | 2018 | 8.44 |
| 2003 | 7.14 | 2011 | 7.09 | 2019 | 8.24 |
| 2004 | 7.66 | 2012 | 7.03 | 2020 | 8.32 |
| 2005 | 7.86 | 2013 | 7.13 | 2021 | 8.56 |
| 2006 | 8.09 | 2014 | 7.61 | 2022 | 8.83 |
| 2007 | 8.47 | 2015 | 7.89 | 2023 | 8.29 |

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, at the end of 2021 and in 2022 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 | 1.6 |
| 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 | 106.2 | 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 | 116.4 | 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 | 126.7 | 3.4 |
| Dec 2020 | 294.4 | 1.1 | 458.5 | 6.4 | 130.1 | 7.0 |
| Mar 2021 | 295.8 | 1.4 | 462.1 | 6.3 | 132.4 | 8.5 |
| Jun 2021 | 302.3 | 3.4 | 484.2 | 10.3 | 138.3 | 12.3 |
| Sep 2021 | 307.2 | 4.5 | 493.8 | 10.3 | 139.8 | 10.4 |
| Dec 2021 | 314.7 | 6.9 | 504.9 | 10.1 | 139.7 | 7.4 |
| Mar 2022 | 320.5 | 8.4 | 520.2 | 12.6 | 142.1 | 7.3 |
| Jun 2022 | 337.2 | 11.5 | 539.5 | 11.4 | 147.1 | 6.4 |
| Sep 2022 | 345.3 | 12.4 | 544.9 | 10.3 | 151.7 | 8.5 |
| Dec 2022 | 358.3 | 13.9 | 529.0 | 4.8 | 150.4 | 7.7 |
| Mar 2023 | 364.0 | 13.6 | 514.9 | -1.0 | 146.0 | 2.7 |
| Jun 2023 | 374.8 | 11.2 | 522.6 | -3.1 | 147.6 | 0.3 |
| Sep 2023 | 376.4 | 9.0 | 519.0 | -4.7 | 149.4 | -1.5 |
| Dec 2023 | 378.0 | 5.5 | 517.0 | -2.3 | 147.2 | -2.1 |

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>.

Monthly ONS UK House Price Indexes level data can be found on the following website:

<https://landregistry.data.gov.uk/app/ukhpi>.

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 as at 29 February 2024 (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 columns of percentages may not add up to 100 per cent. or to the total balance). 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 | £321,591,640 |
| Current Balance | £315,330,299 |
| Number of Loans | 1,568 |
| Average Principal Balance at origination | £205,097 |
| Average Current Balance | £201,104 |
| Weighted Average Original LTV ¹ | 71.43% |
| Weighted Average Current LTV ¹ | 70.46% |
| Weighted Average Indexed Current LTV ¹ | 64.70% |
| Weighted Average Interest Rate ¹ | 5.45% |
| Weighted Average Remaining Term to Maturity (Years) ¹ | 21.19 |
| Buy-to-Let ² | 69.20% |
| BTL landlord professionals (4+ properties) ² | 30.02% |
| Largest Loan Current Balance ² | £1,004,198 |
| Weighted Average Stabilised Margin (VVR based loans) ¹ | 2.87% |
| First Borrower Self-Employed ² | 32.45% |
| CCJ ² | 11.26% |
| First Time Buyer ² | 18.94% |
| Help to Buy ² | 9.30% |
| Right to Buy ² | 1.19% |
| House in multiple occupation ² | 14.88% |
| Multi-unit block ² | 4.19% |

¹ Weighted average by Current Balance.

² By Current Balance.

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% | 64 | 4.08% | 8,194,519 | 2.60% |
| > 40.00% ≤ 45.00% | 36 | 2.30% | 5,783,412 | 1.83% |
| > 45.00% ≤ 50.00% | 41 | 2.61% | 6,533,900 | 2.07% |
| > 50.00% ≤ 55.00% | 48 | 3.06% | 7,452,246 | 2.36% |
| > 55.00% ≤ 60.00% | 64 | 4.08% | 12,487,097 | 3.96% |
| > 60.00% ≤ 65.00% | 99 | 6.31% | 21,223,692 | 6.73% |
| > 65.00% ≤ 70.00% | 142 | 9.06% | 32,830,853 | 10.41% |
| > 70.00% ≤ 75.00% | 266 | 16.96% | 55,959,817 | 17.75% |
| > 75.00% ≤ 80.00% | 533 | 33.99% | 116,500,358 | 36.95% |
| > 80.00% ≤ 85.00% | 199 | 12.69% | 34,580,969 | 10.97% |
| > 85.00% ≤ 90.00% | 76 | 4.85% | 13,783,436 | 4.37% |
| Total | 1,568 | 100.00% | 315,330,299 | 100.00% |
| Minimum | | | | 9.09% |
| Maximum | | | | 90.00% |
| Weighted Average | | | | 71.43% |

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% | 84 | 5.36% | 9,995,488 | 3.17% |
| > 40.00% ≤ 45.00% | 42 | 2.68% | 6,391,146 | 2.03% |
| > 45.00% ≤ 50.00% | 40 | 2.55% | 6,607,100 | 2.10% |
| > 50.00% ≤ 55.00% | 72 | 4.59% | 11,572,382 | 3.67% |
| > 55.00% ≤ 60.00% | 58 | 3.70% | 11,596,477 | 3.68% |
| > 60.00% ≤ 65.00% | 104 | 6.63% | 22,654,412 | 7.18% |
| > 65.00% ≤ 70.00% | 179 | 11.42% | 38,731,186 | 12.28% |
| > 70.00% ≤ 75.00% | 275 | 17.54% | 57,739,471 | 18.31% |
| > 75.00% ≤ 80.00% | 474 | 30.23% | 106,161,254 | 33.67% |
| > 80.00% ≤ 85.00% | 180 | 11.48% | 32,750,316 | 10.39% |
| > 85.00% ≤ 90.00% | 60 | 3.83% | 11,131,065 | 3.53% |
| Total | 1,568 | 100.00% | 315,330,299 | 100.00% |
| Minimum | | | | 3.38% |
| Maximum | | | | 87.70% |
| Weighted Average | | | | 70.46% |

Table 4: Distribution of Loans by Indexed Loan to Value Ratio (Indexed Current Loan to Value)¹

| Indexed Current Loan to Value | No. of Loans | % of Loans | Current Balance | % of Current Balance |
|-------------------------------|--------------|----------------|--------------------|----------------------|
| ≤ 40.00% | 121 | 7.72% | 14,619,827 | 4.64% |
| > 40.00% ≤ 45.00% | 47 | 3.00% | 6,437,627 | 2.04% |
| > 45.00% ≤ 50.00% | 75 | 4.78% | 13,012,062 | 4.13% |
| > 50.00% ≤ 55.00% | 122 | 7.78% | 21,477,346 | 6.81% |
| > 55.00% ≤ 60.00% | 211 | 13.46% | 38,816,733 | 12.31% |
| > 60.00% ≤ 65.00% | 275 | 17.54% | 54,700,387 | 17.35% |
| > 65.00% ≤ 70.00% | 236 | 15.05% | 52,847,561 | 16.76% |
| > 70.00% ≤ 75.00% | 193 | 12.31% | 52,236,650 | 16.57% |
| > 75.00% ≤ 80.00% | 163 | 10.40% | 36,767,598 | 11.66% |
| > 80.00% ≤ 85.00% | 82 | 5.23% | 14,871,115 | 4.72% |
| > 85.00% ≤ 90.00% | 41 | 2.61% | 8,900,437 | 2.82% |
| > 90.00% ≤ 95.00% | 2 | 0.13% | 642,955 | 0.20% |
| Total | 1,568 | 100.00% | 315,330,299 | 100.00% |
| Minimum | | | | 2.81% |
| Maximum | | | | 91.73% |
| Weighted Average | | | | 64.70% |

Table 5: Distribution of Principal Balance at origination

| Principal Balance at origination | No. of Loans | % of Loans | Current Balance | % of Current Balance |
|----------------------------------|--------------|----------------|--------------------|----------------------|
| > 0 ≤ 25,000 | 1 | 0.06% | 13,574 | 0.00% |
| > 25,000 ≤ 50,000 | 24 | 1.53% | 865,435 | 0.27% |
| > 50,000 ≤ 100,000 | 279 | 17.79% | 20,755,401 | 6.58% |
| > 100,000 ≤ 150,000 | 293 | 18.69% | 35,397,834 | 11.23% |
| > 150,000 ≤ 200,000 | 272 | 17.35% | 45,662,531 | 14.48% |
| > 200,000 ≤ 250,000 | 249 | 15.88% | 54,804,020 | 17.38% |
| > 250,000 ≤ 300,000 | 171 | 10.91% | 45,915,456 | 14.56% |
| > 300,000 ≤ 350,000 | 110 | 7.02% | 34,757,544 | 11.02% |
| > 350,000 ≤ 400,000 | 63 | 4.02% | 23,449,253 | 7.44% |
| > 400,000 ≤ 450,000 | 41 | 2.61% | 17,334,620 | 5.50% |
| > 450,000 ≤ 500,000 | 31 | 1.98% | 14,591,100 | 4.63% |
| > 500,000 ≤ 750,000 | 27 | 1.72% | 15,739,483 | 4.99% |
| > 750,000 ≤ 2,000,000 | 7 | 0.45% | 6,044,047 | 1.92% |
| Total | 1,568 | 100.00% | 315,330,299 | 100.00% |
| Minimum | | | | 25,000 |
| Maximum | | | | 984,750 |
| Average | | | | 205,097 |

¹ BGFL apply indexation using the monthly UK House Price Index releases from HM Land Registry with December 2023 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 | 6 | 0.38% | 80,348 | 0.03% |
| > 25,000 ≤ 50,000 | 29 | 1.85% | 1,186,198 | 0.38% |
| > 50,000 ≤ 100,000 | 289 | 18.43% | 22,138,464 | 7.02% |
| > 100,000 ≤ 150,000 | 296 | 18.88% | 36,656,781 | 11.62% |
| > 150,000 ≤ 200,000 | 286 | 18.24% | 49,557,365 | 15.72% |
| > 200,000 ≤ 250,000 | 226 | 14.41% | 50,815,055 | 16.11% |
| > 250,000 ≤ 300,000 | 165 | 10.52% | 44,929,990 | 14.25% |
| > 300,000 ≤ 350,000 | 106 | 6.76% | 34,049,949 | 10.80% |
| > 350,000 ≤ 400,000 | 61 | 3.89% | 22,765,982 | 7.22% |
| > 400,000 ≤ 450,000 | 41 | 2.61% | 17,291,247 | 5.48% |
| > 450,000 ≤ 500,000 | 27 | 1.72% | 12,784,542 | 4.05% |
| > 500,000 ≤ 750,000 | 29 | 1.85% | 17,030,330 | 5.40% |
| > 750,000 ≤ 2,000,000 | 7 | 0.45% | 6,044,047 | 1.92% |
| Total | 1,568 | 100.00% | 315,330,299 | 100.00% |
| Minimum | | | | 9,139 |
| Maximum | | | | 1,004,198 |
| Average | | | | 201,104 |

Table 7: Distribution of Loans with Adverse Credit History²

| 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% | 1 | 0.06% | 0 | 0.00% | 0 | 0.00% |
| > 10.00% ≤ 20.00% | 9 | 0.57% | 2 | 0.13% | 0 | 0.00% |
| > 20.00% ≤ 30.00% | 16 | 1.02% | 1 | 0.06% | 0 | 0.00% |
| > 30.00% ≤ 40.00% | 38 | 2.42% | 6 | 0.38% | 0 | 0.00% |
| > 40.00% ≤ 50.00% | 77 | 4.91% | 8 | 0.51% | 0 | 0.00% |
| > 50.00% ≤ 60.00% | 112 | 7.14% | 14 | 0.89% | 0 | 0.00% |
| > 60.00% ≤ 70.00% | 241 | 15.37% | 26 | 1.66% | 0 | 0.00% |
| > 70.00% ≤ 80.00% | 799 | 50.96% | 87 | 5.55% | 0 | 0.00% |
| > 80.00% ≤ 90.00% | 275 | 17.54% | 65 | 4.15% | 0 | 0.00% |
| Total | 1,568 | 100.00% | 209 | 13.33% | 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 | 702 | 44.77% | 122,886,643 | 38.97% |
| Self Employed | 434 | 27.68% | 102,331,495 | 32.45% |
| Unemployed / Other | 35 | 2.23% | 5,618,673 | 1.78% |
| Not applicable (Company / SPV Borrower) | 397 | 25.32% | 84,493,489 | 26.80% |
| Total | 1,568 | 100.00% | 315,330,299 | 100.00% |

² 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 | 134 | 8.55% | 32,925,544 | 10.44% |
| 2018 | 190 | 12.12% | 41,047,691 | 13.02% |
| 2019 | 72 | 4.59% | 13,958,916 | 4.43% |
| 2020 | 355 | 22.64% | 71,856,725 | 22.79% |
| 2021 | 314 | 20.03% | 59,009,561 | 18.71% |
| 2022 | 0 | 0.00% | 0 | 0.00% |
| 2023 | 271 | 17.28% | 52,331,995 | 16.60% |
| 2024 | 232 | 14.80% | 44,199,867 | 14.02% |
| Total | 1,568 | 100.00% | 315,330,299 | 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 | 38 | 2.42% | 7,135,777 | 2.26% |
| > 5 ≤ 10 | 78 | 4.97% | 14,666,941 | 4.65% |
| > 10 ≤ 15 | 217 | 13.84% | 46,947,368 | 14.89% |
| > 15 ≤ 20 | 352 | 22.45% | 77,634,744 | 24.62% |
| > 20 ≤ 25 | 455 | 29.02% | 91,478,404 | 29.01% |
| > 25 ≤ 30 | 200 | 12.76% | 36,535,386 | 11.59% |
| > 30 ≤ 35 | 180 | 11.48% | 31,055,982 | 9.85% |
| > 35 ≤ 40 | 48 | 3.06% | 9,875,698 | 3.13% |
| Total | 1,568 | 100.00% | 315,330,299 | 100.00% |

| | |
|------------------------|-------|
| Minimum | 0.87 |
| Maximum | 39.98 |
| Weighted Average | 21.19 |

Table 11: Distribution of Loans by Original Term

| Original Term (Years) | No. of Loans | % of Loans | Current Balance | % of Current Balance |
|-----------------------|--------------|----------------|--------------------|----------------------|
| > 5 ≤ 10 | 7 | 0.45% | 1,116,686 | 0.35% |
| > 10 ≤ 15 | 53 | 3.38% | 10,414,488 | 3.30% |
| > 15 ≤ 20 | 138 | 8.80% | 25,984,499 | 8.24% |
| > 20 ≤ 25 | 302 | 19.26% | 65,309,881 | 20.71% |
| > 25 ≤ 30 | 592 | 37.76% | 125,528,185 | 39.81% |
| > 30 ≤ 35 | 201 | 12.82% | 36,858,780 | 11.69% |
| > 35 ≤ 40 | 219 | 13.97% | 38,257,212 | 12.13% |
| > 40 ≤ 45 | 56 | 3.57% | 11,860,569 | 3.76% |
| Total | 1,568 | 100.00% | 315,330,299 | 100.00% |

| | |
|------------------------|-------|
| Minimum | 5.00 |
| Maximum | 40.00 |
| Weighted Average | 24.22 |

Table 12: Distribution of Loans by Seasoning

| Seasoning (Months) | No. of Loans | % of Loans | Current Balance | % of Current Balance |
|------------------------|--------------|----------------|--------------------|----------------------|
| ≤ 3 | 358 | 22.83% | 69,819,207 | 22.14% |
| > 3 ≤ 6 | 137 | 8.74% | 25,447,471 | 8.07% |
| > 6 ≤ 9 | 6 | 0.38% | 778,745 | 0.25% |
| > 9 ≤ 12 | 2 | 0.13% | 486,439 | 0.15% |
| > 12 ≤ 15 | 0 | 0.00% | 0 | 0.00% |
| > 15 ≤ 18 | 0 | 0.00% | 0 | 0.00% |
| > 18 ≤ 21 | 0 | 0.00% | 0 | 0.00% |
| > 21 ≤ 24 | 0 | 0.00% | 0 | 0.00% |
| > 24 ≤ 27 | 7 | 0.45% | 1,429,210 | 0.45% |
| > 27 ≤ 30 | 21 | 1.34% | 4,470,155 | 1.42% |
| > 30 ≤ 33 | 3 | 0.19% | 960,070 | 0.30% |
| > 33 ≤ 36 | 109 | 6.95% | 20,064,240 | 6.36% |
| > 36 ≤ 39 | 264 | 16.84% | 48,252,122 | 15.30% |
| > 39 ≤ 42 | 68 | 4.34% | 14,366,714 | 4.56% |
| > 42 ≤ 45 | 57 | 3.64% | 9,958,886 | 3.16% |
| > 45 ≤ 48 | 134 | 8.55% | 30,362,879 | 9.63% |
| > 48 | 402 | 25.64% | 88,934,162 | 28.20% |
| Total | 1,568 | 100.00% | 315,330,299 | 100.00% |
| Minimum | | | | 0.00 |
| Maximum | | | | 83.25 |
| Weighted Average | | | | 36.30 |

Table 13: Distribution of Loans by Repayment Method

| Repayment Method | No. of Loans | % of Loans | Current Balance | % of Current Balance |
|--------------------------|--------------|----------------|--------------------|----------------------|
| Capital & Interest | 622 | 39.67% | 96,465,548 | 30.59% |
| Interest Only | 946 | 60.33% | 218,864,751 | 69.41% |
| Total | 1,568 | 100.00% | 315,330,299 | 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 (Discretionary Rate) | 1,568 | 100.00% | 315,330,299 | 100.00% |
| Total | 1,568 | 100.00% | 315,330,299 | 100.00% |

Table 15: Distribution of Loans by Fixed Rate Reversion Year

| Fixed Rate Reversion Year | No. of Loans | % of Loans | Current Balance | % of Current Balance |
|---------------------------|--------------|----------------|--------------------|----------------------|
| 2024 | 84 | 5.36% | 17,932,412 | 5.69% |
| 2025 | 561 | 35.78% | 117,605,637 | 37.30% |
| 2026 | 442 | 28.19% | 84,444,503 | 26.78% |
| 2027 | 66 | 4.21% | 14,648,335 | 4.65% |
| 2028 | 183 | 11.67% | 33,375,064 | 10.58% |
| 2029 | 232 | 14.80% | 47,324,349 | 15.01% |
| Total | 1,568 | 100.00% | 315,330,299 | 100.00% |

Table 16: Distribution of Fixed Rate Loans by Interest Rate³

| Interest Rate | No. of Loans | % of Loans | Current Balance | % of Current Balance |
|------------------------|--------------|----------------|--------------------|----------------------|
| > 3.00% ≤ 3.50% | 47 | 3.00% | 13,975,408 | 4.43% |
| > 3.50% ≤ 4.00% | 287 | 18.30% | 61,850,541 | 19.61% |
| > 4.00% ≤ 4.50% | 124 | 7.91% | 23,381,678 | 7.41% |
| > 4.50% ≤ 5.00% | 167 | 10.65% | 32,772,453 | 10.39% |
| > 5.00% ≤ 5.50% | 167 | 10.65% | 32,761,914 | 10.39% |
| > 5.50% ≤ 6.00% | 207 | 13.20% | 48,980,353 | 15.53% |
| > 6.00% ≤ 6.50% | 85 | 5.42% | 18,108,347 | 5.74% |
| > 6.50% | 484 | 30.87% | 83,499,605 | 26.48% |
| Total | 1,568 | 100.00% | 315,330,299 | 100.00% |
| Minimum | | | | 3.24% |
| Maximum | | | | 8.94% |
| Weighted Average | | | | 5.45% |

Table 17: Distribution of Loans by Arrears⁴

| Arrears (Months) | No. of Loans | % of Loans | Current Balance | % of Current Balance |
|------------------------|--------------|----------------|--------------------|----------------------|
| ≤ 0 | 1,497 | 95.47% | 299,626,414 | 95.02% |
| > 0 ≤ 1 | 38 | 2.42% | 9,104,560 | 2.89% |
| > 1 ≤ 2 | 17 | 1.08% | 3,998,923 | 1.27% |
| > 2 ≤ 3 | 8 | 0.51% | 1,405,524 | 0.45% |
| > 3 ≤ 6 | 8 | 0.51% | 1,194,878 | 0.38% |
| Total | 1,568 | 100.00% | 315,330,299 | 100.00% |
| Minimum | | | | 0.00 |
| Maximum | | | | 4.28 |
| Weighted Average | | | | 0.07 |

Table 18: 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% | 1 | 0.17% | 170,177 | 0.18% |
| > 2.00% ≤ 2.50% | 36 | 6.11% | 5,111,650 | 5.26% |
| > 2.50% ≤ 3.00% | 551 | 93.55% | 91,665,116 | 94.38% |
| > 3.00% ≤ 3.50% | 1 | 0.17% | 174,416 | 0.18% |
| Total | 589 | 100.00% | 97,121,359 | 100.00% |
| Minimum | | | | 2.00% |
| Maximum | | | | 3.14% |
| Weighted Average | | | | 2.71% |

³ Interest rate means the current rate of interest being charged as at the Provisional Pool Reference Date.

⁴ Arrears are calculated as the amount of arrears divided by the monthly payment on any day after payment was due.

Table 19: 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% | 638 | 65.17% | 142,761,560 | 65.42% |
| > 3.00% ≤ 3.50% | 294 | 30.03% | 63,308,034 | 29.01% |
| > 3.50% ≤ 4.00% | 47 | 4.80% | 12,139,346 | 5.56% |
| Total | 979 | 100.00% | 218,208,940 | 100.00% |
| Minimum | | | | 2.69% |
| Maximum | | | | 3.89% |
| Weighted Average | | | | 2.94% |

Table 20: Distribution of Loans (Owner Occupied) by Debt to Income Multiple

| Debt to Income Multiple | No. of Loans | % of Loans | Current Balance | % of Current Balance |
|-------------------------|--------------|----------------|-------------------|----------------------|
| ≤ 1.50 | 23 | 3.90% | 1,628,640 | 1.68% |
| > 1.50 ≤ 2.50 | 119 | 20.20% | 14,034,745 | 14.45% |
| > 2.50 ≤ 3.50 | 204 | 34.63% | 32,393,691 | 33.35% |
| > 3.50 ≤ 4.50 | 217 | 36.84% | 42,618,983 | 43.88% |
| > 4.50 ≤ 5.50 | 26 | 4.41% | 6,445,300 | 6.64% |
| Total | 589 | 100.00% | 97,121,359 | 100.00% |
| Minimum | | | | 0.49 |
| Maximum | | | | 5.43 |
| Weighted Average | | | | 3.43 |

Table 21: 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% | 40 | 4.09% | 10,180,449 | 4.67% |
| > 125% ≤ 150% | 375 | 38.30% | 92,330,721 | 42.31% |
| > 150% ≤ 175% | 256 | 26.15% | 61,041,228 | 27.97% |
| > 175% ≤ 200% | 120 | 12.26% | 22,250,208 | 10.20% |
| > 200% | 188 | 19.20% | 32,406,334 | 14.85% |
| Total | 979 | 100.00% | 218,208,940 | 100.00% |
| Minimum | | | | 115.00% |
| Maximum | | | | 555.60% |
| Weighted Average | | | | 167.41% |

Table 22: Distribution of Loans by Original Tenure

| Tenure | No. of Loans | % of Loans | Current Balance | % of Current Balance |
|-----------------|--------------|----------------|--------------------|----------------------|
| Freehold | 1,050 | 66.96% | 215,591,439 | 68.37% |
| Leasehold | 435 | 27.74% | 89,470,927 | 28.37% |
| Heritable | 83 | 5.29% | 10,267,934 | 3.26% |
| Total | 1,568 | 100.00% | 315,330,299 | 100.00% |

Table 23: Distribution of Loans by Loan Purpose

| Loan Purpose | No. of Loans | % of Loans | Current Balance | % of Current Balance |
|--------------------|--------------|----------------|--------------------|----------------------|
| Purchase | 839 | 53.51% | 150,201,795 | 47.63% |
| Re-mortgage | 688 | 43.88% | 161,390,128 | 51.18% |
| Right to Buy | 41 | 2.61% | 3,738,376 | 1.19% |
| Total | 1,568 | 100.00% | 315,330,299 | 100.00% |

Table 24: Distribution of Loans by Property Type

| Property Type | No. of Loans | % of Loans | Current Balance | % of Current Balance |
|--|--------------|----------------|--------------------|----------------------|
| House, detached or semi-detached | 479 | 30.55% | 94,749,330 | 30.05% |
| Flat/Apartment | 401 | 25.57% | 81,606,881 | 25.88% |
| Bungalow | 26 | 1.66% | 5,280,950 | 1.67% |
| Terraced House | 449 | 28.64% | 74,479,312 | 23.62% |
| Multifamily house (HMO and MUB) | 213 | 13.58% | 59,213,826 | 18.78% |
| Total | 1,568 | 100.00% | 315,330,299 | 100.00% |

Table 25: Original Valuation Type

| Original Valuation Type | No. of Loans | % of Loans | Current Balance | % of Current Balance |
|--|--------------|----------------|--------------------|----------------------|
| Full, internal and external inspection | 1,568 | 100.00% | 315,330,299 | 100.00% |
| Total | 1,568 | 100.00% | 315,330,299 | 100.00% |

Table 26: Distribution of Loans by Region

| Regions (NUTS) | No. of Loans | % of Loans | Current Balance | % of Current Balance |
|--------------------------------|--------------|----------------|--------------------|----------------------|
| North East | 72 | 4.59% | 7,362,561 | 2.33% |
| North West | 149 | 9.50% | 18,388,682 | 5.83% |
| Yorkshire and the Humber | 129 | 8.23% | 15,669,830 | 4.97% |
| East Midlands | 110 | 7.02% | 16,700,977 | 5.30% |
| West Midlands | 121 | 7.72% | 18,174,905 | 5.76% |
| East of England | 150 | 9.57% | 31,134,887 | 9.87% |
| Greater London | 396 | 25.26% | 122,434,552 | 38.83% |
| South East | 223 | 14.22% | 51,290,809 | 16.27% |
| South West | 74 | 4.72% | 15,064,586 | 4.78% |
| Wales | 61 | 3.89% | 8,840,576 | 2.80% |
| Scotland | 83 | 5.29% | 10,267,934 | 3.26% |
| Total | 1,568 | 100.00% | 315,330,299 | 100.00% |

Table 27: Originator

| Originator | No. of Loans | % of Loans | Current Balance | % of Current Balance |
|------------|--------------|----------------|--------------------|----------------------|
| BGFL | 1,568 | 100.00% | 315,330,299 | 100.00% |
| Total | 1,568 | 100.00% | 315,330,299 | 100.00% |

Table 28: Distribution of Loans by Occupancy Type

| Occupancy Type | No. of Loans | % of Loans | Current Balance | % of Current Balance |
|----------------------|--------------|----------------|--------------------|----------------------|
| Owner Occupied | 589 | 37.56% | 97,121,359 | 30.80% |
| Buy-to-Let | 979 | 62.44% | 218,208,940 | 69.20% |
| Total | 1,568 | 100.00% | 315,330,299 | 100.00% |

Table 29: Distribution of Loans by New Build Status

| New Build Status | No. of Loans | % of Loans | Current Balance | % of Current Balance |
|-------------------------|--------------|----------------|--------------------|----------------------|
| New Build | 203 | 12.95% | 41,183,589 | 13.06% |
| Existing Building | 1,365 | 87.05% | 274,146,710 | 86.94% |
| Total | 1,568 | 100.00% | 315,330,299 | 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 a 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, assignments in security of its interests in and to the Scottish Declaration of Trust pursuant to the 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 in 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.

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 Product Switch Loans retained within the Mortgage Pool pursuant to the Mortgage Sale Agreement on the applicable Product Switch Effective Date; and (c) 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 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 23 March 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 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.

2.4 *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.

2.5 *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.

2.6 *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.

2.7 *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.

2.8 *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 on the Issue Date or on the date the relevant Loan was originated an employee of 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 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 one or more assured shorthold tenancies or one or more short-assured tenancies which meet the requirements of either Section 19A or Section 20 of the Housing Act 1988 (or, in respect of Scottish Loans, one or more private residential tenancies which meets the requirements of the Private Housing (Tenancies) (Scotland) Act 2016 and in respect of Welsh Loans, one or more occupation contracts meeting the requirements of the Renting Homes (Wales) Act 2016, as amended) with a minimum term of at least six months and (in respect of non-corporate lets only) a maximum term of 36 months or any other tenancy or tenancies which would be acceptable to a Prudent Mortgage Lender.

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*

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 (it being accepted that such a Prudent Mortgage Lender would accept no search indemnity insurance in lieu of investigations, searches and other actions where such Loan

is being originated as a remortgage) 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.

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, 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 or limited liability partnership borrower is one or both of:

- (a) a “debenture” which is not a marketable security for the purposes of paragraph 25 of Schedule 13 FA 1999; and/or
- (b) loan capital that is exempt from all stamp duty on a transfer under section 79(4) FA 1986.

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) taking into account the initial Interest Rate Swap and any relevant additional Interest Rate Swap;
- (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 5.0 per cent. of the aggregate Current Balance of the Mortgage Pool as of the Issue 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 D 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) taking into account the initial Interest Rate Swap and any relevant additional Interest Rate Swap;
- (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 per cent.;
- (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;
- (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 D 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 Certificateholder 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 Certificateholder 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 Certificateholder, 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 by Moody's / AAA by S&P;
- the B Notes are expected to be rated Aa1 by Moody's / AA by S&P;
- the C Notes are expected to be rated A2 by Moody's / A+ by S&P;
- the D Notes are expected to be rated Baa2 by Moody's / A- by S&P; and
- the X Notes are expected to be rated B2 by Moody's / BB+ by S&P.

None of the Z 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; and
- (f) the Z Notes at an issue price of 100 per cent. of the principal amount of the Z 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) (*Note Trustee and Security Trustee*) to (xiv) (*D Principal Deficiency Sub-Ledger*) 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) (*Note Trustee and Security Trustee*) to (xiv) (*D Principal Deficiency Sub-Ledger*) 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) (*General Reserve Fund Ledger for Shortfall*), (f) (*Liquidity Reserve Fund Ledger*) and (g) (*Principal Addition Amounts*) 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) (*Note Trustee and Security Trustee*) to (vi) (*A Notes interest*) (inclusive) and (viii) (*B Notes interest*) 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 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 (i) the redemption in full of the Rated Principal Backed Notes or (ii) the balance of the General Reserve Fund being greater than or equal to the balance of the Rated Principal Backed Notes, an amount equal to 1.50 per cent. of the Principal Amount Outstanding of the Principal Backed Notes as at the Issue Date,
- (b) on the Interest Payment Date on which the Rated Principal Backed Notes are to be redeemed in full, zero, and
- (c) on the Interest Payment Date on which the balance of the General Reserve Fund becomes greater than or equal to the balance of the Rated Principal Backed Notes, 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 or the balance of the General Reserve Fund being greater than or equal to the balance of the Rated Principal Backed Notes. On the Interest Payment Date on which the Rated Principal Backed Notes are redeemed in full or the balance of the General Reserve Fund being greater than or equal to the balance of the Rated Principal Backed Notes, 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 1.50 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 (i) (*Fund the Liquidity Reserve Fund*) 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) (*Liquidity Reserve Fund Required Amount*) 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) (*Note Trustee and Security Trustee*) to (vi) (*A Notes interest*) and (viii) (*B Notes interest*) 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) (*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.

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 Z 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 Z 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 Z 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 Z Notes and the X Notes as to payment of principal;
 - (v) the Z 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
 - (vi) 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 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 Z 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 Z 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 Z 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, to the extent set out in Note Condition 2 (*Status, Security and Administration*) and Note Condition 5 (*Redemption*) below, the Z Notes, the X Notes and the Certificates 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 Z Notes and the Certificates as to payment of interest (if any);
- (vi) the Z 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
- (vii) 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 Z Notes and the X Notes.

Payments in respect of the the Z 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 and the D 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 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, Custody 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**").

The Custody Agreement, Custody Securities Account, Custody Cash Account and 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).

Pursuant to the Custody Agreement, the Issuer will open each Custody Securities Account and Custody Cash Account with the Custodian. Each Authorised Investment that is a security shall be held by the Custodian in a Custody Securities Account for the benefit of the Issuer and all proceeds received in respect of such security (including periodic distributions and the net proceeds upon disposal of such security) shall be deposited into a Custody Cash Account by the Custodian and then transferred by the Cash Administrator to the Transaction Account.

Pursuant to the Deed of Charge, the Issuer will grant charges in respect of the Custody Securities Account, the Custody Cash Account and each security held in the Custody Accounts (subject to its release in accordance with (as applicable) the terms of the Deed of Charge, the Custody Agreement and 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 (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.

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 |
|---------------|-------------|-----------------------|--------------------|
| 23 Apr 2024 | 20 Aug 2024 | 20 Aug 2024 | GBP 296,930,192.63 |
| 20 Aug 2024 | 20 Nov 2024 | 20 Nov 2024 | GBP 285,062,021.70 |
| 20 Nov 2024 | 20 Feb 2025 | 20 Feb 2025 | GBP 272,091,690.93 |
| 20 Feb 2025 | 20 May 2025 | 20 May 2025 | GBP 259,474,516.08 |
| 20 May 2025 | 20 Aug 2025 | 20 Aug 2025 | GBP 229,167,661.95 |
| 20 Aug 2025 | 20 Nov 2025 | 20 Nov 2025 | GBP 217,767,531.96 |
| 20 Nov 2025 | 20 Feb 2026 | 20 Feb 2026 | GBP 170,779,293.83 |
| 20 Feb 2026 | 20 May 2026 | 20 May 2026 | GBP 96,769,252.32 |
| 20 May 2026 | 20 Aug 2026 | 20 Aug 2026 | GBP 81,403,534.33 |
| 20 Aug 2026 | 20 Nov 2026 | 20 Nov 2026 | GBP 80,141,509.87 |
| 20 Nov 2026 | 20 Feb 2027 | 20 Feb 2027 | GBP 78,725,813.51 |
| 20 Feb 2027 | 20 May 2027 | 20 May 2027 | GBP 77,516,795.45 |
| 20 May 2027 | 20 Aug 2027 | 20 Aug 2027 | GBP 76,159,593.91 |
| 20 Aug 2027 | 20 Nov 2027 | 20 Nov 2027 | GBP 69,893,276.59 |
| 20 Nov 2027 | 20 Feb 2028 | 20 Feb 2028 | GBP 63,090,616.91 |
| 20 Feb 2028 | 20 May 2028 | 20 May 2028 | GBP 61,780,349.22 |
| 20 May 2028 | 20 Aug 2028 | 20 Aug 2028 | GBP 60,471,233.62 |
| 20 Aug 2028 | 20 Nov 2028 | 20 Nov 2028 | GBP 59,283,769.62 |
| 20 Nov 2028 | 20 Feb 2029 | 20 Feb 2029 | GBP 41,253,876.66 |
| 20 Feb 2029 | 20 May 2029 | 20 May 2029 | GBP 8,968,787.27 |

Interest Rate Swap Adjustments

On or around 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 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 (which may include 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. 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)(ix) 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);
- (i) if all of the Loans in the Mortgage Pool are sold by the Issuer other than as contemplated in the Transaction Documents and the Note Conditions; and
- (j) if, in respect of the Floating Rate Notes, the reference rate is changed from Compounded Daily SONIA pursuant to Note Condition 11(c)(ix), 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 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 Swap Benchmark Rate Adjustment (as defined below). Following such consultation, the Swap Counterparty shall, acting in good faith, determine such adjustments (if any) (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, the Mortgage Administrator and the Cash 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 Level Report, the UK SR Loan Level Report and the BoE Loan Level Report, each of which shall be published by the Mortgage Administrator through the UK Reports Repository and (other than the BoE Loan Level Report) the 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 or Further Advance, 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)(ix).

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. The Mortgage Administrator has delegated certain of its obligations to Homeloan Management Limited.

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 Management 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. Customers with an arrears balance between £50 and one whole monthly payment are subject to a lower intensity contact strategy.

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.

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 and/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).

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 £300,000,000;
- (b) that as of the Cut-Off Date, the amortisation schedule for the Loans in the Completion Mortgage Pool mirrors the amortisation schedule calculated for each Loan in the Provisional Completion Mortgage Pool scaled to the size of the 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 23 April 2024;
- (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 May 2027)*”, 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 May 2027)*”, 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 5.25 per cent.;
- (n) the Bank of England base rate is equal to 5.25 per cent.;
- (o) the VVR is equal to 7.30 per cent.;
- (p) the fixed rate under the Swap Agreement is 3.30 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 0.125 per cent. per annum of the aggregate Current Balance of the Loans at the beginning of each collection period; and
 - (ii) fixed fees of £130,000 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; the first Interest Payment Date will be 20 August 2024;
- (w) as of the Issue Date, the Principal Amount Outstanding of:
 - (i) the A Notes represent exactly 89.00%;
 - (ii) the B Notes represent exactly 7.00%;
 - (iii) the C Notes represent exactly 3.00%;
 - (iv) the D Notes represent exactly 1.00%;
 - (v) the X Notes represent exactly 2.00%; and
 - (vi) the Z Notes represent exactly 1.50%;

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 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
- (z) 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 an Actual/365 basis.

Weighted Average Life in Years (assuming a call option is exercised on the Call Option Date falling in May 2027)

| 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 | 3.06 | 2.95 | 2.83 | 2.71 | 2.59 | 2.48 | 2.37 | 2.16 | 2.24 |
| B Notes | 3.07 | 3.07 | 3.07 | 3.07 | 3.07 | 3.07 | 3.07 | 3.07 | 3.07 |
| C Notes | 3.07 | 3.07 | 3.07 | 3.07 | 3.07 | 3.07 | 3.07 | 3.07 | 3.07 |
| D Notes | 3.07 | 3.07 | 3.07 | 3.07 | 3.07 | 3.07 | 3.07 | 3.07 | 3.07 |
| X Notes | 0.84 | 0.87 | 0.88 | 0.89 | 0.90 | 0.91 | 0.92 | 0.94 | 0.89 |

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 | 10.89 | 8.78 | 7.22 | 6.04 | 5.14 | 4.44 | 3.88 | 3.04 | 2.60 |
| B Notes | 16.84 | 15.50 | 14.41 | 13.35 | 12.29 | 11.34 | 10.48 | 8.92 | 5.72 |
| C Notes | 17.34 | 16.15 | 15.02 | 14.21 | 13.39 | 12.55 | 11.80 | 10.50 | 7.45 |
| D Notes | 17.59 | 16.34 | 15.33 | 14.59 | 13.77 | 13.08 | 12.33 | 11.08 | 8.33 |
| X Notes | 0.84 | 0.87 | 0.88 | 0.89 | 0.90 | 0.91 | 0.92 | 0.94 | 0.89 |

* The pricing CPR is 5% for the first 12 months, followed by 20% for 8 months, followed by 55% for 9 months, followed by 23% for 26 months, followed by 65% for 11 months, followed by 28% for 33 months and followed by 20% thereafter (assuming 5% of the Mortgage Pool become Product Switch Loans).

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

This section is not applicable to the Z Notes as they will be issued in definitive registered form to BGFL.

The Global Notes contain provisions which apply to 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 (other than the Z Notes) will be represented, on issue, by the Global Notes.

The Notes of each Class (other than the Z Notes) will be issued as either Rule 144A Global Notes or Regulation S Global Notes. The Notes offered and sold in the United States to QIBs in reliance on Rule 144A will be represented by the Rule 144A Global Notes and the Notes offered and sold outside the United States in offshore transactions to non-U.S. persons in reliance on Regulation S will be represented by the Regulation S Global Notes. Except in the limited circumstances described in “3. *Issuance of Definitive Notes*” below, beneficial interests in the Rule 144A Global Notes and the Regulation S Global Notes may only be held through Euroclear or Clearstream, Luxembourg or their participants at any time.

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 in a manner which would allow Eurosystem eligibility and are intended upon issue to be deposited with, and registered in the name of a nominee of, a common safekeeper on behalf of one of the ICSDs. 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 a Global Note or, as applicable, Definitive Notes and a statement issued by the Registrar at any time shall be conclusive evidence of the records of that Register at that time. In relation to Notes represented by a Global Note, 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

Holders 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.

Beneficial interests in the Rule 144A Global Notes may only be held by persons who are QIBs, either holding their interests for their own account or for the account or benefit of another QIB. By acquiring the beneficial interest in a Rule 144A Global Note, the purchaser or any subsequent purchaser thereof will be deemed to have made the representations, warranties and undertakings contained in “*Transfer Restrictions and Investor Representations*”.

Prior to the expiry of the “distribution compliance period” (as defined in Regulation S, the “**Distribution Compliance Period**”), beneficial interests in a Regulation S Global Note may not be offered or sold to, or for the account or benefit of, a U.S. person save as otherwise provided in “*Transfer Restrictions and Investor Representations*” and “*Purchase and Sale*” and may not be held otherwise than through Euroclear or Clearstream, Luxembourg, and such Regulation S Global Note will bear a legend regarding such restrictions on transfer as described in “*Transfer Restrictions and Investor Representations*”.

4. **Payments**

Payments of principal and interest in respect of Notes represented by a 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*)).

Payments of principal and interest in respect of the Z Notes will be made to their holder. Each payment so made will discharge the Issuer’s obligations in respect thereof.

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 Account Bank, the Custodian, 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 the Common Safekeeper or a nominee of the Common Safekeeper is the registered holder of the respective Global Notes underlying the Book-Entry Interests, the Common Safekeeper or, as applicable, that 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 the Common Safekeeper or 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*).

Each Rule 144A Global Note will bear a legend substantially identical to the form of Rule 144A Global Note legend appearing under “*Transfer Restrictions and Investor Representations – Legends*”, and the holder of any Rule 144A Global Notes or any Book-Entry Interest in such Rule 144A Global Notes shall undertake that it will not transfer such Rule 144A Notes or such interest except in compliance with the transfer restrictions set forth in such legend. A Book-Entry Interest in a Rule 144A Global Note of one Class may be transferred to a person who takes delivery in the form of a Book-Entry Interest in a Regulation S Global Note of the same Class whether before or after the expiration of Distribution Compliance Period, only upon receipt by the Issuer of a written certification from the transferor to the effect that such transfer is being made in accordance with Rule 903 or Rule 904 of Regulation S under the Securities Act.

Each Regulation S Global Note will bear a legend substantially identical to the form of Regulation S Global Note legend that appearing under “*Transfer Restrictions and Investor Representations – Legends*”. Prior to the expiration of the Distribution Compliance Period, a Book-Entry Interest in a Regulation S Global Note of one Class may be transferred to a person who takes delivery in the form of a Book-Entry Interest in the Rule 144A Global Note of the same Class only upon receipt by the Issuer of written certification from the transferor to the effect that such transfer is being made to a person whom the transferor reasonably believes is a QIB purchasing for its own account or for an account or accounts as to which it exercises sole investment discretion and that such person and such account or accounts is a QIB in a transaction meeting the requirements of Rule 144A and in accordance with any applicable securities laws of any state of the United States or any other jurisdiction.

Any Book-Entry Interest in a Regulation S Global Note of one Class that is transferred to a person who takes delivery in the form of a Book-Entry Interest in the Rule 144A Global Note of the same Class will, upon transfer, cease to be represented by a Book-Entry Interest in such Regulation S Global Note and will become represented by a Book-Entry Interest in such Rule 144A Global Note and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to Book-Entry Interests in a Rule 144A Global Note for as long as it remains such a Book-Entry Interest. Any Book-Entry Interest in the Rule 144A Global Note of one Class that is transferred to a person who takes delivery in the form of a Book-Entry Interest in the Regulation S Global Note of the same Class will, upon transfer, cease to be represented by a Book-Entry Interest in such Rule 144A Global Note and will become represented by a Book-Entry Interest in such Regulation S Global Note and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to Book-Entry Interests in a Regulation S Global Note as long as it remains such a Book-Entry Interest.

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.

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 £267,000,000 A Notes due on the Interest Payment Date falling on May 2066 (the “**A Notes**”), £21,000,000 B Notes due on the Interest Payment Date falling in May 2066 (the “**B Notes**”), £9,000,000 C Notes due on the Interest Payment Date falling in May 2066 (the “**C Notes**”), £3,000,000 D Notes due on the Interest Payment Date falling in May 2066 (the “**D Notes**”), £6,000,000 X Notes due on the Interest Payment Date falling in May 2066 (the “**X Notes**” and together with the A Notes, the B Notes, the C Notes and the D Notes, the “**Floating Rate Notes**”), £4,500,000 Z Notes due on the Interest Payment Date falling in May 2066 (the “**Z Notes**” and together with the Floating Rate Notes, the “**Notes**”), of Tower Bridge Funding 2024-2 PLC (the “**Issuer**”) was authorised by a resolution of the board of directors of the Issuer passed on 10 April 2024. 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 and the D 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 23 April 2024 (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 and the Z 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, UK Branch 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 Belmont Green Finance 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 Cadwalader, Wickersham & Taft LLP and Allen & Overy LLP.

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 any 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 A Notes, the B Notes, the C Notes, the D Notes and the X Notes initially offered and sold in the United States to “qualified institutional buyers” (“**QIBs**”) as defined in Rule 144A (“**Rule 144A**”) under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”), in reliance on Rule 144A (the “**Rule 144A Notes**”), will be represented on issue by one or more global notes in registered form (each, a “**Rule 144A Global Note**”) without interest coupons attached.

The A Notes, the B Notes, the C Notes, the D Notes and the X Notes initially offered and sold outside the United States in “offshore transactions” (as defined in Regulation S under the Securities Act (“**Regulation S**”)) to persons who are not “U.S. persons” (as defined in Regulation S), in reliance on Regulation S (the “**Regulation S Notes**”), will be represented on issue by one or more global notes in registered form (each, a “**Regulation S Global Note**”) without interest coupons attached.

- (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 (the “**Definitive Notes**”):
 - (A) will be issued in registered form in respect of the Z Notes on the Issue Date to Belmont Green Finance Limited (“**BGFL**”); and
 - (B) will be issued in registered form in an aggregate principal amount equal to the Principal Amount Outstanding of the Global Notes in the circumstances referred to below.

Definitive Notes 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 or, as applicable, the Cash Administrator 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 delivery of the applicable form of transfer duly completed and executed to 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 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 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) Ownership of interests in respect of the Global Notes will be limited to persons who have accounts with Euroclear and/or Clearstream, Luxembourg or persons who hold interests through such participants. Interests will be shown on, and transfers thereof will be effected only through, records maintained in book-entry form by Euroclear and Clearstream, Luxembourg and their participants. Beneficial interests in respect of Rule 144A Global Notes will be limited to persons who have accounts with Euroclear and/or Clearstream, Luxembourg or persons who hold interests through such participants and who are QIBs and have purchased such interest in accordance with, and reliance on, Rule 144A or have purchased such interest in accordance with the restrictions legended on the Rule 144A Global Notes. Beneficial interests in a Regulation S Global Note may not be held by a U.S. person at any time.
- (x) If the holder of a beneficial interest in a Rule 144A Global Note of one Class wishes at any time to transfer such interest, such transfer may be effected:
 - (A) to a person who wishes to take delivery thereof in the form of a beneficial interest in the Regulation S Global Note of the same Class, subject to the rules and procedures of the relevant Clearing System, to the extent applicable (the “**Applicable Procedures**”), by the transferor giving a certificate to the Registrar in, or substantially in, the form set out in the Trust Deed (a “**Regulation S Transfer Certificate**”);
 - (B) to a transferee who takes delivery of such interest through a Rule 144A Global Note where the transferee is a person whom the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, without certification; or
 - (C) otherwise pursuant to the Securities Act or an exemption therefrom, subject to receipt by the Issuer and the Registrar of such satisfactory evidence as the Issuer or the Registrar may reasonably require, that such transfer is in compliance with any applicable securities laws of the United States, and, in each case, in accordance with any applicable securities laws of any state of the United States or any other jurisdiction.

In the case of paragraph (A) above, upon receipt by the Registrar of the relevant certificate given by the transferor, the Registrar shall present the Global Notes of the relevant Class to, or to the order of, the relevant Paying Agent which shall reduce the Principal Amount Outstanding of such Rule 144A Global Note and increase the Principal Amount Outstanding of the corresponding Regulation S Global Note by the principal amount of the beneficial interest in such Rule 144A Global Note to be transferred by annotation on the Register by the Registrar.

- (xi) If the holder of a beneficial interest in a Regulation S Global Note of one Class wishes at any time during the Distribution Compliance Period to transfer such interest, such transfer may be effected:
 - (A) to a person who wishes to take delivery thereof in the form of a beneficial interest in the Rule 144A Global Note of the same Class, subject to the Applicable Procedures, by the transferor giving a certificate to the Registrar in, or substantially in, the form set out in the Trust Deed (a “**Rule 144A Transfer Certificate**”); or
 - (B) otherwise pursuant to the Securities Act or an exemption therefrom, subject to receipt by the Issuer and the Registrar of such satisfactory evidence as the Issuer or the Registrar may reasonably require, that such transfer is in compliance with any applicable securities laws of the United States, and, in each case, in accordance with any applicable securities laws of any state of the United States or any other jurisdiction.

In the case of paragraph (A) above, upon receipt by the Registrar of the relevant certificate given by the transferor, the Registrar shall present the Global Note of the relevant Class to, or to the order of, the relevant Paying Agent, which shall reduce the Principal Amount Outstanding of such Regulation S Global Note and increase the Principal Amount Outstanding of such Rule 144A Global Note by the principal amount of the beneficial interest in such Regulation S Global Note to be so transferred by annotation on the Register by the Registrar.

- (xii) If the holder of a beneficial interest in a Regulation S Global Note of one Class wishes at any time after the Distribution Compliance Period to transfer such interest, such transfer may be effected:
 - (A) to a person who wishes to take delivery thereof in the form of a beneficial interest in the Rule 144A Global Note of the same Class, such transfer may be effected, subject only to the Applicable Procedures; or
 - (B) otherwise pursuant to the Securities Act or an exemption therefrom,
 - subject to receipt by the Issuer and the Registrar of such satisfactory evidence as the Issuer or the Registrar may reasonably require, that such transfer is in compliance with any applicable securities laws of the United States, and, in each case, in accordance with any applicable securities laws of any state of the United States or any other jurisdiction.

The Registrar shall present the Global Note of the relevant Class to, or to the order of, the relevant Paying Agent, which shall reduce the Principal Amount Outstanding of such Regulation S Global Note and increase the Principal Amount Outstanding of such Rule 144A Global Note by the principal amount of the beneficial interest in such Regulation S Global Note to be so transferred.

- (xiii) 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 Z 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 Z 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 Z Notes and the Certificates;
 - (IV) the D Notes shall rank *pari passu* and without any preference of priority amongst themselves and in priority to the X Notes, the Z 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 Z Notes and the Certificates;
 - (VI) the Z Notes shall rank *pari passu* and without any preference of priority amongst themselves and in priority to the Certificates;
 - (VII) 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 and the Z 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 Z 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 Z 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 Z 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 Z Notes and the X Notes;
 - (V) the Z Notes shall rank *pari passu* and without any preference or priority amongst themselves and in priority to the X Notes; and
 - (VI) 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 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 Custodian under the Custody 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 Custody 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 the 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 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, the Custody 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, liabilities 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 Custodian under the Custody 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 repository fees (including, without limitation, the UK Reports Repository or the EU Reports Repository), 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 (xix) 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*, 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);
- (xvii) *seventeenth*, 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;
- (xviii) *eighteenth*, 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;
- (xix) *nineteenth*, 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 which shall be discharged in accordance with the Swap Agreement);
- (xx) *twentieth*, 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
- (xxi) *twenty-first*, to pay any Residual Payments *pro rata* (according to the number of Certificates held by the relevant Certificateholders) and *pari passu* to the 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 (plus VAT, if any) under the Mortgage Administration Agreement together with costs, expenses, liabilities and various sundry fees properly incurred by the Mortgage Administrator in accordance with the Mortgage Administration Agreement (plus VAT, if any);
 - (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 Custodian under the Custody 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 (xiii) 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 Z Noteholders in respect of principal on the Z Notes until the Z Notes are redeemed in full;
- (xi) *eleventh*, 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;
- (xii) *twelfth*, 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);
- (xiii) *thirteenth*, to pay to the Swap Counterparty any Swap Subordinated Amounts (other than Swap Excluded Payable Amounts which shall be discharged in accordance with the Swap Agreement); and

- (xiv) *fourteenth*, to pay any Residual Payments *pro rata* (according to the number of Certificates held by the relevant Certificateholders) and *pari passu* to the Certificateholders; and.

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 Custody 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, the Scottish Declaration of Trust, the 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) **Corporation Tax**

unreasonably prejudice its eligibility for its tax liability to be calculated in accordance with regulation 14 of the Taxation of Securitisation Companies Regulations 2006 (SI 2006/3296) (as amended, in force and interpreted and applied as at the Issue Date);

(h) **Tax Grouping**

be a member of a VAT group;

(i) **Independent Director**

at any time have fewer than one independent director;

(j) **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 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 August 2024, 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 Z 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) 0.88 per cent. for the A Notes;
 - (2) 1.20 per cent. for the B Notes;
 - (3) 1.60 per cent. for the C Notes;
 - (4) 2.29 per cent. for the D Notes; and
 - (5) 5.00 per cent. for the X Notes.
- (b) on any Interest Determination Date occurring on or after the Step-Up Date:
 - (1) 1.32 per cent. for the A Notes;
 - (2) 1.80 per cent. for the B Notes;
 - (3) 2.40 per cent. for the C Notes;
 - (4) 3.29 per cent. for the D Notes; and
 - (5) 5.00 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 Z 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 any 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 www.secrep.co.uk and www.secrep.eu), (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 www.secrep.co.uk and www.secrep.eu 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, UK Branch. In the event of Elavon Financial Services DAC, UK Branch 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 (iii) 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 or the Z 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 or Z 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 May 2066, (ii) the B Notes at their Principal Amount Outstanding, together with accrued and unpaid interest, on the Interest Payment Date falling in May 2066, (iii) the C Notes at their Principal Amount Outstanding, together with accrued and unpaid interest, on the Interest Payment Date falling in May 2066, (iv) the D Notes at their Principal Amount Outstanding, together with accrued and unpaid interest, on the Interest Payment Date falling in May 2066, (v) the X Notes at their Principal Amount Outstanding, together with accrued and unpaid interest, on the Interest Payment Date falling in May 2066, (vi) the Z Notes at their Principal Amount Outstanding, together with accrued and unpaid interest, on the Interest Payment Date falling in May 2066, and (vii) towards making payments in respect of the Certificates on the Interest Payment Date falling in May 2066, *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 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;
- (ii) *second*, 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;
- (iii) *third*, 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;
- (iv) *fourth*, 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;
- (v) *fifth*, 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;
- (vi) *sixth*, 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;
- (vii) *seventh*, after the A Notes, the B Notes, the C Notes and the D Notes have been redeemed in full, in redeeming the Z Notes on a *pari passu* and *pro rata* basis until the Interest Payment Date on which the Z Notes have been redeemed in full; and
- (viii) *eighth*, 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, the Cash Administrator and (for so long as any 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, any Paying Agent or the Cash Administrator 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 or, as applicable, additional or substitute Cash Administrator 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.

(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, the holder shall not be entitled to payment of the amount due until the next succeeding business day, and shall not be entitled to any further interest or other payment in respect of such delay. In this paragraph, “**business day**” means any day on which commercial banks and foreign exchange markets settle payments in London.

(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, UK Branch
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 (other than the Z 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, any Paying Agent or the Cash Administrator (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, such Paying Agent or the Cash Administrator (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, the Cash Administrator 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 and the Z 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 May 2066 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 Written Resolution signed by 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 whether or not they participated in such Written Resolution.

The Trust Deed provides that a Written Resolution signed by 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 whether or not they participated in such Written Resolution.

The Trust Deed provides that a resolution passed by Electronic Consents by holders of a particular Class or Classes of Notes by a majority consisting of not less than 50.1 per cent. of the total Principal Amount Outstanding of such Class or Classes of Notes voting in respect of that resolution 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 whether or not they voted in respect of such resolution.

The Trust Deed provides that a resolution passed by Electronic Consents by holders of at least 75 per cent. of the total Principal Amount Outstanding of the relevant Class or Classes of Notes voting in respect of that resolution 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 whether or not they voted in respect of such resolution.

- (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 (or the Mortgage Administrator acting on behalf of the Issuer) 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 Mortgage Administrator pays (or arranges for the payment of) 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 risk retention, disclosure or reporting changes in the requirements of the EU Securitisation Regulation or the UK Securitisation Regulation after the Issue Date, including as a result of the adoption of regulatory technical standards in relation to the EU Securitisation Regulation or the UK Securitisation Regulation or any other risk retention, disclosure or reporting 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 making any modification of the Notes or any of the Transaction Documents to comply with the provisions of Rule 17g-5 of the Securities Exchange Act of 1934, provided that the Issuer (or the Cash Administrator on its behalf) 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 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;

(vii) 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;

(viii) 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

(ix) 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 (ix) 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 (ix) 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)(ix). 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 any 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 any Notes are represented by Global Notes, and if, for so long as any 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 any Notes are represented by Global Notes and if, for so long as any 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 any 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;

“**Electronic Consents**” means electronic consents communicated through the electronic communication systems of the relevant clearing system(s) in accordance with their operating rules and procedures;

“**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;
- (b) a Written Resolution 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; or
- (c) where the relevant class(es) of Notes are held on behalf of a clearing system or clearing systems, approval of a resolution proposed by the Issuer or the Note Trustee (as the case may be) given by way of Electronic Consents by or on behalf of the holders of not less than 75 per cent. in aggregate of the total Principal Amount Outstanding of the relevant class(es) of such Notes outstanding voting in respect of that resolution;

“**Investor Report**” means the monthly investor report published by the Cash Administrator, on each Interest Payment Date beginning on the first Interest Payment Date, or in any following 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 Z Notes for so long as there are any Z Notes outstanding; and thereafter the Certificates for so long as there are any 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)(ix)), (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;
- (b) a Written 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; or
- (c) where the relevant class(es) of Notes are held on behalf of a clearing system or clearing systems, approval of a resolution proposed by the Issuer or the Note Trustee (as the case may be) given by way of Electronic Consents by or on behalf of the holders of not less than 50.1 per cent. in aggregate of the total Principal Amount Outstanding of the relevant class(es) of such Notes outstanding voting in respect of that resolution;

“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 Moody’s 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;

“Treaty” means the Treaty establishing the European Community, as amended by the Treaty on European Union and the Treaty of Amsterdam; and

“Written Resolution” means a resolution in writing signed by or on behalf of the relevant holders 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.

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 Certificates (the “**Certificates**”) are constituted by a trust deed (as amended or modified from time to time, the “**Trust Deed**”) dated on or about 23 April 2024 (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, UK Branch 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 Belmont Green Finance 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 Cadwalader, Wickersham & Taft LLP and Allen & Overy LLP.

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 Cash Administrator or the Issuer and provision of proof of holding and identity (in a form satisfactory to the Cash Administrator 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 be represented in definitive registered form.
- (ii) Certificates will be serially numbered and will be issued in registered form only.
- (iii) 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 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 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 Registrar to any holder of a Certificate who so requests and will be available upon request at the specified office of the Registrar.

- (v) A Certificate may be transferred in whole or in part upon delivery of the applicable form of transfer duly completed and executed to the specified office of the Registrar. In the case of a transfer of part only of a Certificate, a new Certificate, in respect of the balance remaining will be issued to the transferor by or by order of the Registrar.
- (vi) Each certificate in respect of a new Certificate to be issued upon transfer of a Certificate will, within 5 Business Days of receipt of such request for transfer, be available for delivery at the specified office of the Registrar stipulated in the request for transfer, or be mailed at the risk of the holder entitled to the Certificate, to such address as may be specified in such request.
- (vii) Registration of 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 Custodian under the Custody 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 Custody 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 the 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 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, the Custody 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 Custody 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, the Scottish Declaration of Trust, the 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) ***Corporation Tax***
unreasonably prejudice its eligibility for its tax liability to be calculated in accordance with regulation 14 of the Taxation of Securitisation Companies Regulations 2006 (SI 2006/3296) (as amended, in force and interpreted and applied as at the Issue Date);
- (h) ***Tax Grouping***
be a member of a VAT group;
- (i) ***Independent Director***
at any time have fewer than one independent director;
- (j) ***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 Certificate shall be the only person entitled to receive payments in respect of such 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, the holder shall not be entitled to payment of the amount due until the next succeeding business day, and shall not be entitled to any further interest or other payment in respect of such delay. In this paragraph, “**business day**” means any day on which commercial banks and foreign exchange markets settle payments in London.

(h) **Cash Administrator**

The Cash Administrator 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 the Cash Administrator, *provided that it will maintain a Cash Administrator.*

The initial specified office of the Cash Administrator is at:

Cash Administrator

Belmont Green Finance Limited
1 Battle Bridge Lane, London SE1 2HP
United Kingdom

Notice of any change in the Cash Administrator or its 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 Cash Administrator (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 Cash Administrator (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 Cash Administrator, 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 May 2066 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 Written Resolution 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.

The Trust Deed provides that a Written Resolution 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.

“**Written Resolution**” means a resolution in writing signed by or on behalf of the relevant holders of 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.

- (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 (or the Mortgage Administrator acting on behalf of the Issuer) 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 Mortgage Administrator pays (or arranges for the payment of) 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 risk retention, disclosure or reporting changes in the requirements of the EU Securitisation Regulation or the UK Securitisation Regulation, after the Issue Date, including as a result of the adoption of regulatory technical standards in relation to the EU Securitisation Regulation or the UK Securitisation Regulation or any other risk retention, disclosure or reporting 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 a 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)(ix).

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) **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**

Any notice to Certificateholders 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 Z Notes for so long as there are any Z Notes outstanding and thereafter the Certificates for so long as there are any 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 Moody’s 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 (other than the Z 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 (other than the Z Notes) carry a right to interest and are and remain so listed on a "recognised stock exchange", interest on the Notes (other than the Z Notes) will be payable without deduction of or withholding on account of United Kingdom income tax.

If any Notes are not or 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.

CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS

General

The following discussion summarises certain of the material U.S. federal income tax consequences of the purchase, beneficial ownership, and disposition of the Notes.

For purposes of this summary, a “**U.S. Holder**” is a beneficial owner of a Note that is:

- (a) an individual who is a citizen or a resident of the United States, for U.S. federal income tax purposes;
- (b) a corporation (or other entity that is treated as a corporation for U.S. federal tax purposes) that is created or organised in or under the laws of the United States, any State thereof, or the District of Columbia;
- (c) an estate, whose income is subject to U.S. federal income taxation regardless of its source; or
- (d) a trust if a court within the United States is able to exercise primary supervision over its administration, and one or more United States persons have the authority to control all of its substantial decisions.

For purposes of this summary, a “**Non-U.S. Holder**” is a beneficial owner of a Note that is:

- (a) a nonresident alien individual for U.S. federal income tax purposes;
- (b) a foreign corporation for U.S. federal income tax purposes;
- (c) an estate whose income is not subject to U.S. federal income tax on a net basis; or
- (d) a trust if no court within the United States is able to exercise primary jurisdiction over its administration or if no United States persons have the authority to control any of its substantial decisions.

An individual may, subject to certain exceptions, be deemed to be a resident of the United States for U.S. federal income tax purposes by reason of being present in the United States for at least 31 days in the calendar year and for an aggregate of more than 182 days during a three-year period ending in the current calendar year (counting for such purposes all of the days present in the current year, one-third of the days present in the immediately preceding year, and one-sixth of the days present in the second preceding year).

This summary is based on interpretations of the U.S. Tax Code, regulations issued thereunder, and rulings and decisions currently in effect (or in some cases proposed), all of which are subject to change. Any such change may be applied retroactively and may adversely affect the U.S. federal income tax consequences described herein. This summary addresses only holders that purchase Notes for cash at initial issuance (and, in the case of the Rated Notes, at their issue price (which is the first price at which a substantial amount of Rated Notes within the applicable Class was sold to investors)) and beneficially own such Notes as capital assets and not as part of a “straddle,” “hedge,” “synthetic security” or a “conversion transaction” for U.S. federal income tax purposes, or as part of some other integrated investment. This summary does not discuss all of the tax consequences (such as alternative minimum tax consequences) that may be relevant to particular investors or to investors subject to special treatment under the U.S. federal income tax laws (such as banks, thrifts, or other financial institutions; insurance companies; securities dealers or brokers, or traders in securities electing mark-to-market treatment; mutual funds or real estate investment trusts; small business investment companies; S corporations; partnerships or investors that hold their Notes through a partnership or other entity treated as a partnership for U.S. federal income tax purposes; U.S. Holders whose functional currency is not the U.S. dollar; certain former citizens or residents of the United States; retirement plans or other tax-exempt entities, or persons holding the Notes in tax-deferred or tax-advantaged accounts; or “controlled foreign corporations” (“CFCs”) or “passive foreign investment companies” (“PFICs”) for U.S. federal income tax purposes). Finally, this summary also does not address the tax consequences to shareholders, or other equity holders in, or beneficiaries of, a holder of Notes, or any state, local or foreign tax consequences of the purchase, ownership or disposition of the Notes.

THE SUMMARY OF U.S. FEDERAL INCOME TAX CONSEQUENCES SET OUT BELOW IS FOR GENERAL INFORMATION ONLY. ALL PROSPECTIVE PURCHASERS OF NOTES SHOULD CONSULT THEIR TAX ADVISERS AS TO THE U.S. FEDERAL, STATE AND LOCAL TAX CONSEQUENCES TO THEM OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF THE NOTES, AS WELL AS ANY CONSEQUENCES ARISING UNDER THE LAWS OF ANY OTHER TAXING JURISDICTION TO WHICH THEY MAY BE SUBJECT.

U.S. Federal Tax Treatment of the Issuer

The Issuer will be treated as a foreign corporation for U.S. federal income tax purposes. However, neither the Issuer nor the Joint Lead Managers have received any assurance from tax counsel that the Issuer’s contemplated

activities will not cause it to be engaged in a trade or business in the United States. No ruling will be sought from the IRS regarding this, or any other, aspect of the U.S. federal income tax treatment of the Issuer. Accordingly, in the absence of authority on point, the U.S. federal income tax treatment of the Issuer is not entirely free from doubt, and there can be no assurance that a contrary position may not be asserted successfully by the IRS. Moreover, even if the Joint Lead Managers have breached the agreement described above, the Joint Lead Managers would not be liable for causing the Issuer to be engaged in a trade or business in the United States unless the Joint Lead Managers have also breached the standard of care specified in the Subscription Agreement. Accordingly, the Issuer may not have any claim against the Joint Lead Managers in the event that the Joint Lead Managers cause the Issuer to be engaged in a trade or business in the United States. The Issuer also could be treated as engaged in a trade or business in the United States for U.S. federal income tax purposes by reason of a change in law or its interpretation. Finally, the Trust Deed could be amended in a manner that permits or causes the Issuer to be engaged in a trade or business in the United States for U.S. federal income tax purposes.

If it is determined that the Issuer is engaged in a trade or business in the United States for U.S. federal income tax purposes, and the Issuer has taxable income that is effectively connected with such U.S. trade or business, the Issuer would be subject under the U.S. Tax Code to the regular U.S. corporate income tax on such effectively connected taxable income (computed possibly without any allowance for deductions) and possibly to a 30 per cent. branch profits tax and state and local taxes as well. The imposition of such taxes on the Issuer would materially adversely affect the Issuer's ability to make payments on the Notes. The balance of this summary assumes that the Issuer is not subject to U.S. federal income tax on its net income.

U.S. Federal Tax Treatment of the Notes

The Issuer intends to treat the A Notes, the B Notes, the C Notes and the D Notes (the “**U.S. Tax Debt Notes**”) as indebtedness and the X Notes and the Z Notes as equity (the “**U.S. Tax Equity Notes**”) for U.S. federal income tax purposes. However, no opinion will be received with respect to such tax characterisation of any of the Notes. Each beneficial owner of a U.S. Tax Debt Note, by acceptance of such U.S. Tax Debt Note, will be deemed to agree to treat such U.S. Tax Debt Note as indebtedness for U.S. federal income tax purposes. Except as otherwise indicated, the balance of this summary assumes that all of the U.S. Tax Debt Notes are treated as indebtedness of the Issuer for U.S. federal, state and local income and franchise tax purposes. Prospective investors in the U.S. Tax Debt Notes should consult their tax advisors regarding the U.S. federal, state and local income and franchise tax consequences to the investors in the event their Rated Notes are treated as equity in the Issuer.

The Issuer intends to treat the U.S. Tax Equity Notes as equity in the Issuer for U.S. federal income tax purposes, and each holder by its purchase of a U.S. Tax Equity Note agrees to treat the U.S. Tax Equity Notes consistently with this treatment.

U.S. Federal Tax Treatment of U.S. Holders of the U.S. Tax Debt Notes

Qualified Stated Interest and Original Issue Discount

U.S. Holders of U.S. Tax Debt Notes generally will be required to include in gross income the U.S. dollar value of payments of “qualified stated interest” accrued or received on their U.S. Tax Debt Notes, in accordance with their usual method of tax accounting, as ordinary interest income. The amount of income recognised by a cash basis U.S. Holder will be the U.S. dollar value of the interest payment, based on the exchange rate in effect on the date of receipt, regardless of whether the payment is in fact converted into U.S. dollars. An accrual basis U.S. Holder may determine the amount of income recognised with respect to an interest payment denominated in a currency other than the U.S. dollar (“**Foreign Currency**”) in accordance with either of two methods. Under the first method, the amount of income accrued will be based on the average exchange rate in effect during the interest accrual period (or, in the case of an accrual period that spans two taxable years of a U.S. Holder, the part of the period within each taxable year). Under the second method, the U.S. Holder may elect to determine the amount of income accrued on the basis of the exchange rate in effect on the last day of the accrual period (or, in the case of an accrual period that spans two taxable years, the exchange rate in effect on the last day of the U.S. Holder's taxable year). Additionally, if a payment of interest is actually received within five business days of the last day of the accrual period, an electing accrual basis U.S. Holder may determine the amount of income utilising the exchange rate in effect on the day of actual receipt. Any such election must be applied to all debt instruments held by the U.S. Holder, and is irrevocable without the consent of the IRS. Upon receipt of the interest payment (including a payment attributable to accrued but unpaid interest upon the sale, exchange or retirement of a Note) denominated in a Foreign Currency, the accrual basis U.S. Holder may recognise U.S. source exchange gain or loss (taxable as U.S.-source ordinary income or loss) equal to the difference between the amount received (translated into U.S. dollars at the spot rate on the date of receipt) and the amount previously accrued, regardless of whether the payment is in fact converted into U.S. dollars. “Qualified stated interest” generally is stated interest that is unconditionally payable at least annually at a single fixed rate or certain floating rates. Interest is considered “unconditionally payable” if reasonable legal remedies exist to compel timely payment or terms and conditions of

the debt instrument make the likelihood of late payment (other than late payment that occurs within a reasonable grace period) or non-payment (ignoring the possibility of non-payment due to default, insolvency or similar circumstances) a remote contingency. Interest payments on the U.S. Tax Debt Notes other than the A Notes (the “**Deferrable Notes**”) that are not made on a relevant Interest Payment Date will generally be deferred (“**Deferred Interest**”) until the first Interest Payment Date thereafter on which funds are available to the Issuer to fund the payment of such Deferred Interest to the extent of such available funds (see Note Condition 4(i) (*Deferral of Interest*)). Consequently, such interest is not unconditionally payable at least annually and should not be treated as “qualified stated interest”. Therefore, all of the stated interest payments on each of the Deferrable Notes should be included in the stated redemption price at maturity of such Deferrable Notes, and as a result the Deferrable Notes should be treated as issued with OID. The remainder of this discussion assumes that the stated interest on the A Notes is properly treated as “qualified stated interest” and the stated interest on the Deferrable Notes is not “qualified stated interest”.

Original Issue Discount

If a U.S. Tax Debt Note is treated as issued with original issue discount (“**OID**”), a U.S. Holder must include a portion of the OID in gross income as foreign source interest in each taxable year or portion thereof in which the U.S. Holder holds the U.S. Tax Debt Note, generally in advance of the cash payment in respect of the OID (regardless of the U.S. Holder’s method of accounting). The amount of a U.S. Tax Debt Note’s OID is the excess of the U.S. Tax Debt Note’s stated redemption price at maturity over its issue price. Notwithstanding the foregoing, a U.S. Tax Debt Note will not be treated as issued with OID if such excess is less than 0.25 per cent. of the U.S. Tax Debt Note’s stated redemption price at maturity, or the weighted average maturity (as determined under applicable U.S. Treasury regulations) in the case of an instalment obligation, multiplied by the number of complete years to its maturity. Generally, the issue price of a U.S. Tax Debt Note is the first price at which a substantial amount of the U.S. Tax Debt Notes included in the issue of which such U.S. Tax Debt Note is a part is sold to persons other than bond houses, brokers, or similar persons or organisations acting in the capacity of underwriters, placement agents or wholesalers. In general, the stated redemption price at maturity of a U.S. Tax Debt Note is the total of all payments (including interest payments) provided by the U.S. Tax Debt Notes that are not payments of qualified stated interest. If the discount on a U.S. Tax Debt Note is less than the above threshold, such discount will be treated as de minimis OID and generally will be included in income on a pro rata basis as principal payments are made on the U.S. Tax Debt Note. Prospective investors should consult their own tax advisers regarding the calculation of OID on the U.S. Tax Debt Notes.

If a U.S. Tax Debt Note is treated as having been issued with OID (a “**Discount Note**”), a U.S. Holder holding such Discount Note will be required to determine the accrual of OID under a method prescribed by Code Section 1272(a)(6) (the “**1272(a)(6) Method**”). Under the 1272(a)(6) Method, accruals of OID on a Discount Note will be calculated using an assumption as to the expected payments on the Discount Note. Adjustments are then made to the amount of discount accruing in each taxable year in which the actual prepayment rate differs from the prepayment assumption. The prepayment assumption is to be determined in a manner prescribed in U.S. Treasury regulations; however, these regulations have not been issued. The legislative history states that it is intended that the prepayment assumption used to price a debt instrument will also be used to calculate the OID on such instrument. Prospective investors should consult their own tax advisors regarding the application of these rules and the impact of any prepayments under the Loans.

As an alternative to the above treatments, U.S. Holders may elect to include in gross income all interest with respect to the U.S. Tax Debt Notes, including stated interest, OID, de minimis OID and unstated interest using the method described above for OID. This election generally applies only to the U.S. Tax Debt Note with respect to which it is made and may not be revoked without the consent of the IRS. OID for each accrual period will be determined in the applicable Foreign Currency and then translated into U.S. dollars in the same manner as stated interest accrued by an accrual basis U.S. Holder, as described above. Upon receipt of an amount attributable to OID (whether in connection with a payment of interest or the sale, exchange or retirement of a U.S. Tax Debt Note), a U.S. Holder may recognise U.S. source exchange gain or loss (taxable as ordinary income or loss) equal to the difference between the amount received (translated into U.S. dollars at the spot rate on the date of receipt) and the amount previously accrued, regardless of whether the payment is in fact converted into U.S. dollars.

Solely for purposes of the OID rules, the Issuer will assume that the Notes will be retired no later than the Step-up Date. Notwithstanding the preceding sentence, if the Notes are not retired on or before the Step-up Date then the Issuer will treat such Notes as having been reissued on the date of the Step-up Date, solely for purposes of applying the OID rules. If any U.S. Tax Debt Notes are deemed retired and reissued, then such deemed reissued Notes may be treated as issued with OID (taking into account the effects of not exercising the call option, such as an increased coupon).

The OID rules are complex and U.S. Holders should consult their own tax advisers regarding the application of the OID rules in their particular circumstances.

Sale, Exchange or Retirement of the U.S. Tax Debt Notes

Upon a sale, exchange or retirement of a U.S. Tax Debt Note (other than if they are deemed retired and reissued solely for purposes of the OID rules as described above under “*U.S. Federal Tax Treatment of U.S. Holders of the U.S. Tax Debt Notes — Original Issue Discount*”), a U.S. Holder generally will recognise gain or loss equal to the difference between the amount realised and the U.S. Holder’s adjusted tax basis in the U.S. Tax Debt Note. In general, a U.S. Holder of a U.S. Tax Debt Note will have an adjusted tax basis in such U.S. Tax Debt Note equal to the cost of the U.S. Tax Debt Note to such U.S. Holder, increased by any amounts includible in income by the U.S. Holder as OID, and reduced by any payments thereon other than payments of qualified stated interest. The U.S. dollar cost of a U.S. Tax Debt Note purchased with a Foreign Currency generally will be the U.S. dollar value of the purchase price on the date of purchase, or the settlement date for the purchase, in the case of U.S. Tax Debt Notes traded on an established securities market, within the meaning of the applicable U.S. Treasury regulations, that are purchased by a cash basis U.S. Holder (or an accrual basis U.S. Holder that so elects). The amount realised does not include amounts attributable to accrued but unpaid interest, which will be taxable as interest income to the extent not previously included in income. Such gain or loss generally will be long-term capital gain or loss if the U.S. Holder has held the U.S. Tax Debt Note for more than one year at the time of disposition. Long-term capital gains recognised by an individual U.S. Holder generally are subject to tax at a lower rate than short-term capital gains or ordinary income. The deductibility of capital losses is subject to limitations. The amount realised on a sale, exchange or retirement for an amount in a Foreign Currency will be the U.S. dollar value of this amount on the date of sale, exchange or retirement, or the settlement date for the sale, in the case of U.S. Tax Debt Notes traded on an established securities market, within the meaning of the applicable U.S. Treasury regulations, sold by a cash basis U.S. Holder (or an accrual basis U.S. Holder that so elects).

A U.S. Holder will recognise U.S. source exchange rate gain or loss (taxable as ordinary income or loss) on the sale, exchange or retirement of a U.S. Tax Debt Note equal to the difference, if any, between the U.S. dollar values of the U.S. Holder’s purchase price for the U.S. Tax Debt Note (i) on the date of sale, exchange or retirement and (ii) the date on which the U.S. Holder acquired the U.S. Tax Debt Note. Any such exchange rate gain or loss (including any exchange gain or loss with respect to the receipt of accrued but unpaid interest) will be realised only to the extent of total gain or loss realised on the sale or retirement.

Reference Rate Modification

The treatment of a Reference Rate Modification for U.S. federal income tax purposes is not entirely clear. It is possible that a Reference Rate Modification could be treated as a deemed exchange that is taxable to U.S. Holders of U.S. Tax Debt Notes. Prospective investors in the U.S. Tax Debt Notes are urged to consult with their tax advisers regarding the potential applicability of these rules to their particular situations.

Alternative Characterisation

It is possible that the U.S. Tax Debt Notes could be treated as “contingent payment debt instruments” for U.S. federal income tax purposes. In this event, the timing of a U.S. Holder’s OID inclusions could differ from that described above and any gain recognised on the sale, exchange, or retirement of such Notes would be treated as ordinary income and not as capital gain.

U.S. Federal Tax Treatment of U.S. Holders of the U.S. Tax Equity Notes

Investment in a Passive Foreign Investment Company

The Issuer will be a PFIC for U.S. federal income tax purposes, and U.S. Holders of U.S. Tax Equity Notes will be subject to the PFIC rules, except for certain U.S. Holders that are subject to the rules relating to a CFC (as described below under “*Investment in a Controlled Foreign Corporation*”). U.S. Holders of U.S. Tax Equity Notes should consider making an election under section 1295(a) of the U.S. Tax Code (a “**QEF election**”) to treat the Issuer as a “Qualified Electing Fund” (“**QEF**”). Generally, a U.S. Holder makes a QEF election on IRS Form 8621, attaching a copy of that form to its U.S. federal income tax return for the first taxable year for which it held its U.S. Tax Equity Notes. If a U.S. Holder makes a timely QEF election with respect to the Issuer, the electing U.S. Holder will be required in each taxable year to include in gross income (i) as ordinary income, the U.S. dollar value of the U.S. Holder’s pro rata share of the Issuer’s ordinary earnings and (ii) as long-term capital gain, the U.S. dollar value of the U.S. Holder’s pro rata share of the Issuer’s net capital gain, whether or not distributed. A U.S. Holder will not be eligible for the dividends received deduction in respect of such income or gain. In addition, any losses of the Issuer in a taxable year will not be available to the U.S. Holder and may not be carried back or forward in computing the Issuer’s ordinary earnings and net capital gain in other taxable years. If applicable, the

rules relating to a CFC, discussed below generally override those relating to a PFIC with respect to which a QEF election is in effect.

In certain cases in which a QEF does not distribute all of its earnings in a taxable year, the electing U.S. Holder may also be permitted to elect to defer payment of some or all of the taxes on the QEF's income, subject to an interest charge (which is nondeductible to individuals) on the deferred amount. In this regard, prospective purchasers of U.S. Tax Equity Notes should be aware that it is expected that the underlying assets will include high-yield debt obligations and such instruments may have substantial OID, the cash payment of which may be deferred, perhaps for a substantial period of time. In addition, the Issuer may use proceeds from the sale of the underlying assets to retire other classes of Notes. As a result, in any given year, the Issuer may have substantial amounts of earnings for U.S. federal income tax purposes that are not distributed on the U.S. Tax Equity Notes. Thus, absent an election to defer payment of taxes, U.S. Holders that make a QEF election with respect to the Issuer may owe tax on significant "phantom" income.

The Issuer will provide, upon request and at the Issuer's expense, all information and documentation that a U.S. Holder of U.S. Tax Equity Notes making a QEF election with respect to the Issuer is required to obtain for U.S. federal income tax purposes.

A U.S. Holder of U.S. Tax Equity Notes (other than certain U.S. Holders that are subject to the rules relating to a CFC, described below) that does not make a timely QEF election will be required to report the U.S. dollar value of any gain on the disposition of its U.S. Tax Equity Notes as ordinary income, rather than capital gain, and to compute the tax liability on such gain and any "Excess Distribution" (as defined below) received in respect of the U.S. Tax Equity Notes as if such items had been earned ratably over each day in the U.S. Holder's holding period (or a certain portion thereof) for the U.S. Tax Equity Notes. The U.S. Holder will be subject to tax on such gain or Excess Distributions at the highest ordinary income tax rate for each taxable year in which such gain or Excess Distributions are treated as having been earned, other than the current year (for which the U.S. Holder's regular ordinary income tax rate will apply), regardless of the rate otherwise applicable to the U.S. Holder. Further, such U.S. Holder will also be liable for an interest charge (which is nondeductible to individuals) as if such income tax liabilities had been due with respect to each such year. For purposes of these rules, gifts, exchanges pursuant to corporate reorganizations and use of the U.S. Tax Equity Notes as security for a loan may be treated as taxable dispositions of such U.S. Tax Equity Notes. In addition, a stepped-up basis in the U.S. Tax Equity Notes will not be available upon the death of an individual U.S. Holder who has not made a timely QEF election with respect to the Issuer.

An "**Excess Distribution**" is the amount by which the U.S. dollar value of distributions during a taxable year in respect of a Note exceeds 125 per cent. of the average amount of distributions in respect thereof during the three preceding taxable years (or, if shorter, the U.S. Holder's holding period for the Note).

In many cases, the U.S. federal income tax on any gain on disposition or receipt of Excess Distributions is likely to be substantially greater than the tax if a timely QEF election is made. A U.S. HOLDER OF U.S. TAX EQUITY NOTES SHOULD STRONGLY CONSIDER MAKING A QEF ELECTION WITH RESPECT TO THE ISSUER.

Investment in a Controlled Foreign Corporation

The Issuer will be a CFC if more than 50 per cent. of the equity interests in the Issuer, measured by reference to combined voting power or value, are owned directly, indirectly, or constructively by 10 per cent. United States shareholders. For this purpose, a "10 per cent. United States shareholder" is any United States person that possesses directly, indirectly, or constructively 10 per cent. or more of the combined voting power or value of all classes of equity in the Issuer. Thus, a U.S. Holder of U.S. Tax Equity Notes (and/or any Rated Notes that are treated as equity in the Issuer for U.S. federal income tax purposes) possessing directly, indirectly, or constructively 10 per cent. or more of the voting power or value of the U.S. Tax Equity Notes (and, if applicable, any Rated Notes that are treated as equity in the Issuer for U.S. federal income tax purposes) would be treated as a 10 per cent. United States shareholder. If more than 50 per cent. of the U.S. Tax Equity Notes (and any Rated Notes that are treated as equity in the Issuer for U.S. federal income tax purposes), determined with respect to the combined voting power or value of the U.S. Tax Equity Notes (and, if applicable, any Rated Notes that are treated as equity in the Issuer for U.S. federal income tax purposes), are owned directly, indirectly, or constructively by such 10 per cent. United States shareholders, the Issuer will be treated as a CFC. If, for any given taxable year, the Issuer is treated as a CFC, a 10 per cent. United States shareholder of the Issuer will be required to include as ordinary income an amount equal to the U.S. dollar value of that person's pro rata share of the Issuer's "subpart F income" at the end of such taxable year. Among other items, and subject to certain exceptions, "subpart F income" includes dividends, interest, annuities, gains from the sale of shares and securities, certain gains from commodities transactions, certain types of insurance income and income from certain transactions with related parties.

If the Issuer is treated as a CFC and a U.S. Holder is treated as a 10 per cent. United States shareholder of the Issuer, the Issuer will not be treated as a PFIC with respect to the U.S. Holder for the period during which the Issuer remains a CFC and the U.S. Holder remains a 10 per cent. United States shareholder of the Issuer (the “qualified portion” of the U.S. Holder’s holding period for the U.S. Tax Equity Notes). As a result, to the extent the Issuer’s subpart F income includes net capital gains, such gains will be treated as ordinary income to the 10 per cent. United States shareholder under the CFC rules, notwithstanding the fact that the character of such gains generally would otherwise be preserved under the QEF rules. If the qualified portion of the U.S. Holder’s holding period for the U.S. Tax Equity Notes subsequently ceases (either because the Issuer ceases to be a CFC or the U.S. Holder ceases to be a 10 per cent. United States shareholder), then solely for purposes of the PFIC rules, the U.S. Holder’s holding period for the U.S. Tax Equity Notes will be treated as beginning on the first day following the end of such qualified portion, unless the U.S. Holder has owned any U.S. Tax Equity Notes for any period of time prior to such qualified portion and has not made a QEF election with respect to the Issuer. In that case, the Issuer will again be treated as a PFIC which is not a QEF with respect to the U.S. Holder and the beginning of the U.S. Holder’s holding period for the U.S. Tax Equity Notes will continue to be the date upon which the U.S. Holder acquired the U.S. Tax Equity Notes, unless the U.S. Holder makes an election to recognise gain with respect to the U.S. Tax Equity Notes and a QEF election with respect to the Issuer. In the event that the Issuer is a CFC, then, at the request and, possibly, expense of any U.S. Holder that is a 10 per cent. United States shareholder with respect to the Issuer, the Issuer will provide the information necessary for the U.S. Holder to comply with any filing requirements that arise as a result of the Issuer’s classification as a CFC.

Indirect Interests in PFICs and CFCs

If the Issuer owns an underlying asset that is treated as equity in a foreign corporation for U.S. federal income tax purposes, U.S. Holders of U.S. Tax Equity Notes could be treated as owning an indirect equity interest in a PFIC or a CFC and could be subject to certain adverse tax consequences.

In particular, a U.S. Holder of an indirect equity interest in a PFIC is treated as owning the PFIC directly. The U.S. Holder, and not the Issuer, would be required to make a QEF election with respect to each indirect interest in a PFIC. However, certain PFIC information statements are necessary for U.S. Holders that have made QEF elections, and there can be no assurance that the Issuer can obtain such statements from a PFIC, and thus there can be no assurance that a U.S. Holder will be able to make the election with respect to any indirectly held PFIC.

Accordingly, if the U.S. Holder has not made a QEF election with respect to the indirectly held PFIC, the U.S. Holder would be subject to the adverse consequences described above under “*Investment in a Passive Foreign Investment Company*” with respect to any Excess Distributions of such indirectly held PFIC, any gain indirectly realised by such U.S. Holder on the sale by the Issuer of such PFIC, and any gain indirectly realised by such U.S. Holder with respect to the indirectly held PFIC on the sale by the U.S. Holder of its U.S. Tax Equity Notes (which may arise even if the U.S. Holder realises a loss on such sale). Moreover, if the U.S. Holder has made a QEF election with respect to the indirectly held PFIC, the U.S. Holder will be required to include in income the U.S. dollar value of its pro rata share of the indirectly held PFIC’s ordinary earnings and net capital gain as if the indirectly held PFIC were held directly (as described above), and the U.S. Holder will not be permitted to use any losses or other expenses of the Issuer to offset such ordinary earnings and/or net capital gains. Accordingly, if any of the underlying assets are treated as equity interests in a PFIC, U.S. Holders could experience significant amounts of “phantom” income with respect to such interests.

If an underlying asset is treated as an indirect equity interest in a CFC and a U.S. Holder owns directly, indirectly, or constructively 10 per cent. or more of the CFC’s voting power or value for U.S. federal income tax purposes, the U.S. Holder generally will be required to include the U.S. dollar value of its pro rata share of the CFC’s “subpart F income” as ordinary income at the end of each taxable year, as described above under “*Investment in a Controlled Foreign Corporation*”, regardless of whether the CFC distributed any amounts to the Issuer during such taxable year or whether the U.S. Holder made a QEF election with respect to the indirectly held CFC. In addition, the U.S. dollar value of gain realised by the U.S. Holder on the sale by the Issuer of the CFC, and the U.S. dollar value of gain realised by the U.S. Holder on the sale by the U.S. Holder of its U.S. Tax Equity Notes (as described below), generally will be treated as ordinary income to the extent of the U.S. Holder’s pro rata share of the CFC’s current and accumulated earnings and profits, reduced by any amounts previously taxed pursuant to the CFC rules. U.S. Holders should consult their own tax advisors regarding the tax issues associated with such investments in light of their own individual circumstances.

Phantom Income

U.S. Holders may be subject to U.S. federal income tax on the amounts that exceed the distributions they receive on the U.S. Tax Equity Notes. For example, if the Issuer is a CFC and a U.S. Holder is a 10 per cent. United States shareholder with respect to the Issuer, or a U.S. Holder makes a QEF election with respect to the Issuer, the U.S. Holder will be subject to U.S. federal income tax with respect to its share of the Issuer’s income and gain (to the

extent of the Issuer's "earnings and profits"), which may exceed the Issuer's distributions. It is expected that the Issuer's income and gain (and earnings and profits) will exceed cash distributions with respect to (i) debt instruments that were issued with OID and are held by the Issuer, and (ii) the acquisition at a discount of the Rated Notes by the Issuer (including by reason of a refinancing or a Reference Rate Modification). U.S. Holders should consult their tax advisors regarding the timing of income and gain on the U.S. Tax Equity Notes.

Distributions

The treatment of actual distributions of cash on the U.S. Tax Equity Notes will vary depending on whether the U.S. Holder of such U.S. Tax Equity Notes has made a timely QEF election (as described above). See above under "*Investment in a Passive Foreign Investment Company*". If a timely QEF election has been made, distributions should be allocated first to amounts previously taxed pursuant to the QEF election (or pursuant to the CFC rules, if applicable) and to this extent will not be taxable to such U.S. Holder. Distributions in excess of such previously taxed amounts will be treated first as a non-taxable return of capital, to the extent of the U.S. Holder's adjusted tax basis in the U.S. Tax Equity Notes (as described below under "*Sale, Redemption, or Other Disposition*"), and then as a disposition of a portion of the U.S. Tax Equity Notes. In addition, a U.S. Holder will recognise exchange gain or loss with respect to amounts previously taxed pursuant to the QEF election (or pursuant to the CFC rules, if applicable) equal to the difference, if any, between the U.S. dollar value of the distribution on the date received and the U.S. dollar value of the previously taxed amount. Any exchange gain or loss will generally be treated as ordinary income or loss.

If a U.S. Holder has not made a timely QEF election with respect to the Issuer then, except to the extent that distributions are attributable to amounts previously taxed pursuant to the CFC rules, some or all of any distributions with respect to the U.S. Tax Equity Notes may constitute Excess Distributions, taxable as described above under the heading "*Investment in a Passive Foreign Investment Company*". Distributions that do not constitute Excess Distributions will be taxable to U.S. Holders as ordinary income upon receipt to the extent of untaxed current and accumulated earnings and profits of the Issuer. Distributions that do not constitute Excess Distributions and are in excess of untaxed current and accumulated earnings and profits of the Issuer will be treated first as a non-taxable return of capital, to the extent of a U.S. Holder's adjusted tax basis in the U.S. Tax Equity Notes, and then as a disposition of a portion of the U.S. Tax Equity Notes and subject to an additional tax reflecting a deemed interest charge, as described below under "*Sale, Redemption, or Other Disposition*".

Distributions on the U.S. Tax Equity Notes will not be eligible for the dividends received deduction, and will not qualify as "qualified dividend income."

Sale, Redemption, or Other Disposition

In general, a U.S. Holder of U.S. Tax Equity Notes will recognise gain or loss upon the sale, redemption, or other disposition of the U.S. Tax Equity Notes (including a distribution that is treated as a disposition of the U.S. Tax Equity Notes, as described above under "*Distributions*") equal to the difference between the U.S. dollar value of the amount realised and the U.S. Holder's adjusted tax basis in the U.S. Tax Equity Notes. The U.S. dollar value of the amount realised generally is based on the exchange rate on the date of the disposition. However, if the U.S. Tax Equity Notes are treated under applicable Treasury regulations as stock or securities traded on an established securities market and the U.S. Holder uses the cash method of accounting, then the U.S. dollar value of the amount realised is based instead on the exchange rate on the settlement date for the disposition. U.S. Holders that use the accrual method of accounting also may elect to use the settlement date valuation, provided that they apply it consistently from year to year.

A U.S. Holder's tax basis in its U.S. Tax Equity Notes initially will equal the U.S. dollar value of the amount paid by the U.S. Holder for the U.S. Tax Equity Notes, determined under rules analogous to the rules for determining the U.S. dollar value of the amount realised. The U.S. Holder's tax basis in the U.S. Tax Equity Notes will be increased by amounts taxable to the U.S. Holder by reason of any QEF election, or by reason of the CFC rules, as applicable, and decreased by the U.S. dollar value of actual distributions by the Issuer that are deemed to consist of such previously taxed amounts or are treated as a non-taxable return of capital, as described above under "*Distributions*".

If the U.S. Holder has made a timely QEF election with respect to the Issuer, then, except to the extent that the Issuer is treated as a CFC and the U.S. Holder is treated as a 10 per cent. United States shareholder of the Issuer, gain or loss upon the sale, redemption, or other disposition of the U.S. Tax Equity Notes generally will be treated as foreign currency exchange gain or loss, and taxable as ordinary income or loss, to the extent of the positive or negative change in the U.S. dollar value of any amounts previously taxed pursuant to the QEF election from the date of each deemed distribution pursuant to the election (based on the average exchange rate for the applicable taxable year) to the date of the disposition. Any gain or loss in excess of foreign currency exchange gain or loss will be capital gain or loss, and generally will be long-term capital gain or loss if the U.S. Holder has held the U.S.

Tax Equity Notes for more than one year at the time of the disposition. In certain circumstances, U.S. Holders who are individuals may be entitled to preferential tax rates for net long-term capital gains; however, the ability of U.S. Holders to offset capital losses against ordinary income is limited.

If a U.S. Holder does not make a timely QEF election with respect to the Issuer as described above and is not subject to the CFC rules, any gain realised on the sale, redemption, or other disposition of a U.S. Tax Equity Note (or any gain deemed to accrue prior to the time a non-timely QEF election is made) will be taxed as ordinary income and subject to an additional tax reflecting a deemed interest charge under the special tax rules described above. See “*Investment in a Passive Foreign Investment Company*”.

If the Issuer is treated as a CFC and a U.S. Holder is treated as a 10 per cent. United States shareholder of the Issuer, then any gain or loss realised by the U.S. Holder upon a sale, redemption, or other disposition of the U.S. Tax Equity Notes, other than gain or loss subject to the PFIC rules, if applicable, generally will be treated as foreign currency exchange gain or loss, and taxable as ordinary income or loss, to the extent of the positive or negative change in the U.S. dollar value of any amounts previously taxed pursuant to the CFC rules from the date of each deemed distribution pursuant to the CFC rules (based on the average exchange rate for the applicable taxable year) to the date of the disposition. Any gain in excess of foreign currency exchange gain will be treated as ordinary income to the extent of the U.S. dollar value of the U.S. Holder’s pro rata share of the Issuer’s previously untaxed earnings and profits.

In addition, as described above under “*Indirect Interests in PFICs and CFCs*”, the U.S. dollar value of any gain attributable to interests in PFICs or CFCs owned by the Issuer may be treated as ordinary income to a U.S. Holder upon the sale, redemption, or other disposition of the U.S. Holder’s U.S. Tax Equity Notes.

If the Issuer is treated as a CFC, in certain cases, a corporate U.S. Holder that is a 10 per cent. United States shareholder of the Issuer may be eligible for a dividends received deduction to the extent any gain recognised on the disposition of a U.S. Tax Equity Note is treated as ordinary income, or to the extent that such 10 per cent. United States shareholder receives a distribution that is treated as a dividend in the year in which it disposes of a U.S. Tax Equity Note, in each case, for U.S. federal income tax purposes. Such U.S. Holders should consult their tax advisors regarding the availability of any dividends received deduction and the impact of such dividends received deduction on any such U.S. Holder’s adjusted tax basis in its U.S. Tax Equity Notes.

Receipt of Foreign Currency

U.S. Holders will have a tax basis in any Foreign Currency received in respect of the Notes on a sale, redemption, or other disposition of the Notes equal to the U.S. dollar value of the Foreign Currency on that date. Any gain or loss recognised on a sale, exchange, or other disposition of those Foreign Currencies generally will be ordinary income or loss. A U.S. Holder that converts the Foreign Currency into U.S. dollars on the date of receipt generally should not recognise ordinary income or loss in respect of the conversion.

Transfer and Information Reporting Requirements

A U.S. Holder that purchases the U.S. Tax Equity Notes will be required to file an IRS Form 926 with the IRS if (i) such person is treated as owning, directly or by attribution, immediately after the U.S. Holder’s purchase of Notes, at least 10 per cent. by vote or value of the Issuer or (ii) the amount of cash transferred by such person (or any related person) to the Issuer during the 12-month period ending on the date of such transfer exceeds \$100,000.

A U.S. Holder that is treated as owning (actually or constructively) at least 10 per cent. by vote or value of the equity of the Issuer for U.S. federal income tax purposes will be required to file an information return on IRS Form 5471 and, possibly, IRS Form 8992, and may be required to provide additional information regarding the Issuer annually on IRS Form 5471 if it is treated as owning (actually or constructively) more than 50 per cent. by vote or value of the equity of the Issuer for U.S. federal income tax purposes.

In addition, U.S. Holders of U.S. Tax Equity Notes generally will be required to file an annual PFIC report.

U.S. Holders that fail to comply with these reporting requirements may be subject to adverse tax consequences, including a “tolling” of the statute of limitations with respect to their U.S. tax returns. U.S. Holders should consult their tax advisors with respect to these or any other reporting requirements that may apply with respect to their acquisition or ownership of the U.S. Tax Equity Notes.

Specified Foreign Financial Asset Reporting

Certain U.S. Holders may be subject to reporting obligations with respect to their Notes if they do not hold their Notes in an account maintained by a financial institution and the aggregate value of their Notes and certain other “specified foreign financial assets” (applying certain attribution rules) exceeds \$50,000. Significant penalties can apply if a U.S. Holder is required to disclose its Notes and fails to do so.

3.8 per cent. Medicare Tax on “Net Investment Income”

U.S. Holders that are individuals or estates and certain trusts are subject to an additional 3.8 per cent. tax on all or a portion of their “net investment income,” or “undistributed net investment income” in the case of an estate or trust, which may include any income or gain with respect to the Notes, to the extent of their net investment income or undistributed net investment income (as the case may be) that, when added to their other modified adjusted gross income, exceeds \$200,000 for an unmarried individual, \$250,000 for a married taxpayer filing a joint return (or a surviving spouse), \$125,000 for a married individual filing a separate return, or the dollar amount at which the highest tax bracket begins for an estate or trust. The 3.8 per cent. Medicare tax is determined in a different manner than the regular income tax and special rules apply with respect to the PFIC and CFC rules described above. U.S. Holders should consult their advisors with respect to the 3.8 per cent. Medicare tax.

FBAR Reporting

A U.S. Holder of any Class of Notes that are treated as equity in the Issuer for U.S. federal income tax purposes may be required to file FinCEN Form 114 with respect to foreign financial accounts in which the Issuer has a financial interest if the U.S. Holder holds more than 50 per cent. of the aggregate outstanding principal amount of such Notes or is otherwise treated as owning more than 50 per cent. of the total value or voting power of the Issuer’s outstanding equity.

Reportable Transactions

A participant in a “reportable transaction” is required to disclose its participation in such a transaction on IRS Form 8886. Any foreign currency exchange loss in excess of \$50,000 recognised by a U.S. Holder may be subject to this disclosure requirement. Failure to comply with this disclosure requirement can result in substantial penalties. U.S. Holders should consult their advisors with respect to the requirement to disclose reportable transactions.

U.S. Federal Tax Treatment of Non-U.S. Holders of Notes

In general, payments on the Notes to a Non-U.S. Holder that provides appropriate tax certifications to the Issuer and gain realised on the sale, exchange or retirement of the Notes by the Non-U.S. Holder will not be subject to U.S. federal income or withholding tax unless (i) such income is effectively connected with a trade or business conducted by such Non-U.S. Holder in the United States, or (ii) in the case of gain, such Non-U.S. Holder is a nonresident alien individual who holds the Notes as a capital asset and is present in the United States for more than 182 days in the taxable year of the sale and certain other conditions are satisfied.

Information Reporting and Backup Withholding

Under certain circumstances, the U.S. Tax Code requires “information reporting” annually to the IRS and to each holder, and “backup withholding”, with respect to certain payments made on or with respect to the Notes. Backup withholding will apply to a U.S. Holder only if the U.S. Holder (i) fails to furnish its Taxpayer Identification Number (“TIN”) which, for an individual, would be his or her Social Security Number, (ii) furnishes an incorrect TIN, (iii) is notified by the IRS that it has failed to properly report payments of interest and dividends, or (iv) under certain circumstances, fails to certify, under penalties of perjury, that it has furnished a correct TIN and has not been notified by the IRS that it is subject to backup withholding for failure to report interest and dividend payments. The exemption generally is available to U.S. Holders that provide a properly completed IRS Form W-9.

A Non-U.S. Holder that provides an applicable IRS Form W-8, together with all appropriate attachments, signed under penalties of perjury, identifying the Non-U.S. Holder and stating that the Non-U.S. Holder is not a United States person, will not be subject to IRS reporting requirements and U.S. backup withholding.

Information reporting and backup withholding may apply to the proceeds of a sale of Notes made within the United States or conducted through certain U.S. related financial intermediaries, unless the payor receives the statement described above or the Non-U.S. Holder otherwise establishes an exemption.

Backup withholding is not an additional tax and may be refunded (or credited against the holder’s U.S. federal income tax liability, if any), provided that certain required information is furnished. The information reporting requirements may apply regardless of whether withholding is required. Copies of the information returns also may be made available to the tax authorities in the country in which a Non-U.S. Holder is a resident under the provisions of an applicable income tax treaty or agreement.

FATCA

Under FATCA, the Issuer may be subject to a 30 per cent. withholding tax on certain income. Under an intergovernmental agreement entered into between the United States and the United Kingdom, the Issuer will not be subject to withholding under FATCA if it complies with implementing legislation that will require the Issuer

to provide the name, address, and taxpayer identification number of, and certain other information with respect to, certain holders of Notes to taxing authorities in the United Kingdom, which would then provide this information to the IRS. The Issuer shall use commercially reasonable efforts to comply with the intergovernmental agreement and the implementing legislation. However, there can be no assurance that the Issuer will be able to do so. Moreover, the intergovernmental agreement could be amended to require the Issuer to withhold on “passthru” payments to holders that fail to provide certain information or documentation to the Issuer or are certain “foreign financial institutions” that do not comply with FATCA.

Future Legislation and Regulatory Changes Affecting Noteholders

Future legislation, regulations, rulings or other authority could affect the federal income tax treatment of the Issuer and the Noteholder. The Issuer cannot predict whether and to what extent any such legislative or administrative changes could change the tax consequences to the Issuer and to the U.S. Holder. Prospective Noteholders should consult their tax advisors regarding possible legislative and administrative changes and their effect on the U.S. federal tax treatment of the Issuer and their investment in the Notes.

THE DISCUSSION ABOVE IS A GENERAL SUMMARY. IT DOES NOT COVER ALL TAX MATTERS THAT MAY BE OF IMPORTANCE TO A PARTICULAR NOTEHOLDER. EACH PROSPECTIVE NOTEHOLDER IS STRONGLY URGED TO CONSULT ITS OWN TAX ADVISOR ABOUT THE TAX CONSEQUENCES OF AN INVESTMENT IN THE NOTES UNDER THE NOTEHOLDER’S OWN CIRCUMSTANCES.

CERTAIN ERISA AND RELATED CONSIDERATIONS

The U.S. Employee Retirement Income Security Act of 1974, as amended (“ERISA”), imposes certain requirements on “employee benefit plans” (within the meaning of Section 3(3) of ERISA) that are subject to Title I of ERISA and on certain pension plans, profit-sharing plans, and entities such as collective investment funds and separate accounts whose underlying assets include the assets of such plans (collectively, “ERISA Plans”), and on those persons who are fiduciaries with respect to ERISA Plans. Investments by ERISA Plans are subject to ERISA’s general fiduciary requirements, such as the requirements of investment prudence, diversification and that an ERISA Plan’s investments be made in accordance with the ERISA Plan’s governing documents. The prudence of a particular investment must be determined by the responsible fiduciary of an ERISA Plan, taking into account the ERISA Plan’s particular circumstances and all of the facts and circumstances of the investment including, but not limited to, the matters discussed under “Risk Factors” and the fact that in the future there may be no market in which such fiduciary will be able to sell or otherwise dispose of the U.S. Tax Debt Notes (see “*Certain U.S. Federal Income Tax Considerations — U.S. Federal Tax Treatment of the Notes*”).

Section 406 of ERISA and Section 4975 of the U.S. Tax Code prohibit certain transactions involving the assets of an ERISA Plan and of a “plan” (within the meaning of and subject to Section 4975 of the U.S. Tax Code, such as individual retirement accounts and “Keogh” plans (together with ERISA Plans, “Plans”)) and certain persons (referred to as “parties in interest” under ERISA and “disqualified persons” under Section 4975 of the U.S. Tax Code (collectively, “Parties in Interest”)) having certain relationships to such Plans, unless a statutory or administrative exemption is applicable to the transaction. A Party in Interest who engages in a non-exempt prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and Section 4975 of the U.S. Tax Code.

Certain exemptions from the prohibited transaction provisions of Section 406 of ERISA and Section 4975 of the U.S. Tax Code may be applicable, however, depending in part on the type of the Plan’s fiduciary making the decision to acquire any U.S. Tax Debt Notes and the circumstances under which such decision is made. Included among these exemptions are Section 408(b)(17) of ERISA and Section 4975(d)(20) of the U.S. Tax Code (relating to transactions between a person that is a Party in Interest (other than a fiduciary or an affiliate that has or exercises discretionary authority or control or renders investment advice with respect to assets involved in the transaction) solely by reason of providing services to the Plan or having a relationship to such service provider, provided that the Plan pays no more than, and receives no less than, adequate consideration for the transaction), Prohibited Transaction Class Exemption (“PTCE”) 91-38 (relating to investments by bank collective investment funds), PTCE 84-14 (relating to transactions effected by a “qualified professional asset manager”), PTCE 95-60 (relating to transactions involving insurance company general accounts), PTCE 90-1 (relating to investments by insurance company pooled separate accounts) and PTCE 96-23 (relating to transactions effected by in-house asset managers). The applicability of any exemption to the prohibited transaction rules will depend, in part, on the circumstances under which such decision is made. Prospective investors should consult with their advisers regarding the prohibited transaction rules and these exceptions. There can be no assurance that any of these exemptions or any other exemption will be available with respect to any particular transaction involving any U.S. Tax Debt Notes.

Each of the Issuer, the Joint Arrangers, the Joint Lead Managers or their respective affiliates may be the sponsor of, or investment adviser with respect to, one or more Plans. Because such parties may receive certain benefits in connection with the sale of the U.S. Tax Debt Notes to such Plans, whether or not the U.S. Tax Debt Notes are treated as equity interests in the Issuer, the purchase of such U.S. Tax Debt Notes using the assets of a Plan over which any of such parties has investment authority might be deemed to be a violation of the prohibited transaction rules of ERISA and/or Section 4975 of the U.S. Tax Code for which no exemption may be available. Accordingly, the U.S. Tax Debt Notes may not be acquired using the assets of any Plan if any of the Issuer, the Joint Arrangers, the Joint Lead Managers or their respective affiliates has investment authority with respect to such assets (except to the extent (if any) that a favourable statutory or administrative exemption or exception applies or the transaction is not otherwise prohibited).

“Governmental plans” (within the meaning of Section 3(32) of ERISA), certain “church plans” (within the meaning of Section 3(33) of ERISA that have made no election under Section 410(d) of the U.S. Tax Code), non-U.S. plans (described in Section 4(b)(4) of ERISA) and benefit plans that are not Benefit Plan Investors (such plan, a “**Similar Plan**”), while not subject to the fiduciary responsibility provisions of Title I of ERISA or the prohibited transaction provisions of Section 406 of ERISA and Section 4975 of the U.S. Tax Code, may nevertheless be subject to a U.S. federal, state, local, non-U.S. or other law or regulation that are substantially similar to the prohibited transaction provisions of Section 406 of ERISA or Section 4975 of the U.S. Tax Code (such law or regulation, a “**Similar Law**”). Fiduciaries of such plans should consult with their counsel before purchasing the Notes to determine the need for, if necessary, and the availability of, any exemptive relief under any Similar Law.

The U.S. Tax Debt Notes may generally be permitted to be held by (1) any “employee benefit plan” as defined in Section 3(3) of ERISA, which is subject to Part 4 of Subtitle B of Title I of ERISA, (2) any “plan” as defined in Section 4975(e)(1) of the Code, to which Section 4975 of the Code applies and (3) any entity whose underlying assets include “plan assets” for ERISA purposes by reason of any such employee benefit plan’s or plan’s investment in the entity by reason of the U.S. Department of Labor regulation at 29 C.F.R. § 2510.3-101, as modified by Section 3(42) of ERISA (the “**Plan Asset Regulation**”) (each of the foregoing, a “**Benefit Plan Investor**”), so long as the particular issuance of the U.S. Tax Debt Notes will be treated as indebtedness without substantial equity characteristics for purposes of Title I of ERISA or Section 4975 of the U.S. Tax Code (such permitted issuance, an “**ERISA-Permitted Issuance**”).

Under the Plan Asset Regulation, subject to certain exceptions, if a Plan invests in an “equity interest” of an entity, then the Plan’s assets include both the equity interest and an undivided interest in each of the entity’s underlying assets, unless it is established that equity participation in the entity by Benefit Plan Investors is not “significant” (as described below). If the underlying assets of the entity are deemed to be “plan assets”, the obligations and other responsibilities of the Plan’s sponsors, fiduciaries, administrators and Parties in Interest under Parts 1 and 4 of Subtitle B of Title I of ERISA and Section 4975 of the U.S. Tax Code, as applicable, may be expanded, and there may be an increase in their exposure to liability under these and other provisions of ERISA and the U.S. Tax Code (except to the extent (if any) that a favourable statutory or administrative exemption or exception applies). In addition, various providers of fiduciary or other services to the entity, and any other parties with authority or control with respect to the entity, could be deemed to be fiduciaries or otherwise Parties in Interest by virtue of their provision of such services (and there could be an improper delegation of authority to such providers).

Generally, equity participation by Benefit Plan Investors in an entity is “significant” under the Plan Asset Regulation if, immediately after the most recent acquisition of any equity interest in the entity, twenty-five per cent (25%) or more of the total value of any class of equity interests in the entity is held by Benefit Plan Investors, disregarding equity interests held by persons (other than Benefit Plan Investors) that have discretionary authority or control over the assets of the entity, or that provide investment advice for a fee (direct or indirect) with respect to such assets, and any “affiliates” (within the meaning of paragraph (f)(3) of the Plan Asset Regulation) thereof. For purposes of the Plan Asset Regulation, an equity interest includes any interest in an entity other than an instrument that is treated as indebtedness under applicable local law and which has no substantial equity features.

Although it is not free from doubt, the Issuer believes that the U.S. Tax Debt Notes should be treated as indebtedness with no substantial equity features for purposes of ERISA.

Each purchaser and transferee of a U.S. Tax Debt Note or any interest therein will be deemed to have represented, warranted and agreed by such purchase or transfer that either (a) it is not, and is not acting on behalf of (and, for so long as it holds such U.S. Tax Debt Note or any interest therein, will not be, and will not be acting on behalf of), a Benefit Plan Investor or a Similar Plan that is subject to a Similar Law or (b) provided that such purchase or transfer is with respect to an ERISA-Permitted Issuance, its acquisition, holding and disposition of a U.S. Tax Debt Note (or any interest therein) will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the U.S. Tax Code or, if it is a Similar Plan, a violation of any Similar Law.

Moreover, each purchaser or transferee of a U.S. Tax Debt Note (or any interest therein) that is, or is acting on behalf of, a Benefit Plan Investor will be deemed to have represented, warranted and agreed by its acquisition of such U.S. Tax Debt Note (or any interest therein) that (a) none of the Issuer, the Joint Arrangers, the Joint Lead Managers or any of their respective affiliates (i) has provided any investment recommendation or investment advice to the Benefit Plan Investor or any fiduciary or other person investing on behalf of the Benefit Plan Investor, or who otherwise has discretion or control over the investment and management of “plan assets” (a “**Plan Fiduciary**”), on which either the Benefit Plan Investor or Plan Fiduciary has relied as a primary basis in connection with the decision to invest in such U.S. Tax Debt Note, and (ii) is otherwise undertaking to act as a “fiduciary” within the meaning of Section 3(21) of ERISA or Section 4975(e)(3) of the U.S. Tax Code to the Benefit Plan Investor or Plan Fiduciary in connection with the Benefit Plan Investor’s acquisition of such U.S. Tax Debt Note and (b) the Plan Fiduciary is exercising its own independent judgment in evaluating the investment in the U.S. Tax Debt Note.

Benefit Plan Investors will not be permitted to purchase or hold U.S. Tax Equity Notes (see “*Certain U.S. Federal Income Tax Considerations — U.S. Federal Tax Treatment of the Notes*”). Accordingly, with respect to the U.S. Tax Equity Notes, each purchaser and transferee of any such U.S. Tax Equity Notes (or any interest therein) will be deemed to have represented, warranted and agreed either that (a) it is not, and is not acting on behalf of (and for so long as it holds any such U.S. Tax Equity Note or any interest therein will not be and will not be acting on behalf of), a Benefit Plan Investor or a Similar Plan that is subject to a Similar Law or (b) it is a Similar Plan that is subject to a Similar Law, and (i) its acquisition, holding and disposition of any U.S. Tax Equity Note (or any interest therein) will not constitute or result in a violation of any Similar Law and (ii) the purchaser or transferee

is not and, for so long as it holds any U.S. Tax Equity Note or interest therein, will not be subject to any federal, state, local, non-U.S. or other law or regulation that could cause the underlying assets of the Issuer to be treated as assets of the investor in any Note (or interest therein) by virtue of its interest therein and thereby subject the Issuer or persons responsible for the investment and operation of the Issuer's assets to any Similar Law. Any purported purchase or transfer of any U.S. Tax Equity Note that does not comply with the foregoing shall be null and void *ab initio*.

The sale of a U.S. Tax Debt Note (or any interest therein) to a Plan is in no respect a representation by the Issuer or the Joint Lead Managers that such an investment meets all relevant requirements with respect to investments by Plans generally or any particular Plan, or that such an investment is appropriate for Plans generally or any particular Plan.

THE PRECEDING DISCUSSION IS ONLY A SUMMARY OF CERTAIN ERISA AND OTHER U.S. IMPLICATIONS OF AN INVESTMENT IN THE SECURITIES AND DOES NOT PURPORT TO BE COMPLETE. PROSPECTIVE INVESTORS SHOULD CONSULT WITH THEIR OWN LEGAL, TAX, FINANCIAL AND OTHER ADVISERS PRIOR TO INVESTING TO REVIEW THESE IMPLICATIONS IN LIGHT OF SUCH INVESTOR'S PARTICULAR CIRCUMSTANCES.

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 (other than the Z 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:

- (a) BGFL has agreed to subscribe for 5 per cent. of the each of A Notes, the B Notes, the C Notes and the D Notes and 100 per cent. of the X Notes and Z Notes;
- (b) Banco Santander, S.A., Barclays Bank PLC, BofA Securities (a trading name of Merrill Lynch International) and Macquarie Bank Limited, London Branch have agreed to purchase or procure purchasers for 95 per cent. of their agreed portion of each of the A Notes, the B Notes, the C Notes and the D Notes that are Rule 144A Notes (together, the "**Subscribed Rule 144A Notes**"); and
- (c) Banco Santander, S.A., Barclays Bank PLC, BofA Securities (a trading name of Merrill Lynch International), Macquarie Bank Limited, London Branch and NatWest Markets Plc have agreed to purchase or procure purchasers for 95 per cent. of their agreed portion of each of the A Notes, the B Notes, the C Notes and the D Notes that are Regulation S Notes (together, the "**Subscribed Regulation S Notes**") and together with the Subscribed Rule 144A Notes, the "**Subscribed Notes**").

NatWest Markets Plc is only participating in the offering outside the United States under Regulation S of the Securities Act and will not be offering or selling securities in the United States or to U.S. Persons (as defined in Regulation S under the Securities Act).

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; and
- (f) the Z Notes at an issue price of 100 per cent. of the principal amount of the Z Notes.

On the Issue Date, the Issuer will also issue the Certificates to BGFL pursuant to the terms of the Mortgage Sale Agreement.

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.

It is expected that delivery of the Notes will be made against payment for the Notes on the Issue Date, which is expected to be the 9th Business Day following the date of pricing (this settlement cycle being referred to as T+9). Under Rule 15c6-1 under the Exchange Act, trades in the United States secondary market generally are required to settle within 2 Business Days (T+2), unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade Notes in the United States on the date of pricing or the next 7 Business Days will be required, by virtue of the fact the Notes initially will settle T+9, to specify an alternate settlement cycle at the time of any such trade to prevent a failed settlement. Settlement procedures in other countries will vary. Purchasers of Notes may be affected by such local settlement practices and purchasers of Notes who wish to trade Notes between the date of pricing and the relevant Issue Date should consult their own adviser.

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; or
- (c) not a qualified investor as defined in the EU Prospectus Regulation.

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; or
- (c) not a qualified investor as defined in the UK Prospectus Regulation.

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. The Issuer has not been and will not be registered under the Investment Company Act 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, with respect to the Rule 144A Notes only, to persons that are QIBs in reliance on Rule 144A or, pursuant to any other 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**”).

The Regulation S Notes will not be offered, sold or delivered within the United States to, or for the account or benefit of, U.S. persons except in accordance with Rule 903 or 904 of 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 Regulation S Notes or Certificates within the United States or to, or for the account or benefit of, U.S. persons 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**”) except in accordance with Rule 903 or 904 of Regulation S, and it will have sent to each dealer to which it sells the Regulation S Notes or Certificates during the Distribution Compliance Period (other than resales pursuant to Rule 144A) 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 Regulation S 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.

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 if such offer or sale is made other than in compliance with Rule 144A or pursuant to another exemption from the registration requirements of the Securities Act.

Each purchaser of Notes is hereby notified that any future seller of the Notes may be relying on the exemption from the registration requirements of the Securities Act provided by Rule 144A. The minimum aggregate principal amount of Rule 144A Notes which may be purchased by a QIB pursuant to Rule 144A is \$200,000 (or the approximate equivalent thereof in any other currency). To permit compliance with Rule 144A in connection with any resales or other transfers of Notes that are “restricted securities” within the meaning of the Securities Act, the Issuer has undertaken to furnish, upon the request of a holder of such Notes or any beneficial interest therein, to such holder or to a prospective purchaser designated by him, the information required to be delivered under Rule 144A(d)(4) under the Securities Act if, at the time of the request, any of the Notes remain outstanding as restricted securities within the meaning of Rule 144(a)(3) of the Securities Act and the Issuer is neither a reporting company under Section 13 or 15(d) of the Exchange Act nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder.

This Prospectus has been prepared by the Issuer for use in connection with the offer and sale of the Notes outside the United States to non-US persons in accordance with Regulation S and for the sale of the Notes in the United States in accordance with Rule 144A. The Issuer and BGFL reserve the right to reject any offer to purchase the Notes, in whole or in part, for any reason. This Prospectus does not constitute an offer to any person in the United States or to any U.S. person, other than a QIB as defined in Rule 144A to whom an offer has been made directly by a Joint Lead Manager or its U.S. broker-dealer affiliate. Distribution of this Prospectus by any non-U.S. person outside the United States or by any QIB in the United States to any U.S. person or to any other person within the United States, other than any QIB and those persons, if any, retained to advise such non-U.S. person or QIB with respect thereto, is unauthorised and any disclosure without the prior written consent of the Issuer of any of its contents to any such U.S. person or other person within the United States, other than any QIB and those persons, if any, retained to advise such non-U.S. person or QIB, is prohibited.

Each of the Joint Lead Managers and BGFL has acknowledged that Regulation S Notes and the U.S. Tax Equity Notes may not be purchased or held by any Benefit Plan Investor and each purchaser of any such Note will be deemed to have represented, warranted and agreed that it is not, and for so long as it holds such Note will not be, such Benefit Plan Investor.

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 (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended) or to others for re-offering or 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*), within the meaning of Article 2(e) of the EU Prospectus Regulation other than individuals, acting for their own account, or to a closed circle of investors (*cercle restreint d'investisseurs*) acting for its own account, as defined in, and in accordance with, Articles L.411 1, L.411 2 and D.411 1 to D.411 4, and D.744.1, D.754.1 and D.764.1 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 2001 (2020 Revised Edition) of Singapore, as modified or amended from time to time (the "SFA")) pursuant to Section 274 of the SFA, or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

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, to or from 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 (other than the Z 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.

TRANSFER RESTRICTIONS AND INVESTOR REPRESENTATIONS

Offers and Sales

The Notes (including interests therein represented by a Rule 144A Global Note, a Regulation S Global Note, a Definitive Note or a Book-Entry Interest) have not been and will not be registered under the Securities Act or any state securities laws, and are only being offered or sold (a) outside the United States to non-U.S. persons (as defined in Regulation S under the Securities Act (Regulation S)) in compliance with Regulation S and any applicable Securities Regulations in each jurisdiction in which the notes are being offered and sold, or (b) in the United States to persons who are QIBs in reliance on an exemption from the registration requirements of the Securities Act provided by Rule 144A or pursuant to another available exemption from or in a transaction not subject to the registration requirements of the Securities Act.

Investor Representations and Restrictions on Resale

The Notes are subject to transfer restrictions and are not transferable except in accordance with the restrictions set forth herein. Because of the following restrictions, purchasers are advised to consult legal counsel prior to making any offer, resale, pledge or transfer of 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 and, accordingly, may not be re-offered, resold, pledged or otherwise transferred except in accordance with the restrictions described below. Neither the Issuer nor any other person is required to so register or qualify the Notes or to provide registration rights to any investor therein.

The Notes may not be reoffered, resold, pledged or otherwise transferred except (a)(i) to a person whom the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, or (ii) in an offshore transaction in accordance with Rule 903 or 904 of Regulation S, or (b) pursuant to another available exemption from the registration requirements of the Securities Act, in each case in accordance with all applicable securities laws of any state or other jurisdiction of the United States.

On or prior to the expiration of the Distribution Compliance Period, any sale or transfer of interests in a Regulation S Global Note to U.S. Persons shall not be permitted during such period unless such resale or transfer is made pursuant to Rule 144A as provided below. Any offers, sales or deliveries of the Notes in the United States or to U.S. Persons by an investor purchasing in an offshore transaction pursuant to Regulation S prior to the end of the Distribution Compliance Period may constitute a violation of United States law.

Each purchaser (other than BGFL and the Joint Lead Managers) of the Notes (which term for the purposes of this section will be deemed to include any interests in the Notes, including Book-Entry Interests) will be deemed to have acknowledged, represented, warranted and agreed as follows (terms used in this section that are defined in Rule 144A or Regulation S are used herein as defined therein):

- (a) (i) in the case of the Rule 144A Global Notes, (A) it is a QIB, (B) is acquiring such Notes for its own account or as a fiduciary or agent for others (which others must also be QIBs) for investment purposes and not for distribution in violation of the Securities Act, (C) it is able to bear the economic risk of an investment in the Rule 144A Notes and has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of purchasing the Notes, and (D) it is aware, and each beneficial owner of the Notes has been advised, that the sale of such Notes is being made in reliance on Rule 144A; or (ii) in the case of the Regulation S Global Notes, it is not a “U.S. Person” (within the meaning of Regulation S) or an affiliate of the Issuer or a person acting on behalf of such an affiliate and is acquiring such Notes for its own account or as a fiduciary or agent for other non-U.S. Persons in an offshore transaction (within the meaning of Regulation S) pursuant to an exemption from registration provided by Regulation S;
- (b) the Notes are being offered and sold in a transaction not involving a public offering in the United States within the meaning of the Securities Act and such Notes have not been and will not be registered under the Securities Act or any other applicable U.S. state securities laws and may not be offered or sold within the United States to, or for the account or benefit of, “U.S. Persons” except as set forth below:
- (c) unless it holds an interest in a Regulation S Note and is a person located outside the United States and is not a “U.S. Person” if in the future it decides to resell, pledge or otherwise transfer the Notes or any beneficial interests in the Notes, it will do so prior to the date which is one year after the later of the Issue Date and the last date on which the Issuer or an affiliate of the Issuer was the owner of such Notes only (i) to the Issuer or any affiliate thereof, (ii) inside the United States to a person whom it reasonably believes is a QIB purchasing for its own account or for the account of a QIB in a transaction meeting the requirements of Rule 144A, (iii) outside the United States in compliance with Rule 903 or Rule 904 under the Securities Act; (iv) pursuant to

- the exemption from registration provided by Rule 144A under the Securities Act (if available); or (v) pursuant to an effective registration statement under the Securities Act; in each case in accordance with any applicable securities laws of any state of the United States or any other applicable jurisdiction;
- (d) it will, and will require each subsequent holder to, notify any purchaser of the Notes from it of the resale restrictions referred to in paragraph (c) above, if then applicable;
 - (e) it is not acquiring the notes with a view to the resale, distribution or other disposition thereof in violation of the Securities Act;
 - (f) it understands that the Issuer is not and will not be registered under the U.S. Investment Company Act 1940;
 - (g) if it is outside the United States and is not a U.S. Person, if it should resell or otherwise transfer the Regulation S Notes prior to the expiration of the Distribution Compliance Period, it will do so only (i)(A) outside the United States and not to a U.S. Person in compliance with Rule 903 or 904 under the Securities Act, or (B) to a person whom it reasonably believes is a QIB purchasing for its own account or for the account of a QIB in a transaction meeting the requirements of Rule 144A and (ii) in accordance with any applicable securities laws of any state of the United States or any other applicable jurisdiction;
 - (h) neither it, its affiliates nor any persons acting on its or their behalf have engaged or will engage in any “directed selling efforts” (as defined in Rule 902(c) under the Securities Act) with respect to the Regulation S Notes, and it and they have complied and will comply with the offering restrictions requirement of Regulation S;
 - (i) neither it, its affiliates, nor any persons acting on its or their behalf have engaged or will engage in any form of general solicitation or general advertising (as those terms are used in Rule 502(c) under the Securities Act) in connection with any offer or sale of the Regulation S Notes in the United States;
 - (j) it understands that the Notes offered in reliance on Rule 144A will be represented by the Rule 144A Global Notes. Before any interest in the Rule 144A Global Note may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in the Regulation S Global Note, it will be required to provide a transfer agent with a written certification (in the form provided in the Trust Deed) as to compliance with applicable securities laws;
 - (k) it also understands that the Notes offered in reliance on Regulation S will be represented by the Regulation S Global Notes. Before any interest in the Regulation S Global Note may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in the Rule 144A Global Note, it will be required to provide a transfer agent with a written certification (in the form provided in the Trust Deed) as to compliance with applicable securities laws;
 - (l) it understands that the Issuer, the Registrar, the Joint Lead Managers and their affiliates, and others will rely upon the truth and accuracy of the acknowledgements, representations and agreements contained in this section “*Transfer Restrictions and Investor Representations*”. If it is acquiring any Notes for the account of one or more QIBs it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account;
 - (m) (i) in the case of the U.S. Tax Debt Notes, either (A) it is not, and is not acting on behalf of (and for so long as it holds such U.S. Tax Debt Notes or any interest therein will not be, and will not be acting on behalf of), a Benefit Plan Investor or a Similar Plan that is subject to a Similar Law or (B) provided that such purchase or transfer is with respect to an ERISA-Permitted Issuance, its acquisition, holding and disposition of such U.S. Tax Debt Notes (or any interest therein) will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the U.S. Tax Code or, if it is a Similar Plan, a violation of any Similar Law; and (ii) in the case of the U.S. Tax Equity Notes, either (A) it is not, and is not acting on behalf of (and for so long as it holds such U.S. Tax Equity Notes or any interest therein will not be, and will not be acting on behalf of), a Benefit Plan Investor or a Similar Plan that is subject to a Similar Law, or (B) it is a Similar Plan that is subject to a Similar Law, and (i) its acquisition, holding and disposition of the U.S. Tax Equity Notes (or any interest therein) will not constitute or result in a violation of any Similar Law and (ii) the purchaser or transferee is not and, for so long as it holds any U.S. Tax Equity Note or interest therein, will not be subject to any federal, state, local, non-U.S. or other law or regulation that could cause the underlying assets of the Issuer to be treated as assets of the investor in any such Note (or interest therein) by virtue of its interest therein and thereby subject the Issuer or persons responsible for the investment and operation of the Issuer’s assets to any Similar Law;

- (n) moreover, if it is, or is acting on behalf of, a Benefit Plan Investor, (i) none of the Issuer, the Joint Arrangers, the Joint Lead Managers or any of their respective affiliates (A) has provided any investment recommendation or investment advice to the Benefit Plan Investor or Plan Fiduciary, on which either the Benefit Plan Investor or Plan Fiduciary has relied as a primary basis in connection with the decision to invest in such U.S. Tax Debt Notes, and (B) is otherwise undertaking to act as a “fiduciary” within the meaning of Section 3(21) of ERISA or Section 4975(e)(3) of the U.S. Tax Code to the Benefit Plan Investor or Plan Fiduciary in connection with the Benefit Plan Investor’s acquisition of such Rule 144A Notes. and (ii) the Plan Fiduciary is exercising its own independent judgment in evaluating the investment in the U.S. Tax Debt Notes; and
- (o) it is an “eligible counterparty” as defined in EU MiFID II, a “professional client” as defined in EU MiFID II, an “eligible counterparty” as defined in the FCA Handbook Conduct of Business Sourcebook and/or a “professional client” as defined in Article 2(1)(13A) of UK MiFIR, as applicable in each case for the purposes of any product governance target market assessment in respect of the Notes.

Mandatory Transfer/Redemption

Each purchaser acknowledges and agrees that in the event that at any time the Issuer determines or is notified that such purchaser was, at the time of acquisition of the Notes or interests thereon, in breach of any of the representations or agreements set out above or otherwise determines that any transfer or other disposition of any Notes would, in the sole determination of the Issuer, require the Issuer to register as an “investment company” under the provisions of the U.S. Investment Company Act of 1940, then: (a) the Issuer may consider the acquisition of such Notes or interests therein void *ab initio*, (b) the Issuer has the right to refuse to register or otherwise honour the transfer and (c) the Issuer may require that the Notes or interests therein so purchased be transferred to a person designated by the Issuer, at a price determined by the Issuer based upon its estimation of the prevailing price of the Notes, and by its acceptance of its Notes or interests therein, each such purchaser authorises the Issuer to take such action if warranted and understands that the Issuer shall not be responsible for any losses that may be incurred as a result of any such transfer. Accordingly, any such purported transferee or other holder will not be entitled to any rights as a Noteholder and the Issuer will have the right, but not the obligation, to force the transfer of, or redeem, any such Notes.

Legends

Unless determined otherwise by the Issuer in accordance with applicable law and so long as any series of the Notes is outstanding, the Regulation S Global Notes will bear a legend substantially as set forth below:

“NEITHER THIS NOTE NOR BENEFICIAL INTERESTS HEREIN HAVE BEEN OR WILL BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “**SECURITIES ACT**”), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. THE ISSUER HAS NOT BEEN REGISTERED AND DOES NOT INTEND TO REGISTER AS AN INVESTMENT COMPANY UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED. CONSEQUENTLY, THIS NOTE MAY NOT BE OFFERED, SOLD, PLEDGED OR 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 (“**U.S. PERSONS**”)) EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, SUCH REGISTRATION REQUIREMENTS. THIS NOTE IS BEING OFFERED FOR SALE OUTSIDE THE UNITED STATES IN ACCORDANCE WITH REGULATION S UNDER THE SECURITIES ACT. THIS LEGEND SHALL CEASE TO APPLY UPON THE EXPIRY OF THE PERIOD OF 40 DAYS AFTER THE COMPLETION OF THE DISTRIBUTION OF ALL THE NOTES OF THE TRANCHE OF WHICH THIS NOTE FORMS PART.

PRIOR TO THE DATE THAT IS 40 DAYS AFTER THE LATER OF THE COMMENCEMENT OF THE OFFERING OF THE NOTES AND THE CLOSING OF THE OFFERING OF THE NOTES, ANY TRANSFER OF THE NOTES MAY ONLY BE MADE: (A) TO A NON-U.S. PERSON IN AN OFFSHORE TRANSACTION MEETING THE REQUIREMENTS OF RULE 903 OR 904 OF REGULATION S UNDER THE SECURITIES ACT, OR (B) TO A PERSON WHOM THE HOLDER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE SECURITIES ACT AND IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER APPLICABLE JURISDICTION. ANY PURPORTED TRANSFER OF THIS NOTE THAT DOES NOT COMPLY WITH THE FOREGOING REQUIREMENTS SHALL BE NULL AND VOID *AB INITIO*.

UNLESS THIS NOTE IS PRESENTED BY AN AUTHORISED REPRESENTATIVE OF EUROCLEAR OR CLEARSTREAM, LUXEMBOURG, AS APPLICABLE, TO THE REGISTRAR OR ITS RESPECTIVE

AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY NOTE ISSUED IS REGISTERED IN THE NAME OF EUROCLEAR OR CLEARSTREAM, LUXEMBOURG, AS APPLICABLE, OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORISED REPRESENTATIVE OF SUCH CLEARING SYSTEM OR SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORISED REPRESENTATIVE OF SUCH CLEARING SYSTEM (AND ANY PAYMENT HEREON IS MADE TO SUCH CLEARING SYSTEM OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORISED REPRESENTATIVE OF SUCH CLEARING SYSTEM), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, WHETHER EUROCLEAR OR CLEARSTREAM, LUXEMBOURG, HAS AN INTEREST HEREIN.

TRANSFERS OF THIS GLOBAL NOTE SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF THE COMMON SAFEKEEPER OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR'S NOMINEE AND TRANSFERS OF PORTIONS OF THIS GLOBAL NOTE SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN ANY APPLICABLE REGULATIONS.

[*INCLUDE ONLY ON NOTES THAT ARE U.S. TAX DEBT NOTES:*] [EACH PURCHASER AND TRANSFEREE OF THIS NOTE OR ANY INTEREST HEREIN, BY ITS ACQUISITION OR HOLDING OF THIS NOTE, SHALL BE DEEMED TO REPRESENT, WARRANT AND AGREE THAT EITHER: (A) IT IS NOT, AND IS NOT ACTING ON BEHALF OF (AND, FOR SO LONG AS IT HOLDS THIS NOTE OR ANY INTEREST HEREIN, WILL NOT BE, AND WILL NOT BE ACTING ON BEHALF OF) (I) AN "EMPLOYEE BENEFIT PLAN" AS DEFINED IN SECTION 3(3) OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**"), WHICH IS SUBJECT TO PART 4 OF SUBTITLE B OF TITLE I OF ERISA, (II) A "PLAN" AS DEFINED IN SECTION 4975(e)(1) OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**U.S. TAX CODE**"), TO WHICH SECTION 4975 OF THE CODE APPLIES, (III) A PERSON OR ENTITY WHOSE UNDERLYING ASSETS INCLUDE "PLAN ASSETS" BY REASON OF ANY SUCH EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN THE ENTITY (EACH OF (I)-(III), A "**BENEFIT PLAN INVESTOR**"), OR (IV) A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN SUBJECT TO A U.S. FEDERAL, STATE, LOCAL, NON U.S. OR OTHER LAW OR REGULATION THAT IS SUBSTANTIALLY SIMILAR TO THE PROHIBITED TRANSACTION PROVISION OF SECTION 406 OF ERISA OR SECTION 4975 OF THE U.S. TAX CODE (SUCH LAW OR REGULATION, A "**SIMILAR LAW**"), OR (B) PROVIDED THAT SUCH PURCHASE OR TRANSFER IS WITH RESPECT TO AN ISSUANCE THAT WILL TREAT THIS NOTE AS INDEBTEDNESS WITHOUT SUBSTANTIAL EQUITY FEATURES FOR PURPOSES OF TITLE I OF ERISA OR SECTION 4975 OF THE U.S. TAX CODE, ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE OR ANY INTEREST HEREIN WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE U.S. TAX CODE OR, IF IT IS A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, A VIOLATION OF ANY SIMILAR LAW. THE PURCHASER OR ACQUIROR ACKNOWLEDGES THAT THE ISSUER RESERVES THE RIGHT PRIOR TO ANY SALE OR OTHER TRANSFER TO REQUIRE THE DELIVERY OF SUCH CERTIFICATIONS, LEGAL OPINIONS AND OTHER INFORMATION AS THE ISSUER MAY REASONABLY REQUIRE TO CONFIRM THAT THE PROPOSED SALE OR OTHER TRANSFER COMPLIES WITH THE FOREGOING RESTRICTIONS.]

[*INCLUDE ONLY ON NOTES THAT ARE U.S. TAX EQUITY NOTES:*] [BY ITS ACQUISITION AND HOLDING OF THIS NOTE (OR ANY INTEREST HEREIN), EACH PURCHASER AND TRANSFEREE OF THIS NOTE OR ANY INTEREST HEREIN WILL BE DEEMED TO HAVE REPRESENTED, WARRANTED AND AGREED THAT: (A) IT IS NOT, AND IS NOT ACTING ON BEHALF OF (AND FOR SO LONG AS IT HOLDS THIS NOTE OR ANY INTEREST HEREIN WILL NOT BE, AND WILL NOT BE ACTING ON BEHALF OF) (I) AN "EMPLOYEE BENEFIT PLAN" AS DEFINED IN SECTION 3(3) OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT 291 OF 1974, AS AMENDED ("**ERISA**"), WHICH IS SUBJECT TO PART 4 OF SUBTITLE B OF TITLE I OF ERISA, (II) A "PLAN" (AS DEFINED IN SECTION 4975(e)(1) OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**U.S. TAX CODE**")), TO WHICH SECTION 4975 OF THE CODE APPLIES, (III) A PERSON OR ENTITY WHOSE UNDERLYING ASSETS INCLUDE "PLAN ASSETS" BY REASON OF ANY SUCH EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN THE ENTITY, OR (IV) A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN SUBJECT TO A U.S. FEDERAL, STATE, LOCAL, NON-U.S. OR OTHER LAW OR REGULATION THAT IS SUBSTANTIALLY SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE U.S. TAX CODE (SUCH LAW OR REGULATION, A "**SIMILAR LAW**"), OR (B) IT IS A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN SUBJECT TO A SIMILAR LAW AND (I) ITS ACQUISITION, HOLDING AND DISPOSITION

OF THIS NOTE OR ANY INTEREST HEREIN WILL NOT CONSTITUTE OR RESULT IN A VIOLATION OF ANY SIMILAR LAW AND (II) THE PURCHASER OR TRANSFEREE IS NOT AND, FOR SO LONG AS IT HOLDS THIS NOTE OR INTEREST HEREIN, WILL NOT BE SUBJECT TO ANY FEDERAL, STATE, LOCAL, NON-U.S. OR OTHER LAW OR REGULATION THAT COULD CAUSE THE UNDERLYING ASSETS OF THE ISSUER TO BE TREATED AS ASSETS OF THE INVESTOR IN THE NOTES BY VIRTUE OF ITS INTEREST HEREIN AND THEREBY SUBJECT THE ISSUER OR PERSONS RESPONSIBLE FOR THE INVESTMENT AND OPERATION OF THE ISSUER'S ASSETS TO ANY SIMILAR LAW. ANY PURPORTED PURCHASE OR TRANSFER OF THIS NOTE THAT DOES NOT COMPLY WITH THESE REQUIREMENTS SHALL BE NULL AND VOID *AB INITIO*.]

MOREOVER, EACH PURCHASER AND TRANSFEREE OF THIS NOTE (OR ANY INTEREST HEREIN) THAT IS, OR IS ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR WILL BE DEEMED TO HAVE REPRESENTED, WARRANTED AND AGREED THAT, BY ITS ACQUISITION OF THIS NOTE (OR ANY INTEREST HEREIN) THAT: (A) NONE OF THE ISSUER, THE JOINT ARRANGERS, THE JOINT LEAD MANAGERS OR ANY OF THEIR RESPECTIVE AFFILIATES (I) HAS PROVIDED ANY INVESTMENT RECOMMENDATION OR INVESTMENT ADVICE TO THE BENEFIT PLAN INVESTOR OR ANY FIDUCIARY OR OTHER PERSON INVESTING ON BEHALF OF THE BENEFIT PLAN INVESTOR, OR WHO OTHERWISE HAS DISCRETION OR CONTROL OVER THE INVESTMENT AND MANAGEMENT OF "PLAN ASSETS" (A "**PLAN FIDUCIARY**"), ON WHICH EITHER THE BENEFIT PLAN INVESTOR OR PLAN FIDUCIARY HAS RELIED AS A PRIMARY BASIS IN CONNECTION WITH THE DECISION TO INVEST IN THIS NOTE, AND (II) IS OTHERWISE UNDERTAKING TO ACT AS A "FIDUCIARY" WITHIN THE MEANING OF SECTION 3(21) OF ERISA OR SECTION 4975(e)(3) OF THE U.S. TAX CODE TO THE BENEFIT PLAN INVESTOR OR PLAN FIDUCIARY IN CONNECTION WITH THE BENEFIT PLAN INVESTOR'S ACQUISITION OF THIS NOTE, AND (B) THE PLAN FIDUCIARY IS EXERCISING ITS OWN INDEPENDENT JUDGMENT IN EVALUATING THE INVESTMENT IN THIS NOTE.

THE PURCHASER OR ACQUIROR ACKNOWLEDGES THAT THE ISSUER RESERVES THE RIGHT PRIOR TO ANY SALE OR OTHER TRANSFER TO REQUIRE THE DELIVERY OF SUCH CERTIFICATIONS, LEGAL OPINIONS AND OTHER INFORMATION AS THE ISSUER MAY REASONABLY REQUIRE TO CONFIRM THAT THE PROPOSED SALE OR OTHER TRANSFER COMPLIES WITH THE FOREGOING RESTRICTIONS.

THE NOTES ARE NOT INTENDED TO BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO AND SHOULD NOT BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO ANY RETAIL INVESTOR IN THE EUROPEAN ECONOMIC AREA (THE "**EEA**"). FOR THESE PURPOSES, A RETAIL INVESTOR MEANS A PERSON WHO IS ONE (OR 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 (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 OTHERWISE MAKING THEM AVAILABLE TO RETAIL INVESTORS IN THE EEA HAS BEEN PREPARED AND THEREFORE OFFERING OR SELLING THE NOTES OR OTHERWISE MAKING THEM AVAILABLE TO ANY RETAIL INVESTOR IN THE EEA MAY BE UNLAWFUL UNDER THE EU PRIIPS REGULATION.

THE NOTES ARE NOT INTENDED TO BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO AND SHOULD NOT BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO ANY RETAIL INVESTOR IN THE UNITED KINGDOM. FOR THESE PURPOSES, A RETAIL INVESTOR MEANS A PERSON WHO IS ONE (OR MORE) OF (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 ON MARKETS IN FINANCIAL INSTRUMENTS AS IT FORMS PART OF DOMESTIC LAW BY VIRTUE OF THE EUWA ("**UK MIFIR**"). CONSEQUENTLY NO KEY INFORMATION DOCUMENT REQUIRED BY THE EU PRIIPS REGULATION AS IT FORMS PART OF DOMESTIC LAW IN THE UNITED KINGDOM BY VIRTUE OF THE EUWA (THE "**UK PRIIPS REGULATION**") FOR OFFERING OR SELLING THE NOTES OR OTHERWISE MAKING THEM

AVAILABLE TO RETAIL INVESTORS IN THE UNITED KINGDOM HAS BEEN PREPARED AND THEREFORE OFFERING OR SELLING THE NOTES OR OTHERWISE MAKING THEM AVAILABLE TO ANY RETAIL INVESTOR IN THE UNITED KINGDOM MAY BE UNLAWFUL UNDER THE UK PRIIPS REGULATION.

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 HAS LED TO THE CONCLUSION THAT: (I) THE TARGET MARKET FOR THE NOTES IS "ELIGIBLE COUNTERPARTIES" AND "PROFESSIONAL CLIENTS", EACH AS DEFINED IN EU MIFID II; AND (II) ALL CHANNELS FOR DISTRIBUTION OF THE NOTES TO ELIGIBLE COUNTERPARTIES AND PROFESSIONAL CLIENTS ARE APPROPRIATE. ANY PERSON SUBSEQUENTLY OFFERING, SELLING OR RECOMMENDING THE NOTES (A "DISTRIBUTOR") SHOULD TAKE INTO CONSIDERATION THE MANUFACTURERS' TARGET MARKET ASSESSMENT; HOWEVER, A DISTRIBUTOR SUBJECT TO EU MIFID II IS RESPONSIBLE FOR UNDERTAKING ITS OWN TARGET MARKET ASSESSMENT IN RESPECT OF THE NOTES (BY EITHER ADOPTING OR REFINING THE MANUFACTURERS' TARGET MARKET ASSESSMENT) AND DETERMINING APPROPRIATE DISTRIBUTION CHANNELS.

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, 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."

Unless determined otherwise by the Issuer in accordance with applicable law and so long as any series of the Notes is outstanding, a Rule 144A Global Note will bear a legend substantially as set forth below:

"NEITHER THIS NOTE NOR BENEFICIAL INTERESTS HEREIN HAVE BEEN OR WILL BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND THE NOTES MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED EXCEPT PURSUANT TO AN AVAILABLE EXEMPTION THEREFROM. EACH PURCHASER OF THIS NOTE IS HEREBY NOTIFIED THAT THE SELLER OF THIS NOTE IS RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER. THE ISSUER HAS NOT BEEN REGISTERED AND DOES NOT INTEND TO REGISTER AS AN INVESTMENT COMPANY UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED.

UNLESS THIS NOTE IS PRESENTED BY AN AUTHORISED REPRESENTATIVE OF EUROCLEAR OR CLEARSTREAM, LUXEMBOURG, AS APPLICABLE, TO THE REGISTRAR OR ITS RESPECTIVE AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY NOTE ISSUED IS REGISTERED IN THE NAME OF EUROCLEAR OR CLEARSTREAM, LUXEMBOURG, AS APPLICABLE, OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORISED REPRESENTATIVE OF SUCH CLEARING SYSTEM OR SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORISED REPRESENTATIVE OF SUCH CLEARING SYSTEM (AND ANY PAYMENT HEREON IS MADE TO SUCH CLEARING SYSTEM OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORISED REPRESENTATIVE OF SUCH CLEARING SYSTEM), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, WHETHER EUROCLEAR OR CLEARSTREAM, LUXEMBOURG, HAS AN INTEREST HEREIN.

THE HOLDER OF THIS NOTE AGREES FOR THE BENEFIT OF THE ISSUER THAT (A) THIS NOTE MAY BE OFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (I) IN THE UNITED STATES TO A PERSON WHOM THE HOLDER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE SECURITIES ACT OR

(II) OUTSIDE THE UNITED STATES IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR 904 UNDER THE SECURITIES ACT, IN EACH OF CASES (I) AND (II) IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER APPLICABLE JURISDICTION, AND (B) THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER OF THIS NOTE FROM IT OF THE RESALE RESTRICTIONS REFERRED TO IN (A) ABOVE. ANY PURPORTED TRANSFER OF THIS NOTE THAT DOES NOT COMPLY WITH THE FOREGOING REQUIREMENTS SHALL BE NULL AND VOID *AB INITIO*, TRANSFERS OF THIS GLOBAL NOTE SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF THE COMMON SAFEKEEPER OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR'S NOMINEE AND TRANSFERS OF PORTIONS OF THIS GLOBAL NOTE SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN ANY APPLICABLE REGULATIONS.

[*INCLUDE ONLY ON NOTES THAT ARE U.S. TAX DEBT NOTES:*] [EACH PURCHASER AND TRANSFEREE OF THIS NOTE OR ANY INTEREST HEREIN, BY ITS ACQUISITION OR HOLDING OF THIS NOTE, SHALL BE DEEMED TO REPRESENT, WARRANT AND AGREE THAT EITHER: (A) IT IS NOT, AND IS NOT ACTING ON BEHALF OF (AND, FOR SO LONG AS IT HOLDS THIS NOTE OR ANY INTEREST HEREIN, WILL NOT BE, AND WILL NOT BE ACTING ON BEHALF OF) (I) AN "EMPLOYEE BENEFIT PLAN" AS DEFINED IN SECTION 3(3) OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**"), WHICH IS SUBJECT TO PART 4 OF SUBTITLE B OF TITLE I OF ERISA, (II) A "PLAN" AS DEFINED IN SECTION 4975(e)(1) OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**U.S. TAX CODE**"), TO WHICH SECTION 4975 OF THE CODE APPLIES, (III) A PERSON OR ENTITY WHOSE UNDERLYING ASSETS INCLUDE "PLAN ASSETS" BY REASON OF ANY SUCH EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN THE ENTITY (EACH OF (I)-(III), A "**BENEFIT PLAN INVESTOR**"), OR (IV) A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN SUBJECT TO A U.S. FEDERAL, STATE, LOCAL, NON U.S. OR OTHER LAW OR REGULATION THAT IS SUBSTANTIALLY SIMILAR TO THE PROHIBITED TRANSACTION PROVISION OF SECTION 406 OF ERISA OR SECTION 4975 OF THE U.S. TAX CODE (SUCH LAW OR REGULATION, A "**SIMILAR LAW**"), OR (B) PROVIDED THAT SUCH PURCHASE OR TRANSFER IS WITH RESPECT TO AN ISSUANCE THAT WILL TREAT THIS NOTE AS INDEBTEDNESS WITHOUT SUBSTANTIAL EQUITY FEATURES FOR PURPOSES OF TITLE I OF ERISA OR SECTION 4975 OF THE U.S. TAX CODE, ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE OR ANY INTEREST HEREIN WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE U.S. TAX CODE OR, IF IT IS A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, A VIOLATION OF ANY SIMILAR LAW. THE PURCHASER OR ACQUIROR ACKNOWLEDGES THAT THE ISSUER RESERVES THE RIGHT PRIOR TO ANY SALE OR OTHER TRANSFER TO REQUIRE THE DELIVERY OF SUCH CERTIFICATIONS, LEGAL OPINIONS AND OTHER INFORMATION AS THE ISSUER MAY REASONABLY REQUIRE TO CONFIRM THAT THE PROPOSED SALE OR OTHER TRANSFER COMPLIES WITH THE FOREGOING RESTRICTIONS.]

[*INCLUDE ONLY ON NOTES THAT ARE U.S. TAX EQUITY NOTES:*] [BY ITS ACQUISITION AND HOLDING OF THIS NOTE (OR ANY INTEREST HEREIN), EACH PURCHASER AND TRANSFEREE OF THIS NOTE OR ANY INTEREST HEREIN WILL BE DEEMED TO HAVE REPRESENTED, WARRANTED AND AGREED THAT: (A) IT IS NOT, AND IS NOT ACTING ON BEHALF OF (AND FOR SO LONG AS IT HOLDS THIS NOTE OR ANY INTEREST HEREIN WILL NOT BE, AND WILL NOT BE ACTING ON BEHALF OF) (I) AN "EMPLOYEE BENEFIT PLAN" AS DEFINED IN SECTION 3(3) OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT 291 OF 1974, AS AMENDED ("**ERISA**"), WHICH IS SUBJECT TO PART 4 OF SUBTITLE B OF TITLE I OF ERISA, (II) A "PLAN" (AS DEFINED IN SECTION 4975(e)(1) OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**U.S. TAX CODE**")), TO WHICH SECTION 4975 OF THE CODE APPLIES AND (III) A PERSON OR ENTITY WHOSE UNDERLYING ASSETS INCLUDE "PLAN ASSETS" BY REASON OF ANY SUCH EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN THE ENTITY, OR (IV) A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN SUBJECT TO A U.S. FEDERAL, STATE, LOCAL, NON-U.S. OR OTHER LAW OR REGULATION THAT IS SUBSTANTIALLY SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE U.S. TAX CODE (SUCH LAW OR REGULATION, A "**SIMILAR LAW**"), OR (B) IT IS A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN SUBJECT TO A SIMILAR LAW AND (I) ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE OR ANY INTEREST HEREIN WILL NOT CONSTITUTE OR RESULT IN A VIOLATION OF ANY SIMILAR LAW AND (II) THE PURCHASER OR TRANSFEREE IS NOT AND, FOR SO LONG AS IT HOLDS THIS NOTE OR INTEREST HEREIN, WILL NOT BE SUBJECT TO ANY FEDERAL, STATE,

LOCAL, NON-U.S. OR OTHER LAW OR REGULATION THAT COULD CAUSE THE UNDERLYING ASSETS OF THE ISSUER TO BE TREATED AS ASSETS OF THE INVESTOR IN THE NOTES BY VIRTUE OF ITS INTEREST HEREIN AND THEREBY SUBJECT THE ISSUER OR PERSONS RESPONSIBLE FOR THE INVESTMENT AND OPERATION OF THE ISSUER'S ASSETS TO ANY SIMILAR LAW. ANY PURPORTED PURCHASE OR TRANSFER OF THIS NOTE THAT DOES NOT COMPLY WITH THESE REQUIREMENTS SHALL BE NULL AND VOID *AB INITIO*.]

MOREOVER, EACH PURCHASER AND TRANSFEREE OF THIS NOTE (OR ANY INTEREST HEREIN) THAT IS, OR IS ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR WILL BE DEEMED TO HAVE REPRESENTED, WARRANTED AND AGREED THAT, BY ITS ACQUISITION OF THIS NOTE (OR ANY INTEREST HEREIN) THAT: (A) NONE OF THE ISSUER, THE JOINT ARRANGERS, THE JOINT LEAD MANAGERS OR ANY OF THEIR RESPECTIVE AFFILIATES (I) HAS PROVIDED ANY INVESTMENT RECOMMENDATION OR INVESTMENT ADVICE TO THE BENEFIT PLAN INVESTOR OR ANY FIDUCIARY OR OTHER PERSON INVESTING ON BEHALF OF THE BENEFIT PLAN INVESTOR, OR WHO OTHERWISE HAS DISCRETION OR CONTROL OVER THE INVESTMENT AND MANAGEMENT OF "PLAN ASSETS" (A "**PLAN FIDUCIARY**"), ON WHICH EITHER THE BENEFIT PLAN INVESTOR OR PLAN FIDUCIARY HAS RELIED AS A PRIMARY BASIS IN CONNECTION WITH THE DECISION TO INVEST IN THIS NOTE, AND (II) IS OTHERWISE UNDERTAKING TO ACT AS A "FIDUCIARY" WITHIN THE MEANING OF SECTION 3(21) OF ERISA OR SECTION 4975(e)(3) OF THE U.S. TAX CODE TO THE BENEFIT PLAN INVESTOR OR PLAN FIDUCIARY IN CONNECTION WITH THE BENEFIT PLAN INVESTOR'S ACQUISITION OF THIS NOTE, AND (B) THE PLAN FIDUCIARY IS EXERCISING ITS OWN INDEPENDENT JUDGMENT IN EVALUATING THE INVESTMENT IN THIS NOTE.

THE PURCHASER OR ACQUIROR ACKNOWLEDGES THAT THE ISSUER RESERVES THE RIGHT PRIOR TO ANY SALE OR OTHER TRANSFER TO REQUIRE THE DELIVERY OF SUCH CERTIFICATIONS, LEGAL OPINIONS AND OTHER INFORMATION AS THE ISSUER MAY REASONABLY REQUIRE TO CONFIRM THAT THE PROPOSED SALE OR OTHER TRANSFER COMPLIES WITH THE FOREGOING RESTRICTIONS.

THE NOTES ARE NOT INTENDED TO BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO AND SHOULD NOT BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO ANY RETAIL INVESTOR IN THE EUROPEAN ECONOMIC AREA (THE "**EEA**"). FOR THESE PURPOSES, A RETAIL INVESTOR MEANS A PERSON WHO IS ONE (OR 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 (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 OTHERWISE MAKING THEM AVAILABLE TO RETAIL INVESTORS IN THE EEA HAS BEEN PREPARED AND THEREFORE OFFERING OR SELLING THE NOTES OR OTHERWISE MAKING THEM AVAILABLE TO ANY RETAIL INVESTOR IN THE EEA MAY BE UNLAWFUL UNDER THE EU PRIIPS REGULATION.

THE NOTES ARE NOT INTENDED TO BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO AND SHOULD NOT BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO ANY RETAIL INVESTOR IN THE UNITED KINGDOM. FOR THESE PURPOSES, A RETAIL INVESTOR MEANS A PERSON WHO IS ONE (OR MORE) OF (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 ON MARKETS IN FINANCIAL INSTRUMENTS AS IT FORMS PART OF DOMESTIC LAW BY VIRTUE OF THE EUWA ("**UK MIFIR**"). CONSEQUENTLY NO KEY INFORMATION DOCUMENT REQUIRED BY THE EU PRIIPS REGULATION AS IT FORMS PART OF DOMESTIC LAW IN THE UNITED KINGDOM BY VIRTUE OF THE EUWA (THE "**UK PRIIPS REGULATION**") FOR OFFERING OR SELLING THE NOTES OR OTHERWISE MAKING THEM AVAILABLE TO RETAIL INVESTORS IN THE UNITED KINGDOM HAS BEEN PREPARED AND THEREFORE OFFERING OR SELLING THE NOTES OR OTHERWISE MAKING THEM AVAILABLE TO

ANY RETAIL INVESTOR IN THE UNITED KINGDOM MAY BE UNLAWFUL UNDER THE UK PRIIPS REGULATION.

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 HAS LED TO THE CONCLUSION THAT: (I) THE TARGET MARKET FOR THE NOTES IS "ELIGIBLE COUNTERPARTIES" AND "PROFESSIONAL CLIENTS", EACH AS DEFINED IN EU MIFID II; AND (II) ALL CHANNELS FOR DISTRIBUTION OF THE NOTES TO ELIGIBLE COUNTERPARTIES AND PROFESSIONAL CLIENTS ARE APPROPRIATE. ANY PERSON SUBSEQUENTLY OFFERING, SELLING OR RECOMMENDING THE NOTES (A "**DISTRIBUTOR**") SHOULD TAKE INTO CONSIDERATION THE MANUFACTURERS' TARGET MARKET ASSESSMENT; HOWEVER, A DISTRIBUTOR SUBJECT TO EU MIFID II IS RESPONSIBLE FOR UNDERTAKING ITS OWN TARGET MARKET ASSESSMENT IN RESPECT OF THE NOTES (BY EITHER ADOPTING OR REFINING THE MANUFACTURERS' TARGET MARKET ASSESSMENT) AND DETERMINING APPROPRIATE DISTRIBUTION CHANNELS.

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, 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."

Because of the foregoing restrictions, purchasers of Notes are advised to consult legal counsel prior to making any offer, resale, pledge or transfer of such securities offered and sold.

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 10 April 2024.
- (b) Application has been made to the Official List of the Financial Conduct Authority for the Notes (other than the Z Notes) to be admitted to the Official List and to trading on the London Stock Exchange's main market. The Notes (other than the Z 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 following Classes of Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg as follows:

| | Common Code Regulation S Notes | Common Code Rule 144A Notes | ISIN Regulation S Notes | ISIN Rule 144A Notes |
|---------------|-----------------------------------|--------------------------------|----------------------------|-------------------------|
| A Notes | 279947088 | 279947096 | XS2799470880 | XS2799470963 |
| B Notes | 279947100 | 279947118 | XS2799471003 | XS2799471185 |
| C Notes | 279947126 | 279947142 | XS2799471268 | XS2799471425 |
| D Notes | 279947169 | 279947177 | XS2799471698 | XS2799471771 |
| X Notes | 279947185 | 279947193 | XS2799471854 | XS2799471938 |

- (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 2024.
- (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 29 January 2024 (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 any 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 Custody Agreement;
 - (E) the Collection Account Agreement;
 - (F) the Collection Account Declaration of Trust;
 - (G) the Corporate Services Agreement;
 - (H) the Deed Poll;
 - (I) the Swap Agreement;

- (J) the Deed of Charge;
- (K) the Mortgage Administration Agreement;
- (L) the Mortgage Sale Agreement;
- (M) any Scottish Declaration of Trust;
- (N) any Scottish Supplemental Charge;
- (O) the Paying Agency Agreement;
- (P) the Trust Deed; and
- (Q) 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 29 January 2024, 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 first Interest Payment 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 www.secrep.co.uk and www.secrep.eu 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 quarterly basis a UK SR Investor Report;
 - (ii) the Mortgage Administrator will, on behalf of the Issuer, prepare on a quarterly basis the BoE Loan Level Report and the UK SR Loan Level 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 quarterly 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 Level Report), on behalf of the Issuer, prepare on a quarterly basis the EU SR Loan Level 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 635400KGPH6QBBQEL802.
- (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

| | |
|-------------------------------------|--|
| “£”, “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 £267,000,000 Class A mortgage backed floating rate notes due on the Interest Payment Date falling in May 2066 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 BNP Paribas SA, 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 Termination Event” | has the meaning given to it in the Swap Agreement. |
| “Agent Bank” | means Elavon Financial Services DAC, UK Branch 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:

- (a) sterling gilt-edged securities;
- (b) Money Market Funds that maintain:
 - (A) a rating of at least “AAAm” from by S&P; and
 - (B) a rating of at least “Aaa-mf” by Moody’s; and/or
- (c) sterling demand or time deposits, certificates of deposit and short-term debt obligations (including commercial paper),

provided that each such investment will only be made:

- (i) if the investment:
 - (A) matures on or before the date the funds need to be applied in accordance with the terms of the Transaction Documents; or
 - (B) may be broken, sold or demanded by the Issuer on or before the date the funds need to be applied in accordance with the terms of the Transaction Documents and the carrying value of that investment is determined in accordance with the applicable market value securities criteria in S&P’s “*Methodology and Assumptions For Market Value Securities*” published on 17 September 2013 as republished on 13 December 2021;
- (ii) if the investment does not include any contractual provisions that would permit a redemption of such investment in an amount less than the amount paid for such investment by the Issuer;
- (iii) (other than in the case of paragraph (b) above), if:
 - (A) where the investment period is 30 days or less, the investment has:
 - (1) a short-term unsecured and unguaranteed debt rating of at least “A-1” by S&P; and
 - (2) either a long-term rating by Moody’s of at least “A2” or a short-term rating by Moody’s of at least “P-1”; or
 - (B) where the investment period is more than 30 days but not more than 60 days, the investment has:
 - (1) a short-term unsecured and unguaranteed debt rating of at least “A-1” by S&P; and
 - (2) either a long-term rating by Moody’s of at least “A2” or a short-term rating by Moody’s of at least “P-1”; or
 - (C) where the investment period is more than 60 days, the investment has:
 - (1) either a long term unsecured and unguaranteed debt rating of at least “AA-” by S&P or a short term unsecured and unguaranteed debt rated of least “A-1+” by S&P; and
 - (2) either a long-term rating by Moody’s of at least “A2” or a short-term rating by Moody’s of at least “P-1”;
- (iv) if there is no withholding or deduction for or on account of taxes applicable to the investment; and

- (v) if the investment falls 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 or the balance of the General Reserve Fund being greater than or equal to the balance of the Rated Principal Backed Notes (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; and
- (h) on and 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 (xviii) (*Application as Available Principal Funds after Step-Up Date*) of the Pre-Enforcement Revenue Priority of Payments,

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 (viii) (*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 the 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 (xx) (*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 (<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. |
| “B Noteholders” | means the persons who are for the time being holders of the B Notes. |
| “B Notes” | means the £21,000,000 Class B mortgage backed floating rate notes due on the Interest Payment Date falling in May 2066 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) (<i>Deferral of Interest</i>). |
| “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 Base Rate. |
| “Banking Act” | means the UK Banking Act 2009. |
| “Base Rate” | means the rate set quarterly as the sum of the Bank of England base rate and 8 basis points, with the sum floored at 0.25%, and rounded up to the nearest 5 basis points. |
| “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)(ix)(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. |
| “Benefit Plan Investor” | (a) any “employee benefit plan” as defined in Section 3(3) of ERISA, which is subject to Part 4 of Subtitle B of Title I of ERISA, (b) any “plan” as defined in Section 4975(e)(1) of the U.S. Tax Code, to which Section 4975 of the U.S. Tax Code applies, and (c) any entity whose underlying |

| | |
|-------------------------------------|--|
| | assets include “plan assets” for ERISA purposes by reason of any such employee benefit plan’s or plan’s investment in the entity. |
| “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 £9,000,000 Class C mortgage backed floating rate notes due on the Interest Payment Date falling in May 2066 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 May 2027 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. |
| “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 Belmont Green Finance 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 500 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. |
| “CFC” | means a “controlled foreign corporation” for U.S. federal income tax purposes. |
| “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 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 and the Z 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 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. |
| “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: |

$$\left[\prod_{i=1}^{d_0} \left(1 + \frac{\text{SONIA}_{i-p\text{LBD}} \times \eta_i}{365} \right) - 1 \right] \times \frac{365}{d}$$

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**”.

| | |
|---|---|
| “ 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 the Provisional Pool Reference Date 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. |
| “ Custodian ” | means at any time each person who is at that time is appointed as the custodian under the Custody Agreement at that time, being BNP Paribas SA, London branch as at the Issuer Date. |
| “ Custody Accounts ” | means each Custody Securities Account and each Custody Cash Account. |
| “ Custody Agreement ” | means the Custody Agreement dated on or about the Issue Date between the Issuer, the Custodian, the Cash Administrator and the Security Trustee. |
| “ Custody Cash Account ” | means at any time each cash account maintained by the Issuer with the Custodian in accordance with the Custody Agreement for the purposes of being a Custody Cash Account in respect of the Custody Agreement at that time (including any replacement of such account). |

| | |
|--|---|
| “Custody Securities Account” | means at any time each securities account maintained by the Issuer with the Custodian in accordance with the Custody Agreement for the purposes of being a Custody Securities Account in respect of the Custody Agreement at that time (including any replacement of such account). |
| “Cut-Off Date” | means 31 March 2024. |
| “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 £3,000,000 Class D mortgage backed floating rate notes due on the Interest Payment Date falling in May 2066 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>). |
| “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) the Issue Date and end on (and include) the Determination Period End Date falling in July 2024. |
| “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” | means the “distribution compliance period” as defined in Regulation S (being, in relation to the Notes and the Certificates, 40 days after the later of the commencement of the offering of the Notes or Certificates and the Issue Date). |

| | |
|---|---|
| “distributor” | means any person subsequently offering, selling or recommending the Notes or the Certificates. |
| “EEA” | means the European Economic Area. |
| “Electronic Consents” | means electronic consents communicated through the electronic communications systems of the clearing system(s) to the Principal Paying Agent or another specified agent and/or the Note Trustee in accordance with the operating rules and procedures of the relevant clearing system(s). |
| “EMU” | means European Economic and Monetary Union. |
| “Enforcement Liabilities” | means the entirety of amounts owed by a Borrower under a Loan. |
| “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” . |
| “ERISA” | means the U.S. Employee Retirement Income Security Act of 1974, as amended. |
| “ERISA-Permitted Issuance” | means an issuance of the U.S. Tax Debt Notes that will be treated as indebtedness without substantial equity characteristics for purposes of Title I of ERISA or Section 4975 of the U.S. Tax Code. |
| “ERISA Plans” | means “employee benefit plans” (within the meaning of Section 3(3) of ERISA) that are subject to Title I of ERISA and entities such as collective investment funds and separate accounts whose underlying assets include the assets of such plans. |
| “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 “7.20 UK European Market Infrastructure Regulation and EU European Market Infrastructure Regulation”. |
| “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” | <p>means:</p> <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.secrep.eu).</p> |
| “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” | <p>means Regulation (EU) 2017/2402, as amended, including:</p> <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 Central Bank, the European Insurance and Occupational Pensions Authority and/or the European Commission, <p>but excluding any national measures by any member state of the EU.</p> |
| “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>). |
| “EVI” | has the meaning given to it in the section entitled “ <i>U.S. Risk Retention</i> ” above. |

| | |
|--------------------------------------|--|
| “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 and (if any) the Issuer Upfront Swap Receipt, less the aggregate of amounts applied towards items (a) to (c) 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 Written Resolution 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; or (c) where the relevant class(es) of Notes are held on behalf of a clearing system or clearing systems, approval of a resolution proposed by the Issuer or the Note Trustee (as the case may be) given by way of Electronic Consents by or on behalf of the holders of not less than 75 per cent. in aggregate of the total Principal Amount Outstanding of the relevant class(es) of such Notes outstanding voting in respect of that resolution. |
| “FATCA” | means: <ul style="list-style-type: none"> (a) sections 1471 to 1474 of the U.S. Tax 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. |
| “Final Maturity Date” | means for all Notes and Certificates, the Interest Payment Date falling in May 2066. |
| “First Interest Payment Date” | means the First Interest Payment Date in respect of the Notes falling in August 2024. |
| “Fitch” | means Fitch Ratings Ltd. 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 Z Notes. |
| “Fixed Rate Notional Amount” | means an amount in sterling determined in accordance with a Swap Notional Amount Schedule (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>). |
| “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 “ <i>Risk Factors – 7.18 (US Tax Risks)</i> ” above. |
| “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. |
| “FSMA 2023” | means the Financial Services and Markets Act 2023, 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. |
| “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 the Rated Principal Backed Notes exceeds all Available Revenue Funds (excluding item (g) (<i>Principal Addition Amounts</i>)). |

| | |
|---|---|
| “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 (i) the redemption in full of the Rated Principal Backed Notes or (ii) the balance of the General Reserve Fund being greater than or equal to the balance of the Rated Principal Backed Notes, an amount equal to 1.50 per cent. of the Principal Amount Outstanding of the Principal Backed Notes as at the Issue Date; (b) on the Interest Payment Date on which the Rated Principal Backed Notes are to be redeemed in full, zero; and (c) on the Interest Payment Date on which the balance of the General Reserve Fund becomes greater than or equal to the balance of the Rated Principal Backed Notes, zero. |
| “Global Notes” | means the A Global Note, the B Global Note, the C Global Note, the D Global Note and the X 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. |
| “HMRC” | means His Majesty’s Revenue and Customs. |
| “Holdings” | means Tower Bridge Funding 2024-2 Holdings Limited whose registered number is 15450210 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:

- (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*).

“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 August 2024.

“Interest Period”

means the period from (and including) an Interest Payment Date to (but excluding) the next Interest Payment Date, *provided that* 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 under the Swap Agreement by entering into one or more additional Interest Rate Swap(s) on or around an Interest Rate Swap Adjustment Date in connection with 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 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 applicable Mortgage Pool Effective Date 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 or the X Notes. |
| “Investment Company Act” | means the U.S. Investment Company Act of 1940, as amended. |
| “Investor Report” | means the monthly investor report published by the Cash Administrator, on each Interest Payment Date commencing on the first Interest Payment Date, or in any following 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 23 April 2024. |
| “Issuer” | means Tower Bridge Funding 2024-2 PLC whose registered number is 15450344 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 £1,900,000. |
| “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 (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 Swap Receipt” | means any upfront swap payments due and payable by the Swap Counterparty to the Issuer 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 BofA Securities (a trading name of Merrill Lynch International) |
| “Joint Arrangers/Joint Lead Managers Related Person” | means the Joint Arrangers and/or 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), BofA Securities (a trading name of Merrill Lynch International), Macquarie Bank Limited, London Branch, Macquarie Bank Europe Designated Activity Company, acting through its Paris Branch, 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. |
| “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. |
| “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 1.50 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 (i) (<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 Certificateholder” | means: <ul style="list-style-type: none"> (a) (where the Certificates are represented by Registered Residual Certificates) the holder of greater than 50 per cent. in number of the Certificates or (where the 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 Certificates; or (b) (where the Certificates are represented by Registered Residual Certificates) where no person holds greater than 50 per cent. in number of the Certificates; or (where the Certificates are represented by a Global Residual Certificate) where no person holds beneficial interest in more than 50 per cent. in number of the Certificates, the person who holds the greatest aggregate number of Certificates or, as applicable, beneficial interest in the greatest aggregate number of Certificates. |
| “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 <i>CESR 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 on each Monthly Reporting Date, 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 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 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 Certificateholder, unless (i) the Majority Certificateholder 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 Certificateholder and the Seller deliver an Exercise Notice during the Exercise Period, then the Mortgage Pool Option Holder will be the Majority Certificateholder, 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: <ul style="list-style-type: none"> (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): <ul style="list-style-type: none"> (i) all sums of principal or any other sum (other than interest) payable or paid under such Loan on or after the 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 the 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 the 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; and

| | |
|---|---|
| | (f) thereafter the Z Notes for so long as there are any Z Notes outstanding; |
| | (g) thereafter the Certificates for so long as there are any 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 (<i>Terms and Conditions of the Notes</i>) 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. |
| “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 and the Z Notes. |
| “Notes Basic Terms Modification” | means any modification to: <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)(ix)); (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”

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 Written Resolution 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; or
- (c) where the relevant class(es) of Notes are held on behalf of a clearing system or clearing systems, approval of a resolution proposed by the Issuer or the Note Trustee (as the case may be) given by way of Electronic Consents by or on behalf of the holders of not less than 50.10 per cent. in aggregate of the total Principal Amount Outstanding of the relevant class(es) of such Notes outstanding voting in respect of that resolution.

**“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”

means in relation to a Class of Notes or Certificates, all the Notes of that Class which have been issued except:

- (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 to the Noteholders of those 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. |
| “ Participating Member State ” | means a Member State of the European Communities which adopts the Euro as its lawful currency in accordance with the Treaty. |
| “ Parties in Interest ” | means persons referred to as “parties in interest” under ERISA and “disqualified persons” under Section 4975 of the U.S. Tax Code. |
| “ 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. |
| “ PFIC ” | means a “passive foreign investment company” for U.S. federal income tax purposes. |

| | |
|---|---|
| “Plan” | means an ERISA Plan or a “plan” within the meaning of and subject to Section 4975 of the U.S. Tax Code, such as individual retirement accounts and “Keogh” plans. |
| “Plan Asset Regulation” | means the U.S. Department of Labor regulation at 29 C.F.R. § 2510.3-101, as modified by Section 3(42) of ERISA. |
| “Plan Fiduciary” | means in relation to a Plan, any fiduciary or other person investing on behalf of the Benefit Plan Investor, or who otherwise has discretion or control over the investment and management of the “plan assets”. |
| “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>). |
| “Principal Addition Amounts” | means the amount of Available Principal Funds applied as item (ii) (<i>Principal Addition Amounts</i>) 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 and the D Notes. |
| “Principal Balance” | <p>means in relation to any Loan and on any day, the aggregate of:</p> <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, <p>but after completion of any Enforcement Procedures by the Mortgage Administrator in relation to a Loan, zero.</p> |

| | |
|--------------------------------------|--|
| “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 and the D 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, UK Branch 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; |

| | |
|---|---|
| | <ul style="list-style-type: none"> (g) any variation which results in a transfer of equity including: <ul style="list-style-type: none"> (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, <p style="margin-left: 40px;"><i>provided that</i> there is no impact on the outcome of the affordability assessment; or</p> (h) any variation which results in a Loan becoming a Further Advance Loan, subject to the Further Advance Criteria. |
| “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” | <p>means:</p> <ul style="list-style-type: none"> (a) 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 five, or, if the Issuer (or BGFL, as Seller, on behalf of the Issuer) determines, a lower CPR assumption; and (b) 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 five, or, if the Issuer (or BGFL, as Seller, on behalf of the Issuer) determines, a lower CPR assumption. |
| “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” | 29 February 2024. |
| “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. |
| “QEF” | means a “Qualified Electing Fund” for the purposes of section 1295(a) of the U.S. Tax Code. |
| “QEF election” | means an election under section 1295(a) of the U.S. Tax Code to treat the Issuer as a QEF. |
| “QIBs” | means “qualified institutional buyers” within the meaning of and pursuant to Rule 144A. |
| “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 Moody’s 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. |
| “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. |
| “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 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. |
| “Regulation S Notes” | means at any time the Notes that at that time are being offered outside the United States in offshore transactions to or, as applicable, which are |

| | |
|-----------------------------------|--|
| | held by or for the benefit of non-U.S. persons in reliance on Regulation S (being all Notes that are not Rule 144A Notes at that time). |
| “Regulation S Global Note” | means a global note in registered form without interest coupons attached representing a Class of Regulation S Notes. |
| “Relevant Information” | has the meaning given to such term in the Risk Factor entitled “4.5 <i>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 (xx) (<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) (<i>Note Trustee and Security Trustee</i>) to (xiii) (<i>Swap Subordinated Amounts</i>) of the Post-Enforcement Priority of Payments on that date. |

| | |
|--|--|
| “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). |
| “Right-to-Buy Loan” | means a mortgage loan entered into in connection with the right-to-buy scheme of the Housing Act 1985. |
| “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. |
| “Rule 144A” | means Rule 144A under the Securities Act. |
| “Rule 144A Notes” | means at any time the A Notes, the B Notes, the C Notes, the D Notes and the X Notes that are at that time being offered and sold to or, as applicable, which are held by or for the benefit of QIBs in reliance on Rule 144A. |
| “Rule 144A Global Note” | means a global note in registered form without interest coupons attached representing a Class of Rule 144A Notes. |
| “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 assignment 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” | <p>means each of the following:</p> <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 Custodian; (m) the Collection Account Provider; (n) the Corporate Services Provider; (o) the Seller; (p) the Certificateholders; and (q) 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. |
| “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 the 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) (<i>Note Trustee and Security Trustee</i>) to (xiv) (<i>D Principal Deficiency Sub-Ledger</i>) 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</i> |

Reserve Fund Ledger) and (g) (*Principal Addition Amounts*) of the definition thereof).

| | |
|---------------------------------------|---|
| “Similar Law” | means any U.S. federal, state, local, non-U.S. or other law or regulation that is substantially similar to the prohibited transaction provisions of Section 406 of ERISA or Section 4975 of the U.S. Tax Code. |
| “Similar Plans” | means “governmental plans” (within the meaning of Section 3(32) of ERISA), certain “church plans” (within the meaning of Section 3(33) of ERISA that have made no election under Section 410(d) of the U.S. Tax Code), non-U.S. plans (described in Section 4(b)(4) of ERISA) and benefit plans that are not Benefit Plan Investors. |
| “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. |
| “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 May 2027. |
| “Subscribed Notes” | means 95% of each of the A Notes, B Notes, C Notes and D Notes. |
| “Subscription Agreement” | means the subscription agreement dated on or around 11 April 2024 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 BNP Paribas SA, London branch in its capacity as interest rate swap collateral account bank. |
| “Swap Counterparty” | means Crédit Agricole Corporate and Investment Bank 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> ”. |
| “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 be 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) any other amounts received by the Issuer pursuant to a Credit Support Annex, (iii) any early termination payment received by the Issuer from the Swap Counterparty until a new fixed/floating swap has been entered into and/or (iv) 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 3.2400%; and (b) in respect of each additional Interest Rate Swap the applicable fixed rate agreed between the Issuer and the Swap Counterparty at the time of entering into such additional Interest Rate Swap. |
| “Swap Notional Amount Schedule” | means a notional amount schedule in respect of an Interest Rate Swap 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 Custody 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, the Scottish Declaration of Trust, the 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: <ul style="list-style-type: none"> (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; (l) the Swap Collateral Account Bank; and (m) the Custodian. |
| “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 “ <i>Risk Factors</i> ” section entitled “ <i>7.20 UK European Market Infrastructure Regulation and EU European Market Infrastructure Regulation</i> ”. |

| | |
|--|---|
| “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 a securitisation repository registered in accordance with Article 10 of the UK Securitisation Regulation. As at the date of this Prospectus, the UK Reports Repository is the website of SecRep Limited (via its website at www.secprep.co.uk). |
| “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. |
| “U.S. Tax Code” | means the U.S. Internal Revenue Code of 1986, as amended. |
| “U.S. Tax Debt Notes” | means the A Notes, the B Notes, the C Notes and the D Notes. |
| “U.S. Tax Equity Notes” | means the X Notes and the Z Notes. |
| “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. |
| “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 Resolution” | means: <ul style="list-style-type: none"> (a) in relation to Notes, a resolution in writing signed by or on behalf of the relevant holders 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; and (b) in relation to Certificates, a resolution in writing signed by or on behalf of the relevant holders of 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. |
| “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 £6,000,000 Class X floating rate notes due on the Interest Payment Date falling in May 2066 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>). |
| “Z Noteholder” | means the persons who are for the time being holders of the Z Notes. |
| “Z Notes” | means the £4,500,000 Class Z fixed rate notes due on the Interest Payment Date falling in May 2066 and, unless stated to the contrary, all references to “Z Note” shall be construed as a reference to such Note in definitive form. |

INDEX OF DEFINED TERMS

| | | | |
|--|--------------------|---|---------------|
| £ | xi, 267 | Certificate Conditions | 218, 272 |
| ¥ | 267 | Certificateholders | 218, 272 |
| € | xi, 267 | Certificates | 218, 273 |
| 1272(a)(6) Method | 238 | Certificates Basic Terms Modification | 233, 273 |
| 1970 Act | 94 | Certificates Extraordinary Resolution | 234, 273 |
| 2010 Act | 94 | Certificates Ordinary Resolution | 234, 273 |
| A Global Note | 267 | CFC | 273 |
| A Noteholder | 267 | CFCs | 236 |
| A Notes | 182, 267 | Charged Obligation Documents | 188, 220, 273 |
| A Principal Deficiency | 267 | Charged Property | 205, 225, 273 |
| A Principal Deficiency Sub-Ledger | 267 | Class | 182, 273 |
| Account Bank | 267 | Clean Up Call Date | 158, 273 |
| Accrued Interest | 267 | Clearing System Business Day | 179 |
| Additional Dwelling Supplement | 12 | Clearing Systems | 274 |
| Additional Termination Event | 267 | Clearstream, Luxembourg | 274 |
| administering | 90 | CMA | 274 |
| Agent Bank | 182, 218, 267 | CMA Guidance | 96 |
| Agents | 182, 218, 267 | COBS | ix |
| Alternative Reference Rate | 208, 228 | Code | 274 |
| Applicable Laws | 267 | Collateral S&P Rating Event | 85 |
| Applicable Procedures | 184 | Collection Account | 163, 274 |
| Appointee | 216, 233 | Collection Account Agreement | 274 |
| Arrears Policy | 267 | Collection Account Declaration of Trust | 163, 274 |
| Assured Shorthold Tenancy | 101 | Collection Account Provider | 274 |
| Assured Tenancy | 101 | Common Safekeeper | 274 |
| Authorised Investments | 268 | Completion Loans Collections Amount | 274 |
| Authorities | 269 | Completion Mortgage Pool | ii, 274 |
| Available Principal Funds | 78, 269 | Compounded Daily SONIA | 194, 274 |
| Available Revenue Funds | 77, 269 | CONC | 275 |
| B Global Note | 271 | Conditions | 275 |
| B Noteholders | 271 | CONSOB | 252 |
| B Notes | 182, 271 | Consumer Buy-to-Let Loan | 99 |
| B Principal Deficiency | 271 | Consumer Credit Directive | 275 |
| B Principal Deficiency Sub-Ledger | 271 | Consumer Duty | 98 |
| B Residual Amount | 196, 271 | Consumer Rights Act | 96 |
| Back-up Mortgage Administrator Facilitator | 271 | Corporate Services Agreement | 275 |
| Bank Accounts | 271 | Corporate Services Provider | 275 |
| Bank Agreement | 271 | Corporations Act | 253 |
| Bank Base Rate Mortgage | 271 | Counter Notice | 158, 275 |
| Bank Rate | 195 | CPR | 174, 275 |
| Banking Act | 40, 252, 271 | CPUTRs | 97, 275 |
| Base Rate | 271 | Credit Support Annex | 275 |
| Basel Committee | 33, 271 | Current Balance | 275 |
| Basel III/IV | 33 | Current Loan to Value | 275 |
| Basic Terms Modification | 271 | Current LTV | 275 |
| BBR | 9 | Custodian | 275 |
| Benchmark Event | 271 | Custody Accounts | 275 |
| Benchmark Event Notice | 271 | Custody Agreement | 275 |
| Benefit Plan Investor | 247, 271 | Custody Cash Account | 275 |
| BGFL | 116, 171, 183, 272 | Custody Securities Account | 276 |
| BMR | vi, x, 272 | Cut-Off Date | 276 |
| BO | 272 | D Global Note | 276 |
| BoE Loan Level Report | 73 | D Noteholders | 276 |
| Book-Entry Interests | 272 | D Notes | 182, 276 |
| Borrower | 272 | D Principal Deficiency | 276 |
| Breathing Space Regulations | 98 | D Principal Deficiency Sub-Ledger | 276 |
| BTL Conditions | 272 | D Residual Amount | 197, 276 |
| business day | 203, 223 | Deed of Charge | 182, 218, 276 |
| Business Day | 216, 233, 272 | Deed Poll | 276 |
| Buy-to-Let Loan | 272 | Deferrable Notes | 238 |
| C Global Note | 272 | Deferred Interest | 238 |
| C Noteholders | 272 | Definitive Notes | 60, 177, 183 |
| C Notes | 182, 272 | Determination Date | 199, 276 |
| C Principal Deficiency | 272 | Determination Period | 276 |
| C Principal Deficiency Sub-Ledger | 272 | Determination Period End Date | 276 |
| C Residual Amount | 196, 272 | Determination Period Start Date | 276 |
| Calculated Revenue Receipts | 194 | Direct Debiting Scheme | 276 |
| Call Option Date | 63, 272 | Discount Note | 238 |
| Cash Administration Agreement | 182, 218, 272 | Discretionary Rate | 276 |
| Cash Administrator | 182, 218, 272 | Discretionary Rate Mortgage | 276 |
| CCA | 99, 272 | Distribution Compliance Period | 178, 250, 276 |
| CCJ | 272 | distributor | ix, 277 |

| | | | |
|---|-------------------------|--|-------------------|
| DM Regulations | 97 | Further Advance Upfront Fee Amounts | 280 |
| Early Termination Event | 166 | Further Revenue Shortfall | 79, 280 |
| EEA | 277 | GBP | 267 |
| Electronic Consents | 69, 216, 277 | General Reserve Fund | 281 |
| EMU | 216, 234, 277 | General Reserve Fund Ledger | 281 |
| Energy Efficiency Regulations 2015 | 14 | General Reserve Fund Required Amount | 160, 281 |
| Enforcement Liabilities | 277 | Global Notes | 281 |
| Enforcement Notice | 204, 216, 224, 234, 277 | Help to Buy Government Loan | 95 |
| Enforcement Procedures | 277 | Help to Buy Loan | 95, 281 |
| English Loans | 277 | HMO | 281 |
| EPC | 14 | HMRC | 281 |
| ERISA | 246, 277 | Holdings | 113, 115, 281 |
| ERISA Plans | 246, 277 | Housing Indices | 135 |
| ERISA-Permitted Issuance | 247, 277 | ICSDs | 281 |
| ESMA | v, 277 | IGAs | 42 |
| Estimation Period | 197 | Implementation Period Completion Day | 103 |
| EU | xi | Indexed LTV | 281 |
| EU Affected Investor | 103 | Indirect Participants | 178 |
| EU Article 7 Technical Standards | 277 | Initial Cash Purchase Price | 281 |
| EU CRA Regulation | 277 | Initial Principal Amount | 281 |
| EU CRR Amending Regulation | 103 | Initiating Noteholder | 215, 281 |
| EU EMIR | 43, 278 | Insolvency Event | 282 |
| EU Insurance Distribution Directive | ix, 278 | Insurance Commissions | 288 |
| EU MiFID II | 278 | Insurance Contracts | 283 |
| EU PRIIPs Regulation | ix, 278 | Interest Amount | 195, 283 |
| EU Prospectus Regulation | 278 | Interest Determination Date | 194, 283 |
| EU Reports Repository | 278 | Interest Determination Ratio | 194, 198 |
| EU Retained Interest | 108, 278 | Interest Only Loan | 283 |
| EU Retention Requirement | v, 107, 278 | Interest Payment Date | 193, 283 |
| EU Securitisation Laws | 103 | Interest Period | 193, 283 |
| EU Securitisation Regulation | 103, 278 | Interest Period Issuer Amount | 165 |
| EU SR Inside Information and Significant Event Report | 106, 278 | Interest Period Swap Counterparty Amount | 165 |
| EU SR Investor Report | 105, 278 | Interest Rate Swap | 283 |
| EU SR Loan Level Report | 105 | Interest Rate Swap Adjustment | 284 |
| EU STS Criteria | 107 | Interest Rate Swap Adjustment Date | 284 |
| EU STS Notification | vi | Interest Shortfall | 197, 284 |
| EU STS Securitisation | 107 | Investment Company Act | v, 284 |
| EU Transparency and Reporting Requirements | 105 | Investor Report | 216, 284 |
| EUR | xi, 267 | Issue Date | ii, 182, 218, 284 |
| Euro | xi, 216, 234, 267 | Issuer | 113, 182, 284 |
| Euroclear | 278 | Issuer Costs and Expenses | 284 |
| EUWA | 278 | Issuer Further Advance Consideration | 284 |
| Event of Default | 203, 224, 278 | Issuer Profit Amount | 284 |
| EVI | v, 109, 278 | Issuer Profit Ledger | 284 |
| Excess Consideration | 279 | Issuer Upfront Swap Receipt | 284 |
| Excess Consideration Amount | 279 | Issuer/ICSD Agreement | 284 |
| Excess Distribution | 240 | IVA | 284 |
| Exchange Act | iv | Joint Arrangers | 284 |
| Exercise Notice | 157, 279 | Joint Arrangers/Joint Lead Managers Related Person | 19, 284 |
| Exercise Period | 157, 279 | Joint Lead Managers | 285 |
| Extraordinary Resolution | 216, 279 | JPY | 267 |
| FATCA | 279 | Land Registry | 285 |
| FC43 | | LBD | 285 |
| FCA | iii, 279 | LBTT | 12 |
| FCA Borrowers in Financial Difficulty Consultation | 92 | Legal Title Holder | 285 |
| Final Maturity Date | 279 | Lending Criteria | 123, 285 |
| Financial Instruments and Exchange Act | 251 | Liability | 285 |
| Financial Services Act | 252 | Liquidity Reserve Fund | 285 |
| FINMA | 252 | Liquidity Reserve Fund Excess Amount | 161, 285 |
| First Interest Payment Date | 64, 279 | Liquidity Reserve Fund Ledger | 161, 285 |
| Fitch | 279 | Liquidity Reserve Fund Required Amount | 285 |
| Fixed Rate Mortgage | 280 | Liquidity Reserve Initial Funding Date | 161, 285 |
| Fixed Rate Notes | 280 | Listed Notes | 41 |
| Fixed Rate Notional Amount | 280 | Loan | 285 |
| Floating Rate Notes | 182, 280 | Loan Advance Retention | 285 |
| Floating Rate of Interest | 194, 280 | Loan Advance Retention Conditions | 286 |
| Foreign Currency | 237 | Loan Conditions | 286 |
| foreign passthru payments | 41, 280 | Loan to Value Ratio | 286 |
| FSA | 280 | London Banking Day | 285 |
| FSMA | ix, 280 | London Stock Exchange | iv, 182, 286 |
| FSMA 2023 | 29, 280 | Losses | 286 |
| Further Advance | 280 | LTV | 286 |
| Further Advance Criteria | 157, 280 | Majority Certificateholder | 286 |
| Further Advance Loan | 280 | Master Definitions Schedule | 286 |
| Further Advance Purchase Date | 280 | Material Adverse Effect | 286 |
| Further Advance Swap Condition | 157, 280 | MC Extension Agreement | 93 |

| | | | |
|--|---------------|--|-------------------|
| MC Interest-only Agreement..... | 93 | Potential Event of Default..... | 293 |
| MCD | 286 | pounds | xi, 267 |
| MCOB..... | 91, 286 | PPI | 293 |
| Meeting | 286 | PRA | 90, 296 |
| Member State..... | 216, 286 | Pre-Action Protocol..... | 93, 293 |
| Member States | xi | Pre-Action Protocol for Debt Claims..... | 93 |
| MHA/CP Documentation | 286 | Pre-Enforcement Principal Priority of Payments | 199, 293 |
| MiFID II Regulations | 251 | Pre-Enforcement Priority of Payments | 293 |
| Minimum Denomination | 178 | Pre-Enforcement Revenue Priority of Payments..... | 188, 293 |
| Modelling Assumptions..... | 174, 287 | Principal Addition Amounts | 293 |
| Modification Certificate..... | 209, 229 | Principal Amount Outstanding | 200, 293 |
| Money Market Funds..... | 287 | Principal Backed Notes..... | 182, 293 |
| Monthly Report..... | 194, 198, 287 | Principal Balance | 293 |
| Moody's | 287 | Principal Collections | 200, 294 |
| Moody's Qualifying Collateral Required Rating..... | 84 | Principal Deficiency..... | 294 |
| Moody's Qualifying Transfer Required Rating | 84 | Principal Deficiency Ledger | 294 |
| Mortgage | 123, 287 | Principal Ledger | 294 |
| Mortgage Account | 287 | Principal Paying Agent | 182, 218, 294 |
| Mortgage Administration Agreement..... | 287 | Principal Receipts..... | 198, 294 |
| Mortgage Administrator | 287 | Priority of Payments..... | 294 |
| Mortgage Administrator Software..... | 287 | Product Switch | 294 |
| Mortgage Administrator Termination Event..... | 170, 287 | Product Switch Criteria | 156, 295 |
| Mortgage Charter | 24 | Product Switch Effective Date..... | 295 |
| Mortgage Conditions | 287 | Product Switch Loan | 295 |
| Mortgage Early Redemption Amount | 122 | Product Switch Swap Condition | 156, 295 |
| Mortgage Early Redemption Amounts..... | 287 | Projected Fixed Rate Mortgage Principal Amount..... | 295 |
| Mortgage Guarantee Scheme..... | 95 | Property | 10, 123, 295 |
| Mortgage Pool..... | 287 | Proposed Amendment | 17 |
| Mortgage Pool Calculation Date | 288 | Prospectus..... | iv, 295 |
| Mortgage Pool Effective Date | 288 | Provisional Completion Mortgage Pool | 138, 295 |
| Mortgage Pool Option | 157, 288 | Provisional Pool Reference Date | 138, 295 |
| Mortgage Pool Option Holder | 288 | Provisions for Meetings of Noteholders | 295 |
| Mortgage Pool Purchase | 288 | Prudent Mortgage Lender | 126, 295 |
| Mortgage Pool Purchase Completion Date | 288 | Prudential Regulation Authority | 90, 296 |
| Mortgage Pool Purchase Price..... | 157, 288 | PTCE | 246 |
| Mortgage Rights | 288 | Public Long Term Rating..... | 296 |
| Mortgage Sale Agreement..... | 289 | QEF | 239, 296 |
| Mortgages Tailored Support Guidance | 91 | QEF election..... | 239, 296 |
| Most Senior Class | 216, 234, 289 | QIBs..... | 183, 296 |
| MUB | 290 | RAO..... | 90 |
| NFC+..... | 43 | Rate of Interest | 193, 296 |
| Non-Responsive Rating Agency | 75, 215, 233 | Rated Notes | iii, 182, 296 |
| Non-U.S. Holder | 236 | Rated Principal Backed Notes..... | iii, 182, 296 |
| Note Adjustment Spread..... | 290 | Rates of Interest..... | 193 |
| Note Conditions | 290 | Rating Agencies | 217, 234, 296 |
| Note Principal Payment | 200, 290 | Rating Agency Confirmation | 32, 217, 234, 296 |
| Note Trustee..... | 182, 218, 290 | Realisation | 205, 225 |
| Noteholders..... | 182, 290 | Receiver | 296 |
| Notes | 182, 290 | Reconciliation Amount | 195, 198, 296 |
| Notes Basic Terms Modification..... | 216, 290 | Record Date..... | 202, 223 |
| Notification | 212, 231 | Redemption Event..... | 61, 185, 296 |
| NRSROs..... | iv | Reference Rate Modification | 208, 228 |
| Observation Period | 195, 290 | Reference Rate Modification Certificate | 208, 228 |
| Official List..... | iv | Register..... | 183 |
| OFT | 290 | Registers of Scotland..... | 296 |
| OID..... | 238 | Registrar | 182, 218, 296 |
| Ombudsman | 290 | Regulated Credit Agreement..... | 99 |
| Ordinary Resolution..... | 217, 291 | Regulated Mortgage Contract..... | 90, 296 |
| Original Loan to Value | 291 | Regulation S | 183, 250, 296 |
| Original LTV | 291 | Regulation S Global Note | 183, 297 |
| outstanding..... | 291 | Regulation S Notes..... | 183, 296 |
| Owner Occupied Loan | 292 | Regulation S Transfer Certificate | 184 |
| Participants..... | 178 | Related Person..... | 90 |
| Participating Member State | 217, 234, 292 | Relevant Class of Notes | 20, 70, 292 |
| Parties in Interest | 246, 292 | relevant date | 203 |
| Paying Agency Agreement..... | 182, 218, 292 | relevant entity | 40 |
| Paying Agents | 182, 218, 292 | Relevant Information | 20, 297 |
| Perfection Events | 55, 292 | Relevant Margin..... | 195, 297 |
| PFIC | 292 | Relevant Nominating Body..... | 297 |
| PFICs..... | 236 | Relevant Party | 207, 227 |
| Plan..... | 293 | Relevant Period..... | 297 |
| Plan Asset Regulation..... | 247, 293 | Relevant Person..... | 20, 70 |
| Plan Fiduciary | 247, 293 | Renting Homes (Wales) Act | 11 |
| Plans | 246 | Repayment Loan | 297 |
| Pool Factor..... | 200, 293 | Replacement S&P Rating Event | 85 |
| Post-Enforcement Priority of Payments | 190, 293 | Repurchase Date..... | 297 |

| | | | |
|--|---------------|--|---------------|
| Repurchase Price..... | 297 | Swap Notional Amount Schedule..... | 165, 301 |
| Residual Payment..... | 297 | Swap Subordinated Amounts..... | 301 |
| Restructuring Plan..... | 39 | Tax Regulations..... | 301 |
| Return Amounts..... | 298 | Taxation of Securitisation Regulations..... | 41 |
| Revenue Collections..... | 298 | Test Month..... | 301 |
| Revenue Ledger..... | 298 | Test Period..... | 301 |
| Revenue Receipts..... | 198, 298 | Third Party Amounts..... | 78 |
| Revenue Shortfall..... | 79, 160, 298 | TIN..... | 244 |
| RICS..... | 12, 126 | Trade and Cooperation Agreement..... | 28 |
| Right-to-Buy Loan..... | 298 | Transaction..... | 301 |
| Risk Retention Holder..... | 107, 298 | Transaction Account..... | 301 |
| Rule 144A..... | 183, 298 | Transaction Account Interest Rate..... | 164 |
| Rule 144A Global Note..... | 183, 298 | Transaction Documents..... | 221, 302 |
| Rule 144A Notes..... | 183, 298 | Transaction Parties..... | 302 |
| Rule 144A Transfer Certificate..... | 185 | transaction set-off..... | 8 |
| S&P..... | 298 | Treaty..... | 217, 302 |
| S&P Criteria..... | 85 | Trust Deed..... | 182, 218, 302 |
| S&P Replacement Option..... | 85 | Trust Documents..... | 302 |
| Scottish Declaration of Trust..... | 298 | U.S. Holder..... | 236 |
| Scottish Loans..... | 298 | U.S. Retained Interest..... | v, 109, 303 |
| Scottish Mortgage..... | 298 | U.S. Retention Holder..... | 109, 303 |
| Scottish Property..... | 298 | U.S. Retention Rules..... | 303 |
| Scottish Sub-Security..... | 298 | U.S. Tax Code..... | 303 |
| Scottish Supplemental Charge..... | 298 | U.S. Tax Debt Notes..... | 237, 303 |
| Scottish Transfer..... | 298 | U.S. Tax Equity Notes..... | 237, 303 |
| Scottish Trust..... | 299 | UCTA..... | 302 |
| Screen..... | 195 | UK Affected Investor..... | 33, 103 |
| SDLT..... | 12 | UK Article 7 Technical Standards..... | 302 |
| Secured Creditors..... | 299 | UK CRA Regulation..... | 302 |
| Securities Act..... | 183, 299 | UK EMIR..... | 43, 302 |
| Security..... | 187, 299 | UK MiFIR..... | iv, 303 |
| Security Trustee..... | 182, 218, 299 | UK PRIIP Regulation..... | 303 |
| Seller..... | 299 | UK PRIIPs Regulation..... | ix |
| Services..... | 299 | UK Prospectus Regulation..... | iv, 303 |
| set-off..... | 8 | UK Reports Repository..... | 303 |
| SFA..... | 253 | UK Retained Interest..... | 107, 303 |
| Share Trustee..... | 115, 299 | UK Retention Requirement..... | v, 107, 303 |
| Shortfall..... | 79, 160, 299 | UK Securitisation Regulation..... | 103, 303 |
| Similar Law..... | 246, 300 | UK SR Inside Information and Significant Event Report..... | 104, 303 |
| Similar Plan..... | 246 | UK SR Investor Report..... | 104, 303 |
| Similar Plans..... | 300 | UK SR Loan Level Report..... | 104 |
| SIX..... | 252 | UK STS Criteria..... | 107 |
| SLR Transfer..... | 300 | UK STS Notification..... | vi |
| SONIA..... | x, 195 | UK STS Securitisation..... | 107 |
| SONIA Reference Rate..... | 195 | UK Transparency and Reporting Requirements..... | 104 |
| SPV Company..... | 300 | Unfair Commercial Practices Directive..... | 303 |
| SRR..... | 40, 300 | USS..... | 303 |
| Standard Documentation..... | 300 | USD..... | 303 |
| Start-Up Costs Ledger..... | 54, 300 | UTCCR..... | 100, 303 |
| Step-Up Date..... | 300 | Variable Rate Mortgage..... | 303 |
| sterling..... | xi, 267 | VAT..... | 304 |
| Stock Exchange..... | iv, 286 | VATA 1994..... | 304 |
| Subscribed Notes..... | 249, 300 | Verified Noteholder..... | 213, 304 |
| Subscribed Regulation S Notes..... | 249 | Volcker Rule..... | v, 42 |
| Subscribed Rule 144A Notes..... | 249 | VVR..... | 4, 122 |
| Subscription Agreement..... | 249, 300 | VVR Floor..... | 4 |
| Sunset Date..... | 110, 300 | VVR Mortgages..... | 304 |
| Swap Agreement..... | 300 | Warranties..... | 304 |
| Swap Benchmark Rate Adjustment..... | 168 | Weighted Average Original LTV..... | 304 |
| Swap Collateral..... | 300 | WLTT..... | 12 |
| Swap Collateral Account..... | 300 | Written Resolution..... | 217, 226, 304 |
| Swap Collateral Account Bank..... | 300 | X Global Note..... | 304 |
| Swap Counterparty..... | 300 | X Noteholder..... | 304 |
| Swap Counterparty Required Rating..... | 301 | X Notes..... | 182, 304 |
| Swap Counterparty Required Rating Downgrade..... | 301 | X Residual Amount..... | 197, 304 |
| Swap Excluded Payable Amounts..... | 301 | Z Noteholder..... | 304 |
| Swap Excluded Receivable Amounts..... | 301 | Z Notes..... | 182, 304 |
| Swap Fixed Rate..... | 301 | | |

The Issuer

Tower Bridge Funding 2024-2 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.

Ciudad Grupo Santander
Avenida de Cantabria s/n
Edificio Encinar
28660, Boadilla del Monte
Madrid, Spain
Spain

BofA Securities (a trading name of Merrill Lynch International)

2 King Edward Street
London EC1A 1HQ
United Kingdom

Joint Lead Managers

Banco Santander, S.A.

Ciudad Grupo Santander
Avenida de Cantabria s/n
Edificio Encinar
28660, Boadilla del Monte
Madrid, Spain
Spain

Barclays Bank PLC

1 Churchill Place
Canary Wharf
London E14 5HP
United Kingdom

Macquarie Bank Limited, London Branch

Ropemaker Place
28 Ropemaker Street
London EC2Y 9HD
United Kingdom

Macquarie Bank Europe Designated Activity Company, acting through its Paris Branch

12-14 Rond Point des Champs-Élysées
Marcel-Dassault
Floor 3
75008 Paris
France

BofA Securities (a trading name of Merrill Lynch International)

2 King Edward Street
London EC1A 1HQ
United Kingdom

NatWest Markets Plc

250 Bishopsgate
London EC2M 4AA
United Kingdom

Seller, Mortgage Administrator and Cash Administrator

Belmont Green Finance Limited

1 Battle Bridge Lane
London SE1 2HP
United Kingdom

Account Bank, Swap Collateral Account Bank and Custodian

BNP Paribas SA, London branch

10 Harewood Avenue
London NW1 6AA
United Kingdom

Principal Paying Agent and Agent Bank

Elavon Financial Services DAC, UK Branch

125 Old Broad Street
Fifth Floor
London EC2N 1AR
United Kingdom

Registrar

Elavon Financial Services DAC

Block F1, Cherrywood Business Park
Cherrywood
Dublin 18, D18 W2X7, Ireland

Swap Counterparty

Crédit Agricole Corporate and Investment Bank

12 place des Etats-Unis
CS70052
92547
Montrouge Cedex
France

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 Joint Lead Managers
as to English Law*

Allen & Overy LLP

One Bishops Square
London E1 6AD
United Kingdom

*To the Issuer and the Seller
as to U.S. Laws*

**Cadwalader, Wickersham
& Taft LLP**

200 Liberty Street
New York, NY 10281
United States

*To the Joint Lead Managers
as to U.S. Laws*

Allen & Overy LLP

1221 6th Ave
New York, NY 10020
United States

*To the Issuer and the Seller
as to Scots Law*

Shepherd & Wedderburn LLP

9 Haymarket Square
Edinburgh EH3 8FY
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