

TOWD POINT MORTGAGE FUNDING 2023 – VANTAGE 3 PLC

IMPORTANT NOTICE

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

IMPORTANT: YOU MUST READ THE FOLLOWING BEFORE CONTINUING. THE FOLLOWING APPLIES TO THE PROSPECTUS ATTACHED TO THIS ELECTRONIC TRANSMISSION (THE “**PROSPECTUS**”), AND YOU ARE THEREFORE ADVISED TO READ THIS CAREFULLY BEFORE READING, ACCESSING OR MAKING ANY OTHER USE OF THE PROSPECTUS. IN ACCESSING THE PROSPECTUS, YOU AGREE TO BE BOUND BY THE FOLLOWING TERMS AND CONDITIONS, INCLUDING ANY MODIFICATIONS TO THEM ANY TIME YOU RECEIVE ANY INFORMATION FROM US AS A RESULT OF SUCH ACCESS. YOU ACKNOWLEDGE THAT YOU WILL NOT FORWARD THIS ELECTRONIC FORM OF THE PROSPECTUS TO ANY OTHER PERSON.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER TO SELL, OR THE SOLICITATION OF AN OFFER TO BUY SECURITIES IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT OF 1933 (THE “SECURITIES ACT”), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION AND THE ISSUER HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE “INVESTMENT COMPANY ACT”) AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT (“REGULATION S”)).

EXCEPT WITH THE PRIOR WRITTEN CONSENT OF CERH II (A “**U.S. RISK RETENTION WAIVER**”) AND WHERE SUCH SALE FALLS WITHIN THE EXEMPTION PROVIDED BY SECTION 20 OF THE FINAL RULES PROMULGATED UNDER SECTION 15 OF THE U.S. SECURITIES EXCHANGE ACT OF 1934, AS AMENDED (THE “**U.S. RISK RETENTION RULES**”), THE NOTES OFFERED AND SOLD BY THE ISSUER MAY NOT BE PURCHASED BY, OR FOR THE ACCOUNT OR BENEFIT OF, ANY RISK RETENTION U.S. PERSONS. PROSPECTIVE INVESTORS SHOULD NOTE THAT THE DEFINITION OF “U.S. PERSON” IN THE U.S. RISK RETENTION RULES IS DIFFERENT FROM, THE DEFINITION OF “U.S. PERSON” IN REGULATION S, AND PERSONS WHO ARE NOT “U.S. PERSONS” UNDER REGULATION S MAY BE U.S. PERSONS UNDER THE U.S. RISK RETENTION RULES. ANY PURCHASER OF THE NOTES, INCLUDING BENEFICIAL INTERESTS THEREIN ACQUIRED IN THE INITIAL SYNDICATION OF THE NOTES, BY ITS ACQUISITION OF THE NOTES OR BENEFICIAL INTEREST THEREIN, WILL BE DEEMED, AND IN CERTAIN CIRCUMSTANCES REQUIRED, TO MAKE CERTAIN REPRESENTATIONS AND AGREEMENTS, INCLUDING THAT IT (1) IS NOT A RISK RETENTION U.S. PERSON (UNLESS IT HAS OBTAINED A PRIOR WRITTEN CONSENT OF THE ARRANGER), (2) IS ACQUIRING SUCH NOTE OR A BENEFICIAL INTEREST THEREIN FOR ITS OWN ACCOUNT AND NOT WITH A VIEW TO DISTRIBUTE SUCH NOTE, AND (3) IS NOT ACQUIRING SUCH NOTE OR A BENEFICIAL INTEREST THEREIN AS PART OF A SCHEME TO EVADE THE REQUIREMENTS OF THE U.S. RISK RETENTION RULES (INCLUDING ACQUIRING SUCH NOTES OR A BENEFICIAL INTEREST THEREIN THROUGH A NON-RISK RETENTION U.S. PERSON, RATHER THAN A RISK RETENTION U.S. PERSON, AS PART OF A SCHEME TO EVADE THE 10 PER CENT. RISK RETENTION U.S. PERSON LIMITATION IN THE EXEMPTION PROVIDED FOR IN SECTION 20 OF THE U.S. RISK RETENTION RULES).

The Prospectus has been delivered to you on the basis that you are a person into whose possession the Prospectus may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver the Prospectus to any other person. Defined terms used in this electronic disclaimer shall have the meaning given to them in the Prospectus.

The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the managers or any affiliate of the managers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the managers or such affiliate on behalf of the Issuer in such jurisdiction.

Confirmation of Your Representation: By accessing the Prospectus, you shall be deemed to have confirmed and represented to us that (a) you have understood and agree to the terms set out herein, (b) you consent to delivery of the Prospectus by electronic transmission, (c) you are not a U.S. Person (within the meaning of Regulation S under the Securities Act) or acting for the account or benefit of a U.S. Person and the email address that you have given to us and to which this e-mail has been delivered is not located in the United States, its territories and possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands) or the District of Columbia and (d) if you are a person in the United Kingdom, then you are a person who is an investment professional within the meaning of Article 19 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005.

The Prospectus has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Issuer nor the Transaction Parties or any person who controls any such person or any director, officer, employee or agent of any such person (or affiliate of any such person) accepts any liability or responsibility whatsoever in respect of any difference between the Prospectus distributed to you in electronic format and the hard copy version available to you on request from the Issuer, Merrill Lynch International, Wells Fargo Securities International Limited and Barclays Bank PLC.

The Prospectus is highly confidential and has been prepared by the Issuer solely for use in connection with the sale of the Notes and Certificates offered pursuant to the Prospectus. The Prospectus is personal to each offeree to whom it has been delivered by the Issuer and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire the Notes. Distribution of the Prospectus to any persons other than the offeree and those persons, if any, retained to advise such offeree with respect thereto is unauthorised and any disclosure of any of its contents, without the prior written consent of the Issuer, is prohibited. Each prospective investor in the United States, by accepting delivery of the Prospectus, agrees to the foregoing and to make no photocopies of the Prospectus or any documents related hereto and, if the offeree does not purchase any note or the offering is terminated, to destroy any electronic copies or return the Prospectus and all documents attached hereto to the Co-Arrangers and the Joint Lead Managers.

The Notes are offered subject to prior sale or withdrawal, cancellation or modification of this offering without notice. The Issuer, the Co-Arrangers, the Joint Lead Managers and CERH II also reserve the right to reject any offer to purchase the Notes in whole or in part for any reason and to allot to any prospective purchaser less than the full amount of Notes sought by such investor. You acknowledge that you have been afforded an opportunity to request from the Issuer, and have received and reviewed, all additional information considered by you to be necessary to verify the accuracy of, or to supplement, the information contained in the Prospectus. You also acknowledge that you have not relied on the Co-Arrangers, the Joint Lead Managers and CERH II or any person affiliated with the Co-Arrangers and Joint Lead Managers in connection with the investigation of the accuracy of such information or your investment decision. The contents of the Prospectus are not to be construed as legal, business or tax advice. Each prospective purchaser should consult its own attorney, business adviser and tax adviser for legal, business and tax advice relating to an investment in the Notes.

The Prospectus summarises documents and other information in a manner that does not purport to be complete, and these summaries are subject to, and qualified in their entirety by reference to, all of the provisions of such documents. In making an investment decision, you must rely on your own examination of these documents (copies of which are available from the Issuer, the Co-Arrangers and the Joint Lead Managers upon request), the Issuer and the terms of the offering and the Notes, including the merits and risks involved.

No representation or warranty is made by the Co-Arrangers, the Joint Lead Managers, CERH II, the Issuer or any other person as to the legality of an investment in the Notes under any investment or similar laws or as to the classification or treatment of the Notes under any risk-weighting, securities valuation, regulatory accounting or other financial institution regulatory regimes of the National Association of Insurance Commissioners, any state insurance commissioner, any federal or state banking authority or any other regulatory body. You should obtain your own legal, accounting, tax and financial advice as to the desirability of an investment in the Notes, and the consequences of such an investment.

For the avoidance of doubt, none of the websites referred to herein form part of this Prospectus.

We have not registered the Notes or Certificates under the Securities Act, or the securities laws of any state or other jurisdiction of the United States. We may not offer or sell the Notes or the Certificates within the United States to or for the account or benefit of any U.S. Person (as defined in Regulation S) unless the offer or sale would qualify for an exemption from registration under the Securities Act of 1933 (the “Securities Act”) and state securities laws. The Notes and the Certificates are being offered and sold only outside the United States to non-U.S. Persons in accordance with Regulation S under the Securities Act. The Notes will be subject to restrictions on resale and transfer. See “*Subscription and Sale – Investor Representations and Restrictions on Resale*” and “*Description of the Notes in Global Form – Transfers and Transfer Restrictions*”.

TOWD POINT MORTGAGE FUNDING 2023 - VANTAGE 3 PLC

(incorporated with limited liability in England and Wales, registered under number 15184057)

LEI: 6354009WAXGJMASHCS30/STUI: 6354009WAXGJMASHCS30N202301

Class ⁽¹⁾	Initial Class Principal Amount	Issue Price	Reference Rate	FORD ⁽²⁾	Margin (per annum) ⁽³⁾	Step-Up Margin (per annum) ⁽⁴⁾	Expected Ratings (S&P/ DBRS)	Final Maturity Date ⁽⁵⁾
A1 ⁽⁶⁾	£15,760,000	100.00000%	Compounded Daily SONIA	November 2026	1.400%	2.100%	AAA (sf)/AAA(sf)	February 2054
A2	£297,422,000	100.00000%	Compounded Daily SONIA	November 2026	1.400%	2.100%	AAA (sf)/AAA (sf)	February 2054
B	£20,661,000	98.27928%	Compounded Daily SONIA	November 2026	2.250%	3.250%	AA (sf)/AA(low)(sf)	February 2054
C	£21,749,000	97.65373%	Compounded Daily SONIA	November 2026	3.000%	4.000%	A(sf)/A(low)(sf)	February 2054
D	£13,049,000	98.70000%	Compounded Daily SONIA	November 2026	4.000%	5.000%	BBB(sf)/BBB(low)(sf)	February 2054
E	£13,049,000	98.75000%	Compounded Daily SONIA	November 2026	5.000%	6.000%	BB(sf)/BB(low)(sf)	February 2054
F	£6,525,000	98.75000%	Compounded Daily SONIA	November 2026	6.000%	7.000%	B-(sf)/B(low)(sf)	February 2054
Z	£46,758,000	31.25000%	N/A	November 2026	N/A	N/A	NR/NR	February 2054
XB	N/A ⁽⁷⁾	N/A	N/A ⁽⁷⁾	N/A	N/A	N/A	NR/NR	February 2054

- (1) The Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes are collectively the “**Subordinated Rated Notes**”, and, together with the Class A1 Notes (which includes, for the avoidance of doubt, any Further Class A1 Notes) and the Class A2 Notes (the Class A1 Notes and the Class A2 Notes, together, the “**Class A Notes**”), are the “**Rated Notes**” and the “**Floating Rate Notes**”. The Subordinated Rated Notes and the Class Z Notes are collectively the “**Subordinated Notes**”. The Class A Notes (including any Further Class A1 Notes) and the Subordinated Notes are collectively the “**Notes**”. The Class XB Certificates and the Class Z Notes will not be rated. The Notes and the Certificates are offered pursuant to Regulation S.
- (2) The first optional redemption date (the “**FORD**”) is the Interest Payment Date falling in November 2026. The First Interest Payment Date will occur on the Interest Payment Date falling in February 2024 and thereafter will occur on the 20th day or, if such day is not a Business Day, the immediately following Business Day in February, May, August and November with each corresponding to an Interest Payment Date (“**IPD**”) (save that in respect of the Further Class A1 Notes, the first Interest Payment Date will be the date so specified in the supplemental trust deed). The 12th IPD is the FORD.
- (3) The Rate of Interest payable on the Floating Rate Notes and each accrual period up to and including the FORD will be based on a per annum rate equal to the Reference Rate plus the applicable Margin, subject to a minimum Rate of Interest of zero per cent. There will be no maximum Rate of Interest.
- (4) The Rate of Interest payable on the Floating Rate Notes and each accrual period after the FORD will be based on a per annum rate equal to the Reference Rate plus the applicable Step-Up Margin, subject to a minimum Rate of Interest of zero per cent. There will be no maximum Rate of Interest.
- (5) Determined by adding 48 months to the latest maturing Mortgage Loan and then determining the next month corresponding to a scheduled Interest Payment Date.
- (6) The Issuer may issue Further Class A1 Notes in accordance with the Conditions. The Par Proceeds of such further issuance will be used solely to redeem (in full or in part) the Class A2 Notes. A new prospectus will be issued in respect of any Further Class A1 Notes and an application will be made to Euronext Dublin in relation to the listing of any Further Class A1 Notes.
- (7) The Class XB Certificates will not have a Principal Amount Outstanding. No Rate of Interest is earned on the Class XB Certificates. Payments on the Class XB Certificates will be payable in arrear on each Interest Payment Date.

CO-ARRANGERS

BofA SECURITIES*
BARCLAYS**

- * “**BofA Securities**” means Merrill Lynch International
- ** “**Barclays**” means Barclays Bank PLC
- *** “**Wells Fargo Securities**” means Wells Fargo Securities International Limited.

JOINT LEAD MANAGERS

BofA SECURITIES*

BARCLAYS**

WELLS FARGO SECURITIES***

The date of this Prospectus is 16 November 2023

Issue Date	<p>17 November 2023</p> <p>The Issuer will issue the Notes and the Certificates in the Classes set out above on the Closing Date and may issue Further Class A1 Notes on any future Interest Payment Date from time to time subject to certain conditions being met. The Par Proceeds of such further issuance will be used solely to redeem (in full or in part) the Class A2 Notes. A new prospectus will be issued in respect of any Further Class A1 Notes.</p>
Stand-alone/programme issuance	Stand-alone issuance.
Underlying Assets	<p>The Issuer will make payments on the Notes and Certificates from, <i>inter alia</i>, payments of principal and revenue on a portfolio comprising mortgage loans secured over residential properties located in England, Wales, Scotland and Northern Ireland (the “Portfolio” or “Mortgage Portfolio”).</p>
Credit Enhancement	<ul style="list-style-type: none"> • Subordination of junior ranking Notes; • Excess Available Revenue Receipts (including Enhanced Amortisation Amounts); • Following service of an Enforcement Notice, all amounts credited to the Liquidity Reserve Fund, subject to application in accordance with the Post-Enforcement Priority of Payments; and • On each Interest Payment Date, to the extent that the amount of Available Revenue Receipts exceeds the aggregate of the payments required to be met under items (1) to (19) (inclusive) of the Pre-Enforcement Revenue Priority of Payments, such excess is available as Enhanced Amortisation Amounts to be applied as Available Principal Receipts in accordance with the Pre-Enforcement Principal Priority of Payments.
Liquidity Support	<ul style="list-style-type: none"> • Subordination of junior ranking Notes and the Certificates; • In respect of the Rated Notes, the Principal Addition Amounts will be available to pay interest due on the Most Senior Class of Notes then outstanding; • Prior to the Class A Redemption Date, in respect of the Class A Notes only, (i) prior to the LF Cancellation Date amounts available under the Liquidity Facility and (ii) on and from the Liquidity Facility Replacement Date, amounts which comprise the Liquidity Reserve Fund Actual Amount; and • Following the Class A Redemption Date (but prior to the Class B Redemption Date), in respect of the Class B Notes only, (i) prior to the LF Cancellation Date amounts available under the Liquidity Facility and (ii) on and from the Liquidity Facility Replacement Date, amounts which comprise the Liquidity Reserve Fund Actual Amount.
Rating Agencies	<p>S&P Global Ratings UK Limited (“S&P”) and DBRS Limited (“DBRS”) (each a “Rating Agency” and together, the “Rating Agencies”).</p> <p>As of the date of this Prospectus, each of the Rating Agencies is a credit rating agency established in the UK and is registered under the UK CRA Regulation. The ratings issued by S&P and DBRS have been endorsed by S&P Global Ratings Europe Limited and DBRS Ratings GmbH</p>

respectively. Each of S&P Global Ratings Europe Limited and DBRS Ratings GmbH is registered under the EU CRA Regulation.

All references to “S&P” and “DBRS” in this Prospectus are to the entities as defined above.

Credit Ratings

Ratings are expected to be assigned to the Rated Notes on or before the Closing Date.

The Class Z Notes and the Class XB Certificates will not be rated by any of the Rating Agencies.

The ratings reflect the views of the Rating Agencies and are based on the Mortgage Loans, the Related Security, the Properties and the structural features of the transaction.

The ratings assigned to the Rated Notes (including in respect of the Step-Up Margin) by each Rating Agency address, *inter alia*:

- the likelihood of full and timely payments to the holders of the Class A Notes of interest on each Interest Payment Date in accordance with the Conditions;
- where the Class B Notes are the most senior class, the likelihood of full and timely payments to the holders of the Class B Notes of interest on each Interest Payment Date in accordance with the Conditions (only by DBRS and not S&P);
- the likelihood of full and ultimate payment to the holders of the Subordinated Rated Notes of all payments of interest in relation to the Subordinated Rated Notes on or prior to the Final Maturity Date (but not by DBRS for the Class B Notes where the Class B Notes are the Most Senior Class as above); and
- the likelihood of full and ultimate payment to the holders of the Rated Notes of principal in relation to the Rated Notes on or prior to the Final Maturity Date.

The assignment of ratings to the Rated Notes is not a recommendation to invest in the Rated Notes or to buy, sell or hold securities. Any credit ratings assigned to the Rated Notes may be revised, suspended or withdrawn at any time.

Listing

This document comprises a prospectus (the “**Prospectus**”), for the purpose of Article 6 of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (as amended, the “**Prospectus Regulation**”). This Prospectus has been approved by the Central Bank of Ireland, as competent authority under the Prospectus Regulation.

The Central Bank of Ireland only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer or the quality of the Notes that are subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the Notes.

Such approval relates only to the Notes which are to be admitted to trading on a regulated market for the purposes of Directive 2014/65/EU (as amended, “**EU MiFID II**”) and/or which are to be offered to the

public in any Member State of the European Economic Area and the United Kingdom.

Application has been made to the Irish Stock Exchange plc trading as Euronext Dublin (“**Euronext Dublin**”) for the Notes to be admitted to the official list of Euronext Dublin and to trading on its regulated market. References in this Prospectus to Notes being listed (and all related references) shall mean that such Notes have been admitted to the official list (the “**Official List**”) of Euronext Dublin and to trading on its regulated market. There can be no assurance that any such approval will be granted or, if granted, that such listing will be maintained. Euronext Dublin is a regulated market for the purposes of EU MiFID II. The Certificates will not be listed or admitted to trading. This Prospectus is not a prospectus for the purposes of Section 12(a)(2) or any other provision of, or rule under, the Securities Act.

The Class A2 Notes will be redeemed (in whole or in part) from the Par Proceeds of the issuance of Further Class A1 Notes. On the Interest Payment Date that the Further Class A1 Notes are issued, the relevant Priority of Payments shall be run, and then the Par Proceeds will be applied (after application of the Available Principal Receipts and Available Revenue Receipts in accordance with the relevant Priority of Payments) in or towards the redemption of the Class A2 Notes. The issuance by the Issuer of such Further Class A1 Notes will be conditional on (among other things) the Issuer making an application for such Further Class A1 Notes to be admitted to trading on Euronext Dublin and listed on the Official List (or its replacement at the time of such issuance of Further Class A1 Notes).

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 new 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 from the time when trading of such securities on a regulated market begins, whichever occurs later. A new prospectus will be issued in respect of any Further Class A1 Notes.

Arthur Cox Listing Services Limited is acting solely in its capacity as listing agent for the Issuer in relation to the Notes and is not itself seeking admission of the Notes to the Official List of Euronext Dublin or to trading on the regulated market of Euronext Dublin.

The Notes and Certificates

The Notes and the Certificates have not been and will not be registered under the Securities Act of 1933 (the “**Securities Act**”) or the securities laws of any state of the United States and the Notes and the Certificates may not be offered or sold within the United States or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S under the Securities Act (“**Regulation S**”)). Accordingly, the Notes and the Certificates are being offered and sold only outside the United States to persons other than U.S. Persons in reliance on Regulation S. The Notes and the Certificates may be resold or otherwise transferred, subject to other restrictions on transfer described herein, only outside the United States to persons other than U.S. Persons in reliance on Regulation S. Prospective purchasers are hereby notified that sellers of the Notes and the Certificates may be relying on an exemption from the provisions of

Section 5 of the Securities Act. For a description of certain further restrictions on offers, sales and transfers of Notes or Certificates in this Prospectus, see “*Subscription and Sale*” and “*Description of the Notes in Global Form –Transfers and Transfer Restrictions*”.

Only the Class A Notes, the Subordinated Rated Notes are being offered pursuant to this Prospectus. The Class XB Certificates and the Class Z Notes are not offered hereby.

Obligations

The Notes and 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 Certificates will not be obligations of any Transaction Party other than the Issuer.

EU and UK Retention Undertaking

On the Closing Date, Cerberus European Residential Holdings II SARL (“**CERH II**” and the “**Retention Holder**”), in its capacity as an originator for the purposes of the UK Securitisation Regulation and the EU Securitisation Regulation will undertake to the Issuer and the Trustee, on behalf of the Noteholders, that it will retain (either directly or through a wholly-owned entity (or entities)), on an ongoing basis, a material net economic interest of at least 5 per cent. in the securitisation as required by:

- (a) Article 6(1) of the UK Securitisation Regulation, in accordance with Article 6(3)(a) of the UK Securitisation Regulation (the “**UK Retention Requirement**”); and
- (b) Article 6(1) of the EU Securitisation Regulation and in accordance with Article 6(3)(a) of the EU Securitisation Regulation (the “**EU Retention Requirement**”, and together with the UK Retention Requirement, the “**Retention Requirements**”).

Such interest will comprise retention by the Retention Holder (either directly or through a directly or indirectly wholly-owned entity (or entities)) of no less than 5 per cent. of the nominal value of each of the tranches (including, for the avoidance of doubt, the nominal value of any Further Class A1 Notes) sold or transferred to investors as required by Article 6(3)(a) of the EU Securitisation Regulation and Article 6(3)(a) of the UK Securitisation Regulation. Such retention requirement will be satisfied by the Retention Holder holding the economic exposure to the Retention Notes.

The Retention Holder will undertake, for the life of the transaction:

- (a) to retain an economic interest in the Retention Notes; and
- (b) not to sell its shareholding or change its ownership interest in any entity (or entities) which holds the economic interest in the Retention Notes if such sale or change in the manner in which such interest is held would result in non-compliance with Article 6 of the EU Securitisation Regulation or Article 6 of the UK Securitisation Regulation (as applicable).

Any change to the manner in which such interest is held will be notified to investors. The Retention Holder confirms that its retained economic interest will not be sold or be subject to any credit risk mitigation or any short positions or any other credit risk changes except as permitted by the EU Securitisation Regulation and the UK Securitisation Regulation.

In respect of the Class A Notes, the Retention Holder will hold an economic interest in the Class A1 Notes in amount equal to 5 per cent. of the nominal value of the Class A Notes (collectively), in compliance

with the EU Securitisation Regulation and the UK Securitisation Regulation.

See the section entitled “*Certain Regulatory Disclosures – Retention Requirements under the Securitisation Regulations*” for further information.

U.S. Risk Retention

The transaction described in this Prospectus is not intended to involve the retention by a sponsor as defined under the final rules promulgated under Section 15G of the Securities Exchange Act of 1934, as amended (the “**U.S. Risk Retention Rules**”), of at least 5 per cent. of the credit risk of the securitised assets for purposes of compliance with the U.S. Risk Retention Rules, but rather intends to rely on an exemption provided for in Section 20 of the U.S. Risk Retention Rules regarding non-U.S. transactions.

See the section entitled “*Risk Factors – U.S. Credit Risk Retention*” for further information.

The Volcker Rule

The Issuer has been structured not to be a “covered fund” for the purposes of Section 13 of the Bank Holding Company Act of 1956, as amended (together with the final rules and regulations promulgated thereunder, the “**Volcker Rule**”). In reaching this conclusion, although other statutory or regulatory exemptions under the Investment Company Act and under the Volcker Rule may be available, the Issuer has relied on an exemption from registration as an “investment company” under Section 3(c)(5)(C) of the Investment Company Act. Under the Volcker Rule, a “covered fund” generally includes, among other entities, an issuer that is exempt from registration as an investment company solely in reliance on the exclusions found in Sections 3(c)(1) or 3(c)(7) of the Investment Company Act. Issuers that are exempt from registration as an investment company based on other exclusions or exemptions under the Investment Company Act are not considered covered funds. Any prospective investor in the Notes or the Certificates should consult its own legal advisers regarding such matters and other effects of the Volcker Rule.

Simple, Transparent and Standardised Securitisation

As at the Issue Date, (i) no notification will be submitted to the European Securities and Markets Authority (“**ESMA**”), in accordance with Article 27 of the EU Securitisation Regulation, confirming that the requirements of Article 18 and Articles 19 to 22 of the EU Securitisation Regulation have been satisfied with respect to the Notes (such notification, the “**EU STS Notification**”) and (ii) no notification will be submitted to the FCA, in accordance with Article 27 of the UK Securitisation Regulation, confirming that the requirements of Article 18 and Articles 19 to 22 of the UK Securitisation Regulation have been satisfied with respect to the Notes (such notification, the “**UK STS Notification**”).

Benchmarks Regulation

Interest payable under the Notes may be calculated by reference to the Sterling Overnight Index Average (“**SONIA**”) which is provided by the Bank of England as the administrator.

As at the date of this Prospectus, the Bank of England is not included on the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 of the Regulation (EU) 2016/1011 (the “**EU BMR**”) or the register of administrators and benchmarks established and maintained by FCA pursuant to Article 36 of the Regulation (EU) 2016/1011 as it forms part of domestic law by

virtue of EUWA (“**UK BMR**”). The Bank of England, as administrator of SONIA, is exempt under Article 2 of each of the EU BMR and the UK BMR, but it has issued a statement of compliance with the principles for financial benchmarks issued in 2017 by the International Organization of Securities Commissions.

Certificates

In addition to the Notes, the Issuer will issue the Certificates to the Seller (or its nominee) on the Closing Date. The Certificates represent the right to receive the XB Payments. The Certificates will not be listed or rated.

Significant Investor

CERH II

It is expected that on the Closing Date, CERH II will:

- (a) or its affiliate or affiliates will, subject to the Retention Requirements, acquire, approximately 95 per cent. of the Class D Notes, approximately 95 per cent. of the Class E Notes, approximately 95 per cent. of the Class F Notes, approximately 95 per cent. of the Class Z Notes and 100 per cent. of the Class XB Certificates and, subject to the Retention Requirements, may subsequently sell these on to third party investors; and
- (b) either directly or through a directly or indirectly wholly-owned entity (or entities), hold the economic exposure to at least 5 per cent. of the Retention Notes (save that, in respect of the Class A Notes, by holding all of the Class A1 Notes (except for £100,000, which will be acquired by a single investor who is unaffiliated with CERH II) and (if required from time to time) Further Class A1 Notes, in an amount equal to at least 5 per cent. of the Class A Notes (as a whole)).

It being noted that any investor in the Notes or the Certificates may sell their investments in such Notes or Certificates either in whole or in part to one or more other third party investors at any time on, before or after the Closing Date in negotiated transactions and at varying prices to be determined at the relevant time of sale (other than the economic exposure to the 5 per cent. of each Class held as Retention Notes).

Single Investor

Significant concentrations of holdings of the Notes and/or Certificates will occur on the Closing Date and may occur in the future, for example, in relation to the issue of Further Class A1 Notes. On the Closing Date, a single investor is expected to purchase (i) £100,000 of the Class A1 Notes; and (ii) 100 per cent. of the Class A2 Notes which, collectively, will represent approximately 95 per cent. of the aggregate Principal Amount Outstanding of the Class A Notes on the Closing Date.

See the Risk Factor entitled “*Risks Related to the Notes - Significant Investor*”,

IMPORTANT NOTICES

Responsibility Statements

The Notes will be obligations of the Issuer only and will not be obligations of, or the responsibility of, or guaranteed by, any person other than the Issuer. The Issuer accepts responsibility for the information contained in this Prospectus (the “**Prospectus**”). To the best of the knowledge of the Issuer, the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information. Any information sourced from third parties contained in this Prospectus has been accurately reproduced (and is clearly sourced where it appears in this Prospectus) and, as far as the Issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Cerberus European Residential Holdings II SARL accepts responsibility for the information set out in the sections headed “*CERH II – The Retention Holder*” and “*Certain Regulatory Disclosures*”. To the best of the knowledge and belief of Cerberus European Residential Holdings II SARL, the information contained in such sections is in accordance with the facts and does not omit anything likely to affect the import of such information. No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by Cerberus European Residential Holdings II SARL as to the accuracy or completeness of any information contained in this Prospectus (other than in the sections referred to above) or any other information supplied in connection with the Notes or their distribution.

CERH Vantage Holdings SARL accepts responsibility for the information set out in the section headed “*CERH Vantage Holdings SARL – The Seller*”, “*The Mortgage Portfolio*” and “*Annex A – Statistical Information on the Provisional Mortgage Portfolio*”. To the best of the knowledge and belief of CERH Vantage Holdings SARL, the information contained in such sections is in accordance with the facts and does not omit anything likely to affect the import of such information. No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by CERH Vantage Holdings SARL as to the accuracy or completeness of any information contained in this Prospectus (other than in the sections referred to above) or any other information supplied in connection with the Notes or their distribution.

Capital Home Loans Limited accepts responsibility for the information set out in the sections headed “*CHL – The Legal Title Holder, Cash Manager, and the Servicer*” and “*Servicing*”. To the best of the knowledge and belief of Capital Home Loans Limited, the information contained in such sections is in accordance with the facts and does not omit anything likely to affect the import of such information. No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by Capital Home Loans Limited as to the accuracy or completeness of any information contained in this Prospectus (other than in the sections referred to above) or any other information supplied in connection with the Notes or their distribution.

Homeloan Management Limited accepts responsibility for the information set out in the section headed “*HML – The Back-Up Servicer*”. To the best of the knowledge and belief of Homeloan Management Limited, the information contained in such section is in accordance with the facts and does not omit anything likely to affect the import of such information. No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by Homeloan Management Limited as to the accuracy or completeness of any information contained in this Prospectus (other than in the section referred to above) or any other information supplied in connection with the Notes or their distribution.

Barclays Bank PLC accepts responsibility for the information set out in the section headed “*Barclays Bank PLC – The Collection Account Bank*”. To the best of the knowledge and belief of Barclays Bank PLC, the information contained in such section is in accordance with the facts and does not omit anything likely to affect the import of such information. No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by Barclays Bank PLC as to the accuracy or completeness of any information contained in this Prospectus (other than in the section referred to above) or any other information supplied in connection with the Notes or their distribution.

Wells Fargo Bank, N.A. London Branch accepts responsibility for the information set out in the section headed “*Wells Fargo Bank, N.A., London Branch – The Liquidity Facility Provider*”. To the best of the knowledge and belief of Wells Fargo Bank, N.A., London Branch, the information contained in such section is in accordance with the facts and does not omit anything likely to affect the import of such information. No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by Wells Fargo Bank, N.A., London Branch as to the accuracy or completeness of any information contained in this Prospectus (other than in the section referred to above) or any other information supplied in connection with the Notes or their distribution.

CSC Capital Markets UK Limited accepts responsibility for the information set out in the section headed “*CSC Capital Markets UK Limited – Back-Up Cash Manager Facilitator*”. To the best of the knowledge and belief of CSC Capital Markets UK Limited, the information contained in such section is in accordance with the facts and does not omit anything likely to affect the import of such information. No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by CSC Capital Markets UK Limited as to the accuracy or completeness of any information contained in this Prospectus (other than in the section referred to above) or any other information supplied in connection with the Notes or their distribution.

Each of U.S. Bank Trustees Limited, U.S. Bank Global Corporate Trust Limited and Elavon Financial Services D.A.C., UK Branch accepts responsibility for the information set out in the sections headed “*U.S. Bank and Elavon – The Issuer Account Bank, the Trustee, Principal Paying Agent, Agent Bank and Registrar*”, respectively. To the best of the knowledge and belief of each of U.S. Bank Trustees Limited, U.S. Bank Global Corporate Trust Limited and Elavon Financial Services D.A.C., UK Branch, the information contained in such section is (insofar as it relates to it) in accordance with the facts and does not omit anything likely to affect the import of such information. No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by either U.S. Bank Trustees Limited, U.S. Bank Global Corporate Trust Limited or Elavon Financial Services D.A.C, UK Branch as to the accuracy or completeness of any information contained in this Prospectus (other than in the section referred to above) or any other information supplied in connection with the Notes or their distribution.

No Responsibility or Liability

Neither the delivery of this Prospectus nor any sale or allotment made in connection with any offering of any of the Notes shall, under any circumstances, constitute a representation or create any implication that there has been no change in the information contained in this Prospectus since the date of this Prospectus.

None of the Co-Arrangers, the Joint Lead Managers, CERH II, the Seller, the Agents, the Issuer Account Bank, the Trustee (other than in the sections headed “*U.S. Bank and Elavon – The Issuer Account Bank, the Trustee, Principal Paying Agent, Agent Bank and Registrar*”, “*Barclays Bank PLC – The Collection Account Bank*”, “*CERH Vantage Holdings SARL – The Seller*”, “*The Mortgage Portfolio*”, “*Annex A – Statistical Information on the Provisional Mortgage Portfolio*”, “*CERH II – The Retention Holder*” and “*Certain Regulatory Disclosures*”, in each case, insofar as it relates to them) or the Liquidity Facility Provider (other than in the section headed “*Wells Fargo Bank, N.A., London Branch – The Liquidity Facility Provider*”) make any representation, warranty or undertaking, express or implied, or accept any responsibility, with respect to the accuracy or completeness of any of the information in this Prospectus or part thereof or any other document or agreement relating to the Notes or any Transaction Document or any other information provided by the Issuer in connection with the Notes. None of the Co-Arrangers, the Joint Lead Managers, CERH II, the Seller, the Agents, the Issuer Account Bank, the Trustee or the Liquidity Facility Provider accept any liability in relation to the information contained in this Prospectus or any other document or agreement relating to the Notes or any Transaction Document or any other information provided by the Issuer in connection with the Notes. Each potential purchaser of Notes should determine the relevance of the information contained in this Prospectus or part hereof and the purchase of Notes should be based upon such investigation as each purchaser deems necessary. None of the Co-Arrangers, the Joint Lead Managers, CERH II, the Seller, the Issuer Account Bank, the Agents or the Trustee undertakes or shall undertake to review the financial condition or affairs of the Issuer nor to advise any investor or potential investor in the Notes of any information coming to the attention of the Co-Arrangers, the Joint Lead Managers, CERH II, the Seller, the Issuer Account Bank, the Agents or the Trustee. None of the Co-Arrangers, the Joint Lead Managers, CERH II, the Seller, the Issuer Account Bank, the Trustee or the Agents shall be responsible for any matter which is the subject of any statement, representation, warranty or covenant of the Issuer contained in the Notes or any Transaction Document, 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.

Transfer Restrictions

The distribution of this Prospectus, or any part thereof, and the offering of the Notes in certain jurisdictions may be restricted by law. No representation is made by any Transaction Party that this Prospectus may be lawfully distributed, or that the Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, and none of them assumes any responsibility for facilitating any such distribution or offering. In particular, save for obtaining the approval of this Prospectus as a prospectus for the purposes of

the Prospectus Regulation by the Central Bank of Ireland, no action has been or will be taken by any Transaction Party which would permit a public offering of the Notes or distribution of this Prospectus in any jurisdiction where action for that purpose is required.

Accordingly, the Notes and the Certificates may not be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published, in any jurisdiction, except under circumstances that will result in compliance with all applicable laws and regulations. Persons into whose possession this Prospectus comes are required by the Issuer, the Co-Arrangers and the Joint Lead Managers to inform themselves about and to observe any such restriction.

The Notes and the Certificates are being offered and sold outside the United States to non-U.S. Persons in reliance on Regulation S under the Securities Act. For a description of these and certain further restrictions on offers, sales and transfers of the Notes and distribution of this Prospectus, see “*Subscription and Sale*” and “*Description of the Notes in Global Form – Transfers and Transfer Restrictions*”.

United States Distribution Restrictions

NEITHER THE NOTES NOR THE CERTIFICATES HAVE BEEN NOR WILL BE REGISTERED UNDER THE SECURITIES ACT OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND NEITHER THE NOTES NOR THE CERTIFICATES MAY BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS UNLESS PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER APPLICABLE JURISDICTIONS. ACCORDINGLY, THE NOTES AND THE CERTIFICATES ARE BEING OFFERED AND SOLD ONLY OUTSIDE THE UNITED STATES TO PERSONS OTHER THAN U.S. PERSONS IN RELIANCE ON REGULATION S. THE NOTES AND THE CERTIFICATES MAY NOT BE RESOLD OR OTHERWISE TRANSFERRED, SUBJECT TO OTHER RESTRICTIONS ON TRANSFER DESCRIBED HEREIN, ONLY OUTSIDE THE UNITED STATES TO PERSONS OTHER THAN U.S. PERSONS IN RELIANCE ON REGULATION S. PROSPECTIVE PURCHASERS ARE HEREBY NOTIFIED THAT SELLERS OF THE NOTES AND THE CERTIFICATES MAY BE RELYING ON AN EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT. FOR A DESCRIPTION OF CERTAIN FURTHER RESTRICTIONS ON OFFERS, SALES AND TRANSFERS OF THE NOTES AND THE CERTIFICATES IN THIS PROSPECTUS, SEE “*DESCRIPTION OF THE NOTES IN GLOBAL FORM – SUBSCRIPTION AND SALE*” AND “*TRANSFERS AND TRANSFER RESTRICTIONS*”.

THE SECURITIES OFFERED HEREBY HAVE NOT BEEN APPROVED OR DISAPPROVED BY ANY UNITED STATES FEDERAL OR STATE SECURITIES COMMISSION OR ANY OTHER U.S. REGULATORY AUTHORITY AND THE ISSUER HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE INVESTMENT COMPANY ACT. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT PASSED UPON OR ENDORSED THE MERITS OF THIS OFFERING OR THE ACCURACY OR ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.

IT IS EXPECTED THAT THE NOTES WILL NOT BE ELIGIBLE TO BE PURCHASED BY BENEFIT PLAN INVESTORS (AS DEFINED BELOW). EACH PURCHASER OF A SECURITY WILL BE DEEMED BY SUCH PURCHASE TO HAVE REPRESENTED, WARRANTED AND AGREED FOR SO LONG AS IT HOLDS SUCH A SECURITY (OR ANY INTEREST THEREIN) THAT EITHER (I) IT IS NOT AND WILL NOT BE, AND IS NOT USING THE ASSETS OF AND WILL NOT BE ACTING ON BEHALF OF (A) AN “**EMPLOYEE BENEFIT PLAN**” WITHIN THE MEANING OF SECTION 3(3) OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974 (“**ERISA**”), THAT IS SUBJECT TO TITLE I OF ERISA, (B) A “**PLAN**” WITHIN THE MEANING OF SECTION 4971(1) OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE “**CODE**”), THAT IS SUBJECT TO SECTION 4975 OF THE CODE, (C) A PERSON OR ENTITY WHOSE ASSETS INCLUDE, OR ARE DEEMED TO INCLUDE, “**PLAN ASSETS**”) UNDER THE U.S. DEPARTMENT OF LABOR REGULATION AT 29 C.F.R. § 2510.3-101, AS MODIFIED BY SECTION 3(42) OF ERISA, OR OTHERWISE FOR PURPOSES OF TITLE 1 OF ERISA OR SECTION 4975 OF THE CODE BY REASON OF THE FOREGOING EMPLOYEE BENEFIT PLAN’S OR PLAN’S INVESTMENT IN THE PERSON OR ENTITY (COLLECTIVELY, THE “**BENEFIT PLAN INVESTORS**”) OR (II) IT IS A “**GOVERNMENTAL PLAN**” WITHIN THE MEANING OF SECTION 3(32) OF ERISA, A “**CHURCH PLAN**” WITHIN THE MEANING OF SECTION 3(33) OF ERISA THAT HAS MADE NO ELECTION UNDER SECTION

410(D) OF THE CODE, A NON-U.S. PLAN DESCRIBED IN SECTION 4(b)(4) OF ERISA OR AN EMPLOYEE BENEFIT PLAN THAT IS NOT A BENEFIT PLAN INVESTOR BUT IS SUBJECT TO ANY U.S. FEDERAL, STATE, LOCAL, NON-U.S. OR OTHER LAW OR REGULATION THAT CONTAINS ONE OR MORE PROVISIONS THAT ARE SUBSTANTIALLY SIMILAR TO THE FIDUCIARY RESPONSIBILITY AND PROHIBITED TRANSACTION PROVISIONS OF TITLE I OF ERISA OR SECTION 4975 OF THE CODE (“**SIMILAR LAW**”) AND ITS ACQUISITION, HOLDING AND TRANSFER OR OTHER DISPOSITION OF SUCH SECURITY WILL NOT RESULT IN A VIOLATION OF ANY APPLICABLE SIMILAR LAW. SEE “*ERISA CONSIDERATIONS FOR INVESTORS*”.

EXCEPT WITH THE PRIOR WRITTEN CONSENT OF CERH II (A “**U.S. RISK RETENTION WAIVER**”) AND WHERE SUCH SALE FALLS WITHIN THE EXEMPTION PROVIDED BY SECTION 20 OF THE FINAL RULES PROMULGATED UNDER SECTION 15 OF THE U.S. SECURITIES EXCHANGE ACT OF 1934, AS AMENDED (THE “**U.S. RISK RETENTION RULES**”), THE NOTES OFFERED AND SOLD BY THE ISSUER MAY NOT BE PURCHASED BY, OR FOR THE ACCOUNT OR BENEFIT OF, ANY RISK RETENTION U.S. PERSONS. PROSPECTIVE INVESTORS SHOULD NOTE THAT THE DEFINITION OF “U.S. PERSON” IN THE U.S. RISK RETENTION RULES IS DIFFERENT FROM, THE DEFINITION OF “U.S. PERSON” IN REGULATION S, AND PERSONS WHO ARE NOT “U.S. PERSONS” UNDER REGULATION S MAY BE U.S. PERSONS UNDER THE U.S. RISK RETENTION RULES. ANY PURCHASER OF THE NOTES, INCLUDING BENEFICIAL INTERESTS THEREIN ACQUIRED IN THE INITIAL SYNDICATION OF THE NOTES, BY ITS ACQUISITION OF THE NOTES OR BENEFICIAL INTEREST THEREIN, WILL BE DEEMED, AND IN CERTAIN CIRCUMSTANCES REQUIRED, TO MAKE CERTAIN REPRESENTATIONS AND AGREEMENTS, INCLUDING THAT IT (1) IS NOT A RISK RETENTION U.S. PERSON (UNLESS IT HAS OBTAINED A PRIOR WRITTEN CONSENT OF THE ARRANGER), (2) IS ACQUIRING SUCH NOTE OR A BENEFICIAL INTEREST THEREIN FOR ITS OWN ACCOUNT AND NOT WITH A VIEW TO DISTRIBUTE SUCH NOTE, AND (3) IS NOT ACQUIRING SUCH NOTE OR A BENEFICIAL INTEREST THEREIN AS PART OF A SCHEME TO EVADE THE REQUIREMENTS OF THE U.S. RISK RETENTION RULES (INCLUDING ACQUIRING SUCH NOTES OR A BENEFICIAL INTEREST THEREIN THROUGH A NON-RISK RETENTION U.S. PERSON, RATHER THAN A RISK RETENTION U.S. PERSON, AS PART OF A SCHEME TO EVADE THE 10 PER CENT. RISK RETENTION U.S. PERSON LIMITATION IN THE EXEMPTION PROVIDED FOR IN SECTION 20 OF THE U.S. RISK RETENTION RULES).

THERE IS NO UNDERTAKING TO REGISTER THE NOTES OR THE CERTIFICATES UNDER U.S. STATE OR FEDERAL SECURITIES LAWS. AN OFFER OR SALE OF THE REGULATION S GLOBAL NOTE WITHIN THE UNITED STATES MAY VIOLATE THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT IF SUCH OFFER OR SALE IS MADE OTHERWISE THAN PURSUANT TO AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.

Covered Fund Statement

The Issuer has been structured so as not to constitute a “covered fund” for purposes of the Volcker Rule. See “*Certain Regulatory Disclosures – Volcker Rule*” for more information.

Certain Other Important Information

None of the Issuer, CERH II, the Seller, the Co-Arranger, the Joint Lead Managers, the Trustee or the Agents makes any representation to any prospective investor or purchaser of the Notes regarding the legality of investment therein by such prospective investor or purchaser under applicable legal investment or similar laws or regulations.

No person has been authorised to give any information or to make any representation other than as contained in this Prospectus and, if given or made, such information or representation must not be relied upon as having been authorised by or on behalf of the Issuer, the Trustee, the Agents, the directors of the Issuer, the Co-Arrangers, CERH II or the Joint Lead Managers.

This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy the Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Prospectus or any part hereof and any offering of the Notes in certain jurisdictions may be restricted by law. No action has been taken by the Issuer, the Co-Arrangers or the Joint Lead Managers other than as set out in the paragraph headed “*Listing*” on page (vi) of this Prospectus that would permit a public offer of the Notes in any country or jurisdiction where action for that purpose is required. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this Prospectus nor any

part hereof nor any other prospectus, form of application, advertisement or other offering material may be issued, distributed or published in any country or jurisdiction (including the United Kingdom, Ireland and the United States), except in circumstances that will result in compliance with applicable laws, orders, rules and regulations.

PAYMENTS OF INTEREST AND PRINCIPAL AND OTHER PAYMENT AMOUNTS IN RESPECT OF THE NOTES AND PAYMENTS ON THE CERTIFICATES WILL BE SUBJECT TO ANY APPLICABLE WITHHOLDING TAXES WITHOUT THE ISSUER OR ANY OTHER PERSON BEING OBLIGED TO PAY ADDITIONAL AMOUNTS THEREFOR.

The Notes will each be represented on issue by Global Notes, which are expected to be deposited with the Common Safekeeper for Euroclear and Clearstream, Luxembourg and registered in the name of a nominee of Euroclear and/or Clearstream, Luxembourg on or around the Closing Date. The Notes may be issued in definitive certificate form only in limited circumstances.

It is expected that the Class XB Certificates will be represented on issue by a Definitive Certificate in registered definitive form.

EACH PURCHASER OF THE NOTES AND THE CERTIFICATES MUST COMPLY WITH ALL APPLICABLE LAWS AND REGULATIONS IN FORCE IN EACH JURISDICTION IN WHICH IT PURCHASES, OFFERS OR SELLS SUCH NOTES OR POSSESSES OR DISTRIBUTES THIS PROSPECTUS AND MUST OBTAIN ANY CONSENT, APPROVAL OR PERMISSION REQUIRED FOR THE PURCHASE, OFFER OR SALE BY IT OF SUCH NOTES OR CERTIFICATES, AS APPLICABLE UNDER THE LAWS AND REGULATIONS IN FORCE IN ANY JURISDICTIONS TO WHICH IT IS SUBJECT OR IN WHICH IT MAKES SUCH PURCHASES, OFFERS OR SALES, AND NONE OF THE ISSUER, THE JOINT LEAD MANAGERS, CERH II OR THE TRUSTEE (OR ANY OF THEIR RESPECTIVE AFFILIATES) SHALL HAVE ANY RESPONSIBILITY THEREFOR.

The Global Notes are intended to be held in a manner which will allow Eurosystem eligibility. This means that the Global Notes will be issued and held under the new safekeeping structure and are intended upon issue to be deposited with one of the international central securities depositories (each, an “**ICSD**”) as Common Safekeeper and registered in the name of a nominee of one of the ICSDs acting as Common Safekeeper. However, this does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the European Central Bank (“**ECB**”) being satisfied that Eurosystem eligibility criteria have been met.

References in this Prospectus to “**Sterling**”, “**£**” or “**GBP**” are to the lawful currency for the time being of the United Kingdom of Great Britain and Northern Ireland.

References in this Prospectus to “**Euro**”, “**€**” or “**EUR**” are to the lawful currency of the participating Member States of the EU for the time being.

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

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

EU MiFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPs ONLY TARGET MARKET

Solely for the purposes of each manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined 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.

UK MiFIR PRODUCT GOVERNANCE RULES / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET

Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook, and professional clients, as defined in Article 2(1)(13A) of Regulation (EU) No 600/2014 as it forms part of domestic law in the United Kingdom by virtue of the EUWA (the "**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 (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

IMPORTANT – EEA RETAIL INVESTORS - The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of EU MiFID II; (ii) a customer within the meaning of Directive (EU) 2016/97 (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of EU MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation.

Consequently, no key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

IMPORTANT – UK RETAIL INVESTORS - The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law in the United Kingdom by virtue of the EUWA; (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 Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law in the United Kingdom by virtue of the EUWA or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law of the UK by virtue of the EUWA.

Consequently, no key information document required by the 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 UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

Financial Services Compensation Scheme not applicable

The Notes are not guaranteed by the UK government under the asset-backed securities guarantee scheme. Also, an investment in the Notes does not have the status of a protection claim under the United Kingdom Financial Services Compensation Scheme and accordingly, the Notes will not confer any entitlement to compensation under that scheme.

Transaction Documents

This Prospectus contains an overview of the material terms of the Transaction Documents. This Prospectus does not purport to be complete and is subject to the provisions of the Transaction Documents.

Forward Looking Statements and Statistical Information

Certain matters contained in this Prospectus are forward-looking statements. Such statements appear in a number of places in this Prospectus, including with respect to assumptions on prepayment and certain other characteristics of the Mortgage Loans, and reflect significant assumptions and subjective judgements by the Issuer that may not prove to be correct. Such

statements may be identified by reference to a future period or periods and the use of forward-looking terminology such as “may”, “will”, “could”, “believes”, “expects”, “anticipates”, “continues”, “intends”, “plans” or similar terms. Consequently, future results may differ from the Issuer’s expectations due to a variety of factors, including (but not limited to) the economic environment and regulatory changes in the residential mortgage industry in the United Kingdom. Moreover, past financial performance should not be considered a reliable indicator of future performance and prospective purchasers of the Notes are cautioned that any such statements are not guarantees of performance and involve risks and uncertainties, many of which are beyond the control of the Issuer. Additional factors that could cause future results to differ materially include, but are not limited to, those discussed under “*Risk Factors*”. This Prospectus also contains certain tables and other statistical analyses (the “**Statistical Information**”). Numerous assumptions have been used in preparing the Statistical Information, which may or may not be reflected in the material. As such, no assurance can be given as to the Statistical Information’s accuracy, appropriateness or completeness in any particular context, or as to whether the Statistical Information and/or the assumptions upon which they are based reflect present market conditions or future market performance. The Statistical Information should not be construed as either projections or predictions or as legal, tax, financial or accounting advice. The average life of or the potential yields on any security cannot be predicted, because the actual rate of repayment on the underlying assets, as well as a number of other relevant factors, cannot be determined. No assurance can be given that the assumptions on which the possible average lives of or yields on the securities are made will prove to be realistic. None of the Issuer, the Co-Arrangers, the Joint Lead Managers, the Seller, CHL or CERH II have attempted to verify any forward-looking statements or Statistical Information, nor does it make any representations, express or implied, with respect thereto. Prospective purchasers should therefore not place undue reliance on any of these forward-looking statements or Statistical Information. None of the Issuer, the Co-Arrangers, the Joint Lead Managers, the Seller, CHL or CERH II assumes any obligation to update these forward-looking statements or Statistical Information or to update the reasons for which actual results could differ materially from those anticipated in the forward-looking statements or Statistical Information, as applicable.

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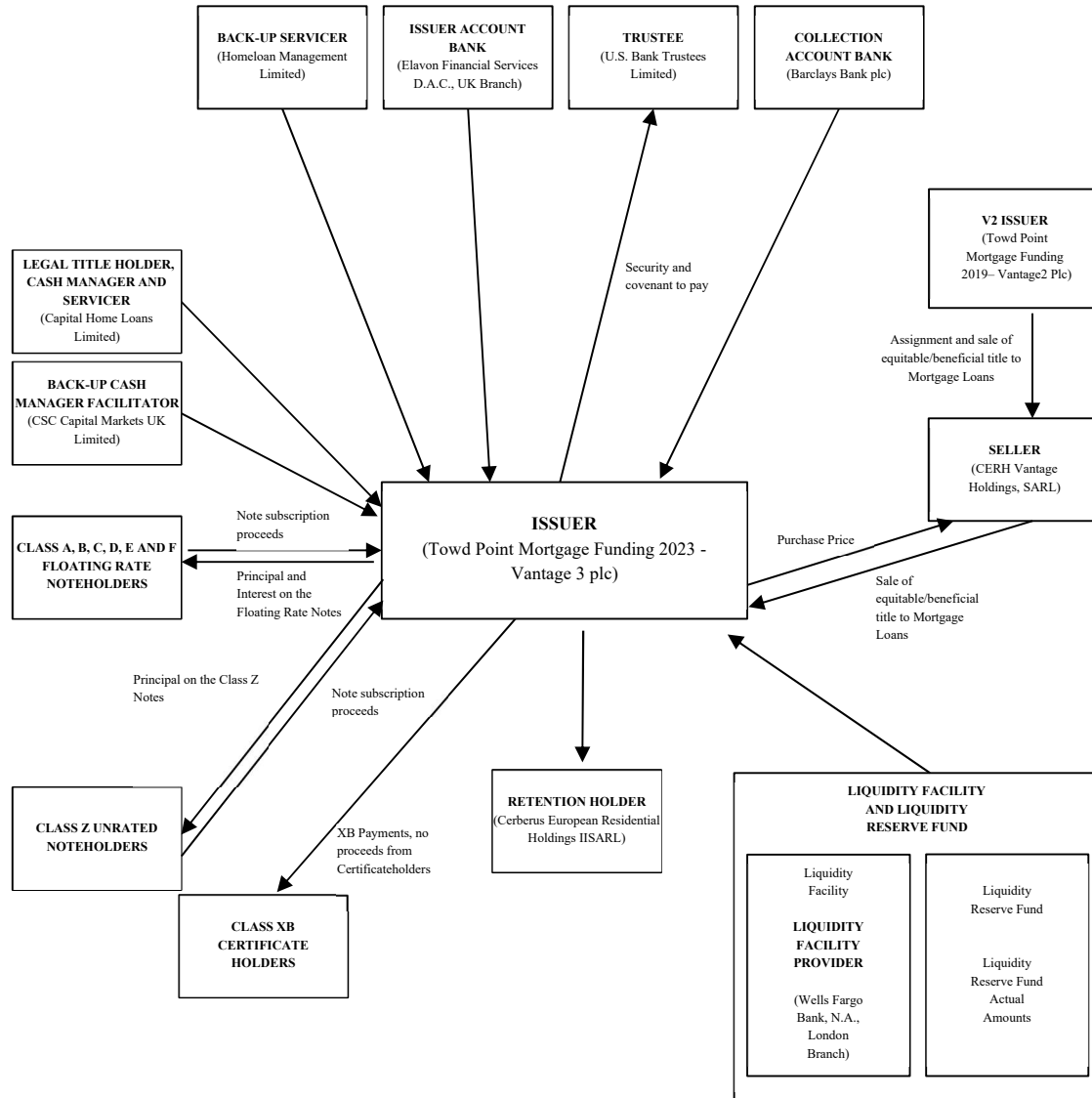
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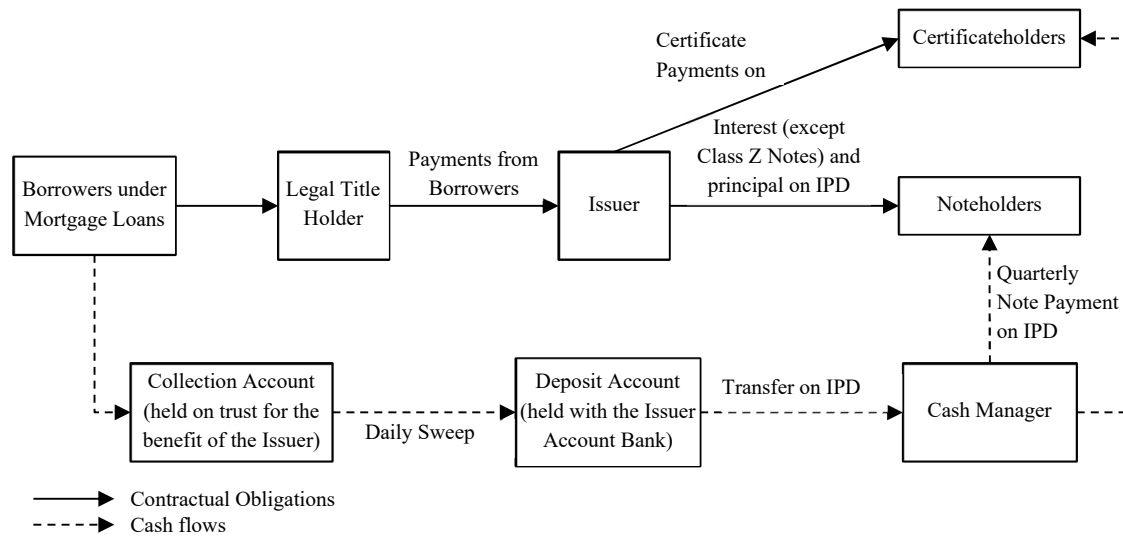
TRANSACTION OVERVIEW

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.

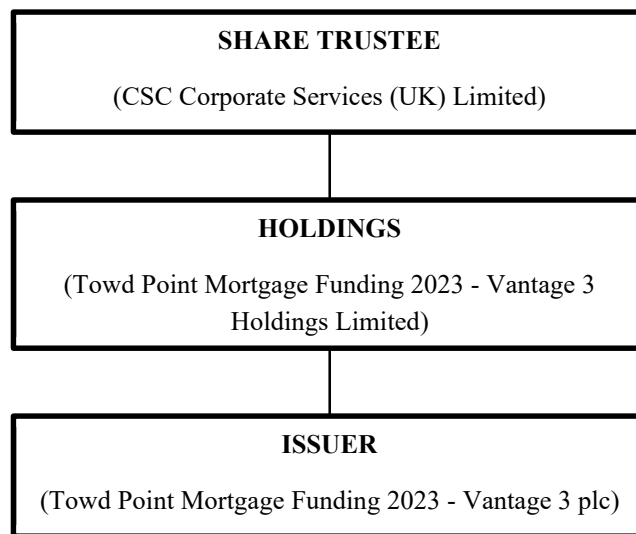
DIAGRAMMATIC OVERVIEW OF TRANSACTION



DIAGRAMMATIC OVERVIEW OF ON-GOING CASHFLOW



OWNERSHIP STRUCTURE DIAGRAM



The entire issued share capital of the Issuer is beneficially owned by Holdings.

The entire issued share capital of Holdings is held by the Share Trustee under a declaration of trust, the benefit of which is expressed to be for discretionary purposes.

None of the Issuer, Holdings or the Share Trustee is either owned, controlled, managed, directed or instructed, whether directly or indirectly, by the Seller or any member of the group of companies containing the Seller.

TRANSACTION PARTIES ON THE CLOSING DATE

Party	Name	Address	Document under which appointed / Further Information
Issuer	Towd Point Mortgage Funding 2023 - Vantage 3 plc	10 th Floor, 5 Churchill Place, London, England, E14 5HU	N/A See the section entitled “ <i>The Issuer</i> ” for further information.
Holdings	Towd Point Mortgage Funding 2023 – Vantage 3 Holdings Limited	10 th Floor, 5 Churchill Place, London, England, E14 5HU	N/A See the section entitled “ <i>Holdings</i> ” for further information.
Retention Holder	Cerberus European Residential Holdings II SARL	2 Rue Edward Steichen, L-2540 Luxembourg	See the section entitled “ <i>CERH II - The Retention Holder</i> ” for further information.
Seller	CERH Vantage Holdings SARL	2 Rue Edward Steichen, L-2540 Luxembourg	See the section entitled “ <i>The Seller</i> ” for further information.
Legal Title Holder, Cash Manager, and Servicer	Capital Home Loans Limited	Admiral House, Harlington Way Fleet, Hampshire GU51 4YA	Servicing Agreement and Cash Management Agreement See sections entitled “ <i>CHL – The Legal Title Holder, Cash Manager and Servicer</i> ”, “ <i>Servicing</i> ” and “ <i>The Mortgage Portfolio</i> ” for further information.
Back-Up Cash Manager Facilitator	CSC Capital Markets UK Limited	5 Churchill Place 10th Floor, London, England, E14 5HU	Appointed pursuant to the Cash Management Agreement by the Issuer. See the section entitled “ <i>CSC Capital Markets UK Limited - –the Back-Up Cash Manager Facilitator</i> ”, for further information.
Back-Up Servicer	Homeloan Management Limited	The Pavilions, Bridgwater Road, Bristol, BS13 8AE	Back-Up Servicing Agreement See the sections entitled “ <i>Servicing</i> ” and “ <i>HML – The Back-Up Servicer</i> ” for further information.
Registrar, Issuer Account Bank, Principal Paying Agent and Agent Bank	Elavon Financial Services D.A.C., UK Branch	125 Old Broad Street, Fifth Floor, London, EC2N 1AR	The Account Bank Agreement and the Agency Agreement See the section entitled - “ <i>U.S. Bank and Elavon –the Issuer Account Bank, the</i>

Party	Name	Address	Document under which appointed / Further Information
			<i>Trustee, Principal Paying Agent, Agent Bank and Registrar</i> ” for further information.
			In respect of the Notes and Certificates, the Agency Agreement, by the Issuer. See the section entitled “ <i>Terms and Conditions of the Notes</i> ” for further information.
Liquidity Facility Provider	Wells Fargo Bank, N.A., London Branch	33 King William Street, London, EC4R 9AT	Liquidity Facility Agreement by, <i>inter alios</i> , the Issuer. See sections entitled “ <i>Key Structural Features – Credit Enhancement, Liquidity Support and Priority of Payments - Liquidity Facility Agreement and Liquidity Reserve Fund</i> ” and “ <i>Wells Fargo Bank, N.A., London Branch - The Liquidity Facility Provider</i> ” for further information.
Trustee	U.S. Bank Trustees Limited	125 Old Broad Street, Fifth Floor, London, EC2N 1AR	Deed of Charge and Trust Deed See the sections entitled “ <i>Terms and Conditions of the Notes</i> ” and “ <i>US Bank and Elavon – the Issuer Account Bank, the Trustee, Principal Paying Agent, Agent Bank and Registrar</i> ” for further information.
Corporate Services Provider	CSC Capital Markets UK Limited	10 th Floor, 5 Churchill Place, London, England, E14 5HU	Corporate Services Agreement See the section entitled “ <i>The Issuer</i> ” for further information.
Share Trustee	CSC Corporate Services (UK) Limited	10 th Floor, 5 Churchill Place, London, England, E14 5HU	Share Trust Deed
Co-Arrangers	Merrill Lynch International	Bank of America Merrill Lynch Financial Centre 2 King Edward Street London EC1A 1HQ	Subscription Agreement See the section entitled “ <i>Subscription and Sale</i> ” for further information.

Party	Name	Address	Document under which appointed / Further Information
Joint Lead Managers	Barclays Bank PLC	1 Churchill Place, Canary Wharf, London E14 5HP	Subscription Agreement See the section entitled “ <i>Subscription and Sale</i> ” for further information.
	Merrill Lynch International	Bank of America Merrill Lynch Financial Centre 2 King Edward Street London EC1A 1HQ	
	Barclays Bank PLC	1 Churchill Place, Canary Wharf, London E14 5HP	
	Wells Fargo Securities International Limited	33 King William Street London EC4R 9AT	
Auditors of the Issuer	MacIntyre Hudson LLP	2 London Wall Place, London EC2Y 5AU	N/A
Irish Listing Agent	Arthur Cox Listing Services Limited	Ten Earlsfort Terrace, Dublin 2 Ireland	N/A
Euronext Dublin:	Irish Stock Exchange plc trading as Euronext Dublin	28 Anglesea Street Dublin 2 Ireland	N/A
Rating Agencies	S&P Global Ratings UK Limited	20 Canada Square Canary Wharf London E14 5LH	Class A Notes, Class B Notes, Class C Notes, Class D Notes, Class E Notes and Class F Notes only
	DBRS Ratings Limited	20 Fenchurch Street, 31 st Floor, London, England, EC3M 3BY	
Clearstream	Clearstream Banking <i>société anonyme</i>	42 Avenue J.F. Kennedy 1855 Luxembourg	
Euroclear	Euroclear Bank S.A./N.V.	1 Boulevard du Roi Albert II B 1210 Brussels Belgium	

RISK FACTORS

The following is a description of the principal risks (including all material risks of which the Issuer is presently aware) associated with an investment in the Notes and the Certificates. These risk factors are material to an investment in the Notes and the Certificates and in the Issuer. Prospective Noteholders and Certificateholders should carefully read and consider all the information contained in this Prospectus, including the risk factors set out in this section, prior to making any investment decision.

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

The Issuer believes that the risks described below are the material risks inherent in the transaction for Noteholders and Certificateholders, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes and the Certificates may occur for other reasons and the Issuer does not represent that the statements below regarding the risks relating to the Notes and the Certificates are exhaustive. Additional risks or uncertainties not presently known to the Issuer or that the Issuer currently considers immaterial may also have an adverse effect on the Issuer's ability to pay interest, principal or other amounts in respect of the Notes and the Certificates.

Prospective Noteholders and Certificateholders should (i) read the detailed information set out in this Prospectus and reach their own views, together with their own professional advisers, prior to making any investment decision (ii) ensure that they understand the nature of the Notes and the Certificates and the extent of their exposure to risk, (iii) consider carefully, in the light of their own financial circumstances and investment objectives (and those of any accounts for which they are acting) and in consultation with such legal, financial, regulatory and tax advisers as it deems appropriate, all the information set out in this Prospectus so as to arrive at their own independent evaluation of the investment and (iv) confirm that an investment in the Notes and the Certificates is fully consistent with their respective financial needs, objectives and any applicable investment restrictions and is suitable for them. The Notes and the Certificates are not a conventional investment and carry various unique investment risks, which prospective investors should understand clearly before investing in them. In particular, an investment in the Notes and the Certificates involves the risk of a partial or total loss of investment.

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

None of the Issuer, the Co-Arrangers, the Joint Lead Managers nor any other Transaction Party is acting as an investment adviser, or assumes any fiduciary obligation, to any investor in the Notes or the Certificates and investors may not rely on any such entity. The Transaction Parties do not assume any responsibility for conducting or failing to conduct any investigation into the business, financial condition, prospects, creditworthiness, status and/or affairs of any of the Transaction Parties.

Credit, Liquidity and Structural Risks

Noteholders cannot rely on any person other than the Issuer to make payments on the Notes and the Certificates

The Notes and the Certificates will be obligations solely of the Issuer and will not be the responsibility of, or guaranteed by, any of the Transaction Parties (other than the Issuer). In particular, the Notes and the Certificates will not be obligations of, and will not be guaranteed by, the Seller, the Legal Title Holder, CERH II, the Co-Arrangers, the Joint Lead Managers or the Trustee. No person other than the Issuer will accept any liability whatsoever in respect of any failure by the Issuer to pay any amount due under the Notes or the Certificates.

Lack of liquidity of the Issuer could result in an insufficiency of funds on any Interest Payment Date: Liquidity Facility and Liquidity Reserve Fund are primarily limited to the Class A Notes (prior to the Class A Redemption Date and the Class B Notes (following the Class A Redemption Date)

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. This risk may adversely affect the Issuer's ability to make payments on the Notes and the Certificates.

Only the Class A Notes (prior to the Class A Redemption Date) and the Class B Notes (following the Class A Redemption Date) will have the benefit of (prior to the LF Cancellation Date only) the Liquidity Facility and (on and from the Liquidity Facility Replacement Date) the Liquidity Reserve Fund, the primary purpose of which will be to maintain timely current quarterly interest payments to the holders of the Class A Notes (prior to the Class A Redemption Date) and the Class B Notes (following the Class A Redemption Date) which cannot otherwise be covered through Available Revenue Receipts and Available Principal Receipts as described herein. On the Closing Date up to and including the LF Cancellation Date, such liquidity support will be provided in the form of drawings under the Liquidity Facility. Thus, Noteholders should be aware that the Liquidity Reserve Fund will not be available to support or maintain payments under any other Classes of Notes or Certificates. Please see "*The Liquidity Facility and the Liquidity Reserve Fund may not be available to cover all losses and at all times with respect to the Class A Notes*" below, "*Key Structural Features – Credit Enhancement, Liquidity Support and Priority of Payments – Liquidity Facility Agreement and Liquidity Reserve Fund*" for more detail.

In addition, no assurance can be made as to the effectiveness of the liquidity support features set out above, or that such features will protect the Noteholders from all risk of delayed payment and/or loss and the use thereof may lead to a reduction in the amounts available to the Issuer and ultimately affect its ability to make payments under the Notes and the Certificates.

The Issuer has a limited source of funds which may be insufficient to allow for repayment in full of the Notes and the Certificates

The ability of the Issuer to meet its obligations to pay principal and interest on the Notes, amounts due in respect of the Certificates and its operating and administrative expenses will be dependent solely on Revenue Receipts and Principal Receipts in respect of the Mortgage Loans in the Mortgage Portfolio (including the Issuer's interest in the Scottish Mortgage Loans and Related Security held in the Scottish Trust), interest earned on certain amounts standing to the credit of the Deposit Account and (i) in respect of the Rated Notes, Principal Addition Amounts available to pay interest due on the Most Senior Class of Notes; (ii) on and from the Liquidity Facility Replacement Date in respect of the Class A Notes only (prior to the Class A Redemption Date) and the Class B Notes only (following the Class A Redemption Date), amounts available in respect of the Liquidity Reserve Fund; and (iii) prior to the LF Cancellation Date in respect of the Class A Notes only (prior to the Class A Redemption Date) and the Class B Notes only (following the Class A Redemption Date), amounts available under the Liquidity Facility. . Other than the foregoing, the Issuer is not expected to have any other funds available to it to meet its obligations under the Notes, the Certificates and/or any other payment obligation under the applicable Priority of Payments. If such funds are insufficient, any such insufficiency will be borne by the Noteholders, the Certificateholders and the other Secured Creditors, subject to the applicable Priority of Payments. There is no guarantee that the Issuer will have sufficient funds to redeem the Notes or the Certificates in full. The recourse of the Noteholders and the Certificateholders to the Charged Property following service of an Enforcement Notice is described below. The Issuer will have no recourse to the Seller, save as provided in the Mortgage Sale Agreement (see further the section entitled "*Sale of the Mortgage Portfolio under the Mortgage Sale Agreement*").

The Liquidity Facility and the Liquidity Reserve Fund may not be available to cover all losses and at all times with respect to the Class A Notes and Class B Notes

The Liquidity Facility Provider will provide the Liquidity Facility to cover shortfalls in amounts available for payment of interest in respect of the Class A Notes and senior expenses ranking in priority thereto in the Pre-Enforcement Revenue Priority of Payments.

The size of the Liquidity Reserve Target, in the form of a combination of liquidity drawings and/or the Liquidity Reserve Fund Actual Amounts (prior to and on and from the Liquidity Facility Replacement Date), will be, (A) on the Closing Date, an amount equal to 1.70 per cent. of the aggregate Principal Amount Outstanding of the Class A Notes as at the Closing Date, (B) on any Interest Payment Date prior to but excluding the Class A Redemption Date, the higher of: (i) an amount equal to 1.70 per cent. of the aggregate Principal Amount Outstanding of the Class A Notes as at the immediately preceding Interest Payment Date; and (ii) an amount equal to 1.00 per cent. of the aggregate Principal Amount Outstanding of the

Class B Notes as at the immediately preceding Interest Payment Date; and (C) on any Interest Payment Date from (and including) the Class A Redemption Date, but prior to (and excluding) the Class B Redemption Date, an amount equal to 1.00 per cent. of the aggregate Principal Amount Outstanding of the Class B Notes as at the immediately preceding Interest Payment Date and then will reduce to zero once the Class A Notes and Class B Notes are redeemed in full. No liquidity support will be available under the Liquidity Facility and/or the Liquidity Reserve Fund in excess of that amount or, once the Class A Notes and Class B Notes have been redeemed in full, at all.

The initial Liquidity Facility will expire 364 days after the Closing Date, although it is extendable for successive periods of up to 364 days or longer. The Liquidity Facility Provider is not obliged to extend or renew the Liquidity Facility at its expiry, but if it does not renew or extend the Liquidity Facility on request, then the Issuer will, subject to certain terms, be allowed to make a Liquidity Standby Drawing and place the proceeds of that drawing on deposit in the Liquidity Standby Ledger on the Deposit Account. Therefore, if the Liquidity Facility Provider does not choose to extend or renew the Liquidity Facility at any time, the Liquidity Facility may not be available to cover payments under the Class A Notes (prior to the Class A Redemption Date) and Class B Notes (following the Class A Redemption Date) and Liquidity Reserve Fund Actual Amounts may be insufficient to do so. For the avoidance of doubt, prior to the Liquidity Facility Replacement Date, the Liquidity Reserve Fund Actual Amount will be zero.

See “Key Structural Features – Credit Enhancement, Liquidity Support and Priority of Payments – Liquidity Facility Agreement and Liquidity Reserve Fund” for more detail.

The Notes and the Certificates are limited recourse non-petition obligations of the Issuer

The Notes and the Certificates will be limited recourse obligations of the Issuer. If at any time following:

- (a) the occurrence of either:
 - (i) the Final Maturity Date or any earlier date upon which all of the Notes of each Class are due and payable; or
 - (ii) the service of an Enforcement Notice; and
- (b) the realisation of the Charged Property and application in full of any amounts available to pay amounts due and payable under the Notes and all claims ranking in priority to payments under the Notes in accordance with the applicable Priority of Payments,

the proceeds of such Realisation are insufficient, after payment of all other claims ranking in priority in accordance with the applicable Priority of Payments, to pay in full all amounts then due and payable under any Class of Notes or any payments in respect of the 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 and any payments in respect of the Certificates) 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 and the Secured Creditors (which include the Noteholders) shall have no further claim against the Issuer or its directors, shareholders, officers or successors in respect of any amounts owing to them which remain unpaid (in the case of the Noteholders, principally payments of principal and interest (to the extent applicable) in respect of the Notes (and, in the case of the Floating Rate Notes, the Step-Up Margins)) and such unpaid amounts shall be deemed to be discharged in full. The Issuer will not be obliged to pay any amounts representing a shortfall and any claims in respect of such shortfall shall be extinguished.

Apart from the Trustee, none of the Secured Creditors shall be entitled to institute against the Issuer any bankruptcy, reorganisation, arrangement, examination, insolvency or liquidation proceedings or other proceedings under any applicable bankruptcy or similar law in connection with any obligation relating to the Notes, the Certificates or the other Transaction Documents.

Each Secured Creditor (other than the Trustee) agrees that if any amount is received by it (including by way of set-off) in respect of any secured obligation owed to it other than in accordance with the provisions of the Deed of Charge, then an amount equal to the difference between the amount so received by it and the amount that it would have received had it been paid in accordance with the provisions of the Deed of Charge, shall be received and held by it as trustee (except in the case of the Agents, the Collection Account Bank and the Issuer Account Bank which will hold such funds as banker and to the

order of the Trustee) for the Trustee and shall be paid over to the Trustee immediately upon receipt so that such amount can be applied in accordance with the provisions of the Deed of Charge.

No Noteholder or Certificateholders shall be entitled to proceed directly against the Issuer or any other party to any of the Transaction Documents to enforce the performance of any of the provisions of the Transaction Documents and/or to take any other proceedings (including lodging an appeal in any proceedings) in respect of or concerning the Issuer unless the Trustee, having become bound so to do, fails to do so within 60 days or is unable to do so, and such failure or inability shall be continuing, provided that no Noteholder shall be entitled to take any steps or proceedings to procure the winding-up, administration or liquidation of the Issuer in any circumstances.

Payments to the Liquidity Facility Provider rank in priority to amounts due to the Noteholders and the Certificateholders

The Liquidity Facility Provider will be entitled to receive all amounts due under the Liquidity Documents (including the commitment fee, interest and repayments of principal on drawings made under the Liquidity Facility Agreement and all fees, costs and expenses, including certain increased costs) in priority to payments to be made to Noteholders, which may ultimately reduce the amount available for distribution to Noteholders.

If a Liquidity Standby Drawing is made under the Liquidity Facility Agreement, it shall be deposited into the Deposit Account with a corresponding entry made to the Liquidity Standby Ledger. Interest payable on amounts standing to the credit of the Deposit Account (including any amounts standing to the credit of the Liquidity Standby Ledger) may be at a rate that is less than the interest payable on such Liquidity Standby Drawing, which would reduce the amount available for distribution to Noteholders.

Risks Related to the Notes

Interest Rate Risk

The Mortgage Loans have variable Mortgage Rates based on a rate set by reference to the relevant BBR or SVR index, while the Issuer's liabilities under the Notes are based on Compounded Daily SONIA, in each case, for the relevant period. The BBR Mortgage Loans in the Mortgage Portfolio pay interest based on the Bank of England Base Rate (where, in practice, any changes to the rate of interest charged on the BBR Mortgage Loans are only implemented from the start of the following calendar month and in some cases longer depending on, among other things, the date on which the Bank of England's Monetary Policy Committee meeting is held) and the Standard Variable Rate Mortgage Loans in the Mortgage Portfolio pay a variable rate of interest (set by the Servicer on behalf of the Legal Title Holder from time to time). As such the Issuer is subject to both the risk of a (i) mismatch resulting from the rate of interest on the Mortgage Loans (indexed to the BBR or SVR) and the Rate of Interest payable in respect of the Notes, and (ii) mismatch of the rate adjustment frequency of the related index used to set mortgage rates on the Mortgage Loans and the Reference Rate used to set the Rate of Interest on the Notes, which is based on Compounded Daily SONIA, in each case, resulting in a degree of basis risk (to which please see the Risk Factor entitled, "*Basis mismatch*").

As at the Closing Date, the Issuer has not entered into any interest rate swap or other hedging transaction in relation to the Mortgage Loans and as a result there is no hedge in respect of the risk of any mismatch variances in (i) the rate of interest charged on the BBR Mortgage Loans or Standard Variable Rate Mortgage Loans in the Mortgage Portfolio and (ii) the Rate of Interest payable in respect of the Notes (where applicable). This mismatch between the rate of interest payable in respect of the Mortgage Loans and the Rate of Interest payable in respect of the Notes (where applicable) in turn may result in insufficient funds being made available to the Issuer for the Issuer to meet its obligations to the Noteholders, the Certificateholders and the Secured Creditors.

Considerations Relating to Yield, Prepayments, Mandatory Redemption and Optional Redemption

The yield to maturity of the Notes of each Class will depend on, among other things, the amount and timing of payment of principal and interest (including any delinquencies, prepayments, sale proceeds arising on enforcement of a Mortgage Loan and repurchases of (or payments of an indemnity amount in lieu of the Seller repurchasing, including any accrued interest) such Mortgage Loans required to be made under the Mortgage Sale Agreement) on the Mortgage Loans and the price paid by the holders of the Notes of each Class. Such yield may be adversely affected by, amongst other things, a higher or lower than anticipated rate of prepayments on the Mortgage Loans.

The rate of prepayment of Mortgage Loans is influenced by a wide variety of economic, social and other factors, including prevailing mortgage market interest rates, the availability of alternative financing programmes, local and regional economic conditions and homeowner mobility. However, the rate of prepayment cannot be predicted. Subject to the terms and conditions of the Mortgage Loans (which may require in some cases notification to the Legal Title Holder and in other cases the consent of the Legal Title Holder), a Borrower may “overpay” or prepay principal on any day in specified circumstances. No assurance can be given as to the level of prepayments that the Mortgage Portfolio will experience. In addition, should a Borrower elect, subject to the agreement of the Legal Title Holder and the Servicer, to change the terms of their Mortgage Loans from an Interest Only Mortgage Loan to a Repayment Mortgage Loan, the Issuer would receive principal payments in respect of the relevant Mortgage Loan earlier than would otherwise be anticipated. Accelerated prepayments will lead to a reduction in the weighted average life of the Notes. See also the section entitled “*Sale of the Mortgage Portfolio under the Mortgage Sale Agreement*”.

Generally, when market interest rates increase, Borrowers are less likely to prepay their Mortgage Loans, while conversely, when market interest rates decrease, Borrowers (in particular those paying by reference to a fixed interest rate, where there are no or minimal associated early repayment charges) are generally more likely to prepay their Mortgage Loans. Borrowers may prepay Mortgage Loans when they refinance their loans or sell their properties (either voluntarily or as a result of enforcement action taken).

If the Seller is required to make an indemnity payment to the Issuer in relation to a Warranted Mortgage Loan and its Related Security because, for example, one of the Warranted Mortgage Loans does not comply with the Mortgage Loan Warranties and the indemnified Liability has crystallised, then the payment received by the Issuer will have the same effect as a prepayment of the relevant Warranted Mortgage Loans.

Payments of principal (scheduled and prepayments) on the Mortgage Loans will be applied, *inter alia*, to reduce the Principal Amount Outstanding of the Notes on a pass-through basis on each Interest Payment Date in accordance with the Pre-Enforcement Principal Priority of Payments (see “*Summary of Credit Structure and Cashflows*”).

The Notes may be redeemed, in full, and the Certificates may be cancelled prior to the Final Maturity Date due to the exercise of certain redemption options, being the following:

- on and from the FORD, the Mortgage Portfolio Purchase Option Holder may exercise the Mortgage Portfolio Purchase Option pursuant to the Deed Poll;
- on and from the FORD, the Market Sale Option Holder may exercise the Market Sale Option pursuant to the Deed Poll;
- following the occurrence of a Risk Retention Regulatory Change Event, the Seller may exercise its Risk Retention Regulatory Change Option in accordance with Condition 9.5 (*Mandatory Redemption of the Notes following the exercise of a Risk Retention Regulatory Change Option*);
- on any Interest Payment Date on which the aggregate Principal Amount Outstanding of the Notes (as of the immediately preceding Calculation Date) is less than or equal to 10 per cent. of the aggregate of the original aggregate Principal Amount Outstanding of the Notes on the Closing Date, the Issuer may exercise its option to redeem all of the Notes in accordance with Condition 9.3 (*Optional Redemption in whole*); and
- on any Interest Payment Date following a change in tax law that results in the Issuer being required to make a Tax Deduction in respect of any payment in respect of the Notes, or the Issuer would be subject to United Kingdom corporation tax in an accounting period on an amount which materially exceeds the Issuer Profit Amount retained during that accounting period, the Issuer may exercise its option to redeem all of the Notes in accordance with Condition 9.4 (*Optional Redemption in whole for taxation reasons*).

Following the exercise of such options, no make-whole amount or other early repayment fee will be paid to the Noteholders if any such option is exercised by the relevant person. None of the Issuer, the Retention Holder, the Seller, the Mortgage Portfolio Purchase Option Holder or the Market Sale Option Holder has an obligation to exercise its rights set out above, and as such, no assurance can be given that the Notes will be redeemed in full and the Certificates will be cancelled on or following the dates set out above.

Any redemption of the Notes and cancellation of the Certificates in one or more of the circumstances described above, in particular where such event occurs within a short time of the Closing Date, may adversely affect the yield to maturity of the Notes and/or the Certificates. In particular, there is no assurance that the Certificateholders would receive any amounts on such an early redemption, which may adversely affect the expected yield on the Certificates.

Additionally, Noteholders should be aware that on and from the First Interest Payment Date, to the extent that the amount of Available Revenue Receipts exceeds the aggregate of the payments required to be met under items (1) to (19) (inclusive) of the Pre-Enforcement Revenue Priority of Payments, such excess will be made available as Enhanced Amortisation Amounts to be applied as Available Principal Receipts to redeem the Rated Notes, in accordance with the Pre-Enforcement Principal Priority of Payments. Accordingly, there is a risk that to the extent the Issuer receives excess Available Revenue Receipts (after payment of items (1) to (19) (inclusive) of the Pre-Enforcement Revenue Priority of Payments) the Rated Notes may be redeemed at a faster rate than expected and could adversely affect the yield on the Notes.

Payments to the holders of the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes, the Class Z Notes and the Class XB Certificates are subordinated and may be delayed or reduced in certain circumstances

The priority of payments in respect of the Notes is set out in the section titled “*Full Capital Structure of the Notes and Certificates*”.

Payments of interest in respect of all Classes of Notes will be subordinated to all more senior Classes of Notes.

Payments of principal in respect of all Classes of Notes, will be subordinated to payments of any Principal Addition Amounts and, on and following the Liquidity Facility Replacement Date, payments of any amounts to be credited to the Liquidity Reserve Fund.

In respect of the Class A Notes, the Class A1 Notes and Class A2 Notes will rank *pari passu* and rateably without any preference or priority, among themselves, as to payments of interest and principal at all times while the Class A1 Notes and the Class A2 Notes are outstanding. However, for the avoidance of doubt, the Par Proceeds from the issuance of Further Class A1 Notes will be used to redeem the Class A2 Notes only (in full or in part).

In addition to the above, payments on the Notes and the Certificates are subordinate to payments of certain fees, costs and expenses payable to the other Secured Creditors (including the Trustee, the Issuer Account Bank, the Servicer (subject to the Servicer Fee Cap, where any amounts (which, for the avoidance of doubt, includes any amounts of the Increased Fee) in excess of the Servicer Fee Cap will be paid as Subordinated Servicing Fees, after the Rated Notes), the Back-Up Servicer (subject to the Servicer Fee Cap, where any amounts in excess of the Servicer Fee Cap will be paid as Subordinated Servicing Fees, after the Rated Notes), the Corporate Services Provider, the Cash Manager, the Liquidity Facility Provider, the Paying Agents, the Registrar and the Agent Bank) and certain third parties. For further information on the likely costs payable to such Secured Creditors, please see “*Fees*” below.

The priority of the Notes and the Certificates are further set out in “*Key Structural Features – Credit Enhancement, Liquidity Support and Priority of Payments – Application of Available Revenue Receipts prior to the service of an Enforcement Notice by the Trustee on the Issuer*”.

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

There may be insufficient funds available to repay in full the Notes and the Certificates as a result of income or principal deficiencies

If, on any Interest Payment Date prior to the redemption in full of the Rated Notes, as a result of shortfalls in Available Revenue Receipts (but disregarding for these purposes the availability of (A) (prior to the LF Cancellation Date) the Liquidity Facility, and (B) Liquidity Reserve Fund Actual Amount, there would be a PAA Deficit, the Issuer shall apply Available Principal Receipts (if any) in accordance with item (1) of the Pre-Enforcement Principal Priority of Payments to cure such PAA Deficit (such reapplied amounts being Principal Addition Amounts).

Available Principal Receipts may only be redirected as Principal Addition Amounts and applied as Available Revenue Receipts to cover such PAA Deficit.

Application of any Available Principal Receipts as Principal Addition Amounts will be recorded to the relevant Class of Notes' Principal Deficiency Sub-Ledger in reverse order of priority until such time as the amount recorded to the relevant Class of Notes' Principal Deficiency Sub-Ledger is the aggregate Principal Amount Outstanding of the relevant Class of Notes, as more fully described in the section titled "*Summary of Credit Structure and Cashflows*".

It is expected that during the course of the life of the Notes, any principal deficiencies (should they arise) will be recouped from Available Revenue Receipts. Available Revenue Receipts will be applied, after meeting prior ranking obligations as set out under the Pre-Enforcement Revenue Priority of Payments, to credit the relevant Principal Deficiency Sub-Ledger in accordance with the order of the Pre-Enforcement Revenue Priority of Payments.

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:

- the Available Revenue Receipts and Available Principal Receipts may not be sufficient, after making the payments to be made in priority thereto, to pay, in full or at all, interest due on each or any Class of the Notes; and
- there may be insufficient Available Revenue Receipts and Available Principal Receipts to repay each or any Class of the Notes and all amounts due in respect of the Certificates on or prior to the Final Maturity Date of the Notes.

Significant Investor

Significant concentrations of the Notes will occur on the Closing Date and may occur in the future, for example, in relation to the issue of Further Class A1 Notes. In holding some or all of the Notes, any investor holding such concentrations may have a majority holding and therefore be able to pass, or hold a sufficient minority to block, Noteholder resolutions.

On the Closing Date:

- (i) CERH II will:
 - a. or its affiliate or affiliates will, subject to the Retention Requirements, acquire, approximately 95 per cent. of the Class D Notes, approximately 95 per cent. of the Class E Notes, approximately 95 per cent. of the Class F Notes, approximately 95 per cent. of the Class Z Notes and 100 per cent. of the Class XB Certificates and, subject to the Retention Requirements, may subsequently sell these on to third party investors;
 - b. either directly or through a directly or indirectly wholly-owned entity (or entities), hold an economic exposure to: (i) at least 5% of the Class A Notes (by holding all of the Class A1 Notes (excluding £100,000, which will be acquired by a single investor who is unaffiliated with CERH II) and (if required from time to time) Further Class A1 Notes) and (ii) at least 5% of each other Class of Notes (other than the Class A2 Notes); and
- (ii) a single investor is expected to purchase (i) £100,000 of the Class A1 Notes, and (ii) 100% of the Class A2 Notes which will represent approximately 95% of the aggregate Principal Amount Outstanding of the Class A Notes as at the Closing Date.

Therefore, no assurance can be given that any subsequent Noteholder will have influence to block or pass certain Noteholder resolutions.

For so long as one or more investors collectively hold all (or a significant majority) of the Class A Notes (or such other Class of Notes which constitutes the Most Senior Class of Notes), such Class of Noteholders (or their transferee(s)) will have the ability to pass or block any Ordinary Resolutions or Extraordinary Resolutions affecting the interests of such Noteholders (other than a Reserved Matter). Therefore, no assurance can be given that any holder (unless it is (or comprises part of) the Most Senior Class of Notes) will at any time have the power to block or pass Ordinary Resolutions or Extraordinary Resolutions affecting the interests of the Noteholders of the Most Senior Class.

If the Issuer has insufficient funds on an Interest Payment Date, there will be a deferral of interest payments in respect of the Subordinated Notes

If, on any Interest Payment Date, the Issuer has insufficient funds to make payment in full of all amounts of interest (including any accrued interest thereon) due on the Subordinated Notes that would otherwise be payable absent the deferral provisions, after having paid or provided for items of higher priority in the Pre-Enforcement Revenue Priority of Payments, then the Issuer will be entitled under Condition 8.12 (*Subordination by Deferral*) to defer payment of that amount (to the

extent of the insufficiency) until the following Interest Payment Date or such earlier date as interest in respect of the relevant Class of Subordinated Rated Notes becomes due and repayable in full in accordance with the Conditions. Any such deferral in accordance with the Conditions will not constitute an Event of Default in accordance with Condition 8.12 (*Subordination by Deferral*).

To the extent that there are insufficient funds on the following Interest Payment Date or such earlier date as interest in respect of the relevant Class of Subordinated Notes that is scheduled to be paid in accordance with the Conditions, including any prior deferred interest, the deferral of interest shall continue until the Final Maturity Date. However, if there is insufficient money available to the Issuer to pay interest on any Class of Subordinated Notes, then the relevant Noteholders may not receive all interest amounts.

In the event that amounts constituting deferred interest (including Additional Interest) are not paid in full on the Subordinated Notes such failure will not constitute an Event of Default until the Final Maturity Date (subject to the grace periods thereunder) or such earlier date on which the Notes are required to be redeemed in accordance with Condition 9.3 (*Optional Redemption in whole*), Condition 9.4 (*Optional Redemption in whole for taxation reasons*), Condition 9.5 (*Mandatory Redemption of the Notes following the exercise of a Risk Retention Regulatory Change Option*) or Condition 9.6 (*Mandatory Redemption of the Notes following the exercise of Mortgage Portfolio Purchase Option or Market Mortgage Portfolio Purchase*). As such, the Trustee will not be able to accelerate the Subordinated Notes until after the Final Maturity Date (subject to the grace periods thereunder) or such earlier date on which the Notes are redeemed in accordance with the Conditions set out above, and prior to such date will not be able to take any action to enforce the Security or effect a sale or disposal of the Portfolio in respect of a failure by the Issuer to pay such amounts until the Final Maturity Date (subject to the grace periods thereunder) or such earlier date. Therefore, Noteholders should be aware that payments made to them may be deferred for a substantial period of time until the Final Maturity Date and/or may not be paid in full following the Final Maturity Date if the Issuer has insufficient funds.

For the avoidance of doubt, failure to pay interest in respect of the Class A Notes shall constitute an Event of Default which may result in the Trustee enforcing the Security.

The Issuer is subject to the risk of default in payment by Borrowers, and therefore payments in respect of the Notes and Certificates are subject to credit risk

As of the Portfolio Reference Date, approximately 50.61 per cent. of the Provisional Mortgage Portfolio (calculated by reference to the Current Balance of the Provisional Mortgage Portfolio as at the Portfolio Reference Date) are in arrears (meaning the relevant Borrower is in an amount equal to at least one or more monthly payments past due on the relevant Mortgage Loan) and approximately 2.31 per cent. of the Provisional Mortgage Portfolio (calculated by reference to the Current Balance of the Provisional Mortgage Portfolio as at the Portfolio Reference Date) are in enforcement procedures (meaning the relevant Mortgage Loans have been identified in the Data Tape as being subject to litigation proceedings, but may not necessarily be in arrears). For more information relating to the rights of borrowers who are in arrears and their legal protections from creditors under any enforcement procedures please see the section entitled “*Mortgage Regulation in the United Kingdom – Breathing Space Regulations*”.

The Issuer is subject to the risk of default in payment by the Borrowers and upon such default in payment, the failure by the Servicer, on behalf of the Issuer, to realise or recover sufficient funds from the Borrowers under the arrears and default procedures in respect of the Mortgage Loans and their Related Security in order to discharge all amounts due and owing by the relevant Borrowers under the Mortgage Loans. No assurance can be made as to the effectiveness of credit enhancement features or that credit enhancement features will protect the Noteholders or Certificateholders from all risk of loss. Should there be credit losses arising in respect of the Mortgage Loans, this could have an adverse effect on the ability of the Issuer to make payments of interest and/or principal on the Notes and payments due in respect of the Certificates.

Ratings of the Rated Notes may be qualified, downgraded or withdrawn after your purchase of the Rated Notes, which may lower their market value

A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by any assigning Rating Agency if, in its judgement, circumstances in the future so warrant. Other credit rating agencies, including those which CERH II or certain of its affiliates have had preliminary discussions, might not assign the same ratings in respect of the Rated Notes as the assigning Rating Agencies.

The rating process addresses structural and legal aspects associated with the securities, including the nature of the Mortgage Loans. The ratings assigned to mortgage backed securities do not represent any assessment of the likelihood that principal prepayments will be made by the Borrowers or the degree to which such prepayments will differ from those originally anticipated. The ratings of the Rated Notes do not address the possibility that the holders of those Notes might suffer a lower than anticipated yield due to non-credit events.

At any time, any Rating Agency may revise its relevant rating methodology, with the result that any rating assigned to the Rated Notes may be withdrawn, lowered or qualified. A qualification, downgrade or withdrawal of any of the ratings mentioned above may adversely impact upon the value of the Notes.

The ratings assigned to the Rated Notes by each Rating Agency are based on, among other things, the issuer default rating and the short-term and/or long-term unsecured, unguaranteed and unsubordinated debt ratings of the Liquidity Facility Provider, the Issuer Account Bank and the Collection Account Bank. In the event one or more of these transaction parties are downgraded below the requisite ratings trigger, there can be no assurance that a replacement to that counterparty will be found which has the ratings required to maintain the then current ratings of the Rated Notes. If a replacement counterparty with the requisite ratings cannot be found, this is likely to have an adverse impact on the rating of the Rated Notes and, as a consequence, the resale price of the Rated Notes for use in liquidity schemes established by, *inter alios*, the Bank of England.

For more information in respect of the ratings of the Rated Notes, please see the section entitled, “*Certain Regulatory Disclosures – EU CRA Regulation and UK CRA Regulation*”.

Rating Agency Confirmation in relation to the Rated Notes in respect of certain actions

The terms of certain Transaction Documents provide that certain actions taken by the Issuer and/or the other parties to the Transaction Documents are contingent on such actions not having an adverse effect on the ratings assigned to the Rated Notes. In such circumstances, the Trustee may require the Issuer to seek confirmation from the Rating Agencies that certain actions proposed to be taken by the Issuer and the Trustee will not have an adverse effect on the then current ratings of the Rated Notes.

A RAC that any action or inaction proposed to be taken by the Issuer or the Trustee will not have an adverse effect on the then current ratings of the Rated Notes does not, for example, confirm that such action (i) is permitted by the terms of the Transaction Documents or (ii) is in the best interests of, or not prejudicial to, the holders of the Rated Notes. While entitled to have regard to the fact that the Rating Agencies have confirmed that the then current ratings of the Rated Notes would not be adversely affected, the above does not impose or extend any actual or contingent liability on the Rating Agencies to the Secured Creditors (including the holders of the Rated Notes), the Issuer, the Trustee or any other person or create any legal relationship between the Rating Agencies and the Secured Creditors (including the holders of the Rated Notes), the Issuer, the Trustee or any other person whether by way of contract or otherwise. In addition, the Trustee may, but is not required to, have regard to any RAC.

Any such RAC may or may not be given at the sole discretion of each Rating Agency. Certain rating agencies have indicated that they will no longer provide RAC as a matter of policy. To the extent that a RAC cannot be obtained, whether or not a proposed action will ultimately take place, it will be determined in accordance with the provisions of the relevant Transaction Documents and specifically the relevant modification and waiver provisions. It should be noted that, depending on the nature of the request, the timing of delivery of the request and of any information needed to be provided as part of any such request, it may be the case that a Rating Agency cannot provide a RAC in the time available, or at all, and the Rating Agency will not be responsible for the consequences thereof (including, where a RAC is not provided, any subsequent rating action). A RAC, if given, will be given on the basis of the facts and circumstances prevailing at the relevant time and in the context of cumulative changes to the transaction of which the securities form part since the Closing Date. A RAC represents only a restatement of the opinions given as at the Closing Date and cannot be construed as advice for the benefit of any parties to the transaction.

The Conditions provide that if a RAC 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 RAC or response is delivered to each Rating Agency by or on behalf of the Issuer and (i)(A) a Non-Responsive Rating Agency indicates that it does not consider such RAC or response necessary in the circumstances or that it does not, as a matter of practice or policy, provide such RAC or response or (B) within 30 days of delivery of such request, no RAC or response is received and/or such request elicits no statement by each such

Rating Agency that such RAC or response could not be given; and (ii) one Rating Agency gives such RAC or response based on the same facts, then such condition to receive a RAC or response from each Rating Agency shall be deemed modified so that there shall be no requirement for the RAC or response from the Non-Responsive Rating Agency if the Cash Manager on behalf of the Issuer provides to the Trustee a certificate signed by two directors certifying and confirming that each of the events in subparagraphs (i)(A) or (B) and (ii) has occurred following the delivery by or on behalf of the Issuer of a written request to each Rating Agency. Where a RAC is a condition to any action or step under any Transaction Document and it is deemed to be modified as a result of a Non-Responsive Rating Agency having indicated that it will not give a response or having not responded to the relevant request from the Issuer within 30 days, there remains a risk that such Non-Responsive Rating Agency may subsequently downgrade, qualify or withdraw the then current ratings of the Rated Notes as a result of the action or step. Such a downgrade, qualification or withdrawal to the then current ratings of the Rated Notes may have an adverse effect on the value of the Rated Notes.

The Trustee shall be entitled to rely absolutely and without liability to any person on any certificate delivered to it in connection with a Non-Responsive Rating Agency pursuant to Condition 23 (*Non-Responsive Rating Agency*). The Trustee shall not be required to investigate any action taken by the Issuer or such Non-Responsive Rating Agency and shall treat the applicable condition or requirement to receive a RAC or response from each Rating Agency as having been modified with the consent of all Noteholders and all parties to the relevant Transaction Documents so that there shall be no requirement for such RAC or response from a Non-Responsive Rating Agency. Therefore, Noteholders should be aware that the proposed action may be taken notwithstanding the fact that no RAC or response from Rating Agencies has been obtained.

Definitive Notes and denominations in integral multiples

The Notes have Minimum Denominations. Accordingly, it is possible that the Notes may be traded in amounts in excess of the minimum authorised denomination but below two or more multiples of such minimum authorised denomination. In such a case, if Definitive Notes are required to be issued, a Noteholder who holds a principal amount less than the Minimum Denomination at the relevant time may not receive a registered Definitive Note in respect of such holding and may need to purchase a principal amount of Notes such that their holding amounts to the Minimum Denomination (or another relevant denomination amount).

If Definitive Notes are issued, Noteholders should be aware that registered Definitive Notes which have a denomination that is not an amount which is at least the Minimum Denomination may be particularly illiquid and difficult to trade.

Geographical, Political and Market Risks

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 and its adoption as an alternative to LIBOR. In particular, market participants and relevant working groups are exploring alternative reference rates based on SONIA, including term SONIA reference rates (which seek to measure the market's forward expectation of an average SONIA rate over a designated term). 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 the Notes. Interest on Notes which reference a SONIA rate is only capable of being determined at the end of the relevant Interest Period and immediately prior to the relevant Interest Payment Date. It may be difficult for investors in Notes which reference a SONIA rate to reliably estimate the amount of interest which will be payable on such Notes.

Moreover, any amendment 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 amendments to the Conditions, early redemption, delisting or other consequences in relation to the Notes. No assurance may be provided that relevant changes will not occur with respect to SONIA or any other relevant interest rate benchmark and/or that such benchmarks will continue to exist.

In addition, the manner of adoption or application of SONIA reference rates in the bond markets may differ materially compared with the application and adoption of SONIA in other markets, such as the derivatives and loan markets. Potential investors should carefully consider how any mismatch between the adoption of SONIA reference rates across these markets

may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of the Notes referencing SONIA.

Absence of secondary market for the Notes

There can be no assurance that there is an active and liquid secondary market for the Notes and no assurance is provided that a secondary market for the Notes will develop or, if it does develop, that such market will continue to exist or that it will provide Noteholders with liquidity of investment for the life of the Notes. There are a number of factors which may have an adverse effect on the existence of or the liquidity in the secondary market for the Notes.

None of the Notes or Certificates have been, or will be, registered under the Securities Act or any other applicable securities laws and they are subject to certain restrictions on the resale and other transfer thereof as set out under “*Subscription and Sale*”. To the extent that a secondary market exists or develops, it may not continue for the life of the Notes or Certificates or it may not provide Noteholders or Certificateholders with liquidity of investment with the result that a Noteholder or Certificateholder may not be able to find a buyer to buy its notes or certificates readily or at prices that will enable the Noteholder or the Certificateholder to realise a desired yield or a desired return on projected amounts due in respect of the Certificates. Any investor in the Notes or the Certificates must be prepared to hold their Notes or Certificates until the Final Maturity Date.

The secondary market for asset-backed securities similar to the Notes has in the past experienced severe disruptions resulting from reduced investor demand for such securities. This has had a material adverse impact on the market value of asset-backed securities similar to the Notes and resulted in the secondary market for asset-backed securities experiencing very limited liquidity during such severe disruptions.

If limited liquidity were to occur in the secondary market it could have an adverse effect on the market value of mortgage backed securities and instruments similar to the Notes, especially those securities that are more sensitive to prepayment, credit or interest rate risk and those securities that have been structured to meet the requirements of limited categories of investors. Consequently, an investor in the Notes may not be able to sell or acquire credit protection on its Notes readily and market values of the Notes are likely to fluctuate. Any fluctuations may be significant and could result in significant losses to an investor.

Whilst central bank schemes such as the Bank of England’s Discount Window Facility, the European Central Bank’s liquidity scheme and the European Central Bank’s asset-backed securities purchase programme may provide or have provided an important source of liquidity in respect of eligible securities, restrictions in respect of the relevant eligibility criteria for eligible collateral which apply and may apply in the future under such facilities may adversely impact secondary market liquidity for mortgage backed securities in general, regardless of whether the Notes are eligible securities for the purpose of such facilities. Moreover, there is no certainty that the Notes will be accepted as eligible securities for any such facilities either upon issue or subsequently.

The European capital markets are experiencing a period of volatility and concerns relating to credit risk, as well as continuing economic, monetary and political conditions. Whilst such conditions have improved in some Member States recently, any slowdown or reversal of the positive economic or political trends (including as a result of any default or restructuring of indebtedness by one or more Member States or institutions and/or any changes to, including any breakup of, the Eurozone) may cause further severe stress in the financial system generally.

Furthermore, any issuance of Further Class A1 Notes may impact the liquidity and pricing of the existing Class A2 Notes and/or the Class A1 Notes then outstanding.

Any of the above may have an adverse effect on the market value of the Notes or Certificates, the ability of the Noteholders or Certificateholders to trade in or sell the Notes or Certificates or fully recover the value of their investment in the Notes or Certificates. Any investor in the Notes or Certificates must be prepared to hold its Notes or Certificates for an indefinite period of time or until the Final Maturity Date or alternatively such investor may only be able to sell its Notes or Certificates at a discount to the original purchase price of those Notes or Certificates.

Declining property values

The value of the Related Security in respect of the Mortgage Loans may be adversely affected by, among other things, a decline in the residential property values in the United Kingdom. If the residential property market in the United Kingdom should experience an overall decline in property values, such a decline could in certain circumstances result in the value of

the Related Security being significantly reduced, particularly in respect of those Mortgage Loans which have a high LTV, and, in the event that the Related Security is required to be enforced, may result in an adverse effect on payments on the Notes and the Certificates.

As at the date of the Prospectus, it is not possible to determine the impact, nature and extent of UK Government's response in the formulation of fiscal and monetary policies, the regulatory landscape and/or any related matters which may have on general economic conditions in the UK and whether such impact will have a materially adverse effect on the performance on the UK housing market and/or result in a decline in overall property values in the UK. As such the Issuer cannot guarantee that the value of a Property is or will remain at the same level as on the date of origination of the related Mortgage Loan. The strength and performance of the United Kingdom economy (due to local, national and/or global macroeconomic factors) typically has a correlated effect on the housing market. In addition, any natural disasters, or widespread health crises (such as a pandemic or epidemic), government policies, action or inaction in response to such crises or such potential crises (including, but not limited to, the COVID-19 pandemic), 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. A fall in property prices resulting from a deterioration in the housing market could result in losses being incurred by the Issuer where the net recovery proceeds are insufficient to redeem any outstanding loan secured on such property. If the value of the Related Security backing the Loans is reduced this may ultimately result in losses to Noteholders if the Related Security is required to be enforced and the resulting proceeds are insufficient to make payments on all Notes.

A fall in property prices resulting from a deterioration in the housing market could result in losses being incurred by lenders where the net recovery proceeds are insufficient to redeem the outstanding Mortgage Loans. If the value of the Related Security backing the Mortgage Loans is reduced this may ultimately result in losses to Noteholders if the Related Security is required to be enforced and the resulting proceeds are insufficient to make payments on all Notes and may affect the ability of the Issuer to make payments on the Certificates. Approximately 0.83 per cent. of the Mortgage Loans in the Provisional Mortgage Portfolio (calculated by reference to the Current Balance of the Provisional Mortgage Portfolio as at the Portfolio Reference Date) have an indexed current LTV of over 100 per cent. As such, a decline in property values in the United Kingdom may have a greater effect on the Mortgage Portfolio than if a lower proportion of the Mortgage Portfolio had such a high LTV.

Borrowers may have insufficient equity to refinance their Mortgage Loans and may (as a result of the circumstances described in "*Delinquencies or default by Borrowers in paying amounts due on their Mortgage Loans*" below or otherwise) have insufficient resources to pay amounts in respect of their Mortgage Loans as and when they fall due. This could lead to higher delinquency rates and losses which in turn may adversely affect payments on the Notes and the Certificates.

Geographic Concentration Risks

84.03 per cent. of the Mortgage Loans are secured over English Mortgages, 4.85 per cent. of the Mortgage Loans are secured over Mortgages located in Wales, 5.08 per cent. of the Mortgage Loans are secured over Scottish Mortgages and 6.04 per cent. of Mortgage Loans are secured over Northern Irish Mortgages (in each case calculated using the Current Balance of the Mortgage Portfolio as of the Portfolio Reference Date). Mortgage Loans in the Mortgage Portfolio may also be subject to geographic concentration risks within certain regions of the United Kingdom. To the extent that specific geographic regions within the United Kingdom have experienced or may experience in the future weaker regional economic conditions (due to local, national and/or global macroeconomic factors) and weaker housing markets than other regions in the United Kingdom, a concentration of the Loans in such a region may be expected to exacerbate the risks relating to the Loans described in this section. The economy of each geographic region within the United Kingdom is dependent on a different mixture of industries and other factors. Any downturn in a local economy or particular industry may adversely affect the regional employment levels and consequently the repayment ability of the Borrowers in that region or in the region that relies most heavily on that industry. In addition, any natural disasters or widespread health crises or the fear of such crises (such as Covid-19, measles, SARS, Ebola or other epidemic diseases) in a particular region may weaken economic conditions and reduce the value of affected Properties, the ability to sell Properties in a timeline manner and/or negatively impact the ability of affected Borrowers to make timely payments on the Loans. This may result in a loss being incurred upon sale of the Property. These circumstances could adversely affect receipts on the Mortgage Loans and ultimately result in losses on the Notes and the Certificates. For an overview of the geographical distribution of the Mortgage Loans as at the Portfolio Reference Date, see "*Annex A – Statistical Information on the Provisional Mortgage Portfolio – Geographical Distribution of Properties*".

Risks Related to the Mortgage Loans and Sale of the Mortgage Portfolio

Basis mismatch

The Rate of Interest on each Class of Floating Rate Notes adjust quarterly based on Compounded Daily SONIA whereas the Mortgage Rates of the Provisional Mortgage Portfolio all adjust based on a different index (BBR or SVR) and do not adjust on a set quarterly reset frequency. All of the Mortgage Loans in the Provisional Mortgage Portfolio are Adjustable Rate Mortgage Loans and have interest rates that adjust on a variable index (save in respect of a *de minimis* number of loans described below). As a result, there is a degree of basis mismatch risk associated with the Floating Rate Notes, collectively the “**SONIA Notes**”. Basis risk is the risk that shortfalls might occur due to a mismatch for both the rate adjustment frequency and index on the SONIA Notes and the Mortgage Loans. Notwithstanding the foregoing, it is noted that approximately 0.54 per cent of the Provisional Mortgage Portfolio (calculated by reference to the Current Balance of the Provisional Mortgage Portfolio as at the Portfolio Reference Date) relate to Mortgage Loans that have an interest rate of zero.

Approximately 98.57 per cent. of the Provisional Mortgage Portfolio (calculated by reference to the Current Balance of the Provisional Mortgage Portfolio as at the Portfolio Reference Date) are Mortgage Loans which are BBR Mortgage Loans that pay interest by reference to BBR from time to time. Additionally, approximately 1.43 per cent. of the Provisional Mortgage Portfolio (calculated by reference to the Current Balance of the Provisional Mortgage Portfolio as at the Portfolio Reference Date) are Mortgage Loans which are Standard Variable Rate Mortgage Loans which pay a variable rate of interest set by the Servicer on behalf of the Legal Title Holder from time to time.

The BBR Mortgage Loans included in the Provisional Mortgage Portfolio will be reset on a monthly, as opposed to quarterly, basis and the Standard Variable Rate Mortgage Loans included in the Provisional Mortgage Portfolio will be reset on a periodic basis. This basis “mismatch” in periods of rising or lowering interest rates can create a negative impact on the SONIA Notes in the transaction, especially if the corresponding increase (or decrease) between the (i) rate on the BBR Mortgage Loans and/or, as applicable, the Standard Variable Rate Mortgage Loans (plus the applicable margin) and (ii) the Reference Rate (plus the applicable Margin on the SONIA Notes) is not in the same proportion to each other.

Increases in prevailing market interest rates may adversely affect the performance of the Mortgage Portfolio

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, may be exposed to increased monthly payments if the related mortgage interest rate adjusts upward (or, in the case of a Mortgage Loan with an initial fixed rate or low introductory rate, at the end of the relevant fixed or introductory period). This increase in Borrowers’ monthly payments, which (in the case of a Mortgage Loan with an initial fixed rate or low introductory rate) may be compounded by any further increase in the related mortgage interest rate during the relevant fixed or introductory period, ultimately 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 rates) 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 their homes to permit them to refinance, especially Borrowers with higher current LTVs. Furthermore, where the reversionary rate is the current Standard Variable Rate, the reversionary rate for Borrowers reaching the end of their fixed or tracker periods may be lower than prevailing market rates. This would mean that it is less likely that they will refinance their Mortgage Loan at such time or at all.

These events, alone or in combination, may contribute to higher delinquency rates, slower prepayment rates and higher losses on the Mortgage Portfolio, which in turn may adversely affect the ability of the Issuer to make payments of interest and principal on the Notes and the Certificates.

Terms of Balloon Mortgage Loans may be amended resulting in the Issuer and Noteholders receiving earlier redemption payments on the relevant Mortgage Loan and the relevant Notes

Each Mortgage Loan in the Mortgage Portfolio may be repayable either on a capital repayment basis or an interest-only basis (being an Interest Only Mortgage Loan), or on a part interest-only and part repayment basis (being a Part-and-part Mortgage Loan, and together with the Interest Only Mortgage Loans, the “**Balloon Mortgage Loans**”). The Provisional Mortgage Portfolio contains approximately (i) 66.74 per cent. Interest Only Mortgage Loans (ii) 12.28 per cent. Part-and-

part Mortgage Loans and (iii) 20.98 per cent. Repayment Mortgage Loans (or otherwise known as “amortising”), calculated on the basis of the Current Balance of the Provisional Mortgage Portfolio as at the Portfolio Reference Date. Where the Borrower is only required to pay interest during the term of the Mortgage Loan, with the capital being repaid in a lump sum at the end of the term, it is generally recommended that Borrowers ensure that some repayment mechanism such as an investment policy is put in place to ensure that funds will be available to repay the capital at the end of the term. The Seller does not necessarily have, and the Issuer will not necessarily have, knowledge of any investment policies taken out by Borrowers, and neither have or will have the benefit of any such policies.

The ability of a Borrower to repay an Interest Only Mortgage Loan at maturity will often depend on such Borrower’s ability to refinance or sell the Property or to obtain funds from another source such as pension policies, personal equity plans or endowment policies. Because of the greater risk relating to refinancing of Interest Only Mortgage Loans, a significant downturn in the property markets or the economy could lead to a greater increase in defaults or decrease in repayment of principal of Interest Only Mortgage Loans than on Repayment Mortgage Loans.

Borrowers of an Interest Only Mortgage Loan may not make payment of the premiums due on any relevant investment or life policy taken out in relation to repayment of the relevant interest-only mortgages in full or on time, which policies may therefore lapse, and/or no further benefits may accrue thereunder. In certain cases, the policy may be surrendered but not necessarily in return for a cash payment and any cash received by the Borrower may not be applied in paying amounts due under the Loan. Thus the ability of such a Borrower to repay an Interest Only Mortgage Loan at maturity without resorting to the sale of the underlying property depends on such Borrower’s responsibility in ensuring that sufficient funds are available from a given source such as pension policies, Personal Equity Plans (PEPs), Individual Savings Accounts (ISAs) or endowment policies, as well as the financial condition of the Borrower, tax laws and general economic conditions at the time. Not all Borrowers provided information at origination showing that a suitable source of funds for repayment was in place and not all original origination documentation was available to the Seller. If a Borrower cannot repay an Interest Only Mortgage Loan and a loss occurs, this may affect repayments on the Notes if the resulting Principal Deficiency Ledger entry cannot be cured from Available Revenue Receipts being applied for such purpose in accordance with the Pre-Enforcement Revenue Priority of Payments. The Mortgage Portfolio is made up of a large proportion of seasoned Loans. As such a large proportion of Borrowers in the Mortgage Portfolio have passed the point at which most Borrowers either refinance their borrowing or switch to a repayment loan. A large number of Borrowers who currently have an Interest Only Mortgage Loan may not switch to a repayment loan prior to the final maturity date of the relevant Mortgage. If a large number of Borrowers are unable to repay their Interest-Only Mortgage Loan at maturity and there is a high concentration of such Borrowers within a short period of time it may lead to a reduction in the amounts available to the Issuer and ultimately affect its ability to make payments under the Notes and Certificates.

As a result of recent UK government attention, Borrowers 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 Legal Title Holder and the Servicer, to amend the terms of its Mortgage Loan from an Interest Only Mortgage Loan to a Repayment Loan, the relevant Mortgage Loan would remain with the Issuer as part of the Mortgage Portfolio, resulting in the Issuer and Noteholders receiving principal payments on the relevant Mortgage Loan and effectively redeeming the relevant Notes respectively, earlier than would otherwise be the case. See further the risk factor entitled “*Risks Related to the Notes – Considerations relating to Yield, Prepayments, Mandatory Redemption and Optional Redemption*” above.

Risk of losses associated with buy-to-let Mortgage Loans

Approximately 1.85 per cent. of the Provisional Mortgage Portfolio (calculated by reference to the Current Balance of the Provisional Mortgage Portfolio as at the Portfolio Reference Date) constitute buy-to-let Mortgage Loans. The Borrower’s ability to make payments in respect of the Mortgage Loans is likely to depend on the Borrower’s ability to let the relevant Properties on appropriate terms. It is intended that the Properties which secure such Mortgage Loans will be let by the relevant Borrower to tenants but there can be no guarantee that each such Property will be the subject of an existing tenancy when the relevant Mortgage Loan is acquired by the Issuer or that any tenancy which is granted will subsist throughout the life of the Mortgage Loan and/or the rental income achievable from tenancies of the relevant Property over time will be sufficient to provide the Borrower with sufficient income to meet the Borrower’s obligations in respect of the Mortgage Loan.

Consequently, the Security for the Notes may be affected by the condition of the private residential rental market in the United Kingdom. The condition of the market will influence both the ability of the Borrower to find tenants and the level of rental income which may be achieved in letting. The obligations of a Borrower to make payment under the Mortgage Loan are unconditional without regard to whether the Property is rented out or the amount of rent is received by the Borrower from the relevant tenant. Market conditions and/or the introduction of certain United Kingdom tax legislation may adversely affect the private residential rental market in England, Wales, Northern Ireland and Scotland in general and (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 Mortgage Loans.

Non-disclosure of broker commissions

Certain of the Mortgage Loans were originated through intermediaries, including mortgage brokers and mortgage advisers. In line with market practice, the relevant original lenders may have paid commissions to such intermediaries in the form of a procuration fee. There is a risk that where these commissions have not been disclosed a Borrower may, depending on the circumstances of the case, have a claim against the Legal Title Holder in respect of the affected Mortgage Loan.

In the event of a successful claim where only the existence but not the amount of the commission was disclosed to a Borrower then, depending on the circumstances of the case courts have ordered (and it is likely that a court may order) payment to such Borrower of the amount of commission paid in respect of the affected Mortgage Loan together with interest on that amount (although the court does have discretion as to the remedy that it would award the Borrower in the circumstances).

If there was a failure to disclose the existence of the commission to a Borrower (i.e. where the commission is “fully secret”) the remedy is likely to be greater and may include rescission of the contract where a Borrower can make counter-restitution.

Alongside any claim relating to undisclosed commissions, where the Mortgage Loan is not a Regulated Mortgage Contract there is the additional risk that a Borrower could claim the relationship between the Borrower and legal title holder of the affected Mortgage Loan gives rise to an unfair relationship, and therefore may be subject to a claim under sections 140A – 140C of the Consumer Credit Act. If such a claim was successful, the court may impose a range of remedies in favour of a Borrower, including repayment of sums paid by such a Borrower, rendering the agreement or security unenforceable, or otherwise altering the terms of the agreement.

The FCA’s Mortgages and Home Finance: Conduct of Business sourcebook has required the disclosure of broker commissions for Regulated Mortgage Contracts from 31 October 2004. Accordingly, the risk of non-disclosure of broker commissions is greater for Mortgage Loans originated prior to 31 October 2004, of which there are 12.8% included in the Mortgage Portfolio (measured by reference to the Current Balance of the Provisional Mortgage Portfolio as at the Portfolio Reference Date).

If there were any successful non-disclosure of broker commission claims (in terms of the existence or amount of such broker commission) or unfair relationship claims made by Borrowers in respect of any Mortgage Loans and the court ordered that financial redress or rescission be made in respect of such Mortgage Loans, such redress or rescission may adversely affect the ultimate amount received by the Issuer in respect of the relevant Mortgage Loans and the realisable value of the Mortgage Portfolio and/or the Issuer’s ability to make payment in full on the debt when due.

Warranties

The Issuer, the Trustee, the Co-Arrangers and the Joint Lead Managers have not undertaken nor will they undertake any investigations, searches or other actions in respect of the Mortgage Loans, and their Related Security. In the case of the Issuer and the Trustee, they will rely instead on the Mortgage Loan Warranties. Mortgage Loans which have undergone such a limited investigation may be subject to matters which would have been revealed by a full investigation of title and which may have been remedied or, if incapable of remedy, may have resulted in the Related Security not being accepted as security for a Mortgage Loan had such matters been revealed. In addition, the Seller was not involved in the origination of the Mortgage Loans and as such its knowledge is limited to the due diligence activities undertaken at the time of acquisition of the Mortgage Loans, as to which see the risk factor entitled, “*Seller was not the originator of the Mortgage Loans and therefore has limited knowledge as to origination matters*”. As such, the Mortgage Loan Warranties are given by the Seller subject to certain carve outs, limitations and disclosures, to which see the section entitled, “*Sale of the Mortgage Portfolio under the Mortgage Sale Agreement*”. Investors should also be aware that there is no on-going active involvement of the Originators to monitor or notify any defect in relation to the circumstances of the Mortgage Loans and the Seller and the

other transaction parties will have limited obligations to monitor compliance with the Loan Warranties following the Closing Date.

Limitations of the Seller's Liability

The sole remedy of each of the Issuer and the Trustee in respect of a breach of one or more of the Warranties, which has or would have a material adverse effect on such Mortgage Loan and/or its Related Security, shall be the requirement of the Seller (subject always to the Warranty Limitations) to either (i) repurchase or procure the repurchase of any Mortgage Loan which is the subject of any such breach, or (ii) instead indemnify and keep indemnified the Issuer in respect of Liabilities in respect of breach of Warranties in relation to the relevant Mortgage Loan and its Related Security, in each case provided that such breach occurred on or prior to the Warranty Expiry Date, and notification of such breach was delivered to *inter alios* the Seller by no later than 3 months following the Warranty Expiry Date. Investors should be aware that (i) the applicable remedy following a breach of a Mortgage Loan Warranty is dependent on the election of the Seller, in each case, in its sole discretion and (ii) that the aggregate liability of the Seller (in respect of all breaches of the Warranties for the life of the transaction) shall be limited to the relevant capped amounts as set out in the Warranty Limitations. See further the section entitled "*Sale of the Mortgage Portfolio under the Mortgage Sale Agreement – Limitations on liability*".

The liability of the Seller in respect of the Mortgage Loan Warranties for repurchases of the relevant Warranted Mortgage Loan or indemnification in respect of the Mortgage Loans is subject to the Warranty Limitations, as set out in the Mortgage Sale Agreement. The amount of indemnification due and payable by the Seller for breach of a Mortgage Loan Warranty (in lieu of a repurchase by the Seller) is based upon the amount of, *inter alia*, actual costs, damages or loss suffered by the Issuer and which results directly from the particulars of the resulting breach of the relevant Warranty on the relevant Warranted Mortgage Loan, the amount of such Liabilities may not be known at the time at which the breach of the Warranty is discovered and further additional time (which could be months or years) may be required before any such actual loss (if any) can be determined. In addition, depending upon the scenario at the time which leads the Issuer to suffer a loss on the applicable Warranted Mortgage Loan it may be difficult to accurately assess and determine the level and amount of Liabilities which the resulting breach of the relevant Mortgage Loan Warranty actually contributed to the loss that the Issuer has suffered on such Mortgage Loan at such time (and to the extent such quantum cannot be agreed between the Issuer and the Seller, an independent auditor will be required to determine the quantum). Accordingly, any indemnification payment required to be made by the Seller (in lieu of a repurchase of such Warranted Mortgage Loan) in respect of any breach of a Mortgage Loan Warranty may be significantly delayed or may be affected by the limit on duration and the quantum of the Seller's total liability, which may impact the ability of the Issuer to meet its payment obligations under the Notes. See further the section entitled "*Sale of the Mortgage Portfolio under the Mortgage Sale Agreement*".

There can be no assurance that (taking into account, amongst other things, the performance of its other business at the time) the Seller will have the financial resources to comply with its obligation to repurchase or indemnify under any of these circumstances when the obligation to repurchase or indemnify becomes due. Such obligations are not the responsibility of any person other than the Seller, and neither the Issuer nor the Trustee will have recourse to any other person in the event that the Seller, for whatever reason, fails to meet such obligations. Additionally, the Seller will not be required (or have any liability) to indemnify the Issuer or make any repurchases for breaches of any Warranties in excess of the aggregate cap amounts under the Warranty Limitations and Noteholders will not have any further recourse (to the Seller or any other party) for such amounts in excess of the relevant Warranty Limitation capped amounts. As such, this may adversely affect the quality of the Mortgage Loans and their Related Security and accordingly the ability of the Issuer to make payments due on the Notes.

Seller was not the originator of the Mortgage Loans and therefore has limited knowledge as to origination matters

The Seller was not the originator of any of the Mortgage Loans comprised in the Portfolio and therefore has limited knowledge as to the lending criteria or the application of the lending criteria, certain origination matters, actual origination of the Mortgage Loans and lending policies used by the relevant Originator in relation to the Mortgage Loans. The Seller is aware of instances where the original loan documentation of the Mortgage Loans in the Mortgage Portfolio may be missing, incomplete, incorrect or otherwise defective and there can be no assurance that no additional information relating to the Mortgage Loans in the Mortgage Portfolio is missing and/or defective. With respect to any Mortgage Loans in the Mortgage Portfolio for which original loan documentation is missing and/or defective, the Servicer may encounter difficulty in enforcing certain terms of the related Mortgage Loan and there is a risk that in such circumstances Noteholders would not

have any recourse under the Transaction Documents (including in respect of any breaches of the Mortgage Loan Warranties). Additionally, though the Seller is aware that some of the Mortgage Loans are secured by non-owner occupied freehold, fee farm grant, heritable or leasehold properties, it does not have detailed information relating to how much of the Mortgage Portfolio is secured by each property type. Furthermore, the Mortgage Loans were originated by multiple Originators and, as a result, were originated under multiple sets of origination guidelines, most of the requirements of which are neither available nor known to the Seller, the Issuer or the Retention Holder. None of the Trustee, the Co-Arrangers nor any Joint Lead Manager has any knowledge relating to the lending criteria, nor have they undertaken any additional due diligence in respect of the application of the lending criteria and have relied entirely upon the representations and warranties made by the Seller to the Issuer and the Trustee pursuant to the Mortgage Sale Agreement. The Seller does not have direct knowledge as to whether certain Mortgage Loan Warranties are correct or not. Accordingly, certain Mortgage Loan Warranties are qualified by reference to the awareness of the Seller. Such lack of information may have led or lead to certain delinquencies, enforcements and losses which may lead to a reduction in the amounts available to the Issuer and ultimately affect its ability in make payments under the Notes and Certificates.

Mortgage Loans were made to Borrowers with Credit Impairments

The Mortgage Portfolio comprises certain Mortgage Loans that were (i) made to Borrowers who as of the Portfolio Reference Date may have impairments to their credit profile, such as a county court judgment (or a Sheriff Court decree, being the Scottish equivalent of a county court judgment, or an equivalent judgment by a court of Northern Ireland), an individual voluntary arrangement, a protected trust deed, debt arrangement scheme or a bankruptcy order and/or (ii) which were made to Borrowers to consolidate a number of existing debts of each such Borrower at origination. Mortgage Loans made to Borrowers with credit impairments may experience higher rates of delinquency, write-offs and enforcement than have historically been experienced by Loans made to Borrowers without credit impairments and therefore carry a higher degree of risk.

Risk of losses associated with high Indexed LTV Mortgage Loans

As of the date of this Prospectus, approximately 0.83 per cent. of the Mortgage Loans by value have an indexed loan to value ratio (calculated by dividing the aggregate Current Balance of all sub-accounts with respect to each Mortgage Loan (including capitalised interest and capitalised fees) as at the Portfolio Reference Date by the Latest Valuation amount of the Property securing the sub-accounts indexed) in excess of 100.00 per cent. Mortgage Loans with higher loan to value ratios typically experience higher rates of delinquency, write offs, enforcement and bankruptcy than mortgage loans with lower loan to value ratios which may impact the ability of the Issuer to meet its payment obligations under the Notes.

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

The Issuer is subject to the risk of default in payment by the Borrowers and the risk of failure by the Servicer (or, if at any time applicable, any back-up servicer) on behalf of the Issuer, to realise or recover sufficient funds under the arrears and default procedures in respect of the relevant Loan and Related Security in order to discharge all amounts due and owing by the relevant Borrowers under the relevant Loans. This risk may affect the Issuer's ability to make payments on the Notes. No assurance can be made as to the effectiveness of such credit enhancement features, or that such credit enhancement features will protect the Noteholders from all risk of loss. Should there be credit losses in respect of the Loans, this could have an adverse effect on the ability of the Issuer to make payments of interest and/or principal on the Notes.

Borrowers may default on their obligations under the Mortgage Loans, and approximately 50.61 per cent. of the Mortgage Loans in the Provisional Mortgage Portfolio (calculated by reference to the Current Balance of the Provisional Mortgage Portfolio as at the Portfolio Reference Date) are in arrears of one or more months, and approximately 2.31 per cent. of the Mortgage Loans in the Provisional Mortgage Portfolio (calculated by reference to the Current Balance of the Provisional Mortgage Portfolio as at the Portfolio Reference Date) are in enforcement procedures (meaning the relevant Mortgage Loans have been identified in the Data Tape as being subject to litigation proceedings, but may not necessarily be in arrears).

Borrowers may default on their obligations under the Loans in the Portfolio for a number of reasons. Defaults may occur for a variety of reasons. The Loans are affected by credit, liquidity and interest rate risks. Various factors influence mortgage delinquency rates, prepayment rates, repossession frequency and the ultimate payment of interest and principal, such as changes in the national or international economic climate, regional economic (due to local, national and/or global macroeconomic and geopolitical factors such as the war between Russia and Ukraine) or housing conditions, changes in tax laws, interest rates, inflation, cost of living, energy prices, the availability of financing, yields on alternative investments,

political developments and government policies, natural disasters and widespread health crises or the fear of such crises (such as coronavirus (including Covid-19), measles, SARS, Ebola or other epidemic diseases).

In addition, the UK economy is experiencing a range of economic effects including high energy prices, inflation and a cost-of-living crisis (the cost of living in the UK having risen at its fastest rate in 30 years), partly associated with COVID-19 and the war between Russia and Ukraine, 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 inflationary pressure, the Bank of England's Monetary Policy Committee (the "**Monetary Policy Committee**") has increased the Bank of England Base Rate several times since November 2021. While at the last two meetings of the Monetary Policy Committee, the Bank of England left interest rates unchanged, (for the first time since November 2021) inflation remains well above the Bank of England's target of 2 per cent and it remains unclear when interest rates will begin to fall and any further inflationary pressure may result in further interest rate increases over time. If there were further interest rate increases and if the cost of living were to continue to rise, this could adversely affect Borrowers' disposable income and ability to pay interest or repay principal on their Mortgages, 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 or recession. A deflationary environment may negatively affect property values. As such, rises in a Borrower's cost of debt and cost of living could lead to increased strain on their ability to service the Loans and ultimately lead to losses on the Notes.

There has also been an increased focus (and expectation) by regulators in the UK that firms should be working with borrowers to resolve any difficulties that they may be facing with respect to their finances. Notably, the FCA is increasingly expecting lenders to engage constructively with such Borrowers. In their updated Mortgage Tailored Support Guidance (published in March 2021) the FCA outlined its expectations that firms support their customers through periods of payment difficulties and in the FCA's "*Borrowers in Financial Difficulty*" publication in November 2022 it was made clear that the FCA's expectation is that firms focus on encouraging and facilitating customer communications. The implementation of the Consumer Duty also requires authorised firms to ensure good outcomes for customers, which in this context may also require further flexibility from firms when engaging with delinquent borrowers. These heightened regulatory expectations may lead to protracted timelines prior to enforcement of security on delinquent Borrowers and it may accordingly be less likely that any enforcement steps are taken in respect of Properties in the Mortgage Portfolio, or it may take longer for proceedings to start, which may impair the Issuer's ability to make payments on the Notes. See the section entitled "*Mortgage Regulation in the United Kingdom*" and in particular, "*Mortgage Regulation in the United Kingdom - FCA response to the cost of living crisis*" for further information.

Other factors in Borrowers' individual, personal or financial circumstances may affect the ability of Borrowers to repay the Loans. Unemployment, loss of earnings (including and in particular in relation to self-employed Borrowers experiencing more volatile earnings and Borrowers suffering the impact of being furloughed for a period of time or ultimately being made redundant by an employer as a result of the wider macroeconomic conditions), physical or mental illness or stresses (including arising in connection with an epidemic, pandemic or health crises such as Covid-19), divorce and other similar factors or financial vulnerabilities may lead to an increase in delinquencies by and bankruptcies of Borrowers, and could ultimately have an adverse impact on the ability of Borrowers to repay the Loans. 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. If a Borrower fails to repay its Mortgage Loan and the related Property is repossessed, the likelihood of there being a net loss on disposal of the Property is increased by a higher loan to value ratio (the "**LTV**"). See "*Geographical, Political and Market Risks – Declining property values*", above.

In order to enforce a power of sale in respect of a Property in England and Wales and in Northern Ireland, the relevant mortgagee (which may be the Legal Title Holder or the Issuer) must first obtain possession of the relevant Property. Possession is usually obtained by way of a court order or decree. This can be a lengthy and costly process and will involve the mortgagee assuming certain risks. The court has a wide discretion and may adopt a sympathetic attitude towards a Borrower faced with eviction. Any possession order given in favour of the lender may be suspended to allow the Borrower more time to pay. In addition, if possession has been obtained, a reasonable period must be allowed for marketing the property, to discharge obligations to take reasonable care to obtain a proper price. In Scotland, enforcement remedies involve the heritable creditor (the Scottish equivalent to a mortgagee) following certain statutory procedures, including obtaining a court decree, which are different to those which apply in England and Wales, but which can also be lengthy and costly. If

obtaining possession of properties and arranging a sale in such circumstances is lengthy or costly, the Issuer's ability to make payments on the Notes may be reduced. The Issuer's ability to make such payment may be reduced further if the mortgagee's method for obtaining possession of properties permitted by law is restricted or limited in the future.

Collectability of Mortgages

The collectability of further amounts due under the Mortgage Loans are subject to credit, liquidity and interest rate risks and will generally fluctuate in response to, among other things, market interest rates, general economic conditions, real estate values, the financial standing of Borrowers and other similar factors. Although interest rates are currently at a historical low, this may change in the future and an increase in interest rates may adversely affect Borrowers' ability to pay interest or repay principal on their Mortgage Loans. Other factors (which may not affect real estate values, such as Borrowers' personal or financial circumstances) may have an impact on the ability of Borrowers to repay Mortgage Loans. Unemployment, loss of earnings, redundancy, illness, divorce, older Borrowers with long mortgages, and other similar factors may lead to an increase in delinquencies and bankruptcy filings by Borrowers and could ultimately have an adverse impact on the ability of Borrowers to repay the Mortgage Loans.

If a Borrower fails to repay its Mortgage Loan and the related Property is repossessed, the likelihood of there being a net loss on disposal of the Property is increased by a higher "loan to value" ratio. See "*Declining Property Values*" above for further information.

Set-off risk due to payment protection insurance claim

Plevin v Paragon Personal Finance Limited [2014] UKSC 61 ("**Plevin**"), a Supreme Court judgment, has clarified that compliance with the relevant regulatory rules by the creditor (or a person acting on behalf of the creditor) does not preclude a finding of unfairness, as a wider range of considerations may be relevant to the fairness of the relationship than those which would be relevant to the application of the rules. 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.

In March 2017, the FCA published final rules and guidance with respect to payment protection insurance complaints in light of *Plevin*. The rules will not apply to borrowers with Regulated Mortgage Contracts. The FCA rules came into force on 29 August 2017 and required firms that sold PPI to write to previously rejected mis selling complainants who are eligible to complain again in light of *Plevin* in order to explain this to them by 29 November 2017. The FCA rules state that if the anticipated profit share and commission or the likely range of profit share and commission on a payment protection insurance contract were not disclosed to the borrower before the PPI Contract was entered into, the firm should consider whether it can satisfy itself on reasonable grounds that an unfair relationship did not arise. A firm should make a rebuttable presumption that failure to disclose commission gave rise to an unfair relationship if the anticipated profit share plus the commission known or reasonably foreseeable at the time of sale was in relation to a single premium payment protection contract, more than 50 per cent. of the total amount paid in relation to the PPI Contract or in the case of a regular premium PPI Contract, at any time in the relevant period or periods more than 50 per cent. of the total amount paid in relation to the PPI Contract in respect of the relevant period or periods. The FCA cites, amongst others, an example of such presumption being rebutted by the lender not having known and not being reasonably expected to have known or foreseen the level of commission and anticipated profit share. Where the firm concludes that the non-disclosure of commission on a PPI Contract has given rise to an unfair relationship, the firm should remedy the unfairness by paying the complainant a sum equal to the total commission paid by the complainant for PPI plus an amount representing any profit share payment, minus 50 per cent. of the total amount paid by the complainant for the PPI ("**Compensation Sum**"). The firm should also repay interest received by it in relation to the Compensation Sum where relevant and also pay simple interest on the whole amount. The FCA set a deadline of 29 August 2019 by which consumers needed to make any PPI complaints or lose their right to have them assessed by firms (although consumers continue to be able to bring claims in court). There is a possibility that such a deadline could be challenged in court or be subject to judicial review. A consumer may be able to still submit a complaint if they were sold the policy after 29 August 2017, the complaint is about a claim being turned down by an insurer or the consumer can clearly show that there were exceptional circumstances that prevented them from making a complaint by the deadline. Where a complaint was received by the lender before the 29 August 2019, where required, remediation will be paid in accordance with methodology agreed by the FCA. It is still open to a borrower to bring a claim in the courts unless the limitation period has expired.

If a court determined that there was an unfair relationship between the lender and the Borrowers in respect of the Loans and ordered that financial redress was made in respect of such Loans, or if redress was due in accordance with the FCA guidance on PPI complaints, such redress may adversely affect the ultimate amount received by the Issuer in respect of the relevant Loans, and the realisable value of the Portfolio and/or the ability of the Issuer to make payments in respect of the Notes.

CHL as Legal Title Holder to retain legal title to the Mortgage Loans and risks relating to set-off

The sale of the Mortgage Loans (other than the Scottish Mortgage Loans) by the Seller to the Issuer on the Closing Date takes effect in equity only. The sale of the Scottish Mortgage Loans by the Seller to the Issuer will be given effect by a declaration of trust whereby:

On the Closing Date:

- (a) The Legal Title Holder will enter into a Scottish Declaration of Trust pursuant to which it will hold all its right, title, benefit and interest on and from the Closing Date in the Scottish Mortgage Loans on trust for the Seller; and
- (b) the Seller will agree to assign its interest as beneficiary under the Scottish Declaration of Trust to the Issuer pursuant to the Scottish Trust Transfer.

This means that legal title to the Mortgage Loans and their Related Security in the Portfolio will be held by the Legal Title Holder and will not be transferred to the Issuer until certain trigger events occur under the terms of the Mortgage Sale Agreement (see “*Sale of the Mortgage Portfolio under the Mortgage Sale Agreement*” below).

The Issuer has not applied and will not apply (until the occurrence of certain perfection events) to the Land Registry, Registers of Scotland or the Registries of Northern Ireland to register or record its equitable interest in the English Mortgages and Northern Irish Mortgages and, in respect of the Scottish Mortgages, to register or record an assignment of the legal title in its name.

The consequences of the Issuer not obtaining legal title to the Mortgage Loans and their Related Security or the Properties secured thereby are set out below.

- (a) A *bona fide* purchaser from the Legal Title Holder for value of any of such Mortgage Loans and their Related Security without notice of any of the interests of the Issuer might obtain a good title free of any such interest. If this occurred, then the Issuer would not have good title to the affected Mortgage Loan and its Related Security, and it would not be entitled to payments by a Borrower in respect of that Mortgage Loan. However, the risk of third party claims obtaining priority to the interests of the Issuer in this way would be likely to be limited to circumstances arising from a breach by the Legal Title Holder of its contractual obligations or fraud, negligence or mistake on the part of the Legal Title Holder or its personnel or agents;
- (b) although as between the Legal Title Holder and the Issuer, under the Servicing Agreement, the Legal Title Holder has agreed that it will not vary any of the terms of the Mortgage Loans or their Related Security except that it may in its capacity as Servicer vary certain terms in certain circumstances as set out in the Servicing Agreement, as between any Borrower and the Issuer, if the Legal Title Holder were to modify the terms of the Mortgage Loans and their Related Security the revised terms would apply and, the Issuer would only have recourse against the Legal Title Holder for breach of contract or breach of trust;
- (c) prior to the insolvency of the Legal Title Holder, unless (i) notice of the assignment is given to a Borrower who is a creditor of the Legal Title Holder in the context of the Mortgage Loans and their Related Security and (ii) an assignment of the Scottish Mortgage Loans and their Related Security is made by the Legal Title Holder in favour of the Issuer and notified to a Borrower, equitable or independent set-off rights may accrue in favour of a Borrower against its obligation to make payments to the Legal Title Holder under the relevant Mortgage Loan. These rights may result in the Issuer receiving reduced payments on the Mortgage Loans. The transfer of the benefit of any Mortgage Loans to the Issuer will continue to be subject to any prior rights the Borrower may become entitled to after the transfer. Where notice of the assignment or assignment is given to the Borrower, however, some rights of set-off may not arise after the date notice is given and for the purposes of this Prospectus, references herein to “**set-off**” shall be construed to include analogous rights in Scotland;
- (d) once notice has been given to the Borrowers of the assignment or assignment of the Mortgage Loans and their Related Security to the Issuer, independent set-off rights which a Borrower has against the Legal Title Holder will

crystallise and further rights of independent set-off would cease to accrue from that date and no new rights of independent set-off could be asserted following that notice. Set-off rights arising under “transaction set-off” (which are set-off claims arising out of a transaction connected with the Mortgage Loan) will not be affected by that notice and will continue to exist (see “*Set-off risk may adversely affect the value of the Mortgage Portfolio or any part thereof*” below); and

- (e) until notice of the assignment or assignation is given to the Borrowers, the Issuer would not be able to enforce any Borrower’s obligations under a Mortgage Loan or Related Security itself but would have to join the Legal Title Holder as a party to any legal proceedings. Borrowers will also have the right to redeem their Mortgages by repaying the Mortgage Loan directly to the Legal Title Holder. However, the Legal Title Holder will undertake, pursuant to the Mortgage Sale Agreement, to hold any money repaid to it in respect of Mortgage Loans to the order of the Issuer. However, for so long as the Issuer does not have legal title, the Legal Title Holder will undertake for the benefit of the Issuer that it will lend its name to, and take such other steps as may reasonably be required by the Issuer in relation to, any legal proceedings in respect of the Mortgage Loans and their Related Security.

If any of the risks described above were to occur then the realisable value of the Mortgage Portfolio or any part thereof may be adversely affected. Such risk will be mitigated by the Legal Title Holder granting to the Issuer and the Trustee a power of attorney to give them the power to do all further things and take all necessary action to perfect the transfer of legal title to the Mortgage Loans (as applicable) and their Related Security on the occurrence of a Perfection Trigger Event under the Mortgage Sale Agreement.

Set-off risk may adversely affect the value of the Mortgage Portfolio or any part thereof

As described above, the sale by the Seller to the Issuer of the Mortgage Loans and their Related Security will be given effect by:

- (a) an equitable assignment in respect of the Mortgage Loans other than the Scottish Mortgage Loans; and
- (b) the Seller assigning its interest in the Scottish Declaration of Trust in favour of the Issuer in respect of the Scottish Mortgage Loans pursuant to the Scottish Trust Transfer.

As a result, legal title to the Mortgage Loans and their Related Security sold by the Seller to the Issuer will remain with the Legal Title Holder until the occurrence of certain trigger events under the terms of the Mortgage Sale Agreement. Once notice has been given to the Borrowers of the assignment or assignation of, or declaration of trust over (as applicable) the Mortgage Loans and their Related Security to the Issuer, independent set-off rights which a Borrower has against the Legal Title Holder (such as set-off rights not associated with or connected to the relevant Mortgage Loan) will crystallise and further rights of independent set-off would cease to accrue from that date and no new rights of independent set-off could be asserted following that notice.

Set-off rights arising under “transaction set-off” (which are set-off claims arising out of a transaction connected with the Mortgage Loan) will not be affected by that notice and will continue to exist. For example, the relevant Borrower may set-off any successful claim for damages (or equivalent rights) against the Legal Title Holder (and, as equitable assignee of or holder of the beneficial interest in the Mortgage Loans and their Related Security in the Mortgage Portfolio, the Issuer) for payment of principal and/or interest under the relevant Mortgage Loan as and when it becomes due.

The amount of any such claim against the Legal Title Holder 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 Legal Title Holder’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, it may have a claim in respect of other indirect losses arising from the Legal Title Holder’s breach of contract where there are special circumstances communicated by the Borrower to the Legal Title Holder at the time the Borrower entered into the Mortgage or which otherwise were reasonably foreseeable. A Borrower may also attempt to set off an amount greater than the amount of its damages claim against its mortgage payments. In that case, the Servicer 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 or decree is obtained.

The exercise of set-off rights by Borrowers may adversely affect the realisable value of the Mortgage Portfolio and/or the ability of the Issuer to make payments under the Notes.

No assurance that the Issuer will receive benefit of any claims under Insurance Policies

The Mortgage Conditions require Borrowers to have buildings insurance for the relevant Property. However, it will be difficult in practice for the Servicer and/or the Issuer to determine whether the relevant Borrower has valid insurance in place at any time. It is noted that while the Issuer will have an interest in the benefit of any contingent or lender's interest only insurance to cover the risks of a Borrower failing to have buildings insurance or an interest in a policy ("**Properties in Possession Cover**"), which would give the Issuer certain protection in respect of the risks associated with repossessed properties, no assurance can be given that the Issuer will always receive the benefit of any claims made under any applicable buildings insurance contracts or that the amounts received in respect of a successful claim will be sufficient to reinstate the affected Property or otherwise cover the losses of the Issuer. This could adversely affect the Issuer's ability to make payment of interest and/or principal in respect of the Notes and payments due in respect of the Certificates.

Issuer may not have direct rights against third parties

The Seller has assigned its causes and rights of actions against solicitors and valuers to the Issuer pursuant to the Mortgage Sale Agreement in respect of the Mortgage Loans other than the Scottish Mortgage Loans, to the extent that they are assignable. In respect of the Scottish Mortgage Loans, all rights that the Originators had in respect of any relevant solicitors or valuers in respect of the Scottish Mortgage Loans will be held in trust for the Issuer pursuant to the terms of the Scottish Trust and Scottish Trust Transfer. However, neither the Seller nor the Legal Title Holder was the originator of the Mortgage Loans and the said rights may therefore not have been effectively assigned or held on trust (prior to being assigned from the Seller to the Issuer under the Mortgage Sale Agreement) and the Issuer may therefore not have any direct rights against any solicitors or valuers who, when acting for the Originators in relation to the origination of any Mortgage Loan, may have been negligent or fraudulent. For more information on the previous financing arrangements in respect of the Mortgage Portfolio and the Related Security see the section entitled, "*The Mortgage Portfolio – Prior financing*".

Servicing and Third Party Risk

Issuer reliance on other third parties

The Issuer is party to contracts with a number of other third parties who have agreed to perform services in relation to the Notes (see the section entitled "*Diagrammatic Overview of Transaction*" for summary of third parties relating to the transaction). In the event that any of such third parties were to fail to perform their obligations under the respective agreements to which they are a party, and/or are removed or if such a party resigns without a sufficiently experienced substitute or any substitute being appointed in their place promptly thereafter, collections on the Mortgage Portfolio and/or payments to Noteholders and Certificateholders may be disrupted and Noteholders and/or Certificateholders may be adversely affected.

The Servicer and the Back-Up Servicer

The Servicer will be appointed by the Issuer on the Closing Date to administer the Mortgage Loans. In case the appointment of the Servicer as servicer is terminated in accordance with the provisions of the Servicing Agreement, the Back-Up Servicer is required to perform the Services in respect of the Mortgage Loans on the terms set out in the Replacement Servicing Agreement.

If the appointment of the Servicer is terminated in accordance with the provisions of the Servicing Agreement and the performance of the Services is assumed by the Back-Up Servicer in accordance with the terms of the Replacement Servicing Agreement, the collection of payments on the Mortgage Loans and the provision of the Services could be disrupted during the transitional period in which the performance of the Services is transferred to the Back-Up Servicer. Any failure or delay in collection of payments on the relevant Mortgage Loans resulting from a disruption in the servicing of the Mortgage Loans could ultimately adversely affect payments of interest and principal on the Notes. A failure or delay in the performance of the services, in particular reporting obligations, could adversely affect the payments of interest and principal on the Notes.

If the appointment of the Back-Up Servicer is terminated or if the Back-Up Servicer is unable to perform the Services following a Servicer Termination Event, there can be no assurance that a replacement back-up servicer with sufficient experience of administering mortgages of residential properties would be found who would be willing and able to service the Mortgage Loans. In addition, any such substitute back-up servicer will be required to be authorised under FSMA in

order to service Mortgage Loans that constitute Regulated Mortgage Contracts. The ability of any entity acting as a substitute back-up servicer to fully perform the required services would depend, among other things, on the information, software and records available at the time of the appointment. Any delay or inability to appoint a substitute back-up servicer may adversely affect payments on the Mortgage Loans and hence the Issuer's ability to make payments when due on the Notes.

Neither the Servicer nor the Back-Up Servicer has any obligation itself to advance payments that Borrowers fail to make in a timely fashion.

Certain material interests

The Co-Arrangers, the Joint Lead Managers and their respective affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for CHL and CERH II and their affiliates. In particular, the Co-Arrangers, certain Joint Lead Managers and their respective affiliates may provide financing in relation to the notes issued by Towd Point Mortgage Funding 2019 – Vantage2 plc which may be refinanced with the proceeds of the issuance of the Notes on the Closing Date. Additionally, certain affiliates of the Seller may retain some of the Notes on or after the Closing Date, which may be financed with one or more of the Co-Arrangers or Joint Lead Managers. Each of the Co-Arrangers, the Joint Lead Managers and/or their affiliates may also act in its own commercial interest in its various capacities without regard to whether its interests conflict with those of the holders of the Notes, the Certificates or any other party. The Co-Arrangers, the Joint Lead Managers and/or their affiliates may hold Notes from time to time and each may exercise their rights as Noteholder in a manner which is adverse to the other Noteholders. Other parties to the transaction may also perform multiple roles, including CHL who will act as (among other roles) the Legal Title Holder and the Servicer. Additionally, as is more fully described in the sections entitled “*CERH II – The Retention Holder*”, “*CERH Vantage Holdings SARL – The Seller*,” and “*CHL – The Legal Title Holder, Cash Manager and Servicer*”, the Retention Holder, the Seller, the Legal Title Holder and the Servicer, are affiliates.

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

Accordingly, Noteholders should be aware that conflicts of interest may exist or may arise as a result of parties to this transaction:

- (a) having previously engaged or in the future engaging in transactions with other parties to the transaction;
- (b) having multiple roles in this transaction; and/or
- (c) carrying out roles in other transactions for third parties.

The Trustee is not obliged to act in certain circumstances

The Trustee may, at any time, at its discretion and without notice, take such proceedings, actions or steps against the Issuer or any other party to any of the Transaction Documents as it may think fit to enforce the provisions of the Notes, the Certificates or the Trust Documents (including the Conditions and the Certificate Conditions) or of the other Transaction Documents to which it is a party and at any time after the service of an Enforcement Notice, the Trustee may, at its discretion and without notice, take such proceedings, actions or steps as it may think fit to enforce the Security. However, the Trustee shall not be bound to take any such proceedings, actions or steps (including, but not limited to, the giving of an Enforcement Notice in accordance with Condition 13 (*Events of Default*) or Certificate Condition 11 (*Certificates Events of Default*)) unless it shall have been directed to do so by an Extraordinary Resolution of the holders of the Most Senior Class or in writing by the holders in aggregate of at least 25 per cent. in Principal Amount Outstanding of the Most Senior Class of Notes then outstanding (or if no Notes remain outstanding, of the number of the Certificates then in issue) and it shall have been indemnified and/or secured and/or prefunded to its satisfaction.

Change of counterparties may reduce amounts available to the Issuer to make payments to Noteholders and Certificateholders

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

These criteria include requirements imposed by the Financial Conduct Authority and under FSMA and requirements in relation to the short-term and long-term unguaranteed and unsecured ratings ascribed to such party by the Rating Agencies. If the party concerned ceases to satisfy the applicable criteria, including the ratings criteria set out in the relevant Transaction Documents and as described in this Prospectus, then the rights and obligations of that party (including the right or obligation to receive monies on behalf of the Issuer) may be required to be transferred to another entity which does satisfy the applicable ratings criteria. In these circumstances, the terms agreed with the replacement entity may not be as favourable as those agreed with the original party pursuant to the relevant Transaction Document and the cost to the Issuer may therefore increase. In addition, it may not be possible to find an entity with the ratings prescribed in the relevant Transaction Document who would be willing to act in the role. This may reduce or delay amounts available to the Issuer to make payments of interest, principal and other amounts (as applicable) on the Notes and the Certificates.

In addition, should the applicable criteria cease to be satisfied, then the parties to the relevant Transaction Document may agree to amend or waive certain of the terms of such document, including the applicable criteria (although this will not apply to mandatory provisions of law), in order to avoid the need for a replacement entity to be appointed. The consent of Noteholders and/or Certificateholders may not be required in relation to such amendments and/or waivers even though they may be impacted by such decisions.

Rights of Noteholders, Certificateholders and Secured Creditors

Risks relating to negative consent of Noteholders and Certificateholders in respect of amendments to the Transaction Documents under certain circumstances

The Trustee shall be obliged, without any consent or sanction of the Noteholders, the Certificateholders or (subject to the receipt of consent from any of the Secured Creditors party to the Transaction Document being modified 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) any of the other Secured Creditors, to concur with the Issuer in making any modification (other than in respect of a Reserved Matter) to the Conditions, the Certificate Conditions or any other Transaction Document to which it is a party or in relation to which it holds security that the Issuer considers necessary for the purpose of certain specified matters (as more fully set out in Condition 17.2 (*Additional Right of Modification*)) **provided that** Noteholders representing at least 10 per cent. of the aggregate Principal Amount Outstanding of the Most Senior Class of Notes then outstanding have not notified the Issuer or the Principal Paying Agent that they do not consent to the modification. As such, Noteholders and Certificateholders should be aware that the relevant modification may be effected regardless of their objections if the amount of Noteholders objecting represent less than 10 per cent. of the aggregate Principal Amount Outstanding of the Most Senior Class of Notes then outstanding.

In addition, in relation to material amendments to the LFP Related Provisions, prior to the LF Cancellation Date only, the consent of the Liquidity Facility Provider shall be required. Thus, Noteholders and Certificateholders should be aware that their consent or objection may not be sought in respect of such modifications.

The Trustee may also, without the consent of any of the Noteholders, the Certificateholders or other Secured Creditors, concur with the Issuer in substituting in place of the Issuer a Substituted Obligor as the principal debtor in respect of the Transaction Documents provided that certain conditions as set out in the Trust Deed are satisfied.

Meetings of Noteholders and Certificateholders, Modification and Waivers

The Conditions and the Certificate Conditions contain provisions for calling meetings of Noteholders and Certificateholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders and Certificateholders including Noteholders and Certificateholders who did not attend and vote at the relevant meeting and Noteholders and Certificateholders who voted in a manner contrary to the requisite majority for such vote. In addition, the Trust Deed provides that the Trustee may (but subject in each case to the more detailed provisions of the Trust Deed), concur with the Issuer in making certain formal, minor or technical amendments or amendments that will not be materially prejudicial to the interests of holders of the Most Senior Class outstanding (other than a Reserved Matter), or authorise or waive a breach of a Transaction Document or occurrence of an Event of Default or Certificates Event of Default if holders of the Most Senior Class outstanding will not be materially prejudiced thereby. Thus, Noteholders and Certificateholders should be aware that certain amendments and waivers may be effected without their consent and at the discretion of the Trustee from time to time.

The Trustee (subject to the Trustee being indemnified and/or secured and/or prefunded to its satisfaction) is also obliged, in certain circumstances, to agree to amendments to the Conditions, the Certificate Conditions or the Transaction Documents for, among other reasons, 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 without the consent of Noteholders following a request for consent having been given to the Noteholders or the Certificateholders but an insufficient number of Noteholders or Certificateholders notifying the Issuer or the Principal Paying Agent that they do not consent to such amendments (see *“Rights of Noteholders, Certificateholders and Secured Creditors – Risks relating to negative consent of Noteholders and Certificateholders in respect of amendments to the Transaction Documents under certain circumstances”* above). Noteholders and Certificateholders should be aware that such amendments may therefore be effected regardless of their objections, if the number of objecting Noteholders or Certificateholders are insufficient.

Conflict between Noteholders, Certificateholders and other Secured Creditors

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

However, if, in the opinion of the Trustee, there is a conflict between the interests of holders of different Classes, the Trustee will have regard only to the interests of (i) whilst there are Notes outstanding, the holders of the Most Senior Class of Notes and will not have regard to any lower ranking Class of Notes or the Certificates and (ii) whilst there are no Notes outstanding, holders of the Certificates, and shall have regard to the interests of the other Secured Creditors only to pay such parties any monies received and payable to them and to act in accordance with the applicable Priority of Payments. As a result, holders of Notes and Certificates may not have their interests taken into account by the Trustee when the Trustee exercises discretion.

Investors should be aware that the Retention Holder will hold, either directly or through a directly or indirectly wholly-owned entity, for the life of the transaction, a material net economic interest of not less than 5 per cent. in the securitisation in order to comply with the EU Retention Requirement and the UK Retention Requirement. The foregoing required risk retention holdings represent a material holding. The Retention Holder or its affiliate are under no obligation to consider the interests of other Noteholders and Certificateholders when exercising their rights under the Notes and the Certificates (with respect to not only the securities held to satisfy the required risk retention, but also any other Notes or the Certificates which they may own) and may, subject to certain restrictions, exercise voting rights in respect of the Notes and the Certificates held by it in a manner which may be prejudicial to other Noteholders or Certificateholders. As such, the Retention Holder will be a Relevant Person.

Certain Regulatory Considerations in relation to Mortgage Loans

Regulatory Risks in relation to the underlying assets

Certain regulatory risks exist in relation to the Mortgage Loans, including in relation to the legal and regulatory considerations relating to the Mortgage Loans and their Related Security, changes in law, regulation, the possibility of complaints by Borrowers in relation to terms of the Mortgage Loans and in relation to the policies and procedures of the Legal Title Holder. If any of these risks materialise they could have an adverse effect on the Legal Title Holder and the Issuer and could adversely affect the ability of the Issuer to make payments on the Notes. Consideration in relation to the regulation of mortgages in the UK is set out in further detail in the section headed *“Mortgage Regulation in the United Kingdom”*.

Potential effects of current regulations, any additional regulatory changes and uncertainty of regulatory regimes

In the United Kingdom, there is continuing political and regulatory scrutiny of the banking industry and, in particular, retail banking from each of the FCA, PRA and CMA. In recent years there have been several issues in the UK financial services industry in which the FCA has intervened directly, including the sale of personal pensions and the sale of mortgage-related endowments. No assurance can be given that changes will not be made to the regulatory regime and developments described above in respect of the mortgage market in the United Kingdom generally, the Seller's particular sector in that market or specifically in relation to the Seller. Any such action or developments, in particular, but not limited to, the cost of compliance, may have a material adverse effect on the group and its businesses and operations.

Further, the FOS decides complaints on a case by-case basis and is required to make decisions on the basis of, among other things, the principles of fairness. Therefore, it is not possible to predict the decisions of the FOS. There is however a risk that a decision of the FOS may affect the ability of the Issuer to make payments to Noteholders if such decision affects the terms of the Mortgage Loans and means the Issuer does not receive all payments of principal and interest from Borrowers as was expected. See "*Mortgage Regulation in the United Kingdom*" more generally for certain regulatory considerations and risks.

In addition, there is a risk that Mortgage Loans may be subject to remediation exercises from time to time as a result of review by the FCA. There can be no guarantee that, upon review of the Mortgage Loans, the FCA will not require the Legal Title Holder to undertake remediation exercises by making compensation payments to the relevant Borrowers and/or adjusting the Current Balance of the affected Mortgage Loans. Any such remediation exercise may therefore have an adverse effect on the Issuer's ability to make payments under the Notes and/or Certificates.

Law and Regulation relating to obtainment of vacant possession

Various pieces of legislation across England, Scotland, Northern Ireland and Wales may also place restrictions on the right of the Legal Title Holder to obtain vacant possession, to exercise its power of sale, or to initiate responsive action. For example, the Mortgage Repossession (Protection of Tenants etc.) Act 2010 gives courts in England and Wales the power to postpone for up to two months (on application by a tenant in possession without the lender's consent) as exists for applications by tenants that are authorised, while the Private Housing (Tenancies) (Scotland) Act 2016 introduces a new form of tenancy known as a "private residential tenancy" that (except in a very limited number of circumstances) provides tenants with security of tenure by restricting a landlord's ability to regain possession of the property to a number of specific eviction grounds. The Rental Homes (Wales) Act 2016 similarly introduces a new form of tenancy that limits claims for possession. The Private Tenancies Act (Northern Ireland) 2022 came into effect in Northern Ireland on 1 April 2023 and provided for increased minimum notice periods required under notices to quit. These, and other pieces of legislation present a risk that recovery of both principal and interest from the Mortgage Loans is affected. If such recovery is affected, this may restrict the ability of the Issuer to make payments under the Notes and Certificates.

In addition, the regulatory authorities in the United Kingdom continue to scrutinise the banking industry and as such there is a risk that changes are made to the existing regulatory regime or that additional regulations or guidance from the FCA, the CMA, the PRA, the FOS or that any other regulatory authority will arise with regard to the mortgage market in the United Kingdom generally, the Seller's particular sector in that market or specifically in relation to the Seller. Any such action or developments may mean there are additional regulatory obligations in respect of the Mortgage Loans or for the Seller, the Issuer and/or the Servicer and their respective businesses and operations, therefore leading to increased costs of compliance. In turn, this may adversely affect the Issuer's ability to make payments in full on the Notes when due and to make payments on the Certificates.

Regulation of Buy-To-Let Mortgage Loans

Buy-to-let mortgage loans can fall under several different regulatory regimes. They can be: (a) unregulated; (b) a Regulated Credit Agreement; (c) a Regulated Mortgage Contract; or (d) Consumer Buy-to-Let Mortgage Loans. Although a minority of the Mortgage Loans which are buy-to-let loans should be unregulated there is no guarantee of this classification and there is a risk that they are could be categorised under one of the different regulatory regimes noted above. As at the Portfolio Reference Date, 1.85 per cent. of the Provisional Mortgage Portfolio are buy-to-let Mortgage Loans. If any of the Mortgage Loans are in fact categorised differently, then breach of the relevant regulations could give rise to a number of consequences (as applicable), including but not limited to: unenforceability of the Mortgage Loans, interest payable under the Mortgage Loans 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 the Mortgage Loans. If the Mortgage Loans are held as unenforceable or the Borrowers are able to claim damages, there is a material risk that this would affect the ability of the Issuer to make payment in full on the Notes when due because of reduced overall payments from the Borrowers.

Land Registration Reform in Scotland

The Land Registration etc. (Scotland) Act 2012 (the "**2012 Act**") received Royal Assent on 10 July 2012 and the majority of its provisions came into force in Scotland on 8 December 2014. One of the policy aims of the 2012 Act is to encourage

the transfer of property titles recorded in the historic General Register of Sasines to the more recently established Land Register of Scotland with the aim of eventually closing the General Register of Sasines.

Previously, title to a residential property that was recorded in the General Register of Sasines would usually only require to be moved to the Land Register of Scotland, a process known as 'first registration', when that property was sold or if the owner decided voluntarily to commence first registration. However, the 2012 Act sets out, in provisions which are being brought into effect in stages, additional circumstances which will trigger first registration of properties recorded in the General Register of Sasines, including (i) the recording of a standard security (which would extend to any standard security granted by the Issuer in favour of the Trustee over Scottish Mortgages in the Portfolio recorded in the General Register of Sasines, pursuant to the terms of the Deed of Charge following a Perfection Trigger Event (a “**Scottish Sasine Sub-Security**”)), or (ii) the recording of an assignation of a standard security (which would extend to any assignation granted by the relevant Seller in favour of the Issuer in respect of Scottish Mortgages in the Portfolio recorded in the General Register of Sasines, pursuant to the terms of the Mortgage Sale Agreement following a Perfection Trigger Event (a “**Scottish Sasine Transfer**”)).

The relevant provisions of the 2012 Act relating to the recording of standard securities came into force on 1 April 2016. As of this date, the General Register of Sasines is now closed to the recording of standard securities. As a result of this, if a Scottish Sasine Sub-Security is granted by the Issuer this may lead to higher legal costs and a longer period being required to complete registration than would previously have been the case. Notwithstanding the provisions of the 2012 Act mentioned above, for the time being other deeds such as assignations of standard securities (including Scottish Sasine Transfers) will continue to be accepted in the General Register of Sasines indefinitely (although the Registers of Scotland have reserved the right to consult further on this issue in the future).

If the General Register of Sasines becomes closed to assignations of standard securities at any time after the date of this Prospectus, then this would also have an impact on the registration of Scottish Sasine Transfers in addition to impacting on the registration of Scottish Sasine Sub-Security executed following a Perfection Trigger Event, with the probability of higher legal costs and a longer period required to complete registration than would currently be the case.

As noted above, such events will only occur following a trigger event to perfect legal title of the loans and, given that the proportion of residential properties in Scotland which remain recorded in the General Register of Sasines continues to decline, and the Registers of Scotland estimate that, as at November 2022, approximately 87 per cent. of functional property titles in Scotland were registered in the Land Register of Scotland, it is likely that, in relation to the Provisional Mortgage Portfolio, where, as at the Portfolio Reference Date, approximately 5.08 per cent. (by Current Balance) of the Properties are located in Scotland, only a minority of the Scottish Mortgages will be recorded in the General Register of Sasines.

Unfair Terms in Consumer Contracts Regulations and the CRA

In the United Kingdom, the UTCCR applies to business-to-consumer agreements made on or after 1 July 1995 but prior to 1 October 2015 (with a “consumer” within the meaning of the UTCCR), where the terms have not been individually negotiated. The CRA has revoked the UTCCR in respect of contracts made on or after 1 October 2015 and also applies to notices of variation after this date. The main provisions of the CRA came into force on 1 October 2015. The CRA is only applicable to contracts that (a) were entered into on or after 1 October 2015; or (b) were, since 1 October 2015, subject to a material variation such that they are treated as new contracts falling within the scope of the CRA.

Under each of the UTCCR and the CRA, it is possible for a consumer (which would include a borrower under all or almost all of the Mortgage Loans) to challenge a term in a consumer contract on the basis that it is unfair and therefore not binding on the consumer or for the regulator to take enforcement action to stop the use of terms which are considered to be unfair (although the rest of the agreement will remain enforceable if it is capable of continuing in existence without the unfair term). 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 even if the consumer has not explicitly raised the issue of fairness.

The UTCCR and CRA will not generally affect terms which define the main subject matter of the contract, such as the borrower’s obligation to repay the principal, provided that these terms are written in plain and intelligible language and are drawn adequately to the consumer’s attention. Schedule 2 to the CRA contains an indicative and non-exhaustive “grey list” of terms of consumer contracts that may be regarded as unfair. Terms falling within the “grey list” may be assessed for

fairness whether or not they relate to the main subject matter of the contract or the adequacy of consideration. Further, a term will not escape assessment for fairness on the basis that it has been individually negotiated. Notably, paragraph 11 of Schedule 2 to the CRA 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”. It should be noted that paragraph 22 of Schedule 2 to the CRA provides that this does not include a term by which a supplier of financial services reserves the right to alter the rate of interest payable by or due to the consumer, or the amount of other charges for financial services without notice where there is a valid reason if the supplier is required to inform the consumer of the alteration at the earliest opportunity and the consumer is free to dissolve the contract immediately.

The UTCCR and CRA may affect terms that are not considered to be terms which define the main subject matter of the contract, such as the lender’s power to vary the interest rate and certain terms imposing early repayment charges and mortgage exit administration fees. In respect of variation notices, these will be unfair if they cause a significant imbalance in the parties’ rights to the detriment of the consumer. If notices are found to be unfair, they will not be binding on the consumer.

The extremely broad and general wording of the CRA and UTCCR 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 or the FOS to be unfair. It is therefore possible that any Mortgage Loans or variation notices which have been made to Borrowers covered by the UTCCR or CRA may contain unfair terms which may result in the possible unenforceability of the terms of the underlying loans. If the terms of the underlying loans are held as unenforceable, this could mean a Borrower is not liable to pay certain interest or other charges which would mean the Issuer receives lower payments from the Borrowers, in turn affecting the Issuer’s ability to make payments under the Certificates and payments of interest and/or principal due and other payments on the Notes and Certificates. See “*Mortgage Regulation in the United Kingdom*” more generally for certain regulatory considerations and risks.

FCA Consumer Duty

The FCA’s Consumer Duty came into force for authorised firms on 31 July 2023 and currently applies to product and services that remain open to sale or renewal. The duty will apply from 31 July 2024 for closed products and services, including the Mortgage Portfolio. The duty consists of an overarching principle requiring good outcomes for retail customers, backed by cross cutting rules which develop the FCA’s overarching expectations that apply across all areas of firm conduct. The regime is heavily outcomes focused and under it the FCA will assess the outcomes of any activity undertaken by authorised firms to ensure it is providing good outcomes for retail customers.

The novelty of the consumer duty combined with its outcomes-based approach means it is not yet possible to predict the precise effect on the Mortgage Loans with any certainty (including in relation to Mortgage Loans which are not Regulated Mortgage Contracts, as changes of process introduced by the Servicer as a result of the consumer duty may be applied to both Regulated Mortgage Contracts and Mortgage Loans which are not Regulated Mortgage Contracts). However, the duty is likely to result in, among other things, focus on communications and engagement with vulnerable customers which may lead to protracted timelines and delays in repayment prior to the enforcement of security on delinquent borrowers. This could have an adverse effect on the Issuer’s ability to make payments under the Notes in full.

See the section entitled “*Mortgage Regulation in the United Kingdom – FCA Consumer Duty*” for further information.

Mortgage Prisoners

There is an ongoing issue regarding some consumers who cannot switch (or who allege that they cannot switch or refinance) their existing mortgages to affordable mortgages despite being up to date with their mortgage payments, including as a result of changes to lending practices during and after the 2008 financial crisis and subsequent regulation that tightened lending standards – often called ‘mortgage prisoners’. There can be no assurances that Borrowers will not allege similar claims in the future and no assurance can be given with regards to the impact of such claims or allegations on the Issuer’s ability to make repayments under the Notes.

There is ongoing dialogue within the sector about how best to assist mortgage prisoners, including discussion involving regulators and government. Any intervention on this issue may result in early redemptions and a deterioration in the overall quality of the Mortgage Portfolio. This could have an adverse effect on the Issuer’s ability to make payments under the Notes in full.

See the section entitled “*Mortgage Regulation in the United Kingdom – Mortgage Prisoners*” for further information.

Certain Regulatory Considerations Relevant for Potential Investors and their Investment in the Notes

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

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

The EU Securitisation Regulation establishes certain common rules for all securitisations that fall within its scope (including recast of pre-1 January 2019 risk retention and investor due diligence regimes).

The EU Securitisation Regulation has direct effect in member states of the EU, once the EU Securitisation Regulation is incorporated into the EEA Agreement, it will apply more broadly in the EEA, including Iceland, Norway and Liechtenstein.

The UK Securitisation Regulation applies in the UK from 11pm London time on 31 December 2020 following the end of the transition period relating to the UK’s withdrawal from the EU (note that the UK is also no longer part of the EEA). The UK Securitisation Regulation largely mirrors (with some adjustments) the EU Securitisation Regulation as it applied in the EU at the end of 2020 (meaning that the amendments that took effect in the EU from 9 April 2021 are not part of the UK regime). The UK Securitisation Regulation regime is currently subject to legislative reforms under the “Edinburgh Reforms” of UK financial services unveiled on 9 December 2022 and the UK post-Brexit move to “A Smarter Regulatory Framework for Financial Services”. Such legislative reforms will be effected through a combination of a statutory instrument made under the Financial Services and Markets Act 2023 (a near-final draft of which was laid before Parliament on 11 July 2023) to be known as the Securitisation Regulation 2023 (the **2023 UK SR SI**); amendments to the PRA Rulebook to, amongst other things, introduce a new section on securitisation, in relation to which a consultation (CP15/23) was published by the PRA on 27 July 2023 (the **PRA Consultation**); and a set of rules to be implemented by the FCA into the FCA Handbook (such rules to be known as the Securitisation Sourcebook), in relation to which a consultation (FCA CP23/17) was published by the FCA on 7 August 2023 (the **FCA Consultation**). Each of the PRA Consultation and the FCA Consultation close on 30 October 2023 and it is unlikely that the new regime in the UK will be in force before April 2024. In addition to the changes proposed in the 2023 UK SR SI, the PRA Consultation and the FCA Consultation, further consultations and reforms relating to the UK securitisation regime (including a review of the reporting templates required under the UK Securitisation Regulation) are expected throughout the course of 2024 and into 2025. While divergence between the UK and EU regimes already exists, it is likely this position will change over the next 6-24 months, and the risk of further divergence in the longer term cannot be ruled out.

The EU Securitisation Regulation and/or the UK Securitisation Regulation requirements will apply to the Notes. As such, certain European-regulated institutional investors or UK-regulated institutional investors, which include relevant credit institutions, investment firms, authorised alternative investment fund managers, insurance and reinsurance undertakings, certain undertakings for the collective investment of transferable securities and certain regulated pension funds (institutions for occupational retirement provision), are required to comply under Article 5 of the EU Securitisation Regulation or Article 5 of the UK Securitisation Regulation, as applicable, with certain due diligence requirements prior to holding a securitisation position and on an ongoing basis while holding the position. Among other things, prior to holding a securitisation position, such institutional investors are required to verify under their respective EU or UK regime certain matters with respect to compliance of the relevant transaction parties with credit granting standards, risk retention and transparency requirements and, on transactions notified as EU STS or UK STS, compliance of that transaction with the EU or UK STS requirements, as applicable.

If the relevant European- or UK-regulated institutional investor elects to acquire or holds the Notes having failed to comply with one or more of these requirements, as applicable to them under their respective EU or UK regime, this may result in the imposition of a penal capital charge on the Notes for institutional investors subject to regulatory capital requirements or a requirement to take a corrective action, in the case of a certain type of regulated fund investors.

Aspects of the requirements of the EU Securitisation Regulation and the UK Securitisation Regulation and what is or will be required to demonstrate compliance to national regulators remain unclear. Prospective investors should therefore make themselves aware of the requirements applicable to them in their respective jurisdictions and are required to independently assess and determine the sufficiency of the information described in this Prospectus generally for the purposes of complying with such due diligence requirements under the EU Securitisation Regulation (and any corresponding national measures which may be relevant) or the UK Securitisation Regulation.

Various parties to the securitisation transaction described in this Prospectus (including the Issuer) are also subject to the requirements of the UK Securitisation Regulation. However, some uncertainty remains in relation to the interpretation of some of these requirements and what is or will be required to demonstrate compliance to the relevant UK regulators.

It is expected that in due course the EU Securitisation Regulation regime will be amended as a result of the wider review of the functioning of the EU Securitisation Regulation regime, on which the European Commission published a report on 10 October 2022 (the “**October Report**”). The October Report outlined a number of areas where legislative changes may be introduced. It is expected that this will include amendments to the EU Reporting Requirements, as the October Report includes a mandate to ESMA to review the Article 7 EU Technical Standards. As at the date of this Prospectus, ESMA has commenced an informal consultation on the review of the Article 7 EU Technical Standards, although it is unclear as to what amendments may be made or when any such amendments will take effect.

There can be no assurance that the information in this Prospectus or to be made available to investors in accordance with such undertakings will be adequate for any prospective institutional investors to comply with their due diligence obligations under the EU Securitisation Regulation or the UK Securitisation Regulation (as applicable).

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

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

A significant proportion of English, Northern Irish and Scots law was derived from or was designed to operate in concert with EU law. This is especially true of the law relating to financial markets, financial services, prudential and conduct regulation of financial institutions, bank recovery and resolution, payment services and systems, settlement finality, and market infrastructure.

Simple, Transparent and Standardised Securitisations

The transaction is not intended to be designated as a simple, transparent and standardised transaction for the purposes of the UK Securitisation Regulation or the EU Securitisation Regulation (an “**STS Securitisation**”). Investors should therefore consider the consequence from a regulatory perspective of the Notes not being considered an STS Securitisation, including (but not limited to) that the lack of such designation may negatively affect the regulatory position of the Notes and, in addition, have a negative effect on the price and liquidity of the Notes in the secondary market. Please also see the risk factor entitled “*Absence of Secondary Market for the Notes*”.

Legal uncertainty

The UK incorporated most of the existing EU law *acquis* into UK law at the end of the transition period following its exit from the EU, with the intention of limiting immediate legal change. The EUWA also grants the UK Government wide powers to make secondary legislation in order to, among other things, adapt retained EU law that would otherwise not function sensibly once the UK left the EU with minimal parliamentary scrutiny. The secondary legislation made under those powers would be able to do anything that could be done by an act of Parliament. Over time, however significant changes to English, Northern Irish and Scots law in areas relevant to the Transaction and the Transaction Parties are likely. The Issuer cannot predict what any such changes will be and how they may affect payments of principal and interest to the Noteholders. Noteholders should, however, note that payments due under the Notes may be negatively affected by such changes to English, Northern Irish and Scots law.

Regulatory uncertainty

The UK’s exit from the EU may also have a significant impact on how financial institutions from the remaining EU (the “**EU27**”) with assets (including branches) in the UK will be regulated and vice versa. EU single market regulation allows

regulated financial institutions (including credit institutions, investment firms, alternative investment fund managers, insurance and reinsurance undertakings) to benefit from a passporting system for regulatory authorisations required to conduct their businesses, as well as facilitating mutual rights of access to important elements of market infrastructure such as payment and settlement systems. EU law is also the framework for mutual recognition of bank recovery and resolution regimes.

Following the end of the implementation period, the previous passporting system is no longer effective, nor are the mutual rights of access to market infrastructure and arrangements for mutual recognition of bank recovery and resolution regimes that previously existed. The ability of regulated financial institutions to continue to do business between the UK and the EU27 remains subject to separate arrangements between the UK and the EU27. The UK Government has taken various steps to mitigate any disruption that has resulted following the UK's departure from the EU, including the creation of a temporary permissions regime which allows EU27 firms that previously relied on passporting rights to continue their activities in the UK for up to three years after the UK left the EU and a more limited run-off regime intended to address contract continuity issues. Nevertheless, regulatory uncertainty remains, which could adversely impact the ability of third parties who are regulated financial institutions to provide services to the Issuer and the Transaction, including the Cash Manager, which may adversely affect the performance of the Notes.

Legal considerations may restrict certain investments

The investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each potential investor of the Notes should consult its legal advisers to determine whether and to what extent (1) the Notes are legal investments for it, (2) the Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Notes under any applicable risk-based capital or similar rules.

Change of law may adversely affect the compliance of the transaction with applicable law and regulation

The structure of the transaction as described in this Prospectus and, *inter alia*, the issue of the Notes and the ratings which are to be assigned to the Rated Notes are based on the law and administrative practice in effect as at the date of this Prospectus as it affects the parties to the transaction and the Mortgage Portfolio, and having regard to the expected tax treatment of all relevant entities under such law and practice. No assurance can be given as to the impact of any possible change to such law (including any change in regulation which may occur without a change in primary legislation) and 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. In addition, other regulatory requirements (including any applicable due diligence and disclosure obligations) may be recast or amended, and no assurance can be given that such changes will not adversely affect the compliance of the transaction with applicable law and regulations.

Raising of financing against Notes held for risk retention purposes

On or after the Closing Date, the Retention Holder is likely to directly or indirectly obtain funding to finance its economic exposure to some or all of the Retention Notes required to be retained by it as originator in compliance with the Article 6(1) of the EU Securitisation Regulation, Article 6(1) of the UK Securitisation Regulation. Such financing may be provided by one or more of the Joint Lead Managers, Co-Arrangers or certain of their affiliates and may require the grant of a security interest over such financed Retention Notes and the posting of a daily mark-to-market margin by the Retention Holder and may result in the financing counterparty having enforcement rights and remedies in case of an event of default (including but not limited to failure to post any daily margin) which may include the right to appropriate or sell the Retention Notes. In carrying out any such sale or appropriation, the financing counterparty would not be required to have regard for the EU Securitisation Regulation or the UK Securitisation Regulation and any such sale or appropriation may therefore cause the Retention Holder to be out of compliance with the EU Securitisation Regulation and the UK Securitisation Regulation. In such an event, with respect to the EU Securitisation Regulation and UK Securitisation Regulation, 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 both the EU Securitisation Regulation and the UK Securitisation Regulation, the price and liquidity of the Notes held by an investor in the secondary market could be negatively impacted, as certain investors may not be able to purchase the Notes due to their non-compliance and investors generally may be unwilling or unable to acquire Notes that are non-compliant.

Additionally, following the Closing Date, the Retention Holder may also directly or indirectly obtain funding to finance its economic exposure to some or all of the Notes required to be retained by it (either directly or through a directly or indirectly wholly-owned entity (or entities)) in order to satisfy the Retention Requirements on the Closing Date through secured funding arrangements permitted by the EU Securitisation Regulation and the UK Securitisation Regulation. Such financing may be by way of a repurchase agreement (providing for transfer of title to the relevant Retention Notes to the repo counterparty, subject to the terms of the repurchase agreement) and/or require the grant of a security interest over such financed Notes 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 Notes (any such arrangement, “**Retention Financing Arrangements**”).

If the Retention Financing Arrangements were to take place by way of title transfer, the Retention Holder would retain the economic risk in the Retention Notes but not legal ownership of them. None of the Issuer, the Co-Arrangers, the Joint Lead Managers, the Agents or the Trustee or any of their respective affiliates make any representation, warranty or guarantee that such Retention Financing Arrangements will comply with the EU Securitisation Regulation and/or the UK Securitisation Regulation.

Furthermore, should the Retention Holder default in the performance of its obligations under the Retention Financing Arrangements, the lender (or the security trustee, the security agent or transferee, as the case may be) thereunder would have the right to enforce to take recourse on the Risk Retention Notes. In case the Retention Financing Arrangements are by way of title transfer, should either the Retention Holder or the repo counterparty default in the performance of its obligations under the Retention Financing Arrangements and the non-defaulting party elects to terminate the Retention Financing Arrangements, then the Retention Holder would not be entitled to have the Risk Retention Notes returned to it.

In exercising its rights pursuant to any Retention Financing Arrangements, any lender (or the security trustee, the security agent or transferee, as the case may be) would not be required to have regard to the EU Securitisation Regulation or the UK Securitisation Regulations or the Noteholders, and any such sale may therefore cause the transaction described in this Prospectus to be non-compliant with the EU Securitisation Regulation and/or the UK Securitisation Regulation or be detrimental to Noteholders, which may affect the liquidity of the Notes, and Notes held by other investors could be subject to increased regulatory capital charges levied by a relevant regulator with jurisdiction over any such investors.

The term of any Retention Financing Arrangements may be the same as or could be considerably shorter than the effective term of the Notes, and separately, or as of the result of other terms of the Retention Financing Arrangements may require the Retention Holder to repay or refinance the Retention Financing Arrangements whilst some or all Classes of Notes are outstanding. If refinancing opportunities were limited at such time and the Retention Holder was unable to repay the retention financing from its own resources, the Retention Holder could be forced to sell some or all of the Risk Retention Notes in order to obtain funds to repay the retention financing without regard to the EU Securitisation Regulation or the UK Securitisation Regulation, and such sales may therefore cause the transaction described in this Prospectus to be non-compliant with the EU Securitisation Regulation and/or the UK Securitisation Regulation.

Alternatively, in case of a Retention Financing Arrangement by way of title transfer where the Retention Holder was unable to repurchase the Risk Retention Notes, such inability to repurchase the Risk Retention Notes may cause the transaction described in this Prospectus to be non-compliant with the EU Securitisation Regulation and/or the UK Securitisation Regulation. In each such an event, with respect to the EU Securitisation Regulation or UK Securitisation Regulation, Notes held by investors could be subject to an increased regulatory capital charge levied by a relevant regulator with jurisdiction over any such investor.

Noteholders should also be aware that any incurrence of debt by the Retention Holder, including that used to finance the acquisition of the Retention Notes through the Retention Financing Arrangements, could potentially lead to an increased risk of the Retention Holder becoming insolvent and therefore unable to fulfil its obligations in its capacity as Retention Holder.

Noteholders should also be aware that the terms of any Retention Financing Arrangements could be such that certain parties to it would benefit from a situation where credit losses are incurred on the Retention Notes.

Such parties may not otherwise be parties to the Transaction Documents and, as such, have no direct rights to control or influence the performance of the transactions contemplated by the Transaction Documents.

Furthermore, when exercising its rights in connection with the Retention Financing Arrangements, the relevant parties would have no duties or obligations to consider the effect of any such actions to the Noteholders.

U.S. Credit Risk Retention

The U.S. Risk Retention Rules generally require “securitizers” to retain not less than 5 per cent. of the credit risk of a securitisation and generally prohibit a securitizer from directly or indirectly eliminating or reducing its credit exposure by hedging or otherwise transferring the credit risk that the securitizer is required to retain. The U.S. Risk Retention Rules also provide for certain exemptions from the risk retention obligation that they generally impose.

The transaction will not involve risk retention by a sponsor for the purposes of the U.S. Risk Retention Rules, but rather will be made in reliance on an exemption provided for in Section 20 of the U.S. Risk Retention Rules regarding non-U.S. transactions. Such non-U.S. transactions must meet certain requirements, including that (1) the transaction is not required to be and is not registered under the Securities Act; (2) no more than 10 per cent. of the dollar value (or equivalent amount in the currency in which the securities are issued) of all classes of securities issued in the securitisation transaction are sold or transferred to Risk Retention U.S. Persons or for the account or benefit of Risk Retention U.S. Persons; (3) neither the sponsor nor the issuer of the securitisation transaction is organised under U.S. law or is a branch located in the United States of a non-U.S. entity; and (4) no more than 25 per cent. of the underlying collateral was acquired from a majority-owned affiliate or branch of the sponsor or issuer organised or located in the United States.

The Transaction provides that the Notes may not be purchased by Risk Retention U.S. Persons except in accordance with the exemption under Section 20 and with the prior written consent of the Seller. Prospective investors should note that the definition of “U.S. person” in the U.S. Risk Retention Rules is different from the definition of U.S. person under Regulation S and that an investor could be a Risk Retention U.S. Person but not a “U.S. person” under Regulation S.

The consequences of non-compliance with the U.S. Risk Retention Rules are unclear, but investors should note could adversely affect the liquidity and/or value of the Notes.

Implementation of Basel III and/or changes to the Basel III Framework may affect the capital and/or the liquidity requirements associated with a holding of the Notes for certain investors

In Europe, the U.S. and elsewhere, there is increased political and regulatory scrutiny of the asset-backed securities industry. This has resulted in multiple measures for increased regulation which are at various stages of implementation and which may have an adverse impact on the regulatory position of certain investors in securitisation exposures and/or on the incentives for certain investors to hold asset-backed securities, and may thereby affect the liquidity of such securities. Investors in the Notes are responsible for analysing their own regulatory position, and should consult their own advisers in this respect. None of the Issuer, the Retention Holder, Seller (including any of its affiliates), the Co-Arrangers, the Joint Lead Managers, the Trustee, the Cash Manager, the Paying Agent, the Agent Bank, the Registrar, the Legal Title Holder or the Servicer makes any representation to any prospective investor or purchaser of the Notes regarding the regulatory treatment of their investment on the Closing Date, or at any time in the future.

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

Investors in the Notes are responsible for analysing their own regulatory position and prudential regulation treatment applicable to the Note and should consult their own advisers in this respect. No predictions can be made as to the precise effects of such matters on any investor or otherwise.

Bank Failures May Adversely Affect the Notes and Result in Market Disruption

On March 10, 2023, the California Department of Financial Protection and Innovation closed Silicon Valley Bank and appointed the Federal Deposit Insurance Corporation as receiver, following a major outflow of deposits from Silicon Valley Bank and its failure to raise new capital. The failure of Silicon Valley Bank was the largest bank failure in the United States since 2008. On March 12, 2023, the New York State Department of Finance closed Signature Bank and appointed the Federal Deposit Insurance Corporation as receiver after its customers withdrew more than \$10 billion in deposits at the bank. On March 19, 2023, UBS Group AG agreed to purchase Credit Suisse AG following the intervention of the Swiss Federal Department of Finance, the Swiss National Bank and the Swiss Financial Market Supervisory Authority, FINMA. On May 1, 2023, The Federal Deposit Insurance Corporation seized First Republic Bank and sold it to JPMorgan Chase Bank, N.A. The collapse of such banks has resulted in significant concern regarding the health of other banking institutions and the ability of such institutions to withstand the economic conditions posed by rapidly increasing interest rates including a decline in value of securities and loan portfolios, and it is unclear if there will be additional bank failures.

In August 2023, Moody's downgraded the credit ratings of ten U.S. small and medium-sized banks and placed on review for downgrades six U.S. national banks, and S&P Global Inc. downgraded the credit ratings of several U.S. regional banks with exposure to assets in commercial real estate. As the banking sector continues to be affected by increased funding pressures, additional banks may be subject to future credit downgrades by Moody's and other credit rating agencies. Additionally, to the extent of any failure of the Issuer Account Bank (or a credit downgrade in respect thereof), such failure could ultimately result in a delay or failure release funds from the relevant affected Issuer accounts out of which payments to Noteholders are to be made. Although it is not clear at this time what further impact the current banking crisis may have globally, there remains a risk that the liquidity and market value of the Notes may be adversely affected as result.

Certain Insolvency Risks

English and Northern Irish 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. In certain circumstances, including the occurrence of certain insolvency (or certain pre-insolvency) events in respect of the Issuer, the ability to realise the Security may be delayed and/or the value of the security impaired. In particular, it should be noted that significant changes to the UK insolvency regime have been enacted under the Corporate Insolvency and Governance Act 2020 which 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 cramdown 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 would not be adversely affected by the application of insolvency laws (including English insolvency laws, Scottish insolvency laws (if applicable) or the laws affecting the creditors' rights generally).

In particular, the ability to realise the security granted by the Issuer may be delayed if an administrator or administrative receiver is appointed. 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 market.

In addition, it should be noted that, to the extent that the assets of the Issuer are subject only to a floating charge (including any fixed charge recharacterised by the courts as a floating charge – see the section entitled “*Fixed charges may take effect under English and Northern Irish law as floating charges*” below), in certain circumstances under the provisions of sections 174A, 176ZA and 176A of the Insolvency Act 1986 (as amended, the “**Insolvency Act**”), certain floating charge realisations which would otherwise be available to satisfy the claims of secured creditors under the Deed of Charge may be used to satisfy any expenses of the insolvency proceeding, claims of unsecured creditors or creditors who otherwise take priority over floating charge recoveries. While certain of the covenants given by the Issuer in the Transaction Documents are intended to ensure it has no significant creditors other than the secured creditors under the Deed of Charge, it will be a matter of fact as to whether the Issuer has any other such creditors at any time. There can be no assurance that the Noteholders will not be adversely affected by any such reduction in floating charge realisations upon the enforcement of the Security. The Insolvency Act (in Northern Ireland, the Insolvency (Northern Ireland) Order 1989 as amended in March 2006) allows for the appointment of an administrative receiver in relation to certain transactions in the capital markets. Although there is as yet no case law on how these provisions will be interpreted, it should be applicable to the floating charge created by the Issuer and granted by way of security to the Trustee. However, as this is partly a question of fact, were it not to be possible to appoint an administrative receiver in respect of the Issuer, the Issuer would be subject to administration if it became insolvent which may lead to the ability to realise the Security being delayed and/or the value of the Security being impaired.

While the transaction structure is designed to minimise the likelihood of the Issuer becoming insolvent, there can be no assurance that the Issuer will not become insolvent and/or the subject of insolvency proceedings and/or that the Noteholders or the Certificateholders would not be adversely affected by the application of insolvency laws (including English and Northern Irish insolvency laws).

Fixed charges may take effect under English and Northern Irish law as floating charges

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

The interest of the Secured Creditors in property and assets over which there is a floating charge will rank behind the expenses of any administration or liquidator and the claims of certain preferential creditors on enforcement of the Security. Section 251 of the Enterprise Act 2002 (in Northern Ireland, article 6 of the Insolvency (Northern Ireland) Order 2005) abolished Crown Preference in relation to all insolvencies (subject to the re-introduction of certain tax debts with secondary preferential status with effect from 1 December 2020) (and thus reduces the categories of preferential debts that are to be paid in priority to debts due to the holder of a floating charge) but Section 176A of the Insolvency Act (in Northern Ireland, article 150A of the Insolvency (Northern Ireland) Order 1989) requires a “prescribed part” (up to a maximum amount of £600,000) of the floating charge realisations available for distribution to be set aside to satisfy the claims of unsecured creditors. This means that the expenses of any administration, the claims of preferential creditors and the beneficiaries of the prescribed part will be paid out of the proceeds of enforcement of the floating charge ahead of amounts due to Noteholders which could have a material adverse effect on the Issuer’s ability to make payments under the Notes in full. The prescribed part will not be relevant to property subject to a valid fixed security interest or to a situation in which there are no unsecured creditors.

Liquidation expenses

On 6 April 2008, a provision in the Insolvency Act (in Northern Ireland, the Insolvency (Northern Ireland) Order 2005) came into force which effectively reversed by statute the House of Lords’ decision in the case of *Re Leyland Daf* [2004] UK HL9 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 1986 (in Northern Ireland, the Insolvency Rules (Northern Ireland) 1991).

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.

Certain Tax Considerations

Securitisation Company Tax Regime

The TSC Regulations, as amended, deal with the corporation tax position of securitisation companies such as the Issuer with effect for periods of account beginning on or after 1 January 2007.

If the TSC Regulations apply to a company, then, broadly, it will be subject to corporation tax on the cash profit retained by it for each accounting period in accordance with the transaction documents. Based on advice received, the Issuer expects to be taxed under the special tax regime for which provision is made by the TSC Regulations.

Investors should note, however, that the TSC Regulations are in short-form and advisors rely significantly upon guidance from the United Kingdom tax authorities when advising on the scope and operation of the TSC Regulations including whether any particular company falls within the regime.

Prospective Noteholders should note that if the Issuer did not fall to be taxed under the regime then its profits or losses for tax purposes might be different from its cash position and there might be a risk of the Issuer incurring unfunded tax liabilities. In addition, the deduction of interest paid on the Notes could well be disallowed for United Kingdom corporation tax purposes which could cause a significant divergence between the cash profits and the taxable profits of the Issuer. Any unforeseen taxable profits in the Issuer could have an adverse effect on its ability to make payments to the Noteholders and the Certificateholders.

Withholding tax

In the event that any withholding or deduction for or on account of United Kingdom income tax is imposed in respect of payments made to the Noteholders under the Notes, neither the Issuer nor any other person is obliged to gross up or otherwise compensate the Noteholders for the lesser amounts the Noteholders will receive as a result of such withholding or deduction.

Effects of change of taxation law

The structure of the transaction as described in this Prospectus and, *inter alia*, the issue of the Notes are based on the law and administrative practice in effect as at the date of this Prospectus as it affects the parties to the transaction and the Mortgage Portfolio, and having regard to the expected tax treatment of the transaction under such law and practice. No assurance can be given as to the impact of any possible change to such law (including any change in regulation which may occur without a change in primary legislation) and 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.

Potential for conflicts among the Seller, Co-Arrangers and Joint Lead Managers

On or after the Closing Date, CERH II acting as retention holder (directly or through a directly or indirectly wholly-owned entity (or entities)) may obtain funding to help finance the economic interest to some or all of the Retention Notes to be acquired by CERH II pursuant to the risk retention undertaking. Such funding may be provided by one or more Joint Lead Managers or Co-Arrangers.

The Co-Arrangers and the Joint Lead Managers are part of global investment banking and securities and investment management firms that provide a wide range of financial services to a substantial and diversified client base that includes corporations, financial institutions, governments and high-net-worth individuals. As such, they actively make markets in and trade financial instruments for their own account and for the accounts of customers in the ordinary course of their business. The financial services that the Co-Arrangers and the Joint Lead Managers may provide also include financing and, as such, the Co-Arrangers and the Joint Lead Managers may have and/or may provide financing directly or indirectly to the

Seller and/or any of its affiliates and related entities and such financing may directly or indirectly involve financing the Retention Notes. In the case of any such financing, the Co-Arrangers and the Joint Lead Managers may have received security over assets of the Seller and/or its affiliates, including security over the Retention Notes, resulting in the Co-Arrangers and the Joint Lead Managers having enforcement rights and remedies which may include the right to appropriate or sell the Retention Notes. In carrying out such sale, the Co-Arrangers and the Joint Lead Managers would not be required to have regard to any retention requirements, including the EU Securitisation Regulation and the UK Securitisation Regulation, and any such sale may therefore from such time cause the transaction described in this Prospectus to cease to be compliant with such requirements, which with respect to the EU Securitisation Regulation and the UK Securitisation Regulation, may result in adverse regulatory capital treatment for certain investors in relation to their holding of the Notes.

FULL CAPITAL STRUCTURE OF THE NOTES AND CERTIFICATES

	Class A1 Notes	Class A2 Notes	Class B Notes	Class C Notes	Class D Notes	Class E Notes	Class F Notes	Class Z Notes	Class XB Certificates
<i>Initial Principal Amount:</i>	£15,760,000	£297,422,000	£20,661,000	£21,749,000	£13,049,000	£13,049,000	£6,525,000	£46,758,000	N/A
<i>Note Credit Enhancement:</i>	Subordination of the Class B Notes, Class C Notes, Class D Notes, Class E Notes, Class F Notes, Class Z Notes and excess Available Revenue Receipts (including Enhanced Amortisation Amounts)	Subordination of the Class B Notes, Class C Notes, Class D Notes, Class E Notes, Class F Notes, Class Z Notes and excess Available Revenue Receipts (including Enhanced Amortisation Amounts)	Subordination of the Class C Notes, Class D Notes, Class E Notes, Class F Notes, Class Z Notes and excess Available Revenue Receipts (including Enhanced Amortisation Amounts)	Subordination of the Class D Notes, Class E Notes, Class F Notes, Class Z Notes and excess Available Revenue Receipts (including Enhanced Amortisation Amounts)	Subordination of the Class E Notes, Class F Notes, Class Z Notes and excess Available Revenue Receipts (including Enhanced Amortisation Amounts)	Subordination of the Class F Notes, Class Z Notes and excess Available Revenue Receipts (including Enhanced Amortisation Amounts)	Subordination of the Class Z Notes and excess Available Revenue Receipts (including Enhanced Amortisation Amounts)	Excess Available Revenue Receipts (excluding, for the avoidance of doubt, Enhanced Amortisation Amounts)	N/A
<i>Benefit of Liquidity Facility</i>	Yes	Yes	Yes (following the Class A Redemption Date)	No	No	No	No	No	No
<i>Liquidity Support:</i>	(i) Principal Addition Amounts and (ii) at all times subordination in payment of the Class B Notes, Class C Notes, Class D Notes, Class E Notes, Class F Notes, Class Z Notes and Class XB Certificates. On and from the Liquidity Facility Replacement Date, Liquidity Reserve Fund Actual Amounts and (prior to LF Cancellation Date) the Liquidity Facility (subject to conditions as set out in “ <i>Key Structural Features – Credit Enhancement, Liquidity Support and Priority of Payments</i> ”)	(i) Principal Addition Amounts and (ii) at all times subordination in payment of the Class B Notes, Class C Notes, Class D Notes, Class E Notes, Class F Notes, Class Z Notes and Class XB Certificates. On and from the Liquidity Facility Replacement Date, Liquidity Reserve Fund Actual Amounts and (prior to LF Cancellation Date) the Liquidity Facility. (subject to conditions as set out in “ <i>Key Structural Features – Credit Enhancement, Liquidity Support and Priority of Payments</i> ”)	(i) where the Class B Notes are the Most Senior Class, Principal Addition Amounts and (ii) at all times subordination in payment of the Class C Notes, Class D Notes, Class E Notes, Class F Notes, Class Z Notes and Class XB Certificates. On and from the Liquidity Facility Replacement Date and following the Class A Redemption Date, Liquidity Reserve Fund Actual Amounts and (prior to LF Cancellation Date) the Liquidity Facility. (subject to conditions as set out in “ <i>Key Structural Features – Credit Enhancement, Liquidity Support and Priority of Payments</i> ”)	(i) where the Class C Notes are the Most Senior Class, Principal Addition Amounts and (ii) at all times subordination in payment of the Class D Notes, Class E Notes, Class F Notes, Class Z Notes and Class XB Certificates. (subject to conditions as set out in “ <i>Key Structural Features – Credit Enhancement, Liquidity Support and Priority of Payments</i> ”)	(i) where the Class D Notes are the Most Senior Class, Principal Addition Amounts and (ii) at all times subordination in payment of Class E Notes, Class F Notes, Class Z Notes and Class XB Certificates. (subject to conditions as set out in “ <i>Key Structural Features – Credit Enhancement, Liquidity Support and Priority of Payments</i> ”)	(i) where the Class E Notes are the Most Senior Class, Principal Addition Amounts and (ii) at all times subordination in payment of the Class F Notes, Class Z Notes and Class XB Certificates. (subject to conditions as set out in “ <i>Key Structural Features – Credit Enhancement, Liquidity Support and Priority of Payments</i> ”)	(i) where the Class F Notes are the Most Senior Class, Principal Addition Amounts and (ii) at all times subordination in payment of the Class Z Notes and Class XB Certificates. (subject to conditions as set out in “ <i>Key Structural Features – Credit Enhancement, Liquidity Support and Priority of Payments</i> ”)	At all times subordination in payment of the Class XB Certificates. (subject to conditions as set out in “ <i>Key Structural Features – Credit Enhancement, Liquidity Support and Priority of Payments</i> ”)	N/A

	Class A1 Notes	Class A2 Notes	Class B Notes	Class C Notes	Class D Notes	Class E Notes	Class F Notes	Class Z Notes	Class XB Certificates
<i>Issue Price</i>	100.00000%	100.00000%	98.27928%	97.65373%	98.70000%	98.75000%	98.75000%	31.25000%	N/A
<i>Rate of Interest (per annum) on and prior to the FORD</i>	Reference Rate plus Margin	Reference Rate plus Margin	Reference Rate plus Margin	Reference Rate plus Margin	Reference Rate plus Margin	Reference Rate plus Margin	Reference Rate plus Margin	N/A	N/A
<i>Rate of Interest (per annum) following the FORD,</i>	Reference Rate plus Step-Up Margin	Reference Rate plus Step-Up Margin	Reference Rate plus Step-Up Margin	Reference Rate plus Step-Up Margin	Reference Rate plus Step-Up Margin	Reference Rate plus Step-Up Margin	Reference Rate plus Step-Up Margin	N/A	N/A
<i>Reference Rate</i>	Compounded Daily SONIA	Compounded Daily SONIA	Compounded Daily SONIA	Compounded Daily SONIA	Compounded Daily SONIA	Compounded Daily SONIA	Compounded Daily SONIA	N/A	N/A
<i>Margin:</i>	1.400%	1.400%	2.250%	3.000%	4.000%	5.000%	6.000%	N/A	N/A
<i>Step-Up Margin:</i>	2.100%	2.100%	3.250%	4.000%	5.000%	6.000%	7.000%	N/A	N/A
<i>Interest Accrual Method:</i>	Actual/365 (Fixed)	Actual/365 (Fixed)	Actual/365 (Fixed)	Actual/365 (Fixed)	Actual/365 (Fixed)	Actual/365 (Fixed)	Actual/365 (Fixed)	N/A	N/A
<i>Calculation Date:</i>	The third Business Day prior to each Interest Payment Date								N/A
<i>Interest Payment Dates:</i>	Interest and principal will be payable quarterly in arrear on the 20th day of each of February, May, August and November								N/A
<i>Business Day Convention:</i>	Modified Following								N/A
<i>First Interest Payment Date:</i>	The Interest Payment Date falling in February 2024								N/A
<i>First Interest Period:</i>	The period from the Closing Date to the Interest Payment Date falling in February 2024								N/A
<i>FORD</i>	The Interest Payment Date falling in November 2026								N/A
<i>Pre-FORD Redemption profile:</i>	Pass through redemption on each Interest Payment Date. Please refer to Condition 9 (<i>Final Redemption, Mandatory Redemption in part, Optional Redemption and Cancellation</i>)								
<i>Post-FORD Redemption profile:</i>	Pass through redemption on each Interest Payment Date. Please refer to Condition 9 (<i>Final Redemption, Mandatory Redemption in part, Optional Redemption and Cancellation</i>)								
<i>Other Early Redemption in Full Events:</i>	Tax/illegality/regulatory/clean-up call. Please refer to Condition 9 (<i>Final Redemption, Mandatory Redemption in part, Optional Redemption and Cancellation</i>)								
<i>Final Maturity Date:</i>	The Interest Payment Date falling in February 2054								N/A
<i>Form of the Notes / Certificates:</i>	Registered								
<i>Application for Listing:</i>	Euronext Dublin	Euronext Dublin	Euronext Dublin	Euronext Dublin	Euronext Dublin	Euronext Dublin	Euronext Dublin	Euronext Dublin	N/A
<i>Regulation S ISIN:</i>	XS2711545694	XS2711546668	XS2711545777	XS2711545934	XS2711546155	XS2711546239	XS2711546312	XS2711546585	N/A
<i>Regulation S Common Code:</i>	271154569	271154666	271154577	271154593	271154615	271154623	271154631	271154658	N/A
<i>Regulation S Minimum Denomination:</i>	£100,000 and integral multiples of £1,000 in excess thereof.								
<i>Expected Ratings:</i>	AAA(sf)/AAA(sf)	AAA(sf)/AAA(sf)	AA(sf)/AA(low)(sf)	A(sf)/ A (low)(sf)	BBB(sf)/BBB(low)(sf)	BB(sf)/BB (low)(sf)	B-(sf)/B(low)(sf)	Not rated	Not rated
<i>(Rating Agency)</i>	(S&P/DBRS)	(S&P/DBRS)	(S&P/DBRS)	(S&P/DBRS)	(S&P/DBRS)	(S&P/DBRS)	(S&P/DBRS)	N/A	N/A

SUMMARY OF THE TERMS AND CONDITIONS OF THE NOTES AND THE CERTIFICATES

Form, Registration and Transfer of the Notes:

The Notes of each Class sold outside the United States to non-U.S. Persons in reliance on Regulation S will be represented on issue by beneficial interests in one or more Global Notes in fully registered form without interest coupons or principal receipts, which 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. Beneficial interests in a Global Note may at any time be held only through and transfers thereof will only be effected through records maintained by Euroclear and Clearstream, Luxembourg. See “*Description of the Notes in Global Form*”.

The Notes have not been and will not be registered under the Securities Act or the securities laws of any state of the United States and the Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. Persons. Accordingly, the Notes are being offered and sold only outside the United States to persons other than U.S. Persons in reliance on Regulation S. The Notes may be resold or otherwise transferred, subject to other restrictions on transfer described herein, only outside the United States to persons other than U.S. Persons in reliance on Regulation S.

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 “*Description of the Notes in Global Form*” and “*Description of the Notes in Global Form – Transfers and Transfer Restrictions*”. 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. See “*Description of the Notes in Global Form – Transfers and Transfer Restrictions*”. 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 “*Terms and Conditions of the Notes – 4. Title and Transfer*”.

Except in the limited circumstances described herein, Definitive Certificates will not be issued in exchange for beneficial interests in the Global Notes. See “*Description of the Notes in Global Form – Issuance of Definitive Notes*”.

The Regulation S Global Notes are intended to be held under the new safekeeping structure for registered global securities which are intended to constitute eligible collateral for Eurosystem monetary policy operations.

Certificates:

On the Closing Date, the Issuer will also issue the Class XB Certificates as certificates constituted under the Trust Deed representing the right to receive the XB Payments.

The Certificates have not been and will not be registered under the Securities Act or the securities laws of any state of the United States and the Certificates may not be offered or sold within the United States or to, or for the account or benefit of, U.S. Persons. Accordingly, the Certificates are being offered and sold only outside the United States to persons other than U.S. Persons in reliance on Regulation S. The Certificates may be resold or otherwise transferred, subject to other

restrictions on transfer described herein, only outside the United States to persons other than U.S. Persons in reliance on Regulation S.

Transfers of interests in the Certificates are subject to certain restrictions and must be made in accordance with the procedures set forth in the Trust Deed. See “*Description of the Certificates*” and “*Transfers and Transfer Restrictions*”. Each purchaser of Certificates in making its purchase will be required to make, or will be deemed to have made, certain acknowledgments, representations and agreements. See “*Transfers and Transfer Restrictions*”. The transfer of Certificates in breach of certain of such representations and agreements will result in affected Certificates becoming subject to certain forced transfer provisions. See Certificate Condition 4 (*Title and transfer*).

The Certificates will be issued in registered form. Each Class of the Certificates will be issued pursuant to Regulation S but will not be listed and will not be cleared. See “*Description of the Certificates*” below.

Sequential Order:

The Notes will rank in sequential order in relation to payments of interest and principal, being first the Class A Notes (and the Class A1 Notes and the Class A2 Notes will rank *pari passu* without preference or priority among themselves in relation to payment of interest and principal at all times), then the Class B Notes, then the Class C Notes, then the Class D Notes, the Class E Notes, then the Class F Notes, then (in respect of principal only) the Class Z Notes. Provided that, for the avoidance of doubt, the Par Proceeds from the issuance of Further Class A1 Notes will be applied solely in or towards redemption of the Class A2 Notes only. Within each Class of Notes, those Notes will rank *pari passu* without preference or priority among themselves, in relation to payments of interest and principal, at all times as provided in the Conditions and the Transaction Documents.

The Class XB Certificates rank *pari passu* without preference among themselves in relation to payment of the XB Payment amount at all times, but shall be subordinate to all Classes of Notes, as provided in the Conditions and the Transaction Documents. XB Payments will be payable in arrear on each Interest Payment Date from (and including) the Final Rated Notes Redemption Date.

Payments of principal in relation to all Classes of Notes will be subordinate to payments of (i) Principal Addition Amounts and (ii) on and following the Liquidity Facility Replacement Date, any amounts to be credited to the Liquidity Reserve Fund Ledger.

Certain amounts due by the Issuer to its other Secured Creditors (and, prior to the service of an Enforcement Notice only, certain unsecured creditors) will rank in priority to all Classes of the Notes and Certificates. See further “*Fees*” herein.

Security:

The Issuer’s obligations in respect of the Notes and the Certificates are secured and will share the same Security together with the other secured obligations of the Issuer in accordance with the Deed of Charge. The security granted by the Issuer broadly includes:

- (a) a first fixed charge over the Issuer’s interest in the Mortgage Loans and the Related Security (other than any Scottish Mortgage Loans and their Related Security);
- (b) an assignment in security (pursuant to the Scottish Trust Security) of the Issuer’s beneficial interest in and title to the Scottish

Mortgage Loans and their Related Security (comprising the interest as beneficiary under the Scottish Trust declared by the Legal Title Holder over such Scottish Mortgage Loans and their Related Security in favour of the Seller, and assigned to the Issuer pursuant to the Scottish Trust Transfer);

- (c) a first fixed charge over each Authorised Investment;
- (d) first fixed charges over all monies then standing to the credit of (and all interest accruing thereon from time to time) the Deposit Account and any other bank accounts of the Issuer;
- (e) an assignment by way of security of the Issuer's interests in the Life Policies, Charges relating to the Mortgage Loans and the Insurance Policies;
- (f) an assignment by way of security of the Issuer's interest in each relevant Transaction Document (other than those Transaction Documents governed by Scots law);
- (g) a first floating charge over the whole of the Issuer's undertaking and all its property, assets and rights; and
- (h) a charge at law over indebtedness comprising an obligation or liability to pay money secured by each registered charge of which it is registered as proprietor at the Land Registry of England and Wales or of which it is registered owner at the Land Registry of Northern Ireland or the Registry of Deeds.

Certain other Secured Amounts rank senior to the Issuer's obligations under the Notes and the Certificates in respect of the allocation of proceeds as set out in the Pre-Enforcement Revenue Priority of Payments and the Post-Enforcement Priority of Payments.

Interest payable on the Notes:

The Rate of Interest applicable to each Class of Notes are described in the sections "*Full Capital Structure of the Notes and Certificates*" and "*Summary of the Terms and Conditions of the Notes and the Certificates*".

Interest Deferral:

Interest due and payable on the Class A Notes may not be deferred but, in relation to all other Classes of Notes, it may be deferred in accordance with Condition 8.12 (*Subordination by Deferral*).

Payments in respect of the Certificates:

Payments in respect of the Certificates will only be made to the extent the Issuer has sufficient amounts available for that purpose in accordance with the applicable Priority of Payments and will not be subject to deferral.

Gross-up:

None of the Issuer, the Trustee or any other person will be obliged to pay any additional amounts to the Noteholders if there is any withholding or deduction for or on account of taxes from a payment made under the Notes.

Redemption:

As fully described in Condition 9 (*Final Redemption, Mandatory Redemption in part, Optional Redemption and Cancellation*) the Notes are subject to the following optional or mandatory redemption events:

- (a) mandatory redemption of the Class A2 Notes (in whole or in part) on the Business Day that the corresponding Further Class A1 Notes are issued. The Class A2 Notes shall be redeemed using the Par Proceeds of the related Further Class A1 Notes issued;
- (b) mandatory redemption in whole on the Final Maturity Date;

- (c) mandatory redemption in part on any Interest Payment Date prior to the delivery of an Enforcement Notice subject to availability of Available Principal Receipts;
- (d) optional redemption exercisable by the Issuer in whole on any Interest Payment Date where the Principal Amount Outstanding of all the Notes is equal to or less than 10 per cent. of the aggregate Principal Amount Outstanding of the Notes as at the Closing Date;
- (e) mandatory redemption in full following the exercise by the Mortgage Portfolio Purchase Option Holder of the Mortgage Portfolio Purchase Option or the Market Sale Option Holder of the Market Sale Option;
- (f) optional redemption exercisable by the Issuer in whole for tax reasons; and
- (g) mandatory redemption in full following the exercise by the Seller of the Risk Retention Regulatory Change Option.

Events of Default:

As fully set out in Condition 13 (*Events of Default*), which broadly include (where relevant, subject to the applicable grace period):

- (a) non-payment by the Issuer of principal in respect of the Notes within 7 Business Days following the due date or non-payment by the Issuer in respect of the Class A Notes of interest within 14 Business Days following the due date;
- (b) breach of contractual obligations by the Issuer under the Notes or the Transaction Documents which in the opinion of the Trustee is materially prejudicial to the interests of the holders of the Most Senior Class if such is incapable of remedy or which is, if capable of remedy, not remedied within 30 days;
- (c) Insolvency Event in respect of the Issuer;
- (d) it being unlawful for the Issuer to perform or comply with its obligations; or
- (e) if any representation or warranty made by the Issuer under any Transaction Document is incorrect when made which in the opinion of the Trustee is materially prejudicial to the interests of the holders of the Most Senior Class and the matters giving rise to such misrepresentation are not remedied within a period of 30 days (or such longer period as the Trustee may permit) (except that in any case where the Trustee considers the matters giving rise to such misrepresentation to be incapable of remedy, then no continuation or notice as is hereinafter mentioned will be required) following the service by the Trustee on the Issuer of notice requiring the same to be remedied.

Certificates Events of Default:

As fully set out in Certificate Condition 11 (*Certificates Events of Default*) and subject to the Notes being redeemed in full, these broadly include:

- (a) non-payment by the Issuer of any amount due in respect of the Certificates within 7 Business Days following the due date for such payment (if any);
- (b) breach of contractual obligations by the Issuer under the Certificates or the Transaction Documents which is incapable of remedy or which is, if capable of remedy, not remedied within 30 days;

- (c) Insolvency Event in respect of the Issuer;
- (d) it being unlawful for the Issuer to perform or comply with its obligations; or
- (e) if any representation or warranty made by the Issuer under any Transaction Document is incorrect when made which in the opinion of the Trustee is materially prejudicial to the interests of the holders of the Most Senior Class and the matters giving rise to such misrepresentation are not remedied within a period of 30 days (or such longer period as the Trustee may permit) (except that in any case where the Trustee considers the matters giving rise to such misrepresentation to be incapable of remedy, then no continuation or notice as is hereinafter mentioned will be required) following the service by the Trustee on the Issuer of notice requiring the same to be remedied.

The Certificateholders will only have a right to direct the Trustee to take enforcement action following a Certificates Event of Default when no Notes remain outstanding.

Limited Recourse:

The Notes are limited recourse obligations of the Issuer, and, if not repaid in full, following the distribution of all available funds, amounts outstanding are subject to a final write-off, which is described in more detail in Condition 10 (*Limited Recourse and Non-Petition*).

Non petition:

The Noteholders shall not be entitled to take any steps (otherwise than in accordance with the Trust Deed and the Conditions):

- (a) to enforce the Security other than when expressly permitted to do so under Condition 10 (*Limited Recourse and Non-Petition*); or
- (b) to take or join in any steps against the Issuer to obtain payment of any amount due from the Issuer to it; or
- (c) to initiate or join in initiating any Insolvency Proceedings in relation to the Issuer; or
- (d) to take any steps which would result in any of the Priorities of Payments not being observed.

Governing Law:

English law.

SUMMARY OF RIGHTS OF NOTEHOLDERS AND CERTIFICATEHOLDERS AND RELATIONSHIP WITH OTHER SECURED CREDITORS

Please refer to the sections entitled “Summary of the Terms and Conditions of the Notes and the Certificates” for further details in respect of the rights of Noteholders, Certificateholders and the conditions for exercising such rights and relationship with other Secured Creditors.

Prior to an Event of Default:

Noteholders holding not less than 10 per cent. in aggregate of the Principal Amount Outstanding of the Notes then outstanding of the relevant Class are entitled to request that the Trustee convene a Noteholders’ meeting and all Noteholders of each Class are entitled to participate in a Noteholders’ meeting convened by the Issuer or the Trustee to consider any matter affecting their interests.

Certificateholders holding not less than 10 per cent. in number of the Certificates then in issue are entitled to request that the Trustee convene a Certificateholders’ meeting and all Certificateholders are entitled to participate in a Certificateholders’ meeting convened by the Issuer or the Trustee to consider any matter affecting their interests.

However, so long as (in case of the Notes) no Event of Default has occurred and is continuing or (in case of the Certificates) no Certificates Event of Default has occurred and is continuing, the Noteholders and the Certificateholders (as the case may be) are not entitled to instruct or direct the Issuer to take any actions, either directly or through the Trustee, without the consent of the Issuer and, if applicable, certain other Transaction Parties, unless the Issuer has an obligation to take such actions under the relevant Transaction Documents.

Following an Event of Default:

Following the occurrence of an Event of Default which is continuing, the holders of the Most Senior Class of Notes may, if they hold in aggregate not less than 25 per cent. in aggregate of the Principal Amount Outstanding of the Most Senior Class of Notes or if an Extraordinary Resolution of the Most Senior Class of Notes is passed, direct the Trustee in writing to give an Enforcement Notice to the Issuer that all Classes of the Notes are immediately due and repayable at their respective Principal Amount Outstanding together with accrued (but unpaid) interest.

The Certificateholders may only direct the Trustee in writing to give an Enforcement Notice to the Issuer if no Notes remain outstanding. If there are no Notes outstanding and following the occurrence of a Certificates Event of Default which is continuing, the Certificateholders may, if they hold not less than 25 per cent. in number of Certificates then in issue or if an Extraordinary Resolution of the holders of the Certificates then in issue is passed, direct the Trustee in writing to give an Enforcement Notice to the Issuer that any Certificate Payments pursuant to the Certificates are immediately due and payable.

		<u>Initial Meeting</u>	<u>Adjourned Meeting</u>
Noteholders and Certificateholders Meeting provisions:	Notice period:	At least 21 clear days for the initial meeting	At least 14 clear days for the adjourned meeting
	Quorum:	One or more persons present and holding or representing in aggregate not less than	One or more persons present and holding or representing in aggregate not less than

<p>25 per cent. of the Principal Amount Outstanding of the relevant Class or Classes of Notes then outstanding or holding or representing not less than 25 per cent. of the number of Certificates then outstanding, as applicable, for transaction of business including the passing of an Ordinary Resolution. The quorum for passing an Extraordinary Resolution (other than a Reserved Matter) shall be one or more persons present and holding or representing in the aggregate more than 50 per cent. of the aggregate in Principal Amount Outstanding of the relevant Class or Classes of Notes then outstanding or holding or representing more than 50 per cent. of the number of the Certificates then outstanding, as applicable. The quorum for passing a Reserved Matter shall be one or more persons present and holding or representing in the aggregate not less than 75 per cent. of the aggregate Principal Amount Outstanding of relevant Class or Classes of Notes then outstanding or holding or representing not less than 75 per cent. of the number of the Certificates then outstanding, as applicable.</p>	<p>10 per cent. of the Principal Amount Outstanding of the relevant Class or Classes of Notes then outstanding or holding or representing not less than 10 per cent. of the number of the Certificates then outstanding, as applicable, for transaction of business including the passing of an Ordinary Resolution. The quorum for passing an Extraordinary Resolution (other than a Reserved Matter) shall be one or more persons present and holding or representing in the aggregate not less than 25 per cent. of the aggregate in Principal Amount Outstanding of the relevant Class or Classes of Notes then outstanding or holding or representing not less than 25 per cent. of the number of the Certificates then outstanding, as applicable. The quorum for passing a Reserved Matter shall be one or more persons present and holding or representing in the aggregate more than 50 per cent. of the aggregate Principal Amount Outstanding of relevant Class or Classes of Notes then outstanding or holding or representing more than 50 per cent. of the number of the Certificates then outstanding, as applicable.</p>
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outstanding, as
applicable.

Required majority for Ordinary Resolution: A clear majority of not less than 50.1 per cent. (calculated on the basis of their Principal Amount Outstanding) of persons eligible to attend and vote at such meeting and voting at that meeting upon a show of hands or, if a poll is duly demanded, by a clear majority of the votes cast on such poll.

Required majority for Extraordinary Resolution: Majority consisting of not less than 75 per cent. (calculated on the basis of their Principal Amount Outstanding) of persons eligible to attend and vote at such meeting and voting at such meeting upon a show of hands or, if a poll is duly demanded, by a majority consisting of not less than 75 per cent. of the votes cast on such poll.

Required majority for Written Resolution: Not less than 75 per cent. in aggregate Principal Amount Outstanding of the relevant Class of Notes then outstanding or not less than 75 per cent. of the number of the Certificates then in issue. A Written Resolution has the same effect as an Extraordinary Resolution.

Electronic Consents: Noteholders (but not the Certificateholders) 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 Trustee in accordance with the operating rules and procedures of the relevant clearing system(s) (“**Electronic Consent**”). Such consents are required from Noteholders of not less than 75 per cent. in aggregate Principal Amount Outstanding of the relevant Class of Notes then outstanding and from holders of not less than 75 per cent. by number of the Certificates in issue for matters requiring Extraordinary Resolutions. A resolution passed by such means has the same effect as an Extraordinary Resolution.

Reserved Matters:

Broadly speaking, the following matters are Reserved Matters:

Changes to payments (timing, method of calculation, reduction in amounts due and currency) (other than a Reference Rate Modification), to effect the exchange, conversion or substitution of the Notes; changes to the Priority of Payments; changes to the definition of FORD; changes to the terms of the Deed Poll; changes to the provisions concerning limited recourse and non-petition in relation to the Issuer; changes to Condition 7.2 (*Issuer Covenants*); changes to quorum and majority requirements; amendments to the definition of Reserved Matter; and any waiver of any proposed or actual breach of any of the covenants or provisions contained in or arising pursuant to the Conditions, the Certificate Conditions or any Transaction Documents by any party thereto which would have the effect of any of the foregoing, provided

that neither (A) any amendments made in accordance with Condition 17.2 or Certificate Condition 15.2; nor (B) any issuance of any Further Class A1 Notes (or amendments to the Conditions or the Transaction Documents required by such issuance) shall constitute a Reserved Matter.

Relationship between Classes of Noteholders:

In the event of a conflict of interests of holders of different Classes the Trustee shall have regard only to the interests of the holders of the Most Senior Class of Notes then outstanding or in issue and will not have regard to any lower ranking Class of the Notes or the Certificates.

Subject to the provisions in respect of a Reserved Matter, an Extraordinary Resolution of holders of the Most Senior Class of Notes then outstanding shall be binding on all other Classes of Notes and on the Certificates and would override any resolutions to the contrary of the Classes of Notes ranking behind such Class or of the Certificates. A Reserved Matter relating to the Notes requires an Extraordinary Resolution of each Class of Notes then outstanding.

Consent of the Liquidity Facility Provider will be required for any material amendments to the LFP Related Provisions.

Seller as Noteholder:

For the purpose of, *inter alia*, the right to attend and vote at any meeting of Noteholders, any Extraordinary Resolution in writing and any direction made by Noteholders, those Notes (if any) which are held by or on behalf of or for the benefit of the Seller, any holding company of the Seller or any subsidiary of such holding companies in each case as beneficial owner, shall (unless and until ceasing to be held) be deemed not to remain outstanding, **provided that** if all the Relevant Class of Notes are held by the Seller, any holding company of the Seller and/or any other subsidiary of such holding companies (and no other Classes of Notes exist that rank junior or *pari passu* to the Relevant Class of Notes, in respect of which the Notes are held by persons other than the Seller, any holding company of the Seller or any other subsidiary of such holding companies), Notes of the Relevant Class of Notes will be deemed to remain outstanding.

Seller as Certificateholder:

For the purpose of, *inter alia*, the right to attend and vote at any meeting of Certificateholders, any Extraordinary Resolution in writing and any direction made by Certificateholders, those Certificates (if any) which are held by or on behalf of or for the benefit of the Seller, any holding company of the Seller or any subsidiary of such holding companies in each case as beneficial owner, shall (unless and until ceasing to be held) be deemed not to remain outstanding, **provided that** if all the Certificates are held by the Seller, any holding company of the Seller and/or any other subsidiary of such holding companies, all of the Certificates will be deemed to remain outstanding.

Relationship between Noteholders and other Secured Creditors:

The Trust Deed provides that the Trustee shall, except where expressly provided otherwise and prior to the redemption in full of the Notes, have regard solely to the interests of the Noteholders 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. So long as any of the Certificates are in issue and provided that there are no Notes outstanding, in the event that there is a conflict between the interests of the Certificateholders and the

other Secured Creditors (except the Noteholders), the Trustee shall have regard solely to the interests of the Certificateholders.

Additional Right of Modification:

Notwithstanding the provisions of Condition 17.1 (*Modification*), the Trustee shall be obliged, without the consent or sanction of the Noteholders, the Certificateholders or any of the Secured Creditors, to concur with the Issuer in making a modification (other than in respect of a Reserved Matter) to the Conditions or any other Transaction Documents which the Issuer considers necessary:

- (a) for the purpose of complying with, or implementing or reflecting, any change in the criteria of one or more of the Rating Agencies;
- (b) to enable the Issuer to enter into any new and/or amended bank account agreement, collection account agreement, or liquidity facility agreement in order to maintain the ratings of the Rated Notes at their then current levels or changes to the Base Rate or LF Accrual Interest Period to facilitate the appointment of any new liquidity facility provider to reflect generally accepted market practice in the publicly listed asset backed markets with respect to the determination of the rate of interest in liquidity facilities materially similar to the Liquidity Facility;
- (c) for the purpose of complying with any changes in the requirements of the UK CRA Regulation, the EU Securitisation Regulation, the UK Securitisation Regulation, the U.S. Risk Retention Rules or the UK CRR, UK AIFMR or UK Solvency II, after the Closing Date, including as a result of any changes to the regulatory technical standards in relation to the UK CRA Regulation, the EU Securitisation Regulation, the UK Securitisation Regulation or the UK CRR, UK AIFMR or UK Solvency II, or any other risk retention legislation or regulations or official guidance in relation thereto;
- (d) for the purpose of enabling the Notes to be (or to remain) listed on Euronext Dublin;
- (e) for the purposes of enabling the Issuer or a Transaction Party to comply with certain sections of the Code, agreements relating thereto, FATCA, and similar tax laws;
- (f) which is necessary to facilitate the issue of Further Class A1 Notes pursuant to Condition 24 (*Further Class A1 Notes Issue*); or
- (g) for the purpose of replacing the Applicable Reference Rate applicable to the Rated Notes in circumstances where there is likely to be disruption to the provision or calculation of the existing benchmark rate,

in each case subject to the terms and conditions set out at Condition 17.2 (*Additional Right of Modification*).

Provision of Information to the Noteholders:

In accordance with the Cash Management Agreement, the Cash Manager will (with the assistance of the Servicer and the Issuer) prepare and publish an Investor Report in respect of the Mortgage Portfolio and the Notes containing, *inter alia*, certain aggregated loan data in relation to the Mortgage Portfolio in respect of the relevant Collection Period, information in relation to the Notes including, but not limited to, the ratings of the Notes, amounts paid by the Issuer pursuant to the relevant Priority of Payments, required counterparty information and the Retention Holder's holding of the Notes and confirmation of the

Retention Holder's compliance with Article 6 of the EU Securitisation Regulation and Article 6 of the UK Securitisation Regulation as confirmed in each case to the Cash Manager by the Retention Holder or Issuer.

The Cash Manager, on behalf of the Issuer, will: (i) deliver the monthly Investor Reports to EuroABS; and (ii) publish the monthly Investor Reports on the Cash Manager's website at www.chlmortgages.co.uk.

The Issuer will ensure that the Investor Reports will be published on a quarterly basis, on the website of: (i) EuroABS, at <https://www.euroabs.com> (the "EuroABS Website") (to the extent required pursuant to the UK Securitisation Regulation) and (ii) SecRep BV (in its capacity as EU Securitisation Repository) at <https://www.secrep.eu> (the "SecRep EU Website") (to the extent required pursuant to the EU Securitisation Regulation), in each case, as required by the UK Securitisation Regulation and EU Securitisation Regulation (as the case may be).

For the purposes of compliance with the UK Securitisation Regulation and the EU Securitisation Regulation, the first Investor Report shall be published within one month of the First Interest Payment Date and thereafter shall be published on a quarterly basis.

In addition, loan level information will be provided on a quarterly basis by the Servicer to EuroABS and the Issuer will ensure that it is published, on: (i) the EuroABS Website and (ii) the SecRep EU Website (in its capacity as EU Securitisation Repository), in each case as required by the UK Securitisation Regulation and the EU Securitisation Regulation (as the case may be).

A BOE Tape will be provided on a quarterly basis and delivered by the Servicer to EuroABS and the Issuer will ensure that it is published on the EuroABS Website for the purpose of the Bank of England's Sterling Monetary Framework.

For the avoidance of doubt, these websites and the contents thereof do not form part of this Prospectus.

Communication with Noteholders and Certificateholders:

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

- (a) For so long as the relevant Notes are in global form, any notice to Noteholders or Certificateholders (as applicable) shall be validly given to such Noteholders or Certificateholders (as applicable) if sent to the Clearing Systems for communication by them to the relevant Noteholders or Certificateholders and shall be deemed to be given on the date on which it was so sent.
- (b) While the Notes are represented by Definitive Notes, any notice to the holders thereof shall be validly given if published in the *Financial Times*, or, if such newspaper shall cease to be published or, if timely publication therein is not practicable, in such other English newspaper or newspapers as the Trustee shall approve in advance having a general circulation in the United Kingdom.
- (c) The Trustee shall be at liberty to sanction any method of giving notice to the Certificateholders 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

Certificateholders in such manner as the Trustee shall deem appropriate.

- (d) For so long as the relevant Notes are listed on the official list of Euronext Dublin and admitted to trading on its regulated market any notice shall also be published in accordance with the relevant guidelines of Euronext Dublin by a notification in writing to the Company Announcements Office, and any notice so published shall be deemed to have been given on the date of publication.
- (e) The Trustee shall be at liberty to sanction some other method of giving notice to the Noteholders (or to a Class or category of them) or to the Certificateholders if, in its opinion, such other method is reasonable having regard to market practice then prevailing (and in case of the Notes only, to the requirements of the stock exchange on which such Notes are then listed) and provided that notice of such other method is given to the Noteholders or the Certificateholders (as the case may be) in such manner as the Trustee shall require.

SUMMARY OF CREDIT STRUCTURE AND CASHFLOWS

Please refer to the sections entitled “Key Structural Features – Credit Enhancement, Liquidity Support and Priority of Payments” and “Summary of Credit Structure and Cashflows” for further detail in respect of the credit structure and cash flow of the transaction.

Use of Available Revenue Receipts and Available Principal Receipts by the Issuer:

The Cash Manager will apply Available Revenue Receipts and Available Principal Receipts on each Interest Payment Date in accordance with the Pre-Enforcement Revenue Priority of Payments and the Pre-Enforcement Principal Priority of Payments, as set out below.

Overview of Priorities of Payments:

Below is a summary of the Priorities of Payments. Please refer to the section entitled “Key Structural Features – Credit Enhancement, Liquidity Support, and Priority of Payments” for further information. In addition, please refer to the section entitled “Summary of the Terms and Conditions of the Notes and the Certificates – Limited Recourse”.

<i>Pre-Enforcement Revenue Priority of Payments:</i>	<i>Pre-Enforcement Principal Priority of Payments:</i>	<i>Post-Enforcement Priority of Payments:</i>
(1) Pro rata and pari passu: Amounts due to the Servicer and Back-up Servicer, up to the Applicable Servicer Fee Cap in each case and to the Trustee or any Appointees (in their personal capacity as such), the Agent Bank, the Registrar, the Paying Agent, the Cash Manager, the Back-Up Cash Manager Facilitator, the Issuer Account Bank, the Corporate Services Provider and the Collection Account Bank, in each case including all fees, costs and expenses	(1) Principal Addition Amounts to be applied to meet any PAA Deficit	(1) Pro rata and pari passu: Amounts due in respect of the Trustee or any Appointees (in their personal capacity as such), and Receiver and any Appointee thereof (in their personal capacities as such) including charges, liabilities, fees, costs and expenses
(2) Pro rata and pari passu: third party expenses, the Issuer Profit Amount and any amounts due to third-party website providers	(2) On and from the Liquidity Facility Replacement Date, to credit the Liquidity Reserve Fund Ledger, to fund in cash, any deficit remaining in the Liquidity Reserve Fund Actual Amount up to the required Liquidity Reserve Target for such date	(2) Pro rata and pari passu: Amounts due to the Agent Bank, the Registrar, the Paying Agent, the Cash Manager, the Back-Up Cash Manager Facilitator, the Corporate Services Provider, third party expenses, third party website providers, the Issuer Account Bank, the Collection Account Bank, in each case including all fees, costs and expenses, and the Servicer, and Back-Up Servicer up to the Applicable Servicer Fee Cap in each case
(3) Amounts due to the Liquidity Facility Provider	(3) Pro rata and pari passu to the principal amounts due on the Class A Notes (excluding, for the avoidance of doubt, any Further Class A1 Notes issued on such Interest Payment Date)	
(4) Pro rata and pari passu to the interest due and payable on the Class A Notes	(4) Pro rata and pari passu to the principal amounts due on the Class B Notes	
(5) Amounts to be credited to the Class A Principal Deficiency Sub-Ledger	(5) Pro rata and pari passu to the principal amounts due on the Class C Notes	(3) Amounts due to the Liquidity Facility Provider under the Liquidity Documents
(6) Pro rata and pari passu to the interest due on the Class B Notes	(6) Pro rata and pari passu to the principal amounts due on the Class D Notes	(4) Pro rata and pari passu first, the amounts of interest due on the Class A Notes and second, the amounts of any principal due and payable on the Class A Notes
	(7) Pro rata and pari passu to the principal amounts due on the Class E Notes	

(7)	Amounts to be credited to the Class B Principal Deficiency Sub-Ledger	(8)	Pro rata and pari passu to the principal amounts due on the Class F Notes	(5)	Pro rata and pari passu first, the amounts of interest due on the Class B Notes and second, the amounts of any principal due and payable on the Class B Notes
(8)	Pro rata and pari passu to the interest due on the Class C Notes	(9)	Pro rata and pari passu to the principal amounts due on the Class Z Notes		
(9)	Amounts to be credited to the Class C Principal Deficiency Sub-Ledger	(10)	The XB Payment due on the Class XB Certificates	(6)	Pro rata and pari passu first, the amounts of interest due on the Class C Notes and second, the amounts of any principal due and payable on the Class C Notes
(10)	Pro rata and pari passu to the interest due on the Class D Notes			(7)	Pro rata and pari passu first, the amounts of interest due on the Class D Notes and second, the amounts of any principal due and payable on the Class D Notes
(11)	Amounts to be credited to the Class D Principal Deficiency Sub-Ledger			(8)	Pro rata and pari passu first, the amounts of interest due on the Class E Notes and second, the amounts of any principal due and payable on the Class E Notes
(12)	Pro rata and pari passu to the interest due on the Class E Notes			(9)	Pro rata and pari passu first, the amounts of interest due on the Class F Notes and second, the amounts of any principal due and payable on the Class F Notes
(13)	Amounts to be credited to the Class E Principal Deficiency Sub-Ledger			(10)	in or towards payment of the Subordinated Servicing Fees
(14)	Pro rata and pari passu to the interest due on the Class F Notes			(11)	Any LTH Indemnity Amounts.
(15)	Amounts to be credited to the Class F Principal Deficiency Sub-Ledger			(12)	Pro rata and pari passu to the amounts of principal due on the Class Z Notes
(16)	On and from the Liquidity Facility Replacement Date and after taking into account Available Principal Receipts to be applied on such IPD in accordance with item (2) of the Pre-Enforcement Principal Priority of Payments, amounts to be credited to the Liquidity Reserve Fund up to the Liquidity Reserve Target			(13)	Third party expenses
(17)	Amounts to be credited to the Class Z Principal Deficiency Sub-Ledger			(14)	Issuer Profit Amount
(18)	Pro rata and pari passu: in or towards payment of the Subordinated Servicing Fees			(15)	The XB Payment due on the Class XB Certificates
(19)	(i) Any LTH Indemnity Amounts; (ii) and amounts (if any) to be credited up to LTH				

Indemnity Reserve Required Amount.

- (20) On any IPD prior to the Final Rated Notes Redemption Date, Enhanced Amortisation Amounts to be applied as Available Principal Receipts
- (21) The XB Payment due on the Class XB Certificates

Key Structural Features:

Liquidity Facility and Liquidity Reserve Fund:

The general credit and liquidity structure of the transaction includes, broadly, the following elements:

Prior to the LF Cancellation Date, the availability of amounts under the Liquidity Facility will be available to make up any shortfall in Available Revenue Receipts determined by the Cash Manager to pay: (A) prior to the Class A Redemption Date, items (1) to (4) of the Pre-Enforcement Revenue Priority of Payments; and (B) following the Class A Redemption Date (but prior to the Class B Redemption Date), items (1) to (3) and item (6) of the Pre-Enforcement Revenue Priority of Payments, and **provided that**, in determining the amount of applicable such shortfall any Principal Addition Amounts and any Liquidity Reserve Fund Actual Amount (on and from the Liquidity Facility Replacement Date) will be applied first before making any drawing under the Liquidity Facility, and **provided further that** on and from the Liquidity Facility Replacement Date, any Excess Liquidity Amounts shall be applied as Available Revenue Receipts.

On and from the Liquidity Facility Replacement Date and up to and including the Class B Redemption Date, the Liquidity Reserve Fund will be established and funded in accordance with item (16) of the Pre-Enforcement Revenue Priority of Payments and item (2) of the Pre-Enforcement Principal Priority of Payments, up to the Liquidity Reserve Target. See the section “*Key Structural Features Credit Enhancement, Liquidity Support and Priority of Payments – Liquidity Facility Agreement and Liquidity Reserve Fund*”.

Prior to the Liquidity Facility Replacement Date, the Commitment will be equal at all times to the Liquidity Reserve Target.

On and from the Liquidity Facility Replacement Date up to the LF Cancellation Date, any amounts funded to the Liquidity Reserve Fund, will (disregarding for such purposes, any debit entries made to the Liquidity Reserve Fund Ledger on or prior to such Interest Payment Date) reduce the Commitment under the Liquidity Facility by an equivalent amount until the Commitment under the Liquidity Facility is reduced to zero. On and following the LF Cancellation Date, the Commitment under the Liquidity Facility will be zero.

On and from the Liquidity Facility Replacement Date up to the LF Cancellation Date, to the extent that there are amounts available under the Liquidity Facility the Cash Manager shall use (i) Liquidity Drawings to meet any shortfall in amounts due in respect of: (A) prior to the Class A Redemption Date, items (1) to (4) of the Pre-Enforcement Revenue Priority of Payments and (B) following the Class A Redemption Date (but prior to the Class B Redemption Date), items (1) to (3) and item (6)

Principal payments following the Liquidity Facility Replacement Date:

of the Pre-Enforcement Revenue Priority of Payments, and (ii) the Liquidity Reserve Fund to meet any shortfall in amounts due in respect of the relevant items of the Pre-Enforcement Revenue Priority of Payments, provided that the Liquidity Reserve Fund (where available) shall be used before utilising any drawing under the Liquidity Facility.

On and from the Liquidity Facility Replacement Date up to the LF Cancellation Date, Available Principal Receipts will be applied to item (2) of the Pre-Enforcement Principal Priority of Payments after the determination of the amount to be paid under item (16) of the Pre-Enforcement Revenue Priority of Payments.

Principal Deficiency Ledger:

A Principal Deficiency Ledger will be established to record as a debit (i) any Losses on the Mortgage Portfolio, (ii) any Principal Addition Amounts and (iii) any Available Principal Receipts applied in accordance with item (2) of the Pre-Enforcement Principal Priority of Payments, and record as a credit Available Revenue Receipts applied as Available Principal Receipts.

The Principal Deficiency Ledger will comprise seven sub-ledgers (one for each Class of Notes).

Any Losses on the Mortgage Portfolio and/or any Principal Addition Amounts and/or any Available Principal Receipts applied in accordance with item (2) of the Pre-Enforcement Principal Priority of Payments will be recorded as a debit (on the date that the Cash Manager is informed of such Losses by the Servicer or such Principal Addition Amounts are determined by the Cash Manager (as applicable)) on the relevant Principal Deficiency Sub-Ledger up to a maximum amount equal to the Principal Amount Outstanding of the relevant Class of Notes in reverse order of priority, starting with the Class Z Principal Deficiency Sub-Ledger.

Investors should note that realised Losses in any period will be calculated after applying any recoveries following enforcement of a Mortgage Loan first to outstanding fees and interest amounts due and payable on the relevant Mortgage Loan. The Principal Deficiency Ledger will be credited by the amount of any Available Revenue Receipts applied as Available Principal Receipts in accordance with items (5), (7), (9), (11), (13), (15), and (17) of the Pre-Enforcement Revenue Priority of Payments. See the section “*Summary of Credit Structure and Cashflows – Principal Deficiency Ledger*”.

Pursuant to item (1) of the Pre-Enforcement Principal Priority of Payments, to the extent that after application of the Available Revenue Receipts (and for this purpose, without regard to any Principal Addition Amounts, any availability under the Liquidity Facility or any Liquidity Reserve Fund Actual Amount) in accordance with the Pre-Enforcement Revenue Priority of Payments there would be a PAA Deficit, the Issuer shall apply an amount of Available Principal Receipts equal to the PAA Deficit as Principal Addition Amounts forming Available Revenue Receipts. Any Available Principal Receipts applied as Principal Addition Amounts will be recorded as a debit to the relevant Principal Deficiency Ledger.

Rate of interest on the Deposit Account:

Availability of a rate of interest provided by the Issuer Account Bank on certain cleared credit balances standing to the credit of the Deposit

Expected sufficiency of Available Revenue Receipts:

Account. The Issuer (or the Cash Manager on its behalf) may invest sums standing to the credit of the Deposit Account in Authorised Investments.

It is expected that during the life of the Notes, the Available Revenue Receipts will, assuming that all the Mortgage Loans are fully performing, be sufficient to pay the amounts payable under items (1) to (19) of the Pre-Enforcement Revenue Priority of Payments.

Deposit Account and Cash Management:

The Servicer will ensure that all payments due under the Mortgage Loans are made by Borrowers into the Collection Account. All amounts credited to the Collection Account from (and including) the Closing Date will relate to the Mortgage Loans and will be identified as the Daily Mortgage Loan Amount.

The Issuer will open the Deposit Account pursuant to the Account Bank Agreement with the Issuer Account Bank on or prior to the Closing Date. The Issuer may from time to time open additional or replacement accounts pursuant to the Account Bank Agreement and the Transaction Documents.

The Servicer will transfer an amount equal to the Daily Mortgage Loan Amount from the Collection Account into the Deposit Account no later than the next Business Day after that Daily Mortgage Loan Amount is identified as received in the Collection Account. On each Interest Payment Date amounts standing to the credit of the Deposit Account as at the end of the relevant immediately preceding Collection Period (together with any amounts comprising the Liquidity Reserve Fund that are to be applied as Available Revenue Receipts on such Interest Payment Date) will be applied by the Cash Manager on behalf of the Issuer in accordance with the relevant Priority of Payments.

On each Interest Payment Date, the Cash Manager will transfer monies from the Deposit Account (other than amounts representing Liquidity Standby Drawings, save to the extent withdrawn to make payments that would otherwise have been made from drawings under the Liquidity Facility Agreement) to be applied in accordance with the applicable Priority of Payments.

SUMMARY OF THE MORTGAGE PORTFOLIO AND SERVICING

Please refer to the section entitled “*The Mortgage Portfolio*”, “*Annex A – Statistical Information on the Provisional Mortgage Portfolio*” and “*Servicing*” for further detail in respect of the characteristics of the Mortgage Portfolio and the sale and the servicing arrangements in respect of the Mortgage Portfolio.

Sale of Mortgage Portfolio:

The Mortgage Portfolio will consist of the Mortgage Loans and the Related Security which will be sold by the Seller to the Issuer on the Closing Date pursuant to the Mortgage Sale Agreement. The Seller will also sell the benefit of all collections received in respect of the Mortgage Portfolio for the period from the Cut-off Date to the Closing Date.

The English Mortgage Loans are governed by English law. The Scottish Mortgage Loans are governed by Scots law. The Northern Irish Mortgage Loans are governed by the laws of Northern Ireland.

On or about 13 May 2015 Promontoria (Vantage) Limited agreed to acquire from the Original Sellers, a portfolio of loans and their related security which included the Mortgage Loans and the Related Security.

On or about 13 December 2016, Cerberus European Residential Holdings B.V. (the “**V1 Seller**”) acquired the beneficial interest in a portfolio of loans which included the Mortgage Loans and their Related Security from Promontoria (Vantage) Limited and subsequently sold the beneficial title in a portfolio of loans which included the Mortgage Loans and their Related Security to Towd Point Mortgage Funding 2016-Vantage1 plc (the “**V1 Issuer**”).

On or about 18 November 2019, the beneficial interest to a portfolio of loans which included the Mortgage Loans and Related Security forming part of the Mortgage Portfolio was repurchased by the V1 Seller from V1 Issuer and subsequently sold to Towd Point Mortgage Funding 2019-Vantage2 plc (the “**V2 Issuer**”).

Immediately prior to the Closing Date, the Seller will acquire the beneficial title to a portfolio of loans which includes the Mortgage Loans and Related Security from the V2 Issuer and immediately transfer the beneficial interests in the Mortgage Loans and Related Security comprising the Mortgage Portfolio to the Issuer, as further described in the section entitled “*The Mortgage Portfolio*”.

On or about 30 November 2019 legal title in the Mortgage Loans comprising the Mortgage Portfolio was migrated from Promontoria (Vantage) Limited to CHL. As at the date of this Prospectus, CHL, in its capacity as Legal Title Holder, holds legal title to the Mortgage Loans in the Mortgage Portfolio (save in respect of the Disclosed Split Title Loans).

As set out above, the Mortgage Loans forming part of the Provisional Mortgage Portfolio were originated by the relevant Originator and as such, the Seller has no contractual relationship with any of the Borrowers in respect of any Mortgage Loan.

Please refer to the section entitled “*Sale of the Mortgage Portfolio under the Mortgage Sale Agreement*” for further information.

Portfolio Reference Date:

31 August 2023

Cut-off Date:

31 October 2023

Features of Mortgage Loans:

Certain features of the Mortgage Loans as at the Portfolio Reference Date are set out in the table below and investors should refer to, and carefully

consider, further details in respect of the Mortgage Loans set out in “Annex A – Statistical Information on the Provisional Mortgage Portfolio”. The Mortgage Loans comprise loans advanced to predominantly owner-occupied Borrowers and are secured by first priority charges over freehold, heritable, and leasehold properties in England, Wales, Northern Ireland and Scotland.

Occupancy Type	Predominantly owner-occupied
.....	
Type of repayment	Interest-Only Mortgage Loan, Repayment Mortgage Loan and Part-and-Part Mortgage Loan
.....	

Number of Properties 4,455

.....

Number of Mortgage Loan Accounts 4,470

.....

	Weighted average	Minimum	Maximum
Current Balance (£)⁽¹⁾	98,993.26	59.58	744,996.36
Current Indexed LTV Ratio (%)⁽²⁾	51.38	0.17	141.53
Months since date of origination	202.50	121.00	398.00
Remaining Term to maturity (months)	88.39	0.00 ³	316.00

Note:

- (1) Current Balance calculated as a simple average based on the number of Mortgage Accounts.
- (2) Indexed using Nationwide House Price Index as of 30 June 2023
- (3) For the Mortgage Loans with a maturity date prior to the Portfolio Reference Date, the remaining term of such Mortgage Loans was assumed to be zero.

The Mortgage Loans referenced above in this overview include the Shortfall Loans and Excluded Loans to be assigned to the Issuer in accordance with the Mortgage Sale Agreement but in respect of which no value will be attributed in determining the purchase price of the Mortgage Portfolio.

Consideration:

The consideration from the Issuer to the Seller in respect of the sale of the Mortgage Portfolio together with its Related Security and the benefit of all collections received in respect of the Mortgage Portfolio for the period for the Cut-off Date to the Closing Date is expected to comprise of an amount equal to £401,546,754.78 (less the fees and expenses incurred by the Issuer in connection with the Transaction and issuance of the Notes) due on the Closing Date comprising the aggregate amount agreed to be paid by the Issuer to the Seller pursuant to the Mortgage Sale Agreement; together with the granting of the Mortgage Portfolio Purchase Option and the Market Sale Option to the Seller, or a nominee of the Seller, and the issuance to or at the direction of the Seller on the Closing Date of the Class XB Certificates representing excess spread in respect of the Mortgage Portfolio (together with the Purchase Price, being the Consideration).

See the section entitled “*Sale of the Mortgage Portfolio under the Mortgage Sale Agreement*” for further information.

Representations and Warranties:

The Seller will make certain representations and warranties to the Issuer and the Trustee on the Closing Date in respect of the Mortgage Portfolio (excluding any Shortfall Loans and the Excluded Loans other than the Shortfall Loan Warranties and Excluded Loan Warranties) in respect of breaches occurring prior to the Warranty Expiry Date only (the “**Warranted Mortgage Loans**”).

In addition to warranties in respect of the legal status of the Warranted Mortgage Loans and their Related Security, there are also warranties in relation to the assets which include (but are not limited to) the following:

- subject to completion of any registration or recording of title which may be pending at the Land Registry, the Registries of Northern Ireland and the Registers of Scotland and (in those cases) provided that there is nothing to prevent that registration or recording being effected (including, without limitation, any Encumbrance, notice or adverse entry which would affect such title), then each Mortgage relating to a Loan constitutes a first ranking legal mortgage (in England and Wales), a first ranking legal charge or mortgage (in Northern Ireland) or a first ranking standard security (in Scotland) over the relevant Property, except in so far as there is a prior statutory charge or burden or discount charge;
- each Mortgage Loan and its Related Security was made on the same terms of the Standard Documentation, without material variation or where there were any changes, such changes would have been acceptable to a Prudent Mortgage Lender;
- no Mortgage 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;
- each Property is a residential property located in England, Wales, Scotland or Northern Ireland (and for this purpose mixed use properties shall be counted as a residential property as long as (i) they contain a residential component, and (ii) they have been underwritten as residential property rather than as a business property); and
- so far as the Seller is aware, prior to making each Mortgage Loan to a borrower, the Originator 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 by a Prudent Mortgage Lender and a Certificate of Title was received by or on behalf of the Originator 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.

See the section entitled “*Sale of the Mortgage Portfolio under the Mortgage Sale Agreement*” for further information.

Repurchase of Mortgage Loans or Indemnity:

The Seller shall repurchase the Mortgage Loans and their Related Security or, in certain circumstances, may instead indemnify and keep indemnified the Issuer, in respect of breaches occurring prior to the Warranty Expiry Date and in respect of the Warranted Mortgage Loans only, upon material breach of any of the representations or warranties given by the Seller on the Closing Date, which have not been remedied by such Seller within 30 days of being notified by the Issuer of such breach (provided that the Seller may instead opt to indemnify the Issuer up to the Repurchase Price of such Mortgage Loan, subject always to the Warranty Limitations).

In respect of any breach of Mortgage Loan Warranty occurring following the Warranty Expiry Date or any breach that occurs prior to the Warranty Expiry Date but is notified more than 3 months following the Warranty Expiry Date, the Seller will be under no obligation to repurchase or indemnify in respect of any material breach of representations or warranties given by the Seller in respect of the Warranted Mortgage Loans.

Consideration for Repurchase/Indemnity:

- *Repurchase:* An amount equal to the Current Balance of the Mortgage Loans to be repurchased as at the date of such repurchase plus relevant expenses in accordance with the Mortgage Sale Agreement (being the Repurchase Price) (provided that with respect to any Shortfall Loans and Excluded Loans, the consideration for such repurchase shall always be nil (zero)). Such consideration shall be satisfied by a cash payment by the Seller.
- *Indemnification:* Where the Seller chooses to indemnify the Issuer, it shall indemnify the Issuer for any Liabilities, incurred as a result of the material breach of any of the representations and warranties given by the Seller, up to the Repurchase Price of the relevant Mortgage Loans.
- *Liability limitations:* The repurchase and indemnification in respect of breaches of Mortgage Loan Warranties shall be subject to the Warranty Limitations which provide for certain limitations as to the quantum and duration of the Seller's liability under the Mortgage Loan Warranties, as set out in the section entitled "*Sale of the Mortgage Portfolio under the Mortgage Sale Agreement - Limitations on liability*" for further information.

See the section entitled "*Sale of the Mortgage Portfolio under the Mortgage Sale Agreement*" for further information.

Purchase of Portfolio by Mortgage Portfolio Purchase Option Holder:

The Mortgage Portfolio Purchase Option Holder may, by giving written notice to the Issuer (copied to the Trustee), purchase all (but not part) of the Issuer's interest in the Mortgage Loans and their Related Security on any Business Day on and from the Interest Payment Date falling immediately prior to the FORD. See the section entitled "*Ability for the Mortgage Portfolio to be purchased*" for further details.

Repurchase of Mortgage Loans in connection with the optional redemption of the Notes:

In addition, the Seller (or, in certain circumstances, an affiliate(s)) shall be obliged to repurchase the Mortgage Loans and their Related Security in the following circumstances:

- if the Issuer exercises its clean up call option where the Principal Amount Outstanding of the Notes is less than 10% of the aggregate

Principal Amount Outstanding of the Notes as at the Closing Date;
or

- the Seller exercises the Risk Retention Regulatory Change Option; and
- the Seller (or its affiliate(s)) may (but shall not be obliged) to repurchase the Mortgage Loans and their Related Security if the Issuer exercises its call option following a change in Tax law in respect of which: (a) the Issuer (or the Paying Agents on the Issuer's behalf) would be required to make a Tax Deduction in respect of a payment under the Notes or (b) the Issuer would be subject to United Kingdom corporation tax otherwise than in accordance with regulations 14 to 21 of the TSC Regulations in each case in accordance with Condition 9.4 (Optional Redemption in whole for taxation reasons).

See the section entitled "*Summary of the Terms and Conditions of the Notes and the Certificates*" for further information.

Perfection Trigger Events:

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

Prior to the completion of the transfer of legal title of the Mortgage Loans, the Issuer will hold only an equitable and/or beneficial interest in those Mortgage Loans and will, therefore, be subject to certain risks as set out in the risk factor entitled "*Risks Related to the Mortgage Loans – CHL as Legal Title Holder to retain legal title to the Mortgage Loans and risks relating to set-off*" in the section entitled "*Risk Factors*".

Servicing of the Mortgage Portfolio – Servicer:

The Servicer will be appointed on the Closing Date and agrees to service on behalf of the Issuer the Mortgage Loans and their Related Security on and following the Closing Date. The appointment of the Servicer may be terminated by the Issuer and/or the Trustee (subject to the terms of the Servicing Agreement) upon the occurrence of a Servicer Termination Event (see "*Servicer Termination Event*" in the "*Triggers Tables – Non-Rating Triggers Table*").

The Servicer may also resign by giving not less than 6 months' notice to the Issuer and the Trustee and subject to, *inter alia*, a replacement servicer having been appointed.

Back-Up Servicer:

The Back-Up Servicer will be appointed on the Closing Date pursuant to the Back-Up Servicing Agreement and, upon termination of the appointment of the Servicer following a Servicer Termination Event in accordance with the provisions of the Servicing Agreement, the Issuer will be required to take such steps as are required under the Back-Up Servicing Agreement to require the Back-Up Servicer to administer the Mortgage Loans on behalf of the Issuer. The Back-Up Servicer will be required to assume the obligations of the Servicer as soon as reasonably practicable and in any event within 60 days from the date of receipt by the Back-Up Servicer of notice that a Servicer Termination Event has occurred.

ABILITY FOR THE MORTGAGE PORTFOLIO TO BE PURCHASED

The Mortgage Portfolio may be sold by the Issuer pursuant to the Mortgage Portfolio Purchase Option or the Market Mortgage Portfolio Purchase. The Issuer will undertake not to dispose of the Mortgage Portfolio in any other circumstances other than in relation to an enforcement of the Security or in the event of the exercise of the Risk Retention Regulatory Change Option or of the options to redeem the notes in whole pursuant to Conditions 9.3 (*Optional Redemption in Whole*) or 9.4 (*Optional Redemption in Whole for Taxation Reasons*).

Mortgage Portfolio Purchase Option:

Pursuant to and in accordance with the terms of the Deed Poll, the Mortgage Portfolio Purchase Option Holder (or its nominee(s)) has the benefit of Mortgage Portfolio Purchase Option so as to require the Issuer, on any Business Day on and from the Interest Payment Date falling immediately prior to the FORD (and the Issuer agrees to do as follows on such Business Day) to sell and transfer to, or to the order of, the Mortgage Portfolio Purchase Option Holder, the beneficial and/or legal title to the portfolio of Mortgage Loans and their Related Security.

It will be a condition of the exercise of the Mortgage Portfolio Purchase Option that (A) either (i) each of the purchasers of the legal and beneficial title in and to the Mortgage Portfolio Purchase Option Mortgage Loans is resident for tax purposes in the United Kingdom, or (ii) each of the Issuer and the Trustee as applicable having received tax advice from an appropriately qualified and experienced United Kingdom tax adviser in form and substance satisfactory to it, or such other comfort as may reasonably be required by it (including, without limitation, any clearance or other confirmation granted by HMRC), is satisfied that sale of legal (if applicable) and beneficial title in and to the relevant Mortgage Loans should not expose the Issuer or the Legal Title Holder, to a risk of loss in consequence of United Kingdom income tax being required to be withheld from amounts paid in respect of the Mortgage Loans and that (B) each of the Issuer and the Trustee having received tax advice from an appropriately qualified and experienced United Kingdom tax adviser in form and substance satisfactory to it, or such other comfort as may reasonably be required by it (including, without limitation, any clearance or other confirmation granted by HMRC) that any such sale should not cause the Issuer to cease to be taxed in accordance with the TSC Regulations for times prior to the completion of the sale. The costs relating to such tax advice shall be borne by the Mortgage Portfolio Purchase Option Holder.

The Mortgage Portfolio Purchase Option may be exercised by notice (which can be given at any time) to the Issuer with a copy to the Trustee, the Seller or the Legal Title Holder at any time for effect on any Business Day on and from the Interest Payment Date falling immediately prior to the FORD until the Final Maturity Date.

Mortgage Portfolio Purchase Option Purchase Price:

The purchase price for the Mortgage Portfolio under the Mortgage Portfolio Purchase Option shall be the Mortgage Portfolio Purchase Option Purchase Price.

The Mortgage Portfolio Purchase Option Holder or its nominee will be required to provide irrevocable payment instructions for an amount or amounts to be transferred equal to the Mortgage Portfolio Purchase Option Purchase Price in the Deposit Account for value on the date of sale of the beneficial/legal interest in the Mortgage Loans **provided that** such deposit shall be made or irrevocable payment instructions shall be

given no later than the day falling two Business Days immediately preceding the Interest Payment Date on which the Notes are to be redeemed or such later date as agreed with the Trustee or take such other action agreed with the Trustee. The Mortgage Portfolio Purchase Option Purchase Price will be held in escrow pending completion of transfer of the beneficial title to the Mortgage Portfolio Purchase Option Mortgage Loans. The full amount of the Mortgage Portfolio Purchase Option Purchase Price will be applied in accordance with the applicable Priority of Payments on the immediately following Interest Payment Date or on the Mortgage Portfolio Purchase Option Completion Date if such date is an Interest Payment Date (as applicable).

Where the sale to the Mortgage Portfolio Purchase Option Holder does not contemplate a transfer of the legal title to the Loans being sold, the exercise of the Mortgage Portfolio Purchase Option shall be conditional on the consent of the Legal Title Holder, to hold legal title on behalf of (or in respect of Scottish Mortgage Loans and their Related Security, as trustee for) the Mortgage Portfolio Purchase Option Holder or its nominee.

Market Sale of Mortgage Portfolio:

In the event that the Mortgage Portfolio Purchase Option Holder does not elect to exercise the Mortgage Portfolio Purchase Option in respect of any Interest Payment Date on or following the FORD, the Market Sale Option Holder may exercise its option, on any Business Day on or following the Interest Payment Date falling immediately prior to the FORD, to direct a sale of the Mortgage Portfolio by directing the Issuer to appoint the Seller or its nominee as a third party portfolio manager to conduct any such sale on behalf of the Issuer **provided that** the Issuer and the Trustee have been provided with an opinion from an appropriately qualified and experienced United Kingdom tax adviser that neither the process of seeking bids, nor selling the portfolio to successful bidders should cause the Issuer to cease to be taxed in accordance with the TSC Regulations prior to the time of completion of a sale (on the assumption that a sale to the successful bidder occurred following the bidding process). The Issuer must confirm that such opinion is satisfactory to it before any third party seeks to obtain initial indications of the sale price for the Mortgage Portfolio from market participants.

The Seller (or its nominee) shall be appointed on an arm's length basis and on the basis that it is incentivised to achieve the best price for the sale of the Mortgage Loans which shall be at least the Minimum Mortgage Portfolio Sale Price, as a portfolio manager by the Issuer to advise the Issuer and conduct any such sale on behalf of the Issuer. The terms of the agreement giving effect to the appointment of the portfolio manager shall be approved by the requesting Market Sale Option Holder (such approvals not to be unreasonably withheld). Any fees, costs and expenses due to the portfolio manager shall be payable by the requesting Market Sale Option Holder only and shall not be due from the Issuer or the Trustee.

The requesting Market Sale Option Holder may agree the terms of any sale of the Mortgage Portfolio by the Issuer (acting at the direction of the requesting Market Sale Option Holder) **provided that** the sale of the Mortgage Portfolio is for an amount not less than the Minimum Mortgage Portfolio Sale Price.

A purchaser of the Mortgage Loans pursuant to the Market Mortgage Portfolio Purchase will be required to deposit the full amount of the purchase price for the Mortgage Loans into the Deposit Account on the date of transfer of the beneficial title to the Mortgage Loans such transfer being no later than 2 Business Days prior to the Interest Payment Date on which the Notes are to be redeemed in full in accordance with Condition 9.6 (*Mandatory Redemption of the Notes following the exercise of Mortgage Portfolio Purchase Option or Market Mortgage Portfolio Purchase*) or provide irrevocable payment instructions for an amount to be transferred equally to the purchase price for value on such date to the Deposit Account or take such other action as may be agreed with the Trustee. Upon completion of transfer of the beneficial title to the Mortgage Loans, the purchase price will be applied in accordance with the relevant Priority of Payments on the immediately following Interest Payment Date.

It will be a condition of the sale to a third party that either (i) each of the purchasers of the legal (if applicable) and beneficial title in and to the Mortgage Loans is resident for tax purposes in the United Kingdom, or (ii) each of the Issuer and the Trustee, as applicable, having received tax advice from an appropriately qualified and experienced United Kingdom tax adviser in form and substance satisfactory to it, or such other comfort as may reasonably be required by it (including, without limitation, any clearance or other confirmation granted by HMRC), is satisfied that sale of legal (if applicable) and beneficial title in and to the relevant Mortgage Loans should not expose the Issuer or the Legal Title Holder, as applicable, to a risk of loss in consequence of United Kingdom income tax being required to be withheld from amounts paid in respect of the Mortgage Loans. The costs relating to such tax advice shall be borne by the purchaser of the Mortgage Portfolio.

Ability of the Seller to repurchase the Mortgage Portfolio for Tax and other Reasons:

The Seller (or an affiliate) may, pursuant to the terms of the Mortgage Sale Agreement, purchase the Mortgage Loans in respect of any optional redemption of the Notes pursuant to Condition 9.4 (*Optional Redemption in whole for taxation reasons*). The consideration payable by the Seller (or its affiliate) shall be an amount equal to the consideration that would have been paid in respect of the Mortgage Portfolio Purchase Option.

Seller's Clean-up Call:

The Seller (or an affiliate) may, pursuant to the terms of the Mortgage Sale Agreement, purchase the Mortgage Loans in respect of any optional redemption of the Notes pursuant to Condition 9.3 (*Optional Redemption in whole*). The consideration payable by the Seller shall be an amount equal to the consideration that would have been paid in respect of the Mortgage Portfolio Purchase Option.

Ability of the Seller to repurchase the Mortgage Portfolio in the event of a Risk Retention Regulatory Change Event:

The Seller (or any affiliate) shall have the right (but not any obligation) to acquire or re-acquire the entire beneficial interest of the Issuer in the Mortgage Portfolio upon the occurrence of a Risk Retention Regulatory Change Event in accordance with the terms of Condition 9.5 (*Mandatory Redemption of the Notes following the exercise of a Risk Retention Regulatory Change Option*). The price payable by or on behalf of the Seller to the Issuer to acquire the beneficial interest of the entire Mortgage Portfolio from the Issuer shall be an amount equal to the consideration that would have been paid in respect of the Mortgage Portfolio Purchase Option.

It will be a condition of the purchase of the beneficial interest in the Mortgage Loans comprising the Mortgage Portfolio following the occurrence of a Risk Retention Regulatory Change Event that (A) either (i) the purchaser is resident for tax purposes in the United Kingdom, or (ii) each of the Issuer and the Trustee, as applicable, having received tax advice from an appropriately qualified and experienced United Kingdom tax adviser in form and substance satisfactory to it, or such other comfort as may reasonably be required by it (including, without limitation, any clearance or other confirmation granted by HMRC), is satisfied that the sale of the Mortgage Loans should not expose the Issuer or the Legal Title Holder, as applicable, to a risk of loss in consequence of United Kingdom income tax being required to be withheld from amounts paid in respect of the Mortgage Loans, and, (B) each of the Issuer and the Trustee having received that tax advice from an appropriately qualified and experienced United Kingdom tax adviser in form and substance satisfactory to it, or such other comfort as may reasonably be required by it (including, without limitation, any clearance or other confirmation granted by HMRC) that any such sale should not cause the Issuer to cease to be taxed in accordance with the TSC Regulations for times prior to the completion of the sale. The costs relating to such tax advice shall be borne by the Seller.

The purchaser(s) of the Mortgage Loans comprising the Mortgage Portfolio will be required to deposit the full amount of the Mortgage Portfolio Purchase Option Purchase Price in the Deposit Account on the date of sale of the beneficial interest in the Mortgage Loans no later than the day falling 2 Business Days immediately preceding the Interest Payment Date on which the Notes are to be redeemed or take such other action agreed with the Trustee.

Following exercise of the Risk Retention Regulatory Change Option, the Issuer will give not more than 40 nor less than five Business Days' notice to the Noteholders and the Certificateholders in accordance with Condition 22 (*Notices*) and Certificate Condition 20 (*Notices*) and the Trustee stating that the Notes and the Certificates will be redeemed on the Interest Payment Date immediately following the exercise of such option by the Seller.

Consequence of the purchase of the Mortgage Portfolio:

On an Interest Payment Date on which any of the above events have occurred and the relevant conditions have been satisfied and the Mortgage Portfolio has been purchased, the purchase price will be applied in accordance with the relevant Priorities of Payments on the immediately succeeding Interest Payment Date (which, for the avoidance of doubt, may be the FORD or another Interest Payment Date thereafter) and will result in the Notes being redeemed in full in accordance with Condition 9 (*Final Redemption, Mandatory Redemption in part, Optional Redemption and Cancellation*).

Further Class A1 Notes

Upon receipt of a direction from the Seller, the Issuer will, with the written consent of the Class A2 Noteholder but without the consent of any other Noteholders or Certificateholders, raise further funds by the creation and issue of Further Class A1 Notes which will carry the same terms and conditions in all respects (save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue) as any outstanding Class A1 Notes and will form a single Class with them. On the Interest Payment Date that such Further Class A1

Notes are issued, (1) the related Par Proceeds will be used to redeem the corresponding Class A2 Notes (in whole or in part), and (2) a new prospectus will be issued in respect of any Further Class A1 Notes, with the relevant Priority of Payments being run, and then, following the application of Available Revenue Receipts and Available Principal Receipts in respect thereof, the Par Proceeds will be applied in or towards the redemption of the Class A2 Notes (that correspond to the additional Further Class A1 Notes issued).

TRIGGERS TABLES

Rating Triggers Table

Transaction Party	Ratings Trigger	Consequence
Issuer Account Bank:	<p>Ceases to be rated A by S&P; and</p> <p>Ceases to be rated, in respect of a critical obligations rating (which may be a private rating), A (high) by DBRS or an issuer or long-term unsecured debt or deposit rating of at least A (or its equivalent rating by another rating agency);</p> <p>or (in each case) such other credit rating as would not adversely affect the then current rating of the Rated Notes.</p>	<p>The Issuer shall use commercially reasonable efforts to close the account and transfer the account to a successor institution within a period not exceeding 60 calendar days from the first day on which such downgrade occurred.</p>
Collection Account Bank:	<p>Ceases to be rated BBB by S&P; and</p> <p>Ceases to be rated, in respect of a critical obligations rating, BBB by DBRS or if a critical obligations rating is not available on the Collection Account Bank, an issuer or long-term unsecured debt or deposit rating of at least BBB (low) (or its equivalent rating by another rating agency).</p>	<p>If the Collection Account Bank fails to maintain any of the Collection Account Bank Ratings, then the Servicer shall, use reasonable endeavours, and the Issuer and the Legal Title Holder shall use reasonable endeavours to assist the Servicer, to</p> <ol style="list-style-type: none"> (a) appoint a replacement financial institution with the Collection Account Bank Rating to act as replacement Collection Account Bank which is a bank for the purposes of section 878 ITA 2007 and which will pay interest in relation to the Collection Account in the ordinary course of its business; (b) procure that such financial institution enters into a replacement collection account agreement; (c) procure that such financial institution enters into a deed on terms substantially similar to those set out in the Collection Account Declaration of Trust with respect to the replacement collection account; and (d) procure that all amounts held on trust for the Issuer standing to the credit of the Collection Account are transferred to the replacement account at such replacement institution as soon as practicable or, where the Collection Account Bank ceases to have the

Transaction Party	Ratings Trigger	Consequence
		Collection Account Bank Rating, within 60 calendar days (but not less than 35 calendar days) of such downgrade, in each case as prescribed and within the time limits as set out in the Servicing Agreement, transfer all Direct Debit mandates to such replacement collection account and procure that all Monthly Payments made by a Borrower under a payment arrangement other than the Direct Debiting Scheme are made to such replacement collection account from the date on which the replacement collection account is opened.
Liquidity Facility Provider:	Ceases to be rated A by S&P; and Ceases to be rated A by DBRS.	The Issuer must, within 30 calendar days of such downgrade (or, in the case of a downgrade relating to an S&P rating, within 90 calendar days of such downgrade), either make a Liquidity Standby Drawing (to be deposited into the Deposit Account with a corresponding entry made to the Liquidity Standby Ledger) or find a replacement liquidity facility provider basis substantially on the same terms as the existing Liquidity Facility Agreement.

Non-Rating Triggers Table

Nature of Trigger	Description of Trigger	Consequence
<p>Servicer Termination Event</p> <p>See the section entitled “<i>Servicing</i>” for further information on this.</p>	<ul style="list-style-type: none"> • Servicer payment default; • material failure to comply with any of its other covenants or obligations; or • failure to maintain licences; • Insolvency Event in relation to the Servicer; or • Perfection Trigger Event. 	A replacement Servicer will replace the Servicer and shall provide the Services in accordance with the terms of a Replacement Servicing Agreement as replacement servicer.
<p>Perfection Trigger Events</p> <p>See the section entitled “<i>Sale of the Mortgage Portfolio under the Mortgage Sale Agreement</i>” for further information on this.</p>	<ul style="list-style-type: none"> • Delivery of an Enforcement Notice by the Trustee; • the Legal Title Holder being required to perfect by an order of a court or regulatory authority; 	The legal transfer by the Legal Title Holder to the Issuer of all the Mortgage Loans and their Related Security as soon as reasonably practicable.

Nature of Trigger	Description of Trigger	Consequence
Cash Manager Termination Event	<ul style="list-style-type: none"> the Legal Title Holder being required to perfect by requirement of law; (for as long as CHL is the Servicer) termination of the appointment of the Servicer or resignation of the Servicer and failure of any substitute servicer to assume the duties of the Servicer in such capacity; the security under the Deed of Charge or any material part of that security is, in the opinion of the Trustee, in jeopardy; the Seller or the Legal Title Holder notifying the Issuer in writing of its decision to perfect; or Insolvency Event in relation to the Legal Title Holder. 	Termination of appointment of Cash Manager.
	<ul style="list-style-type: none"> Cash Manager payment default; failure to comply with any other of its material covenants or obligations; failure to provide the Investor Report; failure to instruct the Principal Paying Agent; it becomes unlawful for the Cash Manager to perform or comply with any of its obligations; Insolvency Event in relation to the Cash Manager; or Termination of appointment of CHL as the Servicer. 	See the section entitled “Cash Management - <i>Removal or Resignation of the Cash Manager</i> ” for further information.
Back-Up Servicer Termination Event	<ul style="list-style-type: none"> material failure to comply with any of its obligations; it is or will become unlawful for the Back-Up Servicer to perform or comply with any of its obligations; or Insolvency Event occurs in relation to Back-Up Servicer. 	Successor Back-Up Servicer to be appointed.

Nature of Trigger	Description of Trigger	Consequence
Issuer Account Bank	<ul style="list-style-type: none"> Insolvency Event in respect of the Issuer Account Bank, material breach of obligations or for tax reasons. 	Replacement account bank to be appointed.
Collection Account Bank	<ul style="list-style-type: none"> Insolvency Event in respect of the Collection Account Bank, breach of obligations or for tax reasons. 	Replacement Collection Account Bank to be appointed.

FEES

The following table sets out the estimated on-going annual fees to be paid by the Issuer to the specified Transaction Parties. Such fees will be subject to caps in relation to their payment in priority to the Rated Notes, with excess amounts above the caps paid subordinate to payments of interest on the Rated Notes, as set out in more detail in the section entitled “*Key Structural Features—Credit Enhancement, Liquidity Support and Priority of Payments*”.

Servicer Fees

Type of Fee	Amount of Fee	Priority in Cashflow	Frequency
Servicer Fees	<p>0.150% per annum (exclusive of VAT) of the aggregate Current Balance of the Mortgage Loans at the start of the first of the three Collection Periods preceding the relevant Interest Payment Date (the “Base Servicing Fee”);</p> <p>an accounting fee of £15,000 per annum (exclusive of VAT);</p> <p>in respect of any repossessed Properties, an amount equal to 25 per cent. of the total amount of VAT received or recovered from HMRC (exclusive of VAT);</p> <p>an arrears management fee of £65 per calendar month (exclusive of VAT) in respect of any Mortgage Loan that is either (i) one month or more in arrears; or (ii) (without double counting) past its scheduled maturity date, in each case, as at the last calendar day of each Collection Period;</p> <p>for any shortfall loan in respect of which the property to which the Mortgage Loan relates has been sold and there remains a shortfall owed by the Borrower, 30% of any monies recovered in relation to such loan (exclusive of VAT);</p>	<p>Ahead of all outstanding Notes and Certificates, but subject to the Servicer Fee Cap. Any Servicer Fees in excess of the Servicer Fee Cap will be paid as Subordinated Servicing Fees. For the avoidance of doubt the Increased Fee will be subject to the Servicer Fee Cap and any amounts of Increased Fee in excess of the Servicer Fee Cap will be paid as Subordinated Servicing Fees.</p>	<p>Quarterly in arrear on each Interest Payment Date</p>

Type of Fee	Amount of Fee	Priority in Cashflow	Frequency
	the Base Servicing Fee shall be increased annually (the “ Increased Fee ”) on each anniversary of the Closing Date by the rate at which the Retail Prices Index has increased in the previous 12 months (provided that the Increased Fee shall not exceed 2 per cent. per annum by reference to the base Servicing Fee immediately prior to the increase); and		
	a one-off securitisation assistance fee of £50,000 (exclusive of VAT).		One-off payment to be paid on or about the Closing Date.
Back-Up Servicer Fees (prior to invocation)	A fee of £40,000 (exclusive of VAT) per annum	Ahead of all outstanding Notes and Certificates, but subject to the Servicer Fee Cap. Any amounts in excess of the Servicer Fee Cap will be paid as Subordinated Servicing Fees	Payable in advance on the Closing Date and on each Interest Payment Date
Invocation Fee of the Back-Up Servicer	Based on the Back-Servicer’s rate card (exclusive of VAT) applicable at the time.	Ahead of all outstanding Notes and Certificates, but subject to the Applicable Servicer Fee Cap.	
Back-Up Servicer fees (post invocation)	The fees as agreed between the Back-Up Servicer and the Issuer upon invocation (i) being no less than the fees payable by the Issuer to the Servicer under the Servicing Agreement; and (ii) being increased annually in line with the retail price index,	Ahead of all outstanding Notes and Certificates, but subject to the Applicable Servicer Fee Cap.	

The Servicer Fees and the Back-Up Servicer Fees will be subject to the Applicable Servicer Fee Cap.

Other fees

Type of Fee	Amount of Fee	Priority in Cashflow	Frequency
Cash Management Fees	An amount equal to the greater of: (i) 0.01 per cent per annum (exclusive of VAT) of the aggregate Current Balance of the Mortgage Loans at the start of the first of the three Collection Periods preceding the relevant Interest Payment Date; and (ii)	Ahead of all outstanding Notes and Certificates	Quarterly in arrear on each Interest Payment Date

Type of Fee	Amount of Fee	Priority in Cashflow	Frequency
	£25,000 per annum, exclusive of VAT.		
Liquidity Facility Provider Fees	<p>An amount equal to a commitment fee equal to 1.000% per annum on the Liquidity Facility Undrawn Amount (exclusive of VAT).</p> <p>The amount of interest on any drawings made under the Liquidity Facility (including any Liquidity Standby Drawings) is equal to the Base Rate plus 1.650% of the relevant Loan, provided that, if the Base Rate is less than zero, the Base Rate shall be deemed to be zero.</p> <p>If the Issuer fails to pay any amount payable by it under the Liquidity Documents, the Issuer must pay interest on the overdue amount from its due date up to the date of actual payment, both before, on and after judgment at a rate determined by the Liquidity Facility Provider to be 2% per annum above the rate which would have been payable if the overdue amount had, during the period of non-payment, constituted a loan under the Liquidity Facility Agreement. Interest on an overdue amount will be compounded with that overdue amount.</p>	Ahead of all outstanding Notes and Certificates	Commitment fees: Quarterly in arrear on each Interest Payment Date or on any cancelled amounts of the commitment at the time the relevant cancellation takes effect
Other fees and expenses of the Issuer (including the Back-Up Cash Manager Facilitator Fees)	Estimated at approximately £185,000 (exclusive of any applicable VAT)	Ahead of all outstanding Notes and Certificates	Quarterly in arrear on each Interest Payment Date
Expenses related to the admission to trading of the Notes	Approximately €15,440 (exclusive of any applicable VAT)		On or about the Closing Date

CERTAIN REGULATORY DISCLOSURES

Investor Due Diligence

Pursuant to Article 5 of the UK Securitisation Regulation or Article 5 of the EU Securitisation Regulation and any corresponding national measures which may be relevant to investors, institutional investors are required to verify certain due diligence items prior to holding a securitisation including, amongst others:

- (i) compliance with the risk retention requirements pursuant to Article 6 of the UK Securitisation Regulation or Article 6 of the EU Securitisation Regulation (as applicable) – as to which, see the section below entitled “*Risk retention requirements under the Securitisation Regulations*”;
- (ii) compliance with the reporting requirements pursuant to Article 7 of the UK Securitisation Regulation or Article 7 of the EU Securitisation Regulation (as applicable) – as to which, see the sections below entitled “*Servicing*” and “*Cash Management*”; and
- (iii) assessment of the risk characteristics relating to the securitisation position and of the underlying exposures – as to which see the section above entitled “*Risk Factors*”.

It is noted that for the purposes of Article 5(1)(a) of the UK Securitisation Regulation, both (i) the original lender and (ii) the originator was (at the time of originating the Mortgage Loans) a credit institution established in the United Kingdom, as defined in points (1) and (2) of the UK CRR.

Each prospective investor is required to independently assess and determine the sufficiency of the information described above, and none of the Issuer, the Trustee, the Seller, the Co-Arrangers, the Joint Lead Managers 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.

Retention Requirements under the Securitisation Regulations

The Retention Holder will for the life of the transaction, retain a material net economic interest of not less than 5 per cent. in the securitisation in accordance with the text of Article 6 of the EU Securitisation Regulation and Article 6 of the UK Securitisation Regulation. As at the Closing Date, such interest will be comprised of a retention of no less than 5 per cent. of the nominal value of each of the tranches sold or transferred to the investors (which, in respect of the Class A Notes, will be comprised of a retention of the Class A1 Notes (including, for the avoidance of doubt, any Further Class A1 Notes) in an amount not less than 5 per cent. of the nominal value of all of the Class A Notes, collectively) as required by the Retention Requirements. Such Retention Requirements will be satisfied by the Retention Holder (either directly or through a directly or indirectly wholly-owned entity (or entities)) holding the Retention Notes. Any change to the manner in which such interest is held will be notified to the Trustee and the Noteholders.

The Retention Holder will confirm its ongoing retention of the net economic interest described above in the Investor Reports and any change to the manner in which such interest is held will be notified to the Noteholders including but not limited to disclosure in the Investor Reports pursuant to Article 7(1)(e)(iii) of the EU Securitisation Regulation and Article 7(1)(e)(iii) of the UK Securitisation Regulation. The first Investor Report shall be published within one month of the First Interest Payment Date, and thereafter shall be published (i) on a monthly basis to www.chlmortgages.co.uk and EuroABS; and (ii) on a quarterly basis, in compliance with the UK Securitisation Regulation and the EU Securitisation Regulation, in each case, pursuant to the Cash Management.

The EU Securitisation Regulation and/or the UK Securitisation Regulation requirements will apply to the Notes. Article 5 of the EU Securitisation Regulation and Article 5 of the UK Securitisation Regulation, as amended by section 7 of the Securitisation (Amendment)(EU Exit) Regulations 2019 (as applicable), also requires an Affected Investor to, amongst other things, be able to demonstrate that it has undertaken certain due diligence in respect of each of its individual securitisation positions and that it has a comprehensive and thorough understanding of, and has implemented formal policies and procedures, appropriate to (where relevant) its trading book and non-trading book which are commensurate with the risk profile of its investments in a securitised position. Among other things, prior to holding a securitisation position, such

institutional investors are required to verify under their respective EU or UK regime certain matters with respect to compliance of the relevant transaction parties with credit granting standards, risk retention and transparency requirements.

The Retention Holder has provided a corresponding undertaking with respect to: (i) the provision of such investor information as specified in the paragraph above; (ii) the interest to be retained by the Retention Holder as specified in the introductory paragraph above; and (iii) the interest to be retained by the Retention Holder in any subsidiary through which it may hold the Retention Notes, to the Joint Lead Managers and Co-Arrangers in the Subscription Agreement. For further information please refer to the Risk Factor entitled “*The Trustee is not obliged to act in certain circumstances*”.

In accordance with Article 5 of the EU Securitisation Regulation and Article 5 of the UK Securitisation Regulation, each prospective investor is required to independently assess and determine the sufficiency of the information described above and in this Prospectus generally for the purposes of complying with each of Article 6, Article 7 and Article 9 of the EU Securitisation Regulation and Article 6, Article 7 and Article 9 of the UK Securitisation Regulation and none of the Issuer, CERH II, the Seller, the Trustee, the Co-Arrangers nor the Joint Lead Managers makes any representation that the information described above or 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 Article 6, Article 7 and Article 9 of the EU Securitisation Regulation and Article 6, Article 7 and Article 9 of the UK Securitisation Regulation 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.

For further information please refer to the Risk Factor entitled “*Certain Regulatory Considerations Relevant for Potential Investors and their Investment in the Notes – Implementation of Basel III and/or changes to the Basel III Framework may affect the capital and/or the liquidity requirements associated with a holding of the Notes for certain investors*”.

On or after the Closing Date, the Retention Holder may obtain funding on a full recourse basis to finance its economic exposure to some or all of the Retention Notes. Such financing may be provided by one or more of the Joint Lead Managers, Co-Arrangers or certain of their affiliates and may require the grant of a security interest over such financed Retention Notes and the posting of a daily mark-to-market margin by the Retention Holder and may result in the financing counterparty having enforcement rights and remedies in case of an event of default (including but not limited to failure to post any daily margin) which may include the right to appropriate or sell such Notes. In carrying out any such appropriation or sale, the financing counterparty would not be required to have regard for the provisions of the EU Securitisation Regulation and UK Securitisation Regulation described above, and any such sale may therefore cause the Retention Holder to be out of compliance with such requirements. The retention, financing and hedging limitations set forth in the EU Securitisation Regulation and UK Securitisation Regulation will not apply to any Notes held by the Retention Holder or its affiliates that do not constitute part of its required retention tranche.

As required by Article 9(1) of the EU Securitisation Regulation and Article 9(1) of the UK Securitisation Regulation, (as far as the Seller and the Retention Holder are aware) the Originators applied the same sound and well-defined credit-granting criteria for the mortgage loans as it has applied to equivalent mortgage loans that are not part of the Mortgage Portfolio. In particular (as far as the Seller and the Retention Holder are aware):

- (a) the Originators applied the same clearly established processes for approving and, where relevant, amending, renewing and refinancing Mortgage Loans as they each applied to equivalent mortgage loans that are not part of the Mortgage Portfolio; and
- (b) the Originators had effective systems in place to apply to 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 his obligations under the relevant Mortgage Loan Agreement.

For more detail, please see section “*The Mortgage Portfolio*”.

Designated Entity

In addition to the information set out herein, 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 of the EU Securitisation Regulation and Article 7 of the UK Securitisation Regulation and will either fulfil such requirements itself or shall procure that such requirements are complied with on its behalf.

EU CRA Regulation and UK CRA Regulation

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

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

Investors regulated in the UK are subject to similar restrictions under the UK CRA Regulation. The UK CRA Regulation may require, among other things, issuers or related third parties intending to solicit a credit rating of a structured finance instrument to appoint at least two credit rating agencies to provide credit ratings independently of each other. As such, UK regulated investors are required to use, for UK regulatory purposes, ratings issued by a credit rating agency established in the UK and registered under the UK CRA Regulation. In the case of ratings issued by third country non-UK credit rating agencies, third country credit ratings can either be: (a) endorsed by a UK registered credit rating agency; or (b) issued by a third country credit rating agency that is certified in accordance with the UK CRA Regulation. Note this is subject, in each case, to (a) the relevant UK registration, certification or endorsement, as the case may be, not having been withdrawn or suspended, and (b) transitional provisions that apply in certain circumstances.

If the status of the rating agency rating for the Notes changes for the purposes of the EU CRA Regulation or the UK CRA Regulation, relevant regulated investors may no longer be able to use the rating for regulatory purposes in the EEA or the UK, as applicable, and the Notes may have a different regulatory treatment, which may impact the value of the Notes and its liquidity in the secondary market. Certain information with respect to the credit rating agencies and ratings is set out on the cover of this Prospectus.

Furthermore, credit rating agencies other than the Rating Agencies could seek to rate the Rated Notes, and if such “unsolicited ratings” are lower than the comparable ratings assigned to the Rated Notes by the Rating Agencies, those unsolicited ratings could have an adverse effect on the market value of the Rated Notes. For the avoidance of doubt and unless the context otherwise provides, any reference to “ratings” or “rating” in this Prospectus is to the ratings assigned by the specified Rating Agencies only.

Volcker Rule

The Issuer has been structured not to be a “covered fund” for the purposes of Section 13 of the Bank Holding Company Act of 1956, as amended (together with the final rules and regulations promulgated thereunder, the “**Volcker Rule**”). In reaching this conclusion, although other statutory or regulatory exemptions under the Investment Company Act and under the Volcker Rule may be available, the Issuer has relied on an exemption from registration as an “investment company” under Section 3(c)(5)(C) of the Investment Company Act. Under the Volcker Rule, a “covered fund” generally includes, among other entities, an issuer that is exempt from registration as an investment company solely in reliance on the exclusions found in Sections 3(c)(1) or 3(c)(7) of the Investment Company Act. Issuers that are exempt from registration as an investment company based on other exclusions or exemptions under the Investment Company Act are not considered covered funds. Any prospective investor in the Notes or the Certificates should consult its own legal advisers regarding such matters and other effects of the Volcker Rule.

Eurosystem eligibility

The Global Notes are intended to be held in a new safekeeping structure and in a manner which would allow Eurosystem eligibility and will be deposited with one of the ICSDs as common safekeeper. However, the deposit of the Global Notes with one of the ICSDs as common safekeeper upon issuance or otherwise does not necessarily mean that any Class of 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. Accordingly, none of the Issuer, the Seller, CERH II, the Co-Arrangers, the Lead Manager or the Trustee gives any representation, warranty, confirmation or guarantee to any investor in any Class of Notes that such Class of Notes will, either upon issue, or at any or at all times during their life, satisfy all or any requirements for Eurosystem eligibility and be recognised as Eurosystem eligible collateral. Any potential investor in the Notes should make its own conclusions and seek its own advice with respect to whether or not the Notes constitute Eurosystem eligible collateral.

WEIGHTED AVERAGE LIVES OF THE NOTES

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

1. in the first scenario as set out in the table headed “*Assuming the occurrence of the Mortgage Portfolio Purchase Option on the FORD*” below, the Mortgage Portfolio Purchase Option Holder or the Market Sale Option Holder exercises its option to redeem the Notes on the FORD. In the second scenario and as set out in the table headed “*Assuming no occurrence of the Mortgage Portfolio Purchase Option on the FORD, and no exercise of the clean-up call option*” below, the Mortgage Portfolio Purchase Option is not exercised on or after the FORD and no exercise of the clean-up call option;
2. the Mortgage Loans are fully performing and there are no arrears or enforcements;
3. the Mortgage Loans are subject to a constant annual rate of prepayment (exclusive of scheduled principal redemptions) of between 0 per cent. and 14 per cent. per annum as shown on the tables below;
4. the assets of the Issuer are not sold by the Trustee except as may be necessary to enable the Issuer to realise sufficient funds to exercise its option to redeem the Notes in accordance with Conditions 9.3 (*Optional Redemption in whole*) or 9.6 (*Mandatory Redemption of the Notes following the exercise of Mortgage Portfolio Purchase Option or Market Mortgage Portfolio Purchase*);
5. no Enforcement Notice has been served on the Issuer and no Event of Default has occurred;
6. the Security is not enforced;
7. there are no reconciliation amounts to consider;
8. the portfolio reference date of the Mortgage Loans is 31 August 2023 (the “**Portfolio Reference Date**”) and the cut-off date is 31 October 2023 (the “**Cut-off Date**”), and as such the remaining term of the Mortgage Loans are adjusted by 2 months to adjust for such difference, subject to a minimum remaining term of 1 month;
9. the Mortgage Loans are sold to the Issuer for value as at the Cut-off Date, therefore the accrual of cash flows starts at the Cut-off Date;
10. any Mortgage Loans which repay on a combination repayment and interest-only basis in the Provisional Mortgage Portfolio are treated as if they are Interest Only Mortgage Loans;
11. the ratio of the Principal Amount Outstanding of the Class A Notes to the Current Balance of the Provisional Mortgage Portfolio as at the Cut-off Date is 72.00 per cent.;
12. the ratio of the Principal Amount Outstanding of the Class B Notes to the Current Balance of the Provisional Mortgage Portfolio as at the Cut-off Date is 4.75 per cent.;
13. the ratio of the Principal Amount Outstanding of the Class C Notes to the Current Balance of the Provisional Mortgage Portfolio as at the Cut-off Date is 5.00 per cent.;
14. the ratio of the Principal Amount Outstanding of the Class D Notes to the Current Balance of the Provisional Mortgage Portfolio as at the Cut-off Date is 3.00 per cent.;
15. the ratio of the Principal Amount Outstanding of the Class E Notes to the Current Balance of the Provisional Mortgage Portfolio as at the Cut-off Date is 3.00 per cent.;
16. the ratio of the Principal Amount Outstanding of the Class F Notes to the Current Balance of the Provisional Mortgage Portfolio as at the Cut-off Date is 1.50 per cent.;
17. the ratio of the Principal Amount Outstanding of the Class Z Notes to the Current Balance of the Provisional Mortgage Portfolio as at the Cut-off Date is 10.75 per cent.;
18. the Notes are issued on or about 16 November 2023;

19. the Interest Payment Dates are on 20th of each of February, May, August and November, or if such day is not a Business Day, the immediately following Business Day, with the First Interest Payment Date being on or about 20 February 2024;
20. scheduled amortisation is calculated on an individual Mortgage Loan basis in accordance with the contractual repayment terms of each Mortgage Loan within the Portfolio and is initially aggregated on a monthly basis;
21. the annualised constant prepayment rate consists of both partial and full prepayments of the principal under the Mortgage Loans;
22. the interest, prepayments and scheduled payments of the Mortgage Loans are calculated on a 30/360 basis;
23. there is no debit balance on any of the sub-ledgers of the Principal Deficiency Ledgers for the Rated Notes on any Interest Payment Date;
24. no Servicer Termination Event has occurred;
25. calculations of possible weighted average lives of the Notes assume a flat Compounded Daily SONIA of 5.19 per cent., a flat Standard Variable Rate of 10.00 per cent. and a flat Bank of England Base Rate of 5.25 per cent.;
26. if a Mortgage Loan has a maturity prior to the Cut-off Date of 31 October 2023, the principal balance of such Mortgage Loan will be assumed to be paid in full during the month of November 2023;
27. the amounts payable in relation to items (1) to (3) in the Pre-Enforcement Revenue Priority of Payments are equal to the sum of (i) £267,000 per annum for the first two IPDs and £226,000 onwards (inclusive of VAT in both cases) (distributed equally through time) and (ii) 0.236 per cent. per annum on the aggregate Current Balance of the Mortgage Loans at the start of the first of the three Collection Periods preceding the relevant Interest Payment Date assuming a 30/360 day count convention;
28. the rate of interest on any drawings made under the Liquidity Facility (including any Liquidity Standby Drawings) is calculated at a rate equal to SONIA plus 1.65 per cent. on the drawn amount assuming an Actual/365 day count convention;
29. the weighted average lives of the Notes are calculated on an Actual/365 day count convention;
30. Item 20 of the Pre-Enforcement Revenue Priority of Payments is zero; and
31. Items (b), (f), (h) and (i) of the definition of Available Revenue Receipts are assumed to be zero.

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

Constant annual rate of prepayment of the Mortgage Loans (%)	(Assuming the occurrence of the Mortgage Portfolio Purchase Option on the FORD) Possible Weighted Average Life (in years) of:					
	Class A Notes	Class B Notes	Class C Notes	Class D Notes	Class E Notes	Class F Notes
0.....	2.55	3.01	3.01	3.01	3.01	3.01
2.....	2.45	3.01	3.01	3.01	3.01	3.01
4.....	2.35	3.01	3.01	3.01	3.01	3.01
6.....	2.26	3.01	3.01	3.01	3.01	3.01
8.....	2.17	3.01	3.01	3.01	3.01	3.01
10.....	2.08	3.01	3.01	3.01	3.01	3.01

Constant annual rate of prepayment of the Mortgage Loans (%)	(Assuming the occurrence of the Mortgage Portfolio Purchase Option on the FORD) Possible Weighted Average Life (in years) of:					
	Class A Notes	Class B Notes	Class C Notes	Class D Notes	Class E Notes	Class F Notes
12.....	1.99	3.01	3.01	3.01	3.01	3.01
14.....	1.90	3.01	3.01	3.01	3.01	3.01

Constant annual rate of prepayment of the Mortgage Loans (%)	(Assuming no occurrence of the Mortgage Portfolio Purchase Option on the FORD, and no exercise of the clean-up call option) Possible Weighted Average Life (in years) of:					
	Class A Notes	Class B Notes	Class C Notes	Class D Notes	Class E Notes	Class F Notes
0.....	4.76	8.70	9.10	9.45	9.88	10.61
2.....	4.23	8.43	8.78	9.15	9.48	9.83
4.....	3.76	8.12	8.50	8.83	9.16	9.47
6.....	3.36	7.66	8.20	8.56	8.86	9.15
8.....	3.01	7.13	7.79	8.28	8.59	8.82
10.....	2.72	6.59	7.31	7.91	8.32	8.54
12.....	2.47	6.07	6.81	7.47	7.96	8.28
14.....	2.25	5.62	6.33	6.99	7.54	7.96

The weighted average lives of the Notes are subject to factors largely outside the control of the Issuer and consequently no assurance can be given that the assumptions and estimates above will prove in any way to be realistic. They must therefore be viewed with considerable caution. For more information in relation to the risks involved in the use of the weighted average lives estimated above, see “*Risk Factors – Risks related to the Notes – Considerations Relating to Yield, Prepayments, Mandatory Redemption and Optional Redemption*”, above.

USE OF PROCEEDS

The gross proceeds of the Notes issued on the Closing Date are estimated to be an amount equal to £401,546,754.78.

The Issuer will use the gross proceeds of the Notes to pay the Purchase Price payable by the Issuer for: (i) the English Mortgage Loans and the Northern Irish Mortgage Loans and the Related Security to be acquired from the Seller on the Closing Date; (ii) the transfer of the Seller's interest as beneficiary under the Scottish Trust (representing the beneficial interest in the Scottish Mortgage Loans and their Related Security) to the Issuer; and (iii) certain fees and expenses of the Issuer in connection with the establishment of the Issuer and the issuance of the Notes.

The estimated net proceeds of the Notes on the Closing Date will be £399,645,491.33 (which represent amounts to be to be paid as Consideration).

See the section entitled "*Sale of the Mortgage Portfolio under the Mortgage Sale Agreement*".

RATINGS

The Rated Notes on issue (with respect to payments of interest and principal) are expected to be assigned the following ratings by S&P and DBRS:

Class of Rated Note⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾	S&P	DBRS
A1 ⁽¹⁾⁽⁴⁾	AAA(sf)	AAA(sf)
A2 ⁽¹⁾⁽⁴⁾	AAA(sf)	AAA(sf)
B ⁽³⁾⁽⁴⁾	AA(sf)	AA (low) (sf)
C ^{(2) (4)}	A(sf)	A (low)(sf)
D ^{(2) (4)}	BBB(sf)	BBB (low) (sf)
E ^{(2) (4)}	BB(sf)	BB (low)(sf)
F ⁽²⁾⁽⁴⁾	B-(sf)	B(low)(sf)

A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating agency if, in its judgement, circumstances so warrant.

The ratings assigned to the Rated Notes (including in respect of the Step-Up Margins) address, *inter alia*:

- (1) the likelihood of full and timely payments to the holders of the Class A Notes of interest on each Interest Payment Date in accordance with the Conditions;
- (2) where the Class B Notes are the Most Senior Class, the likelihood of full and timely payments to the holders of the Class B Notes of interest on each Interest Payment Date in accordance with the Conditions (only by DBRS and not S&P);
- (3) the likelihood of full and ultimate payment to the holders of the Subordinated Rated Notes of all payments of interest in relation to the Subordinated Rated Notes on or prior to the Final Maturity Date (but not by DBRS for the Class B Notes where the Class B Notes are the Most Senior Class as above); and
- (4) the likelihood of full and ultimate payment to the holders of the Rated Notes of principal in relation to the Rated Notes on or prior to the Final Maturity Date.

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

For more information as to what the ratings assigned by S&P Global Ratings represent, please see https://www.standardandpoors.com/en_US/web/guest/article/-/view/sourceId/504352 (such website and the contents thereof do not form part of this Prospectus).

For more information as to what the ratings assigned by DBRS represent, please see <https://www.dbrs.com/research/350234/legal-criteria-for-european-structured-finance-transactions> (such website and the contents thereof do not form part of this Prospectus).

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

THE ISSUER

Towd Point Mortgage Funding 2023 - Vantage 3 plc (the “**Issuer**”) was incorporated and registered in England and Wales on 3 October 2023 (under company registration number 15184057) as a public limited company under the Companies Act 2006 (as amended).

The telephone number of the Issuer is +44 (0)203 855 0285.

The issued share capital of the Issuer comprises 50,000 ordinary shares of £1 each, one of which is fully paid, and 49,999 shares of which are 40 per cent paid up, all of which are beneficially owned by Holdings (see the section entitled “*Holdings*” below).

The Issuer has been established as a special purpose company for the purpose of acquiring the Mortgage Loans and issuing the Notes. The Issuer has no subsidiaries and no employees.

CSC Capital Markets UK Limited, as the Corporate Services Provider, acts as the corporate services provider for the Issuer. The office of the Corporate Services Provider serves as the general business office of the Issuer. Through the office and pursuant to the terms of the Corporate Services Agreement, the Corporate Services Provider performs various management functions on behalf of the Issuer, including the provision of certain clerical, administrative and other services until termination of the Corporate Services Agreement. In consideration of the foregoing, the Corporate Services Provider receives various fees and other charges payable by the Issuer at rates agreed upon from time to time plus expenses. The terms of the Corporate Services Agreement provide that either party may terminate the Corporate Services Agreement upon the occurrence of certain stated events, including any material breach by the other party of its obligations under the Corporate Services Agreement which is not cured within 30 days from the date on which it was notified of such breach. In addition, either party may terminate the Corporate Services Agreement at any time by giving at least 90 days written notice to the other party. The Corporate Services Provider’s principal office is at 10th Floor, 5 Churchill Place, London, England, E14 5HU.

Neither the Legal Title Holder, the Seller nor any associated body of either of them owns directly or indirectly any of the share capital of the Share Trustee, Holdings or the Issuer.

The Issuer has not commenced operations and has not engaged, since its incorporation, and will not engage in any material activities other than those incidental to its incorporation under the Companies Act 2006 (as amended), authorisation and issue of the Notes and the Certificates, the matters referred to or contemplated in this document and the authorisation, execution, delivery and performance of the other documents referred to in this document to which it is a party and matters which are incidental or ancillary to the foregoing. The Issuer has no loan capital, borrowings or material contingent liabilities (including guarantees) as at the time of this Prospectus.

The accounting reference date of the Issuer is 31 December. As of the date of this Prospectus, the Issuer has not prepared accounts. The first statutory accounts of the Issuer will be prepared for the period from the date of its incorporation to 31 December 2024.

Directors

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

Name	Address	Principal Activities
CSC Directors (No. 1) Limited	10 th Floor, 5 Churchill Place, London, England, E14 5HU	Company Director
CSC Directors (No. 2) Limited	10 th Floor, 5 Churchill Place, London, England, E14 5HU	Company Director
Aline Sternberg	10 th Floor, 5 Churchill Place, London, England, E14 5HU	Company Director

The directors of CSC Directors (No. 1) Limited and CSC Directors (No. 2) Limited and their principal activities are as follows:

Name	Address	Principal Activities
Jonathan Hanly	10 th Floor, 5 Churchill Place, London, England, E14 5HU	Company Director
Adrianna Pawelec	10 th Floor, 5 Churchill Place, London, England, E14 5HU	Company Director
Catherine McGrath	10 th Floor, 5 Churchill Place, London, England, E14 5HU	Company Director
John-Paul Nowacki	10 th Floor, 5 Churchill Place, London, England, E14 5HU	Company Director
Dragos Savacenco	10 th Floor, 5 Churchill Place, London, England, E14 5HU	Company Director
Debra Parsall	10 th Floor, 5 Churchill Place, London, England, E14 5HU	Company Director
Aline Sternberg	10 th Floor, 5 Churchill Place, London, England, E14 5HU	Company Director
Lara Nasato	10 th Floor, 5 Churchill Place, London, England, E14 5HU	Company Director
Charmaine de Castro	10 th Floor, 5 Churchill Place, London, England, E14 5HU	Company Director
Oreoluwa Salu	10 th Floor, 5 Churchill Place, London, England, E14 5HU	Company Director
Sukanthapriya Jeyaseelan	10 th Floor, 5 Churchill Place, London, England, E14 5HU	Company Director
Katherine Lagoe	10 th Floor, 5 Churchill Place, London, England, E14 5HU	Company Director

The company secretary of the Issuer is:

Name	Business Address
CSC Corporate Services (UK) Limited	10 th Floor, 5 Churchill Place, London, England, E14 5HU

Activities

On the Closing Date, the Issuer will acquire from the Seller a portfolio of residential mortgages originated by the Originators. All Mortgage Loans acquired by the Issuer on such date will be financed by the proceeds of the issue of the Notes. The activities of the Issuer will be restricted by the Conditions and the Deed of Charge and will be limited to the issue of the Notes and the Certificates, the ownership of the Mortgage Loans 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 the collection of payments of principal and interest from Borrowers in respect of Mortgage Loans and the operation of arrears procedures.

HOLDINGS

Towd Point Mortgage Funding 2023 - Vantage 3 Holdings Limited (“**Holdings**”) was incorporated in England and Wales on 3 October 2023 (registered number 15183817) as a private limited company under the Companies Act 2006 (as amended).

The telephone number of Holdings’ registered office is +44 (0)203 855 0285.

The issued share capital of Holdings comprises one ordinary share of £1. The share of Holdings is held by CSC Corporate Services (UK) Limited as the Share Trustee, the benefit of which is expressed to be for discretionary purposes, under a declaration of trust dated 13 October 2023.

As at the date of this Prospectus, Holdings does not have any borrowings or contingent liabilities.

Holdings is organised as a special purpose company. Holdings holds the entire beneficial interest in the issued share capital of the Issuer. Other than the Issuer, Holdings has no subsidiaries.

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

There are no restrictions on the objects of Holdings in its articles of association and Holdings is therefore permitted, amongst other things, to borrow money, grant security over its property for the performance of its obligations and purchase property.

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 principal activities are:

Name	Address	Principal Activities
CSC Directors (No. 1) Limited	10 th Floor, 5 Churchill Place, London, England, E14 5HU	Company Director
CSC Directors (No. 2) Limited	10 th Floor, 5 Churchill Place, London, England, E14 5HU	Company Director
Aline Sternberg	10 th Floor, 5 Churchill Place, London, England, E14 5HU	Company Director

The directors of CSC Directors (No. 1) Limited and CSC Directors (No. 2) Limited and their principal activities are as follows:

Name	Address	Principal Activities
Jonathan Hanly	10 th Floor, 5 Churchill Place, London, England, E14 5HU	Company Director
Adrianna Pawelec	10 th Floor, 5 Churchill Place, London, England, E14 5HU	Company Director
Catherine McGrath	10 th Floor, 5 Churchill Place, London, England, E14 5HU	Company Director
John-Paul Nowacki	10 th Floor, 5 Churchill Place, London, England, E14 5HU	Company Director

Name	Address	Principal Activities
Dragos Savacenco	10 th Floor, 5 Churchill Place, London, England, E14 5HU	Company Director
Debra Parsall	10 th Floor, 5 Churchill Place, London, England, E14 5HU	Company Director
Aline Sternberg	10 th Floor, 5 Churchill Place, London, England, E14 5HU	Company Director
Lara Nasato	10 th Floor, 5 Churchill Place, London, England, E14 5HU	Company Director
Charmaine de Castro	10 th Floor, 5 Churchill Place, London, England, E14 5HU	Company Director
Oreoluwa Salu	10 th Floor, 5 Churchill Place, London, England, E14 5HU	Company Director
Sukanthapriya Jeyaseelan	10 th Floor, 5 Churchill Place, London, England, E14 5HU	Company Director
Katherine Lagoe	10 th Floor, 5 Churchill Place, London, England, E14 5HU	Company Director

The company secretary of Holdings is:

Name	Business Address
CSC Corporate Services (UK) Limited	10 th Floor, 5 Churchill Place, London, England, E14 5HU

The accounting reference date of Holdings is 31 December.

CERH II - THE RETENTION HOLDER

Cerberus European Residential Holdings II SARL (“**CERH II**” and the “**Retention Holder**”), is a private limited liability company (*société à responsabilité limitée*) incorporated and existing under the laws of the Grand Duchy of Luxembourg, having its registered office at 2 Rue Edward, Steichen, L-2540 Luxembourg and is registered with the Luxembourg trade and companies register (*Registre de Commerce et des Sociétés, Luxembourg*) under number B281171. CERH II was incorporated on 16 October 2023. CERH II is indirectly owned by funds and/or accounts managed by affiliates of Cerberus Capital Management, L.P. (“**Cerberus**”).

CERH II has no employees and relies on other Cerberus affiliates, to provide advisory and administrative services.

On the Closing Date, CERH II (either directly or through a direct or indirect its wholly owned entity (or entities)) intends to hold the economic exposure to the Retention Notes issued by the Issuer for the purposes of the Retention Requirements. CERH II as Retention Holder will undertake to retain (directly or through its wholly owned entity or entities) the economic exposure to the Retention Notes for the life of the transaction. The aggregate Principal Amount Outstanding of securities which CERH II holds (directly or through its wholly owned entity or entities) the economic exposure on the Closing Date is expected to be £21,753,000 being the Retention Notes. For more information see the section entitled “*Certain Regulatory Considerations – Retention Requirements under the Securitisation Regulations*”.

CERH VANTAGE HOLDINGS SARL - THE SELLER

CERH Vantage Holdings SARL (the “**Seller**”), is a private limited liability company (société à responsabilité limitée) incorporated and existing under the laws of the Grand Duchy of Luxembourg, having its registered office at 2 Rue Edward, Steichen, L-2540 Luxembourg and is registered with the Luxembourg trade and companies register (*Registre de Commerce et des Sociétés, Luxembourg*) under number B281208.

CERH Vantage Holdings SARL was incorporated on 16 October 2023 and as at the Closing Date, it is a wholly-owned subsidiary of CERH II.

CERH Vantage Holdings SARL has no employees and relies on other Cerberus affiliates, to provide advisory and administrative services.

Pursuant to the Mortgage Sale Agreement, in certain circumstances and subject to certain limitations in respect of breaches occurring prior to the Warranty Expiry Date, the Seller will be required to buy-back or indemnify and keep indemnified the Issuer in respect of Liabilities in respect of a breach of Warranties in relation to the relevant Mortgage Loan and its Related Security. See the section entitled “*Sale of the Mortgage Portfolio under the Mortgage Sale Agreement – Warranties, Repurchase and Indemnification*” for more information.

CHL – THE LEGAL TITLE HOLDER, CASH MANAGER AND SERVICER

Capital Home Loans Limited (“CHL” and the “Servicer”)

is a limited company incorporated in England and Wales on 6 October 1987, under the Companies Act 1985 and 1989 with registered number 02174236, having its registered office at Admiral House, Harlington Way, Fleet, Hampshire, GU51 4YA. CHL began trading on 2 May 1989. CHL has no subsidiaries.

CHL was formed as a result of a joint venture between Crédit Foncier de France and Société Générale. Société Générale’s 51 per cent. holding in CHL was later purchased by Crédit Foncier de France on 23 October 1992. CHL was acquired from Crédit Foncier de France by Permanent TSB p.l.c. on 22 October 1996 and was sold by PTSB to Promontoria (Lansdowne) Limited, an Affiliate of Cerberus Capital Management L.P on 31 July 2015.

CHL’s principal activity is managing residential mortgage loans and residential investment mortgage loans (including third party administration) secured on properties in the United Kingdom. As of 30 September 2023, CHL held a mortgage portfolio of approximately £1.10 billion on its balance sheet, some of which has been securitised.

As of 31 December 2022, CHL had total assets (audited) of £1.35 billion and a total net worth (audited) of £98.3 million. CHL made an operating loss (audited) of £14.7 million for the year ended 31 December 2022, attributable to its ultimate parent.

BARCLAYS BANK PLC –THE COLLECTION ACCOUNT BANK

Barclays Bank PLC (the “**Bank**”, and together with its subsidiary undertakings, the “**Barclays Bank Group**”) is a public limited company registered in England and Wales under number 1026167. The liability of the members of the Bank is limited. It has its registered head office at 1 Churchill Place, London E14 5HP, United Kingdom (telephone number +44 (0)20 7116 1000). The Bank was incorporated on 7 August 1925 under the Colonial Bank Act 1925 and on 4 October 1971 was registered as a company limited by shares under the Companies Acts 1948 to 1967. Pursuant to The Barclays Bank Act 1984, on 1 January 1985, the Bank was re-registered as a public limited company and its name was changed from 'Barclays Bank International Limited' to 'Barclays Bank PLC'. The whole of the issued ordinary share capital of the Bank is beneficially owned by Barclays PLC. Barclays PLC (together with its subsidiary undertakings, the Group or Barclays) is the ultimate holding company of the Group. The Bank’s principal activity is to offer products and services designed for larger corporate, wholesale and international banking clients.

Barclays is a British universal bank, supporting individuals and small businesses through its consumer banking services, and larger businesses and institutions through its corporate and investment banking services. Barclays is diversified by business, geography and income type. The Group's operations include consumer banking and payment services in the UK, U.S. and Europe, as well as a global corporate and investment bank. The Group operates as two divisions – the Barclays UK (Barclays UK) division and the Barclays International (Barclays International) division – which are supported by Barclays Execution Services Limited, the Group-wide service company providing technology, operations and functional services to businesses across the Group. Barclays UK consists of UK Personal Banking, UK Business Banking and Barclaycard Consumer UK businesses. These businesses are carried on by its UK ring-fenced bank, Barclays Bank UK PLC (BBUKPLC) and certain other entities within the Group. Barclays International consists of Corporate and Investment Bank and Consumer, Cards and Payments businesses. These businesses operate within its non-ring-fenced bank, the Bank and its subsidiaries, and by certain other entities within the Group.

The short term unsecured obligations of the Bank are rated A-1 by S&P Global Ratings UK Limited, P-1 by Moody's Investors Service Ltd. and F1 by Fitch Ratings Limited and the unsecured unsubordinated long term obligations of the Bank are rated A+ by S&P Global Ratings UK Limited, A1 by Moody's Investors Service Ltd. and A+ by Fitch Ratings Limited. The Bank’s credit ratings included or referred to in this Prospectus will be treated for the purposes of Regulation (EC) No 1060/2009 on credit rating agencies as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018, as amended (the UK CRA Regulation) as having been issued by Fitch Ratings Limited (Fitch), Moody's Investors Service Ltd. (Moody's) and S&P Global Ratings UK Limited (S&P), each of which is established in the United Kingdom and has been registered under the UK CRA Regulation. The ratings Fitch, Moody's and S&P have given in relation to the Bank are endorsed by Fitch Ratings Ireland Limited, Moody's Deutschland GmbH and S&P Global Ratings Europe Limited respectively, each of which is established in the European Economic Area (EEA) and registered under Regulation (EU) No 1060/2009 on credit rating agencies (as amended, the EU CRA Regulation).

Based on the Barclays Bank Group's audited financial information for the year ended 31 December 2022, the Barclays Bank Group had total assets of £1,203,537m (December 2021: £1,061,778m), loans and advances at amortised cost of £182,507m (December 2021: £145,259m), total deposits at amortised cost of £291,579m (December 2021: £262,828m), and total equity of £58,953m (December 2021: £56,317m). The profit before tax of the Barclays Bank Group for the year ended 31 December 2022 was £4,867m (December 2021: £5,418m) after credit impairment charges of £933m (December 2021: credit impairment releases of £277m). The financial information in this paragraph is extracted from the audited consolidated financial statements of the Bank for the year ended 31 December 2022.

Based on the Barclays Bank Group's unaudited financial information for the six months ended 30 June 2023, the Barclays Bank Group had total assets of £1,246,636m (December 2022: £1,203,537m), loans and advances at amortised cost of £183,237m (December 2022: £182,507m), total deposits at amortised cost of £307,820m (December 2022: £291,579m), and total equity of £58,348m (December 2022: £58,953m). The profit before tax of the Barclays Bank Group for the six months ended 30 June 2023 was £3,132m (June 2022: £2,605m) after credit impairment charges of £688m (June 2022: credit impairment charges of £293m). The financial information in this paragraph is extracted from the unaudited condensed consolidated interim financial statements of the Bank for the six months ended 30 June 2023.

WELLS FARGO BANK, N.A., LONDON BRANCH – THE LIQUIDITY FACILITY PROVIDER

Wells Fargo Bank, National Association is a national banking association organized under the laws of the United States. Wells Fargo Bank, National Association (London Branch) is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Wells Fargo Bank, National Association has, as of the date of this Prospectus, long-term debt ratings from S&P, Fitch Ratings, Moody's and DBRS of "A+", "AA-", "Aa2", and "AA", respectively, and short-term debt ratings from S&P, Fitch Ratings, Moody's, and DBRS of "A-1", "F1+", "(P)P-1", and "R-1 (high)", respectively. The ratings reflect the respective rating agency's current assessment of the creditworthiness of Wells Fargo Bank, National Association and may be subject to revision or withdrawal at any time by the rating agencies.

Wells Fargo Bank, National Association will provide upon request, without charge, to each person to whom this Prospectus is delivered, a copy of the most recent audited annual financial statements of Wells Fargo & Co., the parent company of Wells Fargo Bank, National Association. Requests for such information should be directed to Wells Fargo & Co. – Investor Relations, (415) 371- 2921 or via email at investorrelations@wellsfargo.com.

Wells Fargo Bank, National Association has not participated in the preparation of this Prospectus and has not reviewed and is not responsible for any information contained in this Prospectus, other than the information contained in the immediately preceding paragraphs. The delivery of this Prospectus shall not create any implication that there has been no change in the affairs of Wells Fargo Bank, National Association since the date hereof or that the information contained or referred to in this section is correct at any time after the date hereof.

HML – THE BACK-UP SERVICER

Homeloan Management Limited (“HML”) is a private company with limited liability incorporated under the laws of England and Wales with registered number 02214839 and with its registered address at The Pavilions, Bridgwater Road, Bristol, Avon, BS13 8AE.

HML is a subsidiary of Computershare Limited, an Australian global financial administration company, and is authorised and regulated by the Financial Conduct Authority (FCA Number 304476) with permissions to, amongst other things, administer commercial and residential mortgage loans in the United Kingdom on behalf of third parties.

The information in the preceding two paragraphs has been provided solely by HML for use in this Prospectus. Except for the foregoing two paragraphs, HML and its affiliates do not accept any responsibility for this Prospectus.

CSC CAPITAL MARKETS UK LIMITED - THE BACK-UP CASH MANAGER FACILITATOR

CSC Capital Markets UK Limited (registered number 10780001), having its principal address at 10th Floor, 5 Churchill Place, London E14 5HU, United Kingdom will be appointed to provide services as a back-up cash manager facilitator to the Issuer.

The Back-Up Cash Manager Facilitator will be appointed pursuant to the terms of the Cash Management Agreement to use its reasonable endeavours to appoint a new cash manager if required.

The Back-Up Cash Manager Facilitator has served and is currently serving as back-up cash manager facilitator for numerous securitisation transactions and programmes involving pools of mortgage loans.

**U.S. BANK AND ELAVON – THE ISSUER ACCOUNT BANK, THE TRUSTEE, PRINCIPAL
PAYING AGENT, AGENT BANK AND REGISTRAR**

ELAVON FINANCIAL SERVICES D.A.C., UK BRANCH DESCRIPTION

Elavon Financial Services DAC, trading as U.S. Bank Global Corporate Trust Services, is an integral part of the worldwide Corporate Trust business of the U.S. Bancorp group. In Europe, U.S. Bank Global Corporate Trust Services conducts business through Elavon Financial Services DAC from its offices in Dublin at Building 8, Cherrywood Business Park, Loughlinstown, Dublin 18, Ireland D18 W319 and through its UK Branch in London at 125 Old Broad Street, London EC2N 1AR, United Kingdom.

Elavon Financial Services DAC is a bank incorporated in Ireland and a wholly owned subsidiary of U.S. Bank National Association. Elavon Financial Services DAC is authorised by the Central Bank of Ireland and the activities of its UK Branch are also subject to the limited regulation of the UK Financial Conduct Authority and Prudential Regulation Authority.

In Europe, the Corporate Trust business is conducted in combination with U.S. Bank Global Corporate Trust Limited (the legal entity through which certain Corporate Trust agency appointments are conducted), U.S. Bank Trustees Limited (the legal entity through which Corporate Trust trustee appointments are conducted) and U.S. Bank National Association (the legal entity through which Corporate Trust conducts business in the United States).

The Corporate trust business of U.S. Bancorp is one of the world's largest providers of corporate trust services with more than USD4 trillion in assets under administration in municipal, corporate, asset-backed and international bonds. The Corporate Trust business provides a wide range of trust and agency services such as calculation/paying agent, collateral administration and custody through its network of more than 50 U.S.-based offices and European offices in London and Dublin.

U.S. Bancorp (NYSE: USB) is the parent company of U.S. Bank National Association, the fifth largest commercial bank in the United States. Visit U.S. Bancorp on the web at www.usbank.com.

U.S. BANK TRUSTEES LIMITED DESCRIPTION

U.S. Bank Trustees Limited is a limited liability company incorporated under the laws of England and Wales with its office at 125 Old Broad Street, Fifth Floor, London, EC2N 1AR, United Kingdom.

U.S. Bank Trustees Limited is part of the worldwide Corporate Trust business of the U.S. Bancorp group. In Europe, the Corporate Trust business is conducted in combination with Elavon Financial Services DAC, U.S. Bank Global Corporate Trust Limited (the legal entities through which Corporate Trust banking and agency appointments are conducted) and U.S. Bank National Association, (the legal entity through which Corporate Trust conducts business in the United States).

The Corporate trust business of U.S. Bancorp is one of the world's largest providers of corporate trust services with more than USD4 trillion in assets under administration in municipal, corporate, asset-backed and international bonds. The division provides a wide range of trust and agency services such as calculation/paying agent, collateral administration and custody through its network of more than 50 U.S.-based offices and European offices in London and Dublin.

U.S. Bancorp (NYSE: USB) is the parent company of U.S. Bank National Association, the fifth largest commercial bank in the United States. Visit U.S. Bancorp on the web at www.usbank.com.

U.S. BANK GLOBAL CORPORATE TRUST LIMITED DESCRIPTION

U.S. Bank Global Corporate Trust Limited is a limited liability company incorporated under the laws of England and Wales with its office at 125 Old Broad Street, Fifth Floor, London, EC2N 1AR, United Kingdom.

U.S. Bank Global Corporate Trust Limited is part of the worldwide Corporate Trust business of the U.S. Bancorp group. In Europe, the Corporate Trust business is conducted in combination with Elavon Financial Services DAC. (the legal entity through which Corporate Trust banking and certain agency appointments are conducted), U.S. Bank Trustees Limited (the legal entity through which Corporate Trust trustee appointments are conducted) and U.S. Bank National Association, (the legal entity through which Corporate Trust conducts business in the United States).

The Corporate trust business of U.S. Bancorp is one of the world's largest providers of corporate trust services with more than USD4 trillion in assets under administration in municipal, corporate, asset-backed and international bonds. The division provides a wide range of trust and agency services such as calculation/paying agent, collateral administration and custody through its network of more than 50 U.S.-based offices and European offices in London and Dublin.

U.S. Bancorp (NYSE: USB) is the parent company of U.S. Bank National Association, the fifth largest commercial bank in the United States. Visit U.S. Bancorp on the web at www.usbank.com.

THE MORTGAGE PORTFOLIO

Introduction

The following is a description of some of the characteristics of the Loans comprised in the Portfolio including details of loan types and selected statistical information.

Unless otherwise indicated, the description that follows relates to types of loans that could be sold to the Issuer as part of the Portfolio as at the Closing Date and formed part of the Provisional Mortgage Portfolio as at the Portfolio Reference Date.

The Portfolio

The Portfolio will comprise loans advanced to the Borrowers secured over residential property situated in England, Wales, Northern Ireland and Scotland and on Closing Date will consist of the Loans acquired pursuant to the Mortgage Sale Agreement.

Origination of the Portfolio

The Portfolio comprises Loans originated by GE Money Home Lending Limited, GE Money Home Finance Limited (previously named First National Bank plc) and Igroup Limited.

Prior financing

On or about 13 May 2015 Promontoria (Vantage) Limited agreed to acquire from the Original Sellers, a portfolio of loans and their related security which included the Mortgage Loans and the Related Security.

On or about 13 December 2016, Cerberus European Residential Holdings B.V. (the “**V1 Seller**”) acquired the beneficial interest in a portfolio of loans which included the Mortgage Loans and their Related Security from Promontoria (Vantage) Limited and subsequently sold the beneficial title in a portfolio of loans which included the Mortgage Loans and their Related Security to Towd Point Mortgage Funding 2016-Vantage1 plc (the “**V1 Issuer**”).

On or about 18 November 2019, the beneficial interest to a portfolio of loans which included the the Mortgage Loans and Related Security forming part of the Mortgage Portfolio was repurchased by the V1 Seller from V1 Issuer and subsequently sold to Towd Point Mortgage Funding 2019-Vantage2 plc (the “**V2 Issuer**”).

Immediately prior to the Closing Date, the Seller will acquire the beneficial title to a portfolio of loans which includes the Mortgage Loans and Related Security from the V2 Issuer and immediately transfer the beneficial interests in the Mortgage Loans and Related Security comprising the Mortgage Portfolio to the Issuer.

Security

All of the Mortgages are secured by first ranking mortgages or charges or, as applicable, first ranking standard securities.

Characteristics of the Mortgage Loans

Some of the Mortgage Loans in the Portfolio pay or will pay a fixed rate of interest for an initial period or for the term of the Mortgage Loan or a rate set by reference to the relevant Standard Variable Rate or BBR. The Standard Variable Rate applicable to the Mortgage Loans shall be set by the Servicer in accordance with the relevant Mortgage Conditions provided that the Servicer shall only be under an obligation to set the Standard Variable Rate if it does not result in a breach of the applicable Mortgage Conditions and would not be contrary to Applicable Laws and would not be contrary to the Servicer’s regulatory obligations.

The Mortgage Loans in the Provisional Mortgage Portfolio fall into the categories described below.

Buy-To-Let Mortgage Loans

Mortgage Loans which were advanced on the basis that they would be secured by non-owner occupied freehold, fee farm grant, heritable or leasehold properties for the repayment of the respective Loan (the “**Buy-to-Let Mortgage Loans**”).

BBBR Mortgage Loans

Mortgage Loans with a rate of interest linked to the Barclays Bank Base Rate (the “**BBBR Loans**”), which is linked to the Bank of England base rate (the “**BBR**”) (and if the Barclays Bank Base Rate is not available, such loans will be directly linked to the BBR).

GE MBR Mortgage Loans

Mortgage Loans with a rate of interest previously linked to the GE mortgage base rate (whereby interest is set by reference to a standard variable rate) (which no longer exist) are now aligned to (but not the same as) the Capital Home Loans Limited standard variable rate.

LSVR Mortgage Loans

Mortgage Loans with a rate of interest previously set by reference to a legacy standard variable rate used by First National Home Finance Limited (“**First National**”) (which no longer exist) are now aligned to (but not the same as) the Capital Home Loans Limited standard variable rate.

BBR Mortgage Loans

Mortgage Loans with a rate of interest linked to the BBR (the “**BBR Loans**”).

SCVR Mortgage Loans

Mortgage Loans with a rate of interest previously set by reference to a legacy standard variable rate used by First National (the “**SCVR Loans**”) (which no longer exist) are now aligned to (but not the same as) the Capital Home Loans Limited standard variable rate.

Natwest Mortgage Loans

Mortgage Loans with a rate of interest set by reference to a Natwest variable rate (which is set by reference to the BBR) (the “**Natwest Loans**”).

MBS – SVR Mortgage Loans

Mortgage Loans with a rate of interest previously set by reference to a legacy standard variable rate used by First National (which no longer exist) are now aligned to the Capital Home Loans Limited standard variable rate.

Lombard Mortgage Loans

Mortgage Loans with a rate of interest previously set by reference to a legacy standard variable rate used by First National (which no longer exist) are now aligned to (but not the same as) the Capital Home Loans Limited standard variable rate.

For the purposes of the section entitled “*Characteristics of the Provisional Portfolio*”, the BBBR Loans, the BBR Loans and the NatWest Loans are referred to as having an index rate of “**Bank of England**”. All other categories of Loans are referred to as having an index rate of “SVR”.

Repayment terms

Borrowers typically make payments of interest on, and repay principal of, their Mortgage Loans using one of the following methods:

- (a) repayment: the Borrower makes monthly payments of both interest and principal so that, at the end of the mortgage term, the Borrower will have repaid the full amount of the principal of the Loan (a “**Repayment Loan**”);
- (b) interest only: the Borrower makes monthly payments of interest but not of principal; at the end of the mortgage term, the entire principal amount of the Mortgage Loan is still outstanding and the Borrower must repay that amount in one lump sum or by way of regular payments. An interest-only Loan may include a repayment plan or vehicle, including an endowment, pension policy or managed investment plan, share portfolio plan or sale of the relevant property; and
- (c) combination repayment and interest only: this situation most often occurs when the Borrower had an interest only Mortgage Loan with a repayment vehicle on a prior mortgaged property, and after selling that mortgaged property the Borrower purchased a property with a Mortgage Loan where the subsequent home was either more expensive

than the prior home or the Borrower took out a larger Loan or further advance. The Borrower used the existing interest only repayment vehicle for the substitute Mortgage Loan or further advance and made up the difference between the anticipated maturity value of the interest only repayment vehicle and the higher Mortgage Loan amount with a repayment mortgage. The required monthly payment in connection with repayment Loans or interest only Mortgage Loans may vary from month to month for various reasons, including changes in interest rates.

No security is taken over investment plans or repayment vehicles.

Overpayments

A Borrower may make overpayments or may repay the entire current balance under its Mortgage Loan at any time subject to any applicable early repayment charge (which may be waived at the Servicer's discretion). Any overpayment immediately reduces the Current Balance of the Loan from the day payment is received from the Borrower. Any overpayment will result in the immediate reduction in the amount of interest payable by the relevant Borrower.

Title to the Portfolio

Pursuant to, and under the terms of the Mortgage Sale Agreement, dated on or about the Closing Date, the Seller will transfer the equitable title to the Loans to the Issuer and, in respect of the Scottish Mortgage Loans, will transfer its beneficial interest in the Scottish Trust to the Issuer. Following a Perfection Trigger Event, the Legal Title Holder will transfer legal title in and to the Mortgage Loans and their Related Security to the Issuer or its nominee. In the case of the Mortgages over registered or recorded land in England, Wales, Northern Ireland and Scotland, the equitable or beneficial title to which will be transferred to the Issuer on the Closing Date, the Legal Title Holder will, prior to the occurrence of a Perfection Trigger Event remain on the relevant Land Registry, Registries of Northern Ireland or the Registers of Scotland, as applicable, as the legal mortgagee or chargee or as heritable creditor of record.

Transfer of equitable title or (in respect of the Scottish Mortgage Loans) the beneficial title in and to the Mortgage Loans to the Issuer on the Closing Date is to be completed without registration or recording at the Land Registry, Registries of Northern Ireland or the Registers of Scotland (as the case may be) or notice given to the relevant Borrowers until the occurrence of one of the events mentioned below. Transfer of legal title in respect of the Mortgage Loans from the Legal Title Holder to the Issuer or to a nominee of the Issuer (as the Issuer may direct) following a Perfection Trigger Event shall be completed by registration or as applicable recording of the relevant form of transfer, conveyance, assignment or assignment at the Land Registry, Registries of Northern Ireland or the Registers of Scotland (as the case may be).

The English Mortgages and Northern Irish Mortgages in the Mortgage Portfolio and their collateral security are accordingly owned in equity only by the Issuer pending such transfer and the Scottish Mortgage Loans in the Portfolio and their collateral security are accordingly held in trust for the Issuer pending such transfer of legal title. Legal title in and to the Mortgage Loans and their Related Security continues to be vested in and held by the Legal Title Holder and legal title in and to the Mortgage Loans shall only be transferred to the Issuer or its nominee upon the occurrence of a Perfection Trigger Event.

The Issuer will grant a first fixed charge in favour of the Trustee over its interest in the Mortgage Loans (being, in respect of the Scottish Mortgage Loans an assignment in security of its interests in and to the Scottish Declaration of Trust and the trust constituted thereby pursuant to the Scottish Trust Security).

Save as mentioned below in the "*Sale of the Mortgage Portfolio under the Mortgage Sale Agreement*", the Trustee has undertaken not to effect any registration or as applicable recording at the Land Registry, Registries of Northern Ireland or the Registers of Scotland (as the case may be) to protect the sale of the Mortgage Loans to the Issuer or the granting of security over the Mortgage Loans by the Issuer in favour of the Trustee nor, save as mentioned below, to obtain possession of title deeds to the properties the subject of the Mortgage Loans.

Notices of the equitable assignments or declarations of trust in favour of the Issuer and the security in favour of the Trustee will not, save as mentioned below, be given to the Borrowers under the Mortgage Loans.

Under the Servicing Agreement, the Issuer and the Trustee shall not seek to transfer legal title in and to the Mortgage Loans to the Issuer or a nominee of the Issuer prior to the occurrence of a Perfection Trigger Event.

Warranties and Breach of Warranties in relation to the Mortgage Loans

The Mortgage Sale Agreement contains certain warranties given by the Seller in favour of the Issuer in relation to the Mortgage Loans and Related Security sold to the Issuer pursuant to the Mortgage Sale Agreement.

No searches, enquiries or independent investigation of title of the type which a prudent purchaser, mortgagee or heritable creditor would normally be expected to carry out have been or will be made by the Issuer. The Issuer will rely entirely on the benefit of the warranties given to it under the Mortgage Sale Agreement.

Although the Seller will give certain representations and warranties in respect of the Mortgage Loans sold by it, the Seller was not the originator of any of the Mortgage Loans comprised in the Portfolio. Accordingly, since, amongst other reasons, the Seller does not have direct knowledge as to certain matters relating to the actual origination of the Mortgage Loans, and all original documents, it may be practically difficult for the Seller to detect a breach of warranty in respect of the Mortgage Loans sold by it to the extent that the same relates to a matter outside of the immediate knowledge of the Seller where there is no on-going active involvement of the relevant Originator.

Buildings insurance policies

It is possible that the relevant Originator and the Issuer may not be insured under any buildings policy and, therefore, it may not have the benefit of any security over such policies. If such risks are not covered by any contingent policy and the relevant Borrower does not pay amounts due on the mortgage loan, then the Issuer may receive less funds than it expected, which may have an adverse effect on its ability to make payments in respect of the Notes and the Certificates.

The Issuer has the benefit of Property Damage Cover and Properties in Possession Cover, which will give the Issuer certain protection in respect of the risks associated with repossessed properties.

Credit Risk Mitigation

The Seller has entered into certain contracts for the purchase, on-sale and servicing of the Mortgage Portfolio. The Transaction Documents contain certain provisions, and certain parties to the transaction (including the Servicer) maintain certain criteria, policies and procedures, regarding the selection, administration of the mortgage portfolio and credit risk mitigation, as follows:

- (a) there are no further advance obligations, and the Servicing Agreement provides that the Servicer, or any delegate of the Servicer, will not agree to any request for a further advance under a Mortgage Loan; and
- (b) the Servicer has in place written policies on administration of Mortgage Loans in arrears and default, which describes how and when enforcement may occur (please see “*Servicing*”).

SALE OF THE MORTGAGE PORTFOLIO UNDER THE MORTGAGE SALE AGREEMENT

Sale of the Mortgage Portfolio from the Seller to the Issuer

Pursuant to the terms of the Mortgage Sale Agreement, the Seller will sell, assign or otherwise transfer to the Issuer on the Closing Date its (i) beneficial interest in the English Mortgage Loans and the Northern Irish Mortgage Loans and their associated Related Security, and (ii) beneficial interest in the Scottish Mortgage Loans and their associated Related Security (comprising its interest as beneficiary under the Scottish Declaration of Trust) to the Issuer on the Closing Date, as well as the benefit of all collections received in respect of the Mortgage Loans during the period from the Cut-off Date until the Closing Date.

Legal Title to be retained by the Legal Title Holder

The Legal Title Holder will retain legal title to the Mortgage Portfolio as at the Closing Date, save in respect of the Disclosed Split Title Loans.

The Legal Title Holder will transfer legal title (save in respect of Disclosed Split Title Loans) when required under the terms of the Mortgage Sale Agreement, as described under “*Perfection Trigger Events*” below, and will provide certain further assurances to the Issuer and the Trustee.

Consideration

The sale by the Seller to the Issuer of the English Mortgage Loans, Northern Irish Mortgage Loans and their Related Security will be given effect to by an equitable assignment. The sale by the Seller to the Issuer of the Scottish Mortgage Loans and their Related Security will be given effect by the Scottish Declaration of Trust (granted by the Legal Title Holder in favour of the Seller) and the Scottish Trust Transfer (granted by the Seller in favour of the Issuer). The consideration due to the Seller in respect of the Mortgage Portfolio will comprise an amount equal to the Purchase Price payable by the Issuer on the Closing Date, the granting of the Mortgage Portfolio Purchase Option and the Market Sale Option to a person nominated by the Seller and the issue by the Issuer to the Seller or a nominee of the Seller of the Certificates on the Closing Date (collectively, the “**Consideration**”). The Certificates represent the right to receive any deferred consideration and excess spread generated by the Mortgage Portfolio. Any Certificate Payment payable pursuant to the Certificates will be paid in accordance with the Pre-Enforcement Revenue Priority of Payments or, if applicable, the Post-Enforcement Priority of Payments.

The terms “**sale**”, “**sell**” and “**sold**” when used in this Prospectus in connection with the Mortgage Loans and their Related Security shall (in respect of the English Mortgage Loans and Northern Irish Mortgage Loans) be construed to mean each such creation of an equitable interest and such equitable assignment or, in the case of Scottish Mortgage Loans and their Related Security, shall be construed to mean the creation or transfer, as appropriate, of a beneficial interest under a Scottish trust. The terms “repurchase” and “repurchased” when used in this Prospectus in connection with a Loan and its Related Security shall be construed to include the repurchase by the Seller of the equitable or beneficial interest of the Issuer in respect of such Loan and its Related Security pursuant to the Mortgage Sale Agreement.

It is noted that while the Shortfall Loans and Excluded Loans form part of the Mortgage Portfolio, sold to the Issuer in accordance with the Mortgage Sale Agreement, no value will be attributed to the Shortfall Loans and the Excluded Loans in determining the Purchase Price.

Perfection Trigger Events

Legal title to the Mortgage Loans and their Related Security will remain with the Legal Title Holder on the Closing Date. Under the Mortgage Sale Agreement and the Deed of Charge, the Issuer (with the consent of the Trustee) and the Trustee (the Trustee’s right arising following delivery of an Enforcement Notice) will each be entitled to effect such registrations and give such notices as it considers necessary to protect and perfect its interests in the Mortgage Loans, and to effect a legal assignment or assignation or transfer of the Mortgage Loans and the Related Security in favour of the Issuer and a legal sub-mortgage or sub-security over such Mortgage Loans and Related Security in favour of the Trustee, *inter alia*, upon the occurrence of any of the following events (each, a “**Perfection Trigger Event**”):

- (i) the delivery of an Enforcement Notice by the Trustee;
- (ii) the Legal Title Holder being required to perfect legal title to the Mortgage Loans by an order of a court of competent jurisdiction or by a regulatory authority which has jurisdiction over the Legal Title Holder or by any organisation

of which the Legal Title Holder is a member, or whose members comprise (but are not necessarily limited to) mortgage lenders and with whose instructions it is customary for the Legal Title Holder to comply, to perfect legal title to the Mortgage Loans and their Related Security;

- (iii) it becoming necessary by law to do any or all of the acts referred to in paragraph (ii) above;
- (iv) (for as long as CHL is the Servicer) termination of the appointment of the Servicer or resignation of the Servicer and failure of any substitute servicer to assume the duties of the Servicer in such capacity in accordance with the Servicing Agreement after expiry of applicable grace period;
- (v) the security created under or pursuant to the Deed of Charge or any material part of that security being, in the opinion of the Trustee, in jeopardy;
- (vi) the Seller or the Legal Title Holder calling for perfection by serving notice in writing to that effect on the Issuer and the Trustee; or
- (vii) any Insolvency Event in relation to the Legal Title Holder or any other entity in which legal title to any Mortgage Loan is vested.

Following such legal assignment or assignation or transfer in relation to the Mortgage Loans, the Issuer (with the consent of the Trustee) and the Trustee (following delivery of an Enforcement Notice) will each be entitled to take all necessary steps to protect and perfect legal title to its interests in the Mortgage Loans and Related Security, including the carrying out of any necessary registrations and notifications.

The above rights are supported by irrevocable powers of attorney (including the Legal Title Holder Power of Attorney given by the Legal Title Holder in favour of the Issuer and Trustee).

For so long as neither the Issuer nor the Trustee have obtained legal title to the Mortgage Loans, the Legal Title Holder will undertake in the Mortgage Sale Agreement for the benefit of the Issuer and the Trustee that it will lend its name to, and take such other steps as may reasonably be required by the Issuer or the Trustee in relation to, any legal proceedings in respect of the Mortgage Loans and their Related Security. In carrying out such steps, the Legal Title Holder will act in a manner consistent with the requirements of the Legal Title Holder's policy from time to time.

The completion of the legal assignment or assignation or transfer of the Mortgage Loans and Related Security (and, where appropriate, their registration) to the Issuer is, save in the limited circumstances referred to in this section, deferred. Legal title to the Mortgage Loans and Related Security therefore remains with the Legal Title Holder. Notice of the sale of the Mortgage Loans and their Related Security to the Issuer will not (except as stated herein) be given to any Borrower.

The title information documents and customer files relating to the Mortgage Portfolio are currently held by or to the order of the Legal Title Holder. The Legal Title Holder has undertaken that, until perfection of the assignments or assignations contemplated by the Mortgage Sale Agreement, all the title information documents and customer files relating to the Mortgage Portfolio which are at any time in its possession or under its control or held to its order will be held to the order of the Issuer or as the Issuer directs. The Servicer is required by the Servicing Agreement to ensure the safe custody (to the extent held in physical form) or security (if held electronically) of the title deeds relating to the Mortgage Loans and to provide the Issuer and the Trustee with access to them at all reasonable times.

Save as described above, neither the Issuer nor the Trustee will be entitled to effect any registration to perfect the sale of the Mortgage Loans to the Issuer or the granting of security over them by the Issuer in favour of the Trustee, nor will they be entitled to obtain possession of the title deeds to the Properties the subject of the Mortgage Loans.

Notices of the sale to the Issuer and the granting of the Security in favour of the Trustee will not, save as mentioned above, be given to the Borrowers. Notice of the interest of the Issuer and the Trustee will be given in respect of the Insurance Policies to the relevant insurance provider.

Warranties, Repurchase and Indemnification

Neither the Trustee nor the Issuer has made or will make or has caused to be made or will cause to be made on its behalf any enquiries, searches or investigations in relation to the Mortgage Portfolio, but each is relying entirely on the representations and warranties to be given by the Seller contained in the Mortgage Sale Agreement.

The Mortgage Sale Agreement will contain certain representations and warranties given by the Seller to the Issuer and the Trustee in relation to the Warranted Mortgage Loans transferred or assigned to the Issuer pursuant to the Mortgage Sale Agreement.

No searches, enquiries or independent investigation of title of the type which a prudent purchaser or mortgagee or heritable creditor would normally be expected to carry out have been or will be made by the Issuer or the Trustee, each of whom is relying entirely on the representations and warranties set out in the Mortgage Sale Agreement.

Prior to the Warranty Expiry Date, if there is an unremedied breach of any of the Mortgage Loan Warranties which has or would have a material adverse effect on such Warranted Mortgage Loan or its Related Security either: (i) the Seller will be obliged to repurchase the relevant Warranted Mortgage Loan and its Related Security for a consideration in cash equal to all sums due or owing thereunder (including Accrued Interest) as at the date of repurchase (after deducting the amount of any interest not then accrued but paid in advance by the relevant mortgagor, which amount will be retained by the Issuer) (the “**Repurchase Price**”) (provided that with respect to the any Shortfall Loans and/or Excluded Loans, if the Seller elects to repurchase a Shortfall Loan and/or Exclude Loan pursuant to a breach of any Shortfall Loan Warranties and Excluded Loan Warranties, the consideration shall always be nil (zero) with respect to any such repurchase), or (ii) the Seller may elect instead to indemnify and keep indemnified the Issuer against all Liabilities relating to the breach of the representation and warranty in relation to such Warranted Mortgage Loan and its Related Security (such amounts being “**Indemnification Amounts**”), in each case, subject to the Warranty Limitations. Where the Seller elects to indemnify the Issuer, if at the appropriate time of ascertainment of the quantum of any amount of Liability, the Seller cannot reach any agreement with the Issuer, the Seller shall appoint an auditor of internationally recognised standing within 10 Business Days to determine the amount of such question in a final binding decision. Performance of such repurchase, or indemnification, will be in full satisfaction of the liabilities of the Seller in respect of the relevant breach.

If the Seller chooses to indemnify and keep indemnified the Issuer against all Liabilities relating to the breach of loan warranty, the amount payable by the Seller pursuant to such indemnity shall not exceed the amount that would have been payable by the Seller, if it had repurchased that Mortgage Loan and its Related Security.

Limitations on liability

In respect of any breach of Mortgage Loan Warranty occurring prior to the Warranty Expiry Date (provided that notification of such breach is delivered by no later than 3 months following the Warranty Expiry Date), the aggregate total amount of Repurchase Price and Indemnification Amounts payable by the Seller for all breaches under the Mortgage Loan Warranties (for the life of the Transaction) shall be limited to a maximum amount (the “**Warranty Limitations**”):

- (i) in respect of all Mortgage Loan Warranties other than Fundamental Mortgage Loan Warranties, equal to 5 per cent. of the aggregate Current Balance of the Warranted Mortgage Loans (measured as at the Closing Date) (the “**Non-Fundamental Warranty Capped Amount**”); or
- (ii) in respect of Fundamental Mortgage Loan Warranties, equal to 100 per cent. of the aggregate Current Balance of the Warranted Mortgage Loans (measured as at the Closing Date) (the “**Fundamental Warranty Capped Amount**”),

provided that, where the Seller elects to repurchase a Mortgage Loan (following a breach of Mortgage Loan Warranties), the above limitations shall not result in a reduction of the Repurchase Price payable by the Seller in connection with any Mortgage Loan, and any repurchase shall relate to the whole of the Mortgage Loan (and not part) (provided that with respect to any Shortfall Loans and/or Excluded Loans, if the Seller elects to repurchase a Shortfall Loan and/or an Excluded Loan, the consideration for such repurchase shall always be nil (zero)).

For the avoidance of doubt, the Seller shall not be required to indemnify or repurchase any Mortgage Loans in an amount which would exceed (taking into account any previous repurchase and indemnification amounts paid by the Seller): (i) in respect of breaches of the warranties set out in limb (i)(above), the Non-Fundamental Warranty Capped Amount; and (ii) in respect of breaches of the Fundamental Warranties, the Fundamental Warranty Capped Amount.

Following the Warranty Expiry Date, the Seller shall not be obliged to repurchase or indemnify the Issuer in respect of any breach of Mortgage Loan Warranty (other than in respect of any breach that occurred prior to the Warranty Expiry Date and was notified to *inter alios* the Seller by no later than 3 months following the Warranty Expiry Date).

Representations and Warranties

On the Closing Date, the Mortgage Loan Warranties will be given by the Seller in respect of the Warranted Mortgage Loans, sold by the Seller to the Issuer on the Closing Date.

The warranties that will be given to the Issuer and separately to the Trustee by the Seller pursuant to the Mortgage Sale Agreement (the “**Mortgage Loan Warranties**”) include, *inter alia*, similar statements to the following effect (defined terms having the meanings given to them in the Mortgage Sale Agreement) (and for the avoidance of doubt, excluding the Shortfall Loans and the Excluded Loans other than with respect to the Shortfall Loan Warranties and the Excluded Loan Warranties):

1. The particulars of each Mortgage Loan and its related Mortgage in the Mortgage Portfolio set out in the Mortgage Sale Agreement and the schedule to the Scottish Declaration of Trust are, to the best of the Seller’s knowledge, information and belief, complete, true and accurate in all material respects.
2. Immediately prior to the transfer of the Mortgage Loans (save in respect of the Disclosed Split Title Loans) under the Mortgage Sale Agreement, the Legal Title Holder has legal title to, and the Seller was the absolute beneficial owner of (and holder of the beneficial interest in), each Mortgage Loan and its Related Security and the other property to be assigned and transferred by Seller to the Issuer under the Mortgage Sale Agreement on the Closing Date and the Seller has not assigned (whether by way of absolute assignment or by way of security only), transferred, charged, disposed of or dealt with the benefit of any of the Mortgage 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 or assigned pursuant to the Mortgage Sale Agreement other than pursuant to the Mortgage Sale Agreement.
3. All formal approvals, consents and other steps necessary to permit an assignment, assignation or transfer of the beneficial interest in the Mortgage Loans and their Related Security have been obtained or taken.
4. Each Mortgage Loan and its related Mortgage is non-cancellable and constitutes a valid and binding obligation of the Borrower enforceable in accordance with its terms (except that: (i) enforceability 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 or discretionary remedies (or, in limited circumstances, if applicable, the Borrower’s purchase of the property from a bankrupt vendor); (B) the application of the UTCCR, the Consumer Protection from Unfair Trading Regulations 2008, the CCA (if the CCA is deemed to apply to the Mortgage Loans) or the CRA (if the CRA is deemed to apply to the Mortgage Loans); or (C) fraud; and (ii) no 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 each related Mortgage Loan secures the repayment of all advances, interest, costs and expenses payable by the relevant Borrower pursuant to such Mortgage Loan and its related Mortgage terms (other than in relation to any repayment charges, mortgage administration exit fees where repayment takes place following the early repayment charge period), provided that nothing in this paragraph 4 constitutes a representation or a warranty as to the sufficiency of such Property as security for indebtedness secured on it.
5. Other than when acting as a Prudent Mortgage Lender, neither the Seller nor, so far as the Seller is aware, the Legal Title Holder has, in writing, waived or acquiesced in any breach of any of its rights in respect of a Mortgage Loan or its related Mortgage where such breach would have a material adverse effect on the value of that Mortgage Loan, any associated Mortgage or Related Security (as applicable), other than in relation to any payment default in respect of those Mortgage Loans.
6. Neither the Seller nor, as far as the Seller is aware, the relevant Originator or Original Seller, as applicable, has 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 Mortgage Loan and the related Mortgage other than waivers or settlements that a Prudent Mortgage Lender might make.
7. Upon reasonable enquiry and so far as the Seller is aware, in relation to each Mortgage (save in respect of Disclosed Split Title Loans) over a Property, the Borrower has a good, valid and marketable freehold, heritable or leasehold title to the relevant Property, subject to registration or recording of title as would be acceptable to a Prudent Mortgage Lender and, in the case of Properties registered or in the course of registration in the Land Register of Scotland, with absolute warrandice but without exclusion or qualification of indemnity in terms of Section 12(2) of

the Land Registration (Scotland) Act 1979 and/or exclusion or qualification of warranty in terms of the Land Registration etc. (Scotland) Act 2012.

8. Subject to completion of any registration or recording of title which may be pending at the Land Registry (and save in respect of Disclosed Split Title Loans), the Registries of Northern Ireland and the Registers of Scotland and (in those cases) provided that there is nothing to prevent that registration or recording of title being effected (including, without limitation, any Encumbrance, notice or adverse entry which would affect such title), then each Mortgage relating to a Mortgage Loan constitutes a first ranking legal mortgage (in England and Wales), a first ranking legal charge or mortgage (in Northern Ireland) or a first ranking standard security (in Scotland) over the relevant Property, except in so far as there is a prior statutory charge or burden or discount charge.
9. Each Mortgage Loan and its Related Security was made on the same terms of the Standard Documentation, without material variation or where there were any changes, such changes would have been acceptable to a Prudent Mortgage Lender.
10. No material legal proceedings by Borrowers are outstanding against the Seller or, upon reasonable enquiry and so far as the Seller is aware, the Legal Title Holder which would call into question in any material way their beneficial or legal title to the Mortgage Loans (excluding any (i) vexatious, frivolous or spurious legal proceedings (in each case, subsisting, threatened or pending) and (ii) legal proceedings related to broker commission claims).
11. The Mortgage Conditions and the loan agreement in relation to each Mortgage Loan contain no obligations on the part of the Legal Title Holder or the Originator to make any further advances.
12. So far as the Seller is aware, interest on each Mortgage Loan is charged on such Mortgage Loan in accordance with the provisions of that Mortgage Loan and its related Mortgage.
13. No Mortgage Loan has a Current Balance of more than £744,996.36 on the Portfolio Reference Date to the Issuer.
14. No Mortgage 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.
15. Subject to completion of any registration or recording of a Mortgage Loan which may be pending at the Land Registry (and excluding the Disclosed Split Title Loans), the Registries of Northern Ireland or the Registers of Scotland in relation to each Mortgage Loan, the title deeds (save for title deeds held in dematerialised form), the deeds constituting the Mortgage Loan and the correspondence file (such as it exists) relating to each of the Mortgage Loans (excluding the Disclosed Split Title Loans) are held by or to the order of or have been lodged by, or on behalf of, the Legal Title Holder at the Land Registry, the Registries of Northern Ireland or the Registers of Scotland, save for those title deeds held or being dealt with by solicitors in accordance with its instructions and, other than those destroyed by fire or otherwise lost while in the custody of Iron Mountain.
16. Upon reasonable enquiry and so far as the Seller is aware, the Originators or Original Sellers (as applicable) have procured that since the creation of each Mortgage Loan full and proper accounts, books and records have been kept showing clearly all material transactions, payments, receipts and proceedings relating to that Mortgage Loan and its related Mortgage and all such accounts, books and records are up-to-date and accurate in all material aspects and in the possession of the Legal Title Holder or held to its order, other than those destroyed by fire or otherwise lost while in the custody of Iron Mountain.
17. Each Borrower is a natural person, and no Borrower is at present an employee of the Seller or, as far as the Seller is aware, the Legal Title Holder.
18. So far as the Seller is aware, no Borrower is in breach of any material obligation owed in relation to any of the Mortgage Loans and its Related Security (other than any unauthorised letting or in relation to any payment default in respect of any such Mortgage Loans and any other breach which would lead to one or more ordinary course enforcement actions).
19. So far as the Seller is aware, no lien or right of set-off or counterclaim has been created or arisen between the Legal Title Holder and any Borrower which would entitle such Borrower to reduce the amount of any payment otherwise due under the relevant Mortgage Conditions and the Mortgage Loan Agreement, excluding any broker commission claims made by Borrowers in respect of any Mortgage Loans.

20. Each Property is a residential property located in England, Wales, Scotland or Northern Ireland (and for this purpose mixed use properties shall be counted as a residential property as long as (i) they contain a residential component, and (ii) they have been underwritten as residential property rather than as a business property).
21. In relation to buy-to-let Mortgage Loans only, upon reasonable enquiry and so far as the Seller is aware, the Legal Title Holder 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.
22. Prior to making a Mortgage Loan, upon reasonable enquiry and so far as the Seller is aware, the requirements of the relevant Originator's lending criteria (in force at that time) were met in all cases, subject only to exceptions made on a case-by-case basis and in accordance with the relevant Originator's internal policies.
23. So far as the Seller is aware, prior to making each Mortgage Loan to a Borrower, the Originator 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 by a Prudent Mortgage Lender and a Certificate of Title was received by or on behalf of the Originator 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 Mortgage Loan.
24. So far as the Seller is aware, at the time of origination of the relevant Mortgage Loan and subsequently, if so indicated in the Loan Data Tape a valuation of the relevant Property was undertaken.
25. As far as the Seller is aware, that the Related Security consists wholly and exclusively of rights held by way of security and does not comprise any beneficial entitlement to any assets other than assets which are rights held by way of security.
26. No Mortgage Loan nor its Related Security consists of or includes any "stock" or "marketable securities" within the meaning of section 125 of the Finance Act 2003, "chargeable securities" for the purposes of section 99 of the Finance Act 1986 or a "chargeable interest" for the purposes of section 48 of the Finance Act 2003, section 4 of the Land Transaction Tax and Anti-avoidance of Devolved Taxes (Wales) Act 2017 and section 4 of the Land and Buildings Transaction Tax (Scotland) Act 2013.
27. To the extent that any Mortgage Loan and its Related Security is subject to the UTCCR and as far as the Seller is aware, no action whether formal or informal has been taken by the Office of Fair Trading, the FCA or a "qualifying body" as defined in the UTCCR against the Legal Title Holder, the Originators or the Original Sellers pursuant to the UTCCR or otherwise which might restrict or prevent the use in any Mortgage Loan or their related Mortgages of any material term or the enforcement of such terms.
28. So far as the Seller is aware, no agreement for any Mortgage Loan is or includes a consumer credit agreement (as defined in section 8 of the Consumer Credit Act 1974) or constitutes any other agreement regulated or partly regulated by the Consumer Credit Act 1974 (other than sections 137 to 140 of such Act) or any modification or re-enactment thereof or, to the extent that it is so regulated or partly regulated, so far as the Seller is aware, all the requirements of the Consumer Credit Act 1974 have been met in full in all material respects.
29. In relation to any Mortgage Loan which is a regulated mortgage contract within the meaning of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001, so far as the Seller is aware, all then applicable requirements of MCOB have been complied with in all material respects in connection with the origination (including in respect of any further advance), documentation and administration of such Mortgage Loan (as applicable). Since the date of transfer to the Legal Title Holder, upon reasonable enquiry and so far as the Seller is aware, each Mortgage Loan has been administered and maintained in all material respects in accordance with Applicable Law and the Legal Title Holder has not received any notification from any authorities otherwise.
30. Each Mortgage Loan is a "financial asset" as defined in the Tax Regulations.
31. So far as the Seller is aware, having made all due and reasonable enquiries with the Servicer, there have been no changes to the standard terms and conditions of the Mortgage Loans since 13 December 2016, provided that any

loan modifications or changes relating to forbearance, payment holidays, or similar measures shall not be considered a change to the standard terms and conditions of the related Mortgage Loans.

Neither the Trustee, the Co-Arrangers or the Joint Lead Managers have undertaken any additional due diligence in respect of the application of the Originators' lending criteria and have relied entirely upon the representations and warranties referred to above which will be made by the Seller to the Issuer and the Trustee pursuant to the Mortgage Sale Agreement.

MORTGAGE REGULATION IN THE UNITED KINGDOM

It is envisaged that the majority of Mortgage Loans in the Provisional Mortgage Portfolio will be owner-occupied mortgages, regulated by FSMA. Consideration is given below to regulatory matters including the regulation of owner-occupied residential mortgages under FSMA.

Mortgages Regulated under FSMA

Under the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (SI 2001/544) (as amended) (the “**RAO**”) a mortgage contract entered into (i) between 31 October 2004 and 21 March 2016 or (b) prior to 31 October 2004 but materially varied between 31 October 2006 and 21 March 2016 (such that the original contract is replaced) is regulated under the RAO (and is therefore a “**Regulated Mortgage Contract**”) if:

- (a) the Borrower is an individual or trustee;
- (b) the obligation of the Borrower to repay is secured by a first legal mortgage on land (other than timeshare accommodation) in the United Kingdom; and
- (c) at least 40 per cent. of the land is used, or is intended to be used as or in connection with a dwelling by the Borrower or (in the case of credit provided to a trustee) 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 broadly the person’s spouse, civil partner, parent, brother, sister, child, grandparent, or grandchild, or a person with whom the Borrower (or in the case of credit provided to trustees, a beneficiary of the trust) has a relationship which is characteristic of a spouse.

There have been incremental changes to the definition of Regulated Mortgage Contract over time, including the removal of the requirement for the security to be first ranking and the extension of the territorial scope to cover property in the EEA rather than just the UK. A wider definition of Regulated Mortgage Contract applies for contracts entered into on or after 21 March 2016 (or entered into before then but materially varied after that date to the extent that a new contract was created). The definition of Regulated Mortgage Contract now also includes loans secured on property that was previously subject to the provisions of the CCA (see “*Mortgage Credit Directive*” below). 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 it meets the following conditions (when read in conjunction with and subject to certain relevant exclusions and qualifications):

- (a) the Borrower is an individual or a trustee;
- (b) the obligation of the Borrower to repay is secured by a mortgage on land in the EEA; and
- (c) at least 40 per cent. of the land is used, or is intended to be used: (i) (in the case of an individual) as or in connection with a dwelling; or (ii) (in the case of a trustee which 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.

In the United Kingdom, entering into as a lender, arranging or advising in respect of or administering Regulated Mortgage Contracts (or agreeing to do any of these activities) are (subject to applicable exemptions) regulated activities under FSMA and the RAO. Conducting regulated activities requires authorisation and permission from the FCA.

CHL is required to hold, and does hold authorisation and permission from the FCA to administer Regulated Mortgage Contracts. CHL is not currently able to enter into new Regulated Mortgage Contracts save in specific limited circumstances. The Issuer is not and does not propose to be an authorised person under FSMA, and does not require such authorisation in order to acquire legal or beneficial title to a Regulated Mortgage Contract. The Issuer does not itself carry on the regulated activity of administering Regulated Mortgage Contracts by having them administered by an entity that has the required FCA authorisation and permission under an administration agreement. If that administration agreement terminates, 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 mortgage administrator having the required FSMA authorisation and permission.

As the Issuer is not itself authorised under FSMA, if a mortgage with an existing Borrower is varied such that a new contract is entered into constituting a new Regulated Mortgage Contract, then the arrangement of, advice on, administration of and entering into of such variation must be carried out by an appropriately authorised entity such as the Servicer.

Mortgage and Home Finance: Conduct of Business Sourcebook (“MCOB”)

MCOB sets out the FCA’s rules for regulated mortgage activities, including financial promotions, disclosure, contract changes, charges and arrears and repossessions.

If FCA requirements on authorisation and permission of lenders and brokers or on issue and approval of financial promotions are not complied with, a Regulated Mortgage Contract entered into as a consequence of such action will be unenforceable against the Borrower except with the approval of a court and the unauthorised person may commit a criminal offence. A Borrower who is a private person may be entitled to claim damages for loss suffered as a result of an authorised person’s breach of an FCA rule, and may set off the amount of the claim against the amount owing by the Borrower under the loan or potentially any other loan that the Borrower has taken with the lender. Any such damages or set-off in respect of the Mortgage Loans may adversely affect the Issuer’s ability to make payments on the Notes.

In addition, a Borrower who is a private person may be entitled to claim damages for loss suffered as a result of any contravention of FSMA and Consumer Credit Sourcebook (“CONC”) by an authorised person. A Borrower may set off the amount of the claim against the lender for contravention of CONC against the amount owed by the Borrower to the lender. Any such set-off in relation to a Mortgage Loan may adversely affect the Issuer’s ability to make payments on the Notes.

The Seller will give certain warranties to the Issuer in the Mortgage Sale Agreement, including that each relevant Mortgage Loan and its Related Security is enforceable (subject to certain exceptions). If a Mortgage Loan or its Related Security does not comply with these warranties, and if the default cannot be or is not cured within 30 Business Days, then the Seller will be required to repurchase from the Issuer or pay an indemnity amount in respect of the Mortgage Loans under the relevant mortgage account and their Related Security, which shall not exceed the repurchase price of such Mortgage Loan, in each case provided that such breach occurred on or prior to the Warranty Expiry Date, and notification of such breach was delivered to *inter alios* the Seller by no later than 3 months following the Warranty Expiry Date. Investors should be aware that the remedy applicable following breach of a Mortgage Loan Warranty is dependent on the election by the Seller, in each case at its sole discretion.

Evolution of MCOB regulation

Where MCOB applies to a Mortgage Loan generally as a Regulated Mortgage Contract, additional rules would apply to a new Mortgage Loan entered into on or after 26 April 2014 or where the principal amount outstanding is increased (e.g. by way of further advance) on or after that date. The changes under the updated rules focus on responsible lending and require a more thorough verification of Borrowers’ income; application of interest rate stress-tests; and enhanced underwriting assessments and assessments of customer affordability based on expected retirement age. Significant changes were also made to mortgage distribution and advice requirements.

To the extent that the expanded rules apply to any of the Mortgage Loans, failure to comply with these rules may allow a Borrower to claim damages or set-off the amount of the claim against the amount owing under the Mortgage Loan. Such a claim or set-off may adversely affect the Issuer’s ability to make payments on the Notes.

Mortgage Credit Directive

The Mortgage Credit Directive (2014/17/EU) (“MCD”) came into effect on 21 March 2016 and applies to: (a) credit agreements secured by a mortgage or comparable security commonly used in a member state of the European Union (a “Member State”) on residential immovable property, or secured by a right relating to such property and (b) credit agreements the purpose of which is to acquire or retain property rights in land or in an existing or projected building. The MCD also extends the Consumer Credit Directive to unsecured credit agreements used for the renovation of residential immovable property to a maximum total amount of credit of EUR 75,000. The United Kingdom implemented the MCD via the Mortgage Credit Directive Order 2015. This (i) put in place a new regulatory regime for consumer buy-to-let mortgages; (ii) widened the definition of a Regulated Mortgage Contract to include second mortgages, and mortgages over secured land located within the EEA (rather than just the UK), timeshare accommodation and equitable mortgages; and (iii) transferred the regulation of some existing regulated credit agreements (e.g. second charge loans) from the consumer credit regime to the Regulated Mortgage Contract regime. The new requirements became mandatory on 21 March 2016.

Any further changes to MCOB or changes in the regulatory framework may adversely affect the Mortgage Loans, the Legal Title Holder, the Seller and/or the Servicer and their respective businesses and operations.

Current regulation of consumer credit

The majority of Mortgage Loans in the Provisional Mortgage Portfolio are owner-occupied mortgages, entered into prior to 14 March 2014, and fall outside the scope of the CCA regulation.

A credit agreement is regulated by the CCA where it was made before 1 April 2014 and:

- (a) the Borrower was or included an “individual” as defined in the CCA;
- (b) if the credit agreement was made before 6 April 2008, the amount of “credit” as defined in the CCA did not exceed the financial limit of £25,000 for credit agreements made on or after 1 May 1998, or lower amounts for credit agreements made before that. The upper financial limit of £25,000 was removed for credit agreements made on or after 6 April 2008 by the Consumer Credit Act 2006, which amended and updated the CCA; and
- (c) the credit agreement was not an exempt agreement under the CCA.

On 1 April 2014 responsibility for the regulation of consumer credit activities were transferred from the Office of Fair Trading to the Financial Conduct Authority, so credit agreements previously solely regulated by the CCA became subject to both the CCA and the FSMA (and its associated secondary legislation and the Financial Conduct Authority’s Handbook). Accordingly, carrying on certain credit-related regulated activities without permission from the FCA will render the credit agreement unenforceable.

The definition of a Regulated Mortgage Contract now includes all first and second charge secured loans that were previously subject to the jurisdiction of the CCA, however, certain provisions of the CCA are retained with regards to consumer credit back book mortgage contracts (“CCBBMs”). CCBBMs are credit agreements which were originated before 21 March 2016, were regulated by the CCA, are not exempt agreements within the meaning of article 60B(3) of the RAO by virtue of article 60D of the RAO and would have been Regulated Mortgage Contracts had they been entered into on or after 21 March 2016. In particular, if the contract would be enforceable against the Borrower only on an order of the court as a result of the application of any relevant provision of the CCA, the contract remains enforceable only on an order of the court. Similarly, if the contract would be void, or part of the contract would be void, as a result of the application of the relevant provision of the CCA, the contract, or that part of the contract, is void. If a creditor would not be entitled to enforce a contract as a result of a failure to comply with any relevant provision of the CCA, then for the purposes only of correcting the failure to comply with that provision of the CCA, the contract is treated as if it were a regulated agreement and the creditor may enforce the contract only if the creditor has corrected the failure to comply. If a creditor would not be entitled to enforce a contract because a period of non-compliance applies to the contract under the CCA, then for the purposes only of bringing the period of non-compliance to an end, the contract is treated as if it were a regulated agreement and the creditor may enforce the contract only if the period of non-compliance has ended. If a creditor would not be entitled to enforce a contract because of a provision of the CCA, then the creditor may enforce the contract only if the creditor has given the notice required by the CCA to the Borrower. If a creditor would not be entitled to enforce the security provided in relation to a contract as a result of a failure to comply with any relevant provision of the CCA, then for the purposes only of correcting the failure to comply with the relevant provision of the CCA, the contract is treated as if it were a regulated agreement and the creditor may enforce the security only if the creditor has corrected the failure to comply.

Under the Consumer Credit Act 2006, 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 and “regulated home purchase plans” (as defined in the RAO). The test explicitly imposes liability to repay amounts received from a Borrower on both the Originator and any assignee, such as the Issuer. In applying the “unfair relationship” test, the courts can consider a wider range of circumstances surrounding the transaction, including the creditor’s conduct before and after making the 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. If the Borrower alleges that an “unfair relationship” exists, the burden of proof is on the creditor to prove the contrary.

To the extent that a credit agreement is regulated as a CCBBM, breach of the agreement may not allow the creditor to terminate the agreement, demand earlier payment or enforce security if the lender failed to comply with requirements as to default notices. From 1 October 2008:

- (a) the credit agreement is also unenforceable for any period when the lender fails to comply with further requirements as to annual statements and arrears notices;
- (b) the Borrower will not be liable to pay interest or, in certain cases, default fees for any period when the lender fails to comply with further requirements as to post-contract disclosure; and
- (c) interest upon default fees will be restricted to nil until the 29th day after the day on which a prescribed notice is given and then to simple interest thereafter.

Note that the requirements in (a) – (c) ceased to apply to CCBBMs with effect from 21 March 2016, but, where a CCBBM was void or unenforceable before that date, it remains so (subject to existing methods of obtaining relief).

Charges payable for early repayment in full are restricted by a formula under the CCA, where applicable. These changes to the CCA may result in adverse effects on the Issuer's ability to make payments on the Notes.

Capital Home Loans Limited has interpreted certain CCA rules in a way common with many other mortgage market lenders. If such interpretation were held to be incorrect by a court or the scheme provided under Part XVI FSMA to investigate complaints against authorised persons, then a Mortgage Loan, if regulated by the CCA or treated as such, would be unenforceable. If such interpretation were challenged by a significant number of Borrowers, then this could lead to significant disruption and shortfall in the income of the Issuer, resulting in adverse effects on the Issuer's ability to make payments on the Notes.

The Seller has given or, as applicable, will give warranties to the Issuer in the Mortgage Sale Agreement that, among other things, each Mortgage Loan and its Related Security is enforceable (subject to exceptions). If a Mortgage Loan or its Related Security does not comply with these warranties, and if the default (if capable of remedy) cannot be or is not cured within 30 Business Days, then the Seller will, upon receipt of notice from the Issuer, be required to repurchase from the Issuer or pay an indemnity amount in respect of all of the relevant Mortgage Loans secured on the same Property (together, forming one "**Mortgage Account**") and their Related Security.

Distance Marketing of Financial Services

In the United Kingdom, the Financial Services (Distance Marketing) Regulations 2004 apply to credit agreements entered into on or after 31 October 2004 by a "consumer" within the meaning of the regulations by means of distance communication (i.e. without any substantive simultaneous physical presence of the Originator and the Borrower). The regulations (and MCOB in respect of activities related to Regulated Mortgage Contracts) require firms that provide financial services by way of distance communication to provide certain information to consumers. This information generally has to have been provided before the consumer is bound by the distance contract and includes general information in respect of the supplier, the financial service, contractual terms and conditions, and whether there is a right of cancellation. A Regulated Mortgage Contract under the FSMA, if originated by a UK lender from an establishment in the United Kingdom, will not be cancellable under these regulations, but will be subject to related pre-contract disclosure requirements in MCOB. Certain other credit agreements will be cancellable under these regulations if the Borrower does not receive prescribed information at the prescribed time, or in any event for certain unsecured lending. It is worth noting, however that the right to cancel is not applicable to loans secured by a legal mortgage on land. Where the credit agreement is cancellable under these regulations, the Borrower may send notice of cancellation at any time before the end of the 14th day beginning with the day after the day on which the cancellable agreement is made, where all the prescribed information has been received, or, if later, the Borrower receives the last of the prescribed information. Compliance with the regulations may be secured by way of injunction, granted on such terms as the court thinks fit to ensure sure 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 breaches of FCA rules.

If the Borrower cancels the credit agreement under these regulations, then: (a) the Borrower is liable to repay the principal and any other sums paid by the Originators to the Borrower under or in relation to the cancelled agreement within 30 days beginning with the day of the Borrower sending notice of cancellation or, if later, the lender 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 to be treated as never having had effect for the cancelled agreement.

If a significant portion of the Mortgage Loans is characterised as cancellable under these regulations, this may reduce the amounts available to meet the payments due in respect of the Notes.

Unfair Terms in Consumer Contracts

The Unfair Terms in Consumer Contracts Regulations 1999 as amended (the “**1999 Regulations**”), together with (in so far as applicable) the Unfair Terms in Consumer Contracts Regulations 1994 (together with the 1999 Regulations, the “**UTCCR**”), apply to business-to-consumer agreements made between 1 July 1995 and 30 September 2015, and the “consumer” for these purposes falls within the definition provided in the UTCCR, where the terms have not been individually negotiated. The UTCCR apply to all or almost all of the Mortgage Loans entered into within that period. For agreements entered into on or after 1 October 2015, the Consumer Rights Act 2015 (“**CRA**”) applies (see below).

Where the UTCCR apply, they provide that:

- (a) a consumer (which would include a Borrower under all or almost all of the Mortgage Loans) may challenge a standard term in an agreement on the basis that it is “unfair” within the UTCCR and therefore not binding on the consumer (although the rest of the agreement will remain enforceable if it is capable of continuing in existence without the unfair term); and
- (b) the lead enforcement body and any qualifying body for the UTCCR (such as the FCA) may seek to prevent a business from relying on unfair terms.

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 even if the consumer has not explicitly raised the issue of fairness.

The UTCCR will not generally affect terms which define the main subject matter of the contract, such as the Borrower’s obligation to repay the principal (**provided that** these terms are written in plain and intelligible language and are drawn adequately to the consumer’s attention), but may affect other terms, such as the lender’s power to vary the interest rate or certain terms imposing early repayment charges and mortgage exit administration fees.

For example, if a term permitting the lender to vary the interest rate (as the Legal Title Holder is permitted to do) is found to be unfair, the Borrower will not be liable to pay interest at the increased rate or, to the extent that the Borrower has paid it, will be able, as against the lender, or any assignee such as the Issuer, to claim repayment of the extra interest amounts paid or to set-off the amount of the claim against the amount owing by the Borrower under the loan or any other loan agreement that the Borrower has taken with the lender.

Whilst the FCA has powers to enforce the UTCCR, it would be for a court to determine the proper interpretation. The broad wording of the UTCCR makes an assessment of the fairness of terms largely subjective and therefore difficult to predict whether or not a term would be held by a court to be unfair. If any term of the Mortgage Loans is found to be unfair under the UTCCR, this may adversely affect the ability of the Issuer to make payments to Noteholders on the Notes.

Consumer Rights Act 2015

The CRA involves the creation of a single regime out of the Unfair Contract Terms Act 1977 (which essentially deals with attempts to limit liability for breach of contract) and the UTCCR. The CRA revoked the UTCCR, making only minor changes to the unfairness regime under the UTCCR for contracts made on or after 1 October 2015. Agreements entered into before the CRA came into force on 1 October 2015 continue to be subject to the UTCCR.

Like the UTCCR, if 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 to 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 area of law continues to develop and further regulatory guidance and case law will follow. In December 2018, the FCA published new guidance on unfair contract terms, “*Fairness of variation terms in financial services consumer contracts under the Consumer Rights Act 2015*” (FG 18/7). The finalised guidance outlines a comprehensive list of factors financial services firms should consider under the CRA when drafting and reviewing variation terms in their consumer contracts. The

factors that the FCA considers to be indicative of fairness and transparency of a variation term include whether the consumer has freedom to exit the contract, in the case of an unfavourable variation, and whether the variation is reasonably necessary to achieve a legitimate purpose.

No assurance can be given that any changes in legislation, guidance or case law on unfair terms will not have a Material Adverse Effect on the Legal Title Holder, the Seller, the Servicer, the Issuer and their respective businesses and operations. There can be no assurance that any such changes (including changes in regulators' responsibilities) will not affect the Mortgage Loans.

Enforcement remedies in Scotland

In Scotland, enforcement remedies are set out in the Conveyancing & Feudal Reform (Scotland) Act 1970 as amended (the "**1970 Act**"). The remedies available to heritable creditors (the Scottish equivalent to a mortgagee) under the 1970 Act are to sell the secured property, to enter into possession of the secured property, to carry out necessary repairs and to apply for a decree of foreclosure (the latter being rarely used). There is no requirement for a heritable creditor to enter into possession of the property in order to sell it.

The remedies of entering into possession and selling the property can only be exercised if the calling-up procedure is followed. This involves a notice adhering to the statutory requirements being served upon the person last holding legal title to the secured property, requiring payment of the principal sum with interest within two months of the date of service of the demand. Once the two month notice period has expired without payment the heritable creditor must raise court proceedings in the Sheriff Court and obtain a decree against the debtor before it can exercise its power of sale, unless the Borrower and any other occupiers have surrendered the property voluntarily. In applying for the court order, the heritable creditor also has to demonstrate that it has taken various preliminary steps to attempt to resolve the Borrower's position, and comply with further procedural requirements, which may restrict the ability of the heritable creditor in respect of the Scottish Mortgage Loans and their Related Security to exercise its power of sale.

Once the heritable creditor has implemented the decree, it can exercise its rights to enter into possession and uplift rents, to repair and/or to sell the subjects. The heritable creditor is under a duty to advertise the sale and to take all reasonable steps to ensure that the price at which the property is sold is the best that can be reasonably obtained. If exercising these enforcement remedies is lengthy or costly, the Issuer's ability to make payments on the Notes and the Certificates may be reduced.

Repossessions

Borrowers under owner-occupied residential mortgage agreements are generally afforded greater protection against repossessions than Borrowers under buy-to-let mortgage agreements.

The pre-action protocol for repossessions based on mortgage or home purchase plan arrears in respect of residential property in England and Wales and the pre-action protocol for possession proceedings based on mortgage arrears in respect of residential property in Northern Ireland sets out steps that judges expect any lender to take before starting a claim. A number of mortgage lenders have confirmed that they will delay the repossession action for at least six months after a Borrower who is an owner-occupier is in arrears. Such moratorium is subject to the wishes of the relevant Borrower and may not apply in cases of fraud.

The Mortgage Repossession (Protection of Tenants etc.) Act 2010 gives courts in England and Wales the same power to postpone and suspend repossession for up to two months on application by an unauthorised tenant (i.e. a tenant in possession without the lender's consent), as generally exists on application by an authorised tenant. Additionally, under the Dwelling Houses (Execution of Possession Orders by Mortgagees) Regulations 2010, the lender has to serve at least 14 days' notice of its intention to execute a possession order over residential premises which have been let.

Part I of the Home Owner and Debtor Protection (Scotland) Act 2010 ("**HODPA**") imposes additional requirements on heritable creditors (the Scottish equivalent of a mortgagee) in relation to the enforcement of standard securities over residential property in Scotland. Under Part I of HODPA, the heritable creditor has to obtain a court order to exercise its power of sale (in addition to initiating the enforcement process by the service of a two month "calling up" notice), unless the Borrower and any other occupiers have surrendered the property voluntarily. In applying for the court order, the heritable creditor also has to demonstrate that it has taken various preliminary steps to attempt to resolve the Borrower's position, and comply with further procedural requirements.

Under the MCOB rules, a firm is restricted from repossessing a property unless all other reasonable attempts to resolve the position have failed. In complying with such restriction, a firm is required to consider whether, given the 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. The rules impose mandatory obligations on firms without regard to any relevant contractual obligations or restrictions and, as a result, may operate in certain circumstances to require the Servicer to take certain forbearance-related actions 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 Mortgage Loans.

As at the Closing Date, CHL considers each repossession case on a case-by-case basis. In the majority of cases, however, where repossession action is required, such action is initiated approximately 12 months after the Borrower is in arrears. There can be no assurance that any delay in starting and/or completing repossession or enforcement actions by CHL would not result in the amounts recovered being less than if there had not been any such delays (which may ultimately adversely affect the ability of the Issuer to make payments of interest and principal on the Notes when due). The aforementioned protocol, act, regulations and MCOB requirements for mortgage possession and enforcement cases may have adverse effects in markets experiencing above average levels of possession claims. Delays in the initiation of responsive action in respect of the Mortgage Loans may result in lower recoveries and a lower repayment rate on the Notes.

Financial Ombudsman Service

Under FSMA, the FOS, an independent adjudicator, is required to make decisions on, among other things, complaints relating to activities and transactions under its jurisdiction on the basis of what, in its opinion and in light of law and guidance, would be fair and reasonable in the circumstances of the case. The FOS may order a monetary award to a complaining Borrower. Complaints properly brought before the FOS 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 FOS. The FOS is required to make decisions on the basis of, among other things, the principles of fairness, and may order a money award to the borrower.

In March 2019, the FCA published Policy Statement PS 19/8 entitled "*Increasing the award limit for the Financial Ombudsman Service*". New rules have been introduced with effect from 1 April 2019 which increase the maximum level of compensation which can be awarded by the FOS from £150,000 to (i) £350,000 for complaints about acts or omissions by firms on or after 1 April 2019 and (ii) £160,000 for complaints about acts or omissions by firms before 1 April 2019 and which are referred to the FOS after that date. Additionally, the compensation limit will be automatically adjusted each year for inflation from 1 April 2020 onwards.

Impact of Consumer Protection from Unfair Trading Regulations 2008

The directive on unfair business-to-consumer commercial practices (Directive (2005/29/EC) the "**Unfair Practices Directive**") permits Member States to impose more stringent provisions in the fields of financial services and immovable property, such as mortgage loans. The Unfair Practices Directive was implemented in the United Kingdom through the Consumer Protection from Unfair Trading Regulations 2008 ("**CPUTRs**"), which affect all contracts entered into with natural persons acting outside their business area and apply to the residential mortgage market. The CPUTRs contain a general prohibition on unfair commercial practices as well as provisions aimed at aggressive and misleading practices.

The Consumer Protection (Amendment) Regulations 2014 give consumers a direct right of action including a right to unwind agreements within 90 days of entering into the contract if a misleading or aggressive practice under the CPUTR was a significant factor in the consumer's decision to enter into the contract. The amendments to CPUTR also extend the regime so that it covers misleading and aggressive demands for payment and applies to demands for payment for restricted-use credit (where the credit must be used to finance a particular transaction) where the misleading or aggressive commercial practice began before 1 October 2014 and continues after that date, or occurs on or after 1 October 2014.

The effect (if any) of the CPUTRs on the Mortgage Loans, the Legal Title Holder, the Seller, the Servicer or the Issuer and their respective businesses and operations will depend on whether those entities engage in any of the practices described in the CPUTRs. Whilst engaging in an unfair commercial practice does not render a contract void or unenforceable, to do so is an offence punishable by a fine and/or imprisonment. The possible liabilities for misrepresentation or breach of contract in relation to the underlying credit agreement may also result in irrecoverable losses on amounts to which such agreements

apply. In practical terms, the CPUTRs have not added significantly to the regulatory requirements already in place, such as treating customers fairly and conduct of business rules.

However, no assurance can be given that the CPUTRs will not adversely affect the ability of the Issuer to make payments to Noteholders.

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 (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. In the Dear CEO letter on the cost of living crisis, the FCA also identified that the cost of living crisis may lead to an increase in consumer vulnerability, exposing more consumers to a greater risk of harm. The FCA therefore emphasised the need for firms to implement the FCA's Vulnerable Customer Guidance (published in February 2021), which sets out the FCA's expectations as to what firms should do to comply with their obligations under FCA Principles and ensure they treat customers in vulnerable circumstances fairly

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. Specifically with respect to vulnerable customers, it emphasises the importance of adapting communication methods to consider customer needs and preferences, as well as the need to tailor forbearance to take account of their individual circumstances. 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.

In March 2021, the “Borrowers in Financial Difficulty” (“BiFD”) project was launched by the FCA to review how firms were supporting borrowers in financial difficulty. BiFD's findings were published in November 2022 where the FCA stated that 32 firms had been asked to make material and significant changes to their processes and seven of those firms had provided remediation to customers. The FCA have said that they expect more customers will need support from lenders and that the FCA will continue to test the way that firms are supporting borrowers in financial difficulty and take action where firms are identifying poor customer outcomes.

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 finalised guidance is declaratory in nature, clarifying the existing rules and principles 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 guidance does not introduce any new rules or set new expectations or requirements of lenders. On 3 November 2022, the FCA published its report on borrowers in financial difficulty (“BiFD Report”). The BiFD review was launched to assess firms' policies and processes following the implementation of the Mortgages Tailored Support Guidance. In the context of its work on BiFD, the FCA has also indicated that it intends to broaden the current rules in MCOB on vulnerability with new guidance reminding firms that they should have regard to the expectations set out in the FCA's Vulnerable Customer Guidance, including when developing policies and procedures for customers who have, or may have, payment difficulties. The BiFD Report makes clear that the FCA wants firms to take immediate action to ensure that they are well-placed to support customers, considering that the situation is likely to become more challenging in the months ahead.

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.

For more information relating to the cost of living crisis and its effects on the Mortgage Portfolio please see the sections entitled “*Risk Factors - Certain Regulatory Considerations in relation to Mortgage Loans*” and “*Risk Factor - Delinquencies or default by Borrowers in paying amounts due on their Mortgage Loans*”.

Mortgage Charter

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 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 mortgage borrowers worried about high interest rates (the Mortgage Charter). In addition, lenders will permit borrowers who are up to date with their payments to: (i) switch to interest-only payments for six months (the MC Interest-only Agreement); or (ii) 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, nor do they apply to lenders that do not sign up to the Mortgage Charter.

With the effect on and from 30 June 2023, 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 MC Interest-only Agreement and the MC Extension Agreement. The amendments made by the FCA do not apply to second ranking mortgages or bridging loans. The FCA announced that it intends to review the impact of the rule changes within 12 months.

CHL has not signed up to the Mortgage Charter, and therefore its provisions do not apply to the Mortgage Loans, however 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. CHL may also adopt certain provisions of the Mortgage Charter without signing up to it as a whole. Such developments may adversely affect the ability of the Issuer to make payments in full on the Notes when due.

Breathing Space Regulations

The Debt Respite Scheme (Breathing Space Moratorium and Mental Health Crisis Moratorium) (England and Wales) Regulations 2020 (SI 2020/1311) (the “**Breathing Space Regulations**”) (which came into force on 4 May 2021) gives eligible individuals in England and Wales 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 in England and Wales with problem debt legal protection from creditor action for up to 60 days; and a mental health crisis breathing space will give an individual in England and Wales protection from creditor action for the duration of their mental health crisis treatment (which is not limited in duration) plus an additional 30 days.

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 its 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.

Due to the absence of the Northern Irish Assembly at the time the Breathing Space Regulations were brought forward, they do not extend to Northern Ireland. The Department for Communities in Northern Ireland has recently completed an evidence gathering exercise in relation to the possibility of primary legislation to establish similar arrangements in Northern Ireland. There is no fixed timeframe for bringing NI legislation forward and the absence of the NI Executive and NI Assembly may delay the implementation of any such arrangements in Northern Ireland.

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 borrowers are currently 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.

Mortgage Prisoners

The FCA are aware that there are some consumers who cannot switch (or who allege that they cannot switch or refinance) their existing mortgages to a more affordable mortgage despite being up to date with their mortgage payments, including as a result of changes to lending practices during and after the 2008 financial crisis and subsequent regulation that tightened lending standards – often called ‘mortgage prisoners’.

Under Policy Statement PS19/27 which came into effect on 28 October 2019, the FCA have amended their responsible lending rules and guidance to help remove potential barriers to consumers switching to a more affordable mortgage and to reduce the time and costs of switching for all relevant consumers. The changes will mean that mortgage lenders can choose to carry out a modified affordability assessment where a consumer has a current mortgage, is up-to-date with their mortgage payments (and has been for the last 12 months), does not want to borrow more, other than to finance any relevant product, arrangement or intermediary fee for that mortgage and is looking to switch to a new mortgage deal on their current property. Further, inactive lenders and administrators acting for unregulated entities (such as the Issuer), must review their customer books and develop and implement a communication strategy for contacting relevant consumers to tell them it could be simpler for them to re-mortgage. The communication exercise was required to be completed by 15 January 2021.

The FCA’s “*Mortgage Prisoner Review*” was laid before parliament on 29 November 2021, and the FCA facilitated implementation group held its final meeting on 7 December 2021. Subsequently there have been proposed amendments to primary legislation by opposition parties which aim to assist mortgage prisoners. These amendments were subsequently withdrawn and the UK Government’s consideration of proposals on mortgage prisoners is ongoing.

The modification of the responsible lending rules should make it easier for a borrower who is a mortgage prisoner to switch to a new lender and this could result in early redemptions and a deterioration in the quality of the Mortgage Portfolio.

For more information relating to the risks associated with mortgage prisoners please see the section entitled “*Risk Factors - Certain Regulatory Considerations in relation to Mortgage Loans - Mortgage Prisoners*”.

FCA Consumer Duty

New rules relating to the introduction of a new consumer duty on regulated firms (the “**Consumer Duty**”), which aim to set a higher level of consumer protection in retail financial markets, came into force on 31 July 2023. The Consumer Duty currently applies for products and services that remain open to sale or renewal and will apply from 31 July 2024 for closed products and services, including the Mortgage Portfolio.

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 the retail customers of its products”, 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 retail customer 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 FCA-authorised purchasers of in scope

mortgage loans, as well as firms administering or servicing those mortgage loans. Although the Consumer Duty will not apply retrospectively, the FCA will require authorised firms to apply the Consumer Duty to existing products on a forward-looking basis.

General

No assurance can be given that additional regulations or guidance from the FCA, the PRA, the Ombudsman, the CMA or any other regulatory authority will not arise with regard to the mortgage market in the United Kingdom generally.

Potential effects of any additional regulatory changes

In the United Kingdom and elsewhere, there is continuing political and regulatory scrutiny of the banking industry and, in particular, retail banking. In the United Kingdom, regulators such as the CMA, the PRA and the FCA have recently carried out, or are currently conducting, several enquiries into the effectiveness of those retail banking markets from both competition and consumer protection perspectives. No assurance can be given that changes will not be made to the regulatory regime and developments described above in respect of the mortgage market in the United Kingdom generally, the Seller's particular sector in that market or specifically in relation to the Seller. Any such action or developments, in particular, but not limited to, the cost of compliance, may have a material adverse effect on the Seller and its businesses and operations.

SERVICING

The Issuer, the Trustee, CHL (in its capacity as Legal Title Holder and Servicer) and the Seller will enter into, on or about the Closing Date, a servicing agreement relating to the servicing of the Mortgage Loans and their Related Security (the “**Servicing Agreement**”). The services to be provided by the Servicer are set out in the Servicing Agreement. The Servicer will undertake to comply with any proper directions and instructions that the Issuer and (following the delivery of an Enforcement Notice) the Trustee may from time to time give to it in accordance with the provisions of the Servicing Agreement. The Servicer will be required to administer the Mortgage Loans and their Related Security in the following manner in accordance with the Servicing Agreement. The Servicer’s actions in servicing of the Mortgage Loans in accordance with its procedures and the Servicing Agreement will be binding on the Issuer. For instance, the Servicer shall, on behalf of the Legal Title Holder make offers to Borrowers and accept applications from Borrowers.

The appointment and obligations of the Servicer under the Servicing Agreement shall take effect on the Closing Date.

The Servicer may, in some circumstances, delegate or subcontract some or all of its responsibilities and obligations under the Servicing Agreement. However, the Servicer will remain liable at all times for the servicing of the Mortgage Loans and for the acts or omissions of any delegate or subcontractor.

Powers

Subject to the guidelines for servicing set forth above, the Servicer will have the power, *inter alia*:

- (a) to exercise the rights, powers and discretions of the Issuer in relation to the Mortgage Loans and their Related Security and to perform its duties in relation to the Mortgage Loans and their Related Security; and
- (b) to do or cause to be done any and all other things which it reasonably considers necessary or convenient or incidental to the servicing of the Mortgage Loans and their Related Security or the exercise of such rights, powers and discretions.

Undertakings by the Servicer

The Servicer will undertake, in relation to the Mortgage Loans and their Related Security, among other things, that it will:

- (a) provide the services to be undertaken by it under the Servicing Agreement in such manner and with the same level of skill, care and diligence as would a Prudent Mortgage Lender;
- (b) provide the services as if the Mortgage Loans had not been sold to the Issuer but remained on the books of CHL and in accordance with CHL’s procedures and administration and enforcement policies as they apply to the Mortgage Loans from time to time;
- (c) comply with any reasonable and proper directions, orders and instructions which the Issuer and/or the Legal Title Holder and/or the Trustee may from time to time give to it in accordance with the provisions of the Servicing Agreement, provided that the Servicer shall not be obligated to comply with any such directions, orders and instructions to the extent that doing so would cause it to breach its Regulatory Obligations (as defined below).
- (d) maintain all approvals, authorisations, permissions, consents and licences required for itself in connection with the performance of its duties under the Servicing Agreement, and prepare and submit on a timely basis all necessary applications and requests for any further approvals, authorisations, permissions, consents and licences required for itself in connection with the performance of its duties under the Servicing Agreement;
- (e) not knowingly fail to comply with any legal requirements in the performance of its duties under the Servicing Agreement;
- (f) make all payments required to be made by it pursuant to the Servicing Agreement on the due date for payment thereof in Sterling (or as otherwise required under the Transaction Documents) in immediately available funds for value on such day without set-off (including, without limitation, in respect of any fees owed to it) or counterclaim but subject to any deductions required by law;

- (g) transfer an amount equal to the Daily Mortgage Loan Amount from the Collection Account into the Deposit Account no later than the next Business Day after that Daily Mortgage Loan Amount is identified as received in the Collection Account;
- (h) not without the prior written consent of the Trustee amend or terminate any of the Transaction Documents except in accordance with their terms;
- (i) not create or permit to subsist any encumbrance in relation to the Collection Account, other than that created under the Collection Account Declaration of Trust;
- (j) if at any time the Servicer receives any money (other than sums credited to the Collection Account) arising from the Mortgage Loans and their Related Security, hold such money on trust for the Issuer and shall keep such money separate from other money held by it and shall promptly upon receipt transfer such money to the Deposit Account;
- (k) provide such information as may be reasonably requested by the Seller, the Issuer or the Cash Manager (on behalf of the Issuer) for the purposes of enabling the Seller or the Issuer to comply with their respective obligations under Article 7 of the EU Securitisation Regulation and Article 7 of the UK Securitisation Regulation, provided that such information is within the knowledge and possession of the Servicer or is reasonably ascertainable to it in the course of acting as Servicer without additional development work or material cost;
- (l) as soon as reasonably practicable upon becoming aware of any event which may reasonably be considered to give rise to an obligation of the Seller under the Mortgage Sale Agreement to repurchase and/or indemnify any Mortgage Loan sold by the Seller to the Issuer pursuant to the Mortgage Sale Agreement, the Servicer shall notify the Issuer and the Seller in writing of such event;
- (m) assist the Cash Manager, the Issuer and the Seller in preparing for any form, report and/or template required to be provided by the Issuer in its capacity as the designated entity pursuant to Article 7(2) of the EU Securitisation Regulation and Article 7(2) of the UK Securitisation Regulation, in each case in a manner and form in compliance with all Applicable Laws and regulation, including but not limited to, Article 7 of the EU Securitisation Regulation and Article 7 of the UK Securitisation Regulation; and
- (n) notify the Cash Manager and the Issuer of any inside information as required by and in accordance with Article 7(1)(f) of the EU Securitisation Regulation and Article 7(1)(f) of the UK Securitisation Regulation but only to the extent that the Servicer (x) becomes aware of such inside information or significant event; or (y) is notified by the Seller and/or the Issuer of such inside information or significant event.

Regulatory Obligations

The parties to the Servicing Agreement agree that CHL (in its capacity as Servicer and Legal Title Holder) has certain regulatory obligations to ensure that borrowers are treated fairly, to act to deliver good outcomes for retail customers and otherwise to comply with all Applicable Laws (its “**Regulatory Obligations**”) and accordingly, CHL shall not be required to perform any of its obligations under the Transaction Documents to the extent such performance (in its reasonable opinion) would result in a breach by it of any Regulatory Obligations nor shall CHL be in breach of the Servicing Agreement to the extent it is required to act by and in accordance with its Regulatory Obligations.

Servicing Procedures

This section describes the Servicer’s servicing procedures based on the current CHL mortgage servicing policies. The Servicer is required to administer the Mortgage Loans and their Related Security in the Mortgage Portfolio in accordance with its policies applicable from time to time, but subject to the terms of the Servicing Agreement. The duties of the Servicer include:

- (a) applying the interest rates on the Standard Variable Rate Mortgage Loans and the BBR Mortgage Loans from time to time;
- (b) collecting payments on the Mortgage Loans and discharging Mortgage Loans and Related Security upon redemption;

- (c) monitoring and, where appropriate, pursuing arrears (in accordance with the Arrears Policy and Arrears Procedure) and enforcing the Related Security or take any necessary action in relation to possible arrears in accordance with Applicable Laws;
- (d) taking all reasonable steps to ensure safe custody of all title deeds and documents in respect of the Mortgage Loans and their Related Security which are in its possession;
- (e) managing the Issuer's interests in the Insurance Policies and other Related Security related to the Mortgage Loans;
- (f) processing transfers of titles, notices of death, forfeitures and irritancies of leases, sale and exchange of land, account conversions, term amendments, deed amendments, compensation and enforcement notices;
- (g) dealing with all types of transactions, posting and refunding fees, setting up direct debits, and payment date changes; and
- (h) dealing with all customer correspondence on other aspects of Mortgage Loans once the Mortgage Loan is drawn down, including changes in customer details and changes on the customer mortgage, including changes of product and repayment terms;

From and including the Closing Date, subject to the terms of the Servicing Agreement, the Issuer will grant the Servicer full right, liberty and authority from time to time, in accordance with the relevant Mortgage Conditions, to determine and set in relation to the Mortgage Loans sold by the Seller to the Issuer the SVR and any other discretionary rates or margins applicable in relation to the Mortgage Loans.

Right of Delegation by a Servicer

The Servicer may subcontract or delegate the performance of its duties under the Servicing Agreement, **provided that** it meets particular conditions, including that:

- (a) the Servicer shall use all reasonable skill and care in the selection of any subcontractor or delegate;
- (b) written notification has been given to each of the Issuer, the Trustee and the Rating Agencies;
- (c) where the arrangements involve the custody or control of any customer files and/or title information documents, the subcontractor or delegate has executed a written acknowledgement in form and substance acceptable to the Issuer and Trustee that those customer files and/or title information documents are and will be held to the order of the Issuer and the Trustee;
- (d) where the arrangements involve or may involve the receipt by the subcontractor or delegate of moneys belonging to the Issuer which, in accordance with the Servicing Agreement, are to be paid into the Deposit Account, the subcontractor or delegate holds any such moneys on trust for the Issuer which will be paid forthwith into the Deposit Account in accordance with the terms of the Servicing Agreement and other applicable Transaction Documents;
- (e) any subcontractor or delegate has executed a written waiver of any security interest arising in connection with the delegated services;
- (f) the subcontractor or delegate has confirmed that it has and will maintain all requisite licences, approvals, authorisations and consents, to enable it to fulfil its obligations under or in connection with any such arrangements; and
- (g) the Issuer and the Trustee have no liability for any costs, charges or expenses in relation to the proposed subcontracting or delegation other than in respect of the Issuer any liability which the Issuer would have to the Servicer if such delegation had not occurred.

The provisos set out in paragraphs (b), (c), (d) and (e) above will not be required in respect of any delegation to (i) a wholly-owned subsidiary of CHL, (ii) persons such as valuers, surveyors, estate agents, property management agents, receivers, solicitors or other relevant professional advisors as such (and for the avoidance of doubt, paragraphs (f) and (g), above, shall not apply to an engagement by the Servicer in the circumstances contemplated by this paragraph (ii)) or (iii) any entity that provides a mortgage bureau service for the Servicer.

Notwithstanding any subcontracting or delegation of the performance of its obligations under the Servicing Agreement (and save in respect of the circumstances described in paragraph (ii), above), the Servicer shall remain responsible for the performance of all of the obligations of the Servicer under the Servicing Agreement, and the performance or non-performance or the manner of performance by any subcontractor or delegate of any of the Services shall not affect the Servicer's obligations under the Servicing Agreement and any breach in the performance of the Services by such subcontractor or delegate shall, subject to the Servicer being entitled for a period of 20 Business Days from the Servicer becoming aware of or receiving written notice of any breach by any subcontractor or delegate to remedy such breach, be treated as a breach of the Servicing Agreement by the Servicer.

Replacement of the Collection Account Bank

If at any time the Collection Account Bank ceases to have the Collection Account Bank Rating, the relevant Legal Title Holder (or CHL as Servicer on its behalf) shall on behalf of, and at the sole cost and expense of, the Issuer:

- (a) terminate the appointment of the Collection Account Bank in accordance with the Collection Account Agreement and use commercially reasonable efforts to procure that the funds standing to the credit of the Collection Account are promptly transferred from the Collection Account and placed on deposit on terms the same or substantially the same (*mutatis mutandis*) as the Collection Account Agreement with an institution:
 - (i) that maintains ratings at least equal to the Collection Account Bank Ratings;
 - (ii) that is a bank for the purposes of section 991 of the Income Tax Act 2007 and payments of interest are made in the ordinary course of its business within the meaning of section 878 of the Income Tax Act 2007; and
 - (iii) that is an institution authorised to carry on banking business including accepting deposits under the FSMA; or
- (b) obtain a guarantee of the Collection Account Bank's obligations under the Collection Account Agreement from a bank with ratings at least equal to the Collection Account Bank Ratings,

in each case, within 60 calendar days (but not less than 35 calendar days) of the date on which the Collection Account Bank ceases to have the Collection Account Bank Ratings, the relevant Legal Title Holder (or CHL as the Servicer on its behalf) shall notify the Issuer, the Seller, the Trustee, and the relevant Servicer as soon as practicable following such termination.

Arrears and Default Procedures

CHL has established procedures for managing Mortgage Loans which are in arrears or where there is an early indication of potential financial distress. These procedures and the attendant policies are reviewed and updated from time to time.

Early contact in order to determine the customer's problem and find a suitable and sustainable solution is the mainstay of the above policy and resultant procedures. Only customers who will not work with CHL are classed as non-cooperating.

The arrears policy sets out, amongst other things, the forbearance measures available for customers who are in arrears or pre-arrears financial distress. The forbearance measures are used as solutions in line with the customers' current circumstances and demonstrated ability to repay thereby effecting a 'full cure' at the end of a period to be assessed and agreed with the customer. Such agreement must be for the shortest time over which the customer can repay in order to minimise the interest impact.

The forbearance measures include concessions (where it can be shown that, at the end of the period the accrued payment shortfall can be repaid), hold arrears (where arrears have already accrued but currently the customer has demonstrated that they have no surplus income), and 'Arrangement to Pay' (where the customer has accrued arrears but has now demonstrated that they have sufficient surplus income to repay sustainably over an agreed period). Capitalisation is only considered in line with current policies, where the customer has made every effort to repay arrears and CHL can demonstrate that by so doing this is in the best interests of the customer (continued interest impact).

Every solution must be fully assessed and supported by relevant documentation or, where this is not available by full justification.

Termination

The Issuer (prior to delivery of an Enforcement Notice) with the written consent of the Trustee or the Trustee itself (following delivery of an Enforcement Notice), (in the case of paragraph (a), (b) or (c) below) may deliver written notice to the Servicer on becoming aware of the relevant Servicer Termination Event to terminate the Servicer's appointment with effect from the date of receipt of such notice (and in the case of (d) such notice shall be deemed to have been given to terminate the Servicer's appointment as Servicer with immediate effect) if any of the following events (each a "**Servicer Termination Event**") occurs:

- (a) *Non-Payments*: the Servicer defaults in the payment of any amount due under the Servicing Agreement or any other Transaction Documents to which it is party and fails to remedy that default for a period of 15 Business Days after the earlier of the Servicer becoming aware of the default and the Servicer receipt of written notice from the Issuer or the Trustee (following delivery of an Enforcement Notice) requiring the default to be remedied;
- (b) *Breach of other obligations*: the Servicer fails to comply with any of its other covenants or obligations under the Servicing Agreement or any other Transaction Document to which it is party which in the opinion of the Trustee is materially prejudicial to the interests of the holders of the Most Senior Class of Notes and does not remedy that failure within 15 Business Days after the earlier of the Servicer becoming aware of the failure and the Servicer being in receipt of a written notice from the Issuer or the Trustee (following delivery of an Enforcement Notice) requiring the failure to be remedied;
- (c) *Licences*: the Servicer fails to maintain required licences, registrations, regulatory approvals and authorisations enabling it to continue servicing the Mortgage Loans; or
- (d) *Insolvency*: an Insolvency Event occurs in relation to the Servicer.

Upon and following the termination of appointment of the Servicer as servicer under the Servicing Agreement, the Back-Up Servicer shall be appointed as Servicer or, if the Back-Up Servicer is not appointed at such time, then the Issuer will be required to use its reasonable endeavours to appoint a successor servicer which satisfies the conditions set out in the Servicing Agreement.

Subject to the fulfilment of a number of conditions (including the appointment of a replacement servicer (who may be the Back-Up Servicer)), the Servicer may voluntarily resign: (i) by giving not less than 6 months' notice to the Issuer and the Trustee (or by such shorter period of notice as may be agreed between the Servicer, the Issuer, the Legal Title Holder, the Seller and Trustee); or (ii) immediately, following the occurrence of a Perfection Event, by giving written notice to the Issuer. The substitute servicer is required to have experience of servicing mortgages in England and Wales and to enter into a servicing agreement with the Issuer and the Trustee substantially on the same terms as the relevant provisions of the Servicing Agreement.

If the appointment of the Servicer is terminated, the Servicer must deliver the title information documents and customer files relating to the Mortgage Loans and Related Security to, or at the direction of, the Issuer.

Where the Back-Up Servicer or a substitute servicer is appointed following the occurrence of a Servicer Termination Event, or the voluntary resignation by the Servicer, the Issuer's costs and expenses associated with the transfer of servicing to the substitute servicer or Back-Up Servicer (the "**Transfer Costs**") will be paid by the Servicer. Where the Servicer fails to pay such Transfer Costs, the Issuer shall pay such Transfer Costs in accordance with the Pre-Enforcement Revenue Priority of Payments.

Liability of the Servicer

The Servicer has agreed to indemnify each of the Issuer and the Trustee, on an after Tax basis, for any Liabilities suffered or incurred by the Issuer and/or Trustee in respect of any Breach of Duty by the Servicer in carrying out its functions as servicer under the Servicing Agreement or any other Transaction Document.

The Servicer's liability in contract, tort or otherwise howsoever arising by reason of or in connection with the Servicing Agreement, shall be limited to the aggregate amount of Servicing Fees received by the Servicer in the then immediately previous 18 month period (or in the case of a period of less than 18 months, the Servicing Fees that would otherwise be

payable for the full 18-month period), excluding any liability which arises by reason of gross negligence, wilful default or fraud by the Servicer.

In no event shall the Servicer or Legal Title Holder be liable for any indirect or consequential loss or damage, or any loss of revenue, profits, goodwill or business whether arising in contract or tort (including negligence), but the liability of the Issuer, Servicer or Legal Title Holder shall not be limited or excluded if it arises as a result of: (i) death or personal injury caused by the negligence of its employees, agents or sub-contractors or (ii) fraud (including fraudulent misrepresentation) or (iii) any liability which cannot be excluded by Applicable Law.

Liability of the Legal Title Holder

The Issuer shall at all times indemnify and hold the Legal Title Holder harmless against any Liabilities (on an after Tax basis) arising out of the Legal Title Holder holding legal title to, or being lender of record for, the Mortgage Loans, the Mortgages and the Related Security (which includes any act or omission of any originator or any prior holder of a Mortgage Loan and/or its Related Security, and/or any prior servicer providing mortgage administration or similar services as to a Mortgage Loan), provided such Liability does not arise as a result of any material breach of its obligations under the Transaction Documents, fraud, wilful default or gross negligence of the Legal Title Holder.

Back-Up Servicer

On or about the Closing Date, the Issuer will appoint the Back-Up Servicer to perform back-up servicer services pursuant to the Back-Up Servicing Agreement.

The Back-Up Servicer will undertake an annual review of the Servicer's computer hardware, software, processes and facilities employed in the performance of its obligations as Servicer under the Servicing Agreement.

Within 60 days of receiving notice of a Servicer Termination Event, the Back-Up Servicer will replace the Servicer on the terms of the Replacement Servicing Agreement

The aggregate liability of the Back-Up Servicer in connection with the performance of its obligations under the Transaction Documents is limited to the Back-Up Servicer Fee other than in the case of the fraud or wilful default or gross negligence of the Back-Up Servicer.

CASH MANAGEMENT

Cash Manager

The Issuer has appointed the Cash Manager pursuant to the Cash Management Agreement. Pursuant to the Cash Management Agreement, the Cash Manager will agree to provide certain cash management and other services to the Issuer. The Cash Manager's principal functions will be effecting payments to and from the Deposit Account and making corresponding calculations and determinations on behalf of the Issuer.

The Cash Manager may, with the prior written consent of the Issuer and the Trustee, appoint any person as its sub-contractor to carry out all or part of the cash management services subject to certain conditions, including that the Cash Manager shall not be released or discharged from any liability whatsoever under the Cash Management Agreement.

Compensation of the Cash Manager

The Cash Manager will receive a cash management fee for the performance of the cash management services. The Issuer will pay the Cash Manager its cash management fee (exclusive of any applicable VAT) quarterly in arrears on each Interest Payment Date only to the extent that the Issuer has sufficient funds in accordance with the relevant Priority of Payments to pay them. Any unpaid balance will be carried forward until the next Interest Payment Date and, if not paid earlier, will be payable in full on the Final Maturity Date or on any earlier date on which an Enforcement Notice is served by the Trustee on the Issuer.

Investor Reports

The Issuer (in its capacity as the designated entity pursuant to Article 7(2) of the EU Securitisation Regulation and Article 7(2) of the UK Securitisation Regulation) has requested that the Cash Manager assists the Issuer and CERH II in the preparation and publication of the Investor Reports. The Cash Manager will (with the assistance of the Servicer and the Issuer) prepare and publish an Investor Report in respect of the Mortgage Portfolio and the Notes containing, *inter alia*, certain aggregated loan data in relation to the Mortgage Portfolio provided by the Servicer in respect of the relevant Collection Period, information in relation to the Notes including, but not limited to, the ratings of the Notes, amounts paid by the Issuer pursuant to the relevant Priority of Payments, required counterparty information and confirmation of the Retention Holder's compliance with Article 6 of the EU Securitisation Regulation and Article 6 of the UK Securitisation Regulation as provided by the Seller or the Issuer.

The Cash Manager, on behalf of the Issuer, will: (i) deliver the monthly Investor Reports to EuroABS; and (ii) publish the monthly Investor Reports on the Cash Manager's website at www.chlmortgages.co.uk.

The Issuer will ensure that the Investor Reports will be published on a quarterly basis: (i) the EuroABS Website (to the extent required by the UK Securitisation Regulation); and (ii) the SecRep EU Website (in its capacity as EU Securitisation Repository), in each case, as required by the UK Securitisation Regulation and the EU Securitisation Regulation (as the case may be).

In addition, loan level information will be provided to EuroABS on a quarterly basis by the Servicer, and the Issuer will ensure that the loan level information is published on the EuroABS Website and the SecRep EU Website (in its capacity as EU Securitisation Repository), in each case, as required by the UK Securitisation Regulation and the EU Securitisation Regulation (as the case may be). For the avoidance of doubt, these websites and the contents thereof do not form part of this Prospectus.

A BOE Tape will be provided on a quarterly basis by the Servicer to EuroABS and the Issuer will ensure that the BOE Tape will be published on the EuroABS Website, for the purpose of the Bank of England's Sterling Monetary Framework.

The first Investor Report shall be published within one month of the First Interest Payment Date and thereafter shall be published: (i) on a monthly basis to www.chlmortgages.co.uk and EuroABS; and (ii) on a quarterly basis to the EuroABS Website and the SecRep EU Website (as the case may be), in compliance with the UK Securitisation Regulation and the EU Securitisation Regulation, in each case, pursuant to the Cash Management.

Removal or Resignation of the Cash Manager

If any of the following events (each a “**Cash Manager Termination Event**”) shall occur:

- (a) *Non-payment*: default is made by the Cash Manager in ensuring the payment on the due date of any payment due and payable by it under the Cash Management Agreement and such default continues (where capable of remedy) unremedied for a period of 3 Business Days from the earlier of (i) the Cash Manager becoming aware of such default or (ii) the receipt by the Cash Manager of written notice from the Issuer (prior to the delivery of an Enforcement Notice) or the Trustee (after the delivery of an Enforcement Notice), as the case may be (with a copy to the Back-Up Cash Manager Facilitator), requiring the default to be remedied;
- (b) *Breach of other obligations*: default is made by the Cash Manager in the performance or observance of any of its other material covenants and obligations under the Cash Management Agreement, which in the opinion of the Issuer is materially prejudicial to the interests of the Noteholders and such default continues unremedied for a period of 20 Business Days after the earlier of the Cash Manager becoming aware of such default (where capable of remedy) and receipt by the Cash Manager of written notice from the Issuer (prior to the delivery of an Enforcement Notice) or the Trustee (after delivery of an Enforcement Notice), as the case may be (with a copy to the Back-Up Cash Manager Facilitator), requiring the same to be remedied (where capable of remedy) **provided that** no period for remedy shall apply in circumstances where in the opinion of the Issuer (prior to the delivery of an Enforcement Notice) or in the opinion of the Trustee (after the delivery of an Enforcement Notice) such breach shall be incapable of remedy;
- (c) *Unlawfulness*: it is or will become unlawful for the Cash Manager to perform or comply with any of its obligations under the Cash Management Agreement;
- (d) *Insolvency Event*: an Insolvency Event occurs in relation to the Cash Manager;
- (e) *Investor Report*: the Cash Manager does not provide the Investor Report in accordance with the terms of the Cash Management Agreement; or
- (f) *Paying Agent instructions*: the Cash Manager fails, in respect of an Interest Payment Date, to deliver the required notice to the Principal Paying Agent setting out, *inter alia*, principal and interest to be paid on such Interest Payment Date in accordance with the terms of the Cash Management Agreement,

then the Issuer or (following delivery of an Enforcement Notice) the Trustee shall upon becoming aware of the relevant Cash Manager Termination Event, deliver a notice (a “**Cash Manager Termination Notice**”) of such Cash Manager Termination Event to the Cash Manager (with a copy to the Issuer or the Trustee, as applicable, and a copy to the Back-Up Cash Manager Facilitator) to terminate its appointment as Cash Manager under the Cash Management Agreement with effect from the date falling 30 days from the date of receipt of such Cash Manager Termination Notice (the “**Cash Manager Termination Date**”) provided **that**, the Cash Manager’s appointment shall not be terminated until a Successor Cash Manager has been appointed.

Pursuant to the Cash Management Agreement, the Successor Cash Manager shall:

- (a) have cash management experience and have the prior written approval of the Issuer and the Trustee;
- (b) enter into an agreement with the Issuer and the Trustee substantially on the terms of this Agreement, and at fees which are consistent with those payable generally at the relevant time for the provision of cash management services for transactions similar to the Transaction; and
- (c) be an entity, the appointment of which shall not result in a downgrade, withdrawal or qualification of the then current ratings of the Rated Notes, unless the holders of the relevant classes of Noteholders otherwise agree by an Extraordinary Resolution.

For the avoidance of doubt, upon termination of the appointment of the Cash Manager, if the Back-Up Cash Manager Facilitator (on behalf of the Issuer) is unable to find a suitable third party willing to act as Successor Cash Manager, this shall not constitute any breach of the provisions of the Cash Management Agreement.

Back-Up Cash Manager Facilitator

The Issuer will appoint the Back-Up Cash Manager Facilitator in accordance with the Cash Management Agreement. If the Cash Manager's appointment is terminated the Back-Up Cash Manager Facilitator shall use reasonable efforts to assist the Issuer in appointing U.S. Bank Global Corporate Trust Limited to act as Successor Cash Manager subject to the conditions of the Cash Management Agreement. If, after 30 days of receiving notice of the Cash Manager's termination, U.S. Bank Global Corporate Trust Limited is unable to act as Successor Cash Manager (the "**U.S. Bank Non-Appointment Date**"), the Back-Up Cash Manager Facilitator shall use reasonable endeavours to appoint a suitably experienced Successor Cash Manager who satisfies the conditions of the Cash Management Agreement within no more than 20 days of the U.S. Bank Non-Appointment Date.

The Back-Up Cash Manager Facilitator will receive the Back-Up Cash Manager Facilitator Fee which payable on each Interest Payment Date.

Bank Accounts

Account Bank Agreement

Pursuant to the terms of the Account Bank Agreement, the Issuer will maintain with the Issuer Account Bank the Deposit Account.

The Issuer shall cause the following ledgers to be established in respect of the Deposit Account: (i) the Liquidity Reserve Fund Ledger (such ledger recording amounts constituting the Liquidity Reserve Fund); (ii) the Principal Ledger; (iii) the Revenue Ledger; (iv) the Principal Deficiency Ledger; (v) the Issuer Profit Ledger, (vii) the Liquidity Standby Ledger and (viii) the LTH Indemnity Reserve Ledger. The Issuer Account Bank will provide a specified rate of interest on any cleared credit balances. The Deposit Account will be operated in accordance with the Cash Management Agreement and the Deed of Charge.

The funds representing the Liquidity Reserve Fund will be credited to, retained in and released from the Deposit Account in accordance with the Account Bank Agreement, the Cash Management Agreement and the Deed of Charge. See the section headed "*Key Structural Features – Credit Enhancement, Liquidity Support, and Priority of Payments*" for more detail.

If at any time the Issuer Account Bank ceases to have the Issuer Account Bank Rating, the appointment of the Issuer Account Bank shall be terminated by the Issuer.

The appointment of the Issuer Account Bank may be terminated in other circumstances by the Issuer (in certain cases only with the consent of the Trustee) or (following the delivery of an Enforcement Notice) the Trustee or automatically upon an Insolvency Event in relation to the Issuer Account Bank, in each case in accordance with the provisions set out in the Account Bank Agreement.

Collections

All payments or Revenue Receipts and Principal Receipts paid by the Borrowers under the Mortgage Loans will be paid into the non-interest bearing Collection Account held by the Legal Title Holder at the Collection Account Bank, in accordance with the relevant collection account agreement. All amounts credited to the Collection Account from (and including) the Cut-off Date will relate to the Mortgage Loans (each such aggregate daily amount, a "**Daily Mortgage Loan Amount**") and the relevant Servicer will submit bank instructions to transfer an amount equal to the Daily Mortgage Loan Amount from the Collection Account into the Deposit Account no later than the next Business Day after that Daily Mortgage Loan Amount is identified as received in the Collection Account.

Collection Account Declaration of Trust

Pursuant to the collection account arrangements in place on the Closing Date, only collections received in respect of the Mortgage Loans constituting the Mortgage Portfolio will be transferred into the Collection Account.

The Legal Title Holder has declared a trust over the funds in the Collection Account in favour of the Issuer and itself pursuant to the Collection Account Declaration of Trust.

KEY STRUCTURAL FEATURES – CREDIT ENHANCEMENT, LIQUIDITY SUPPORT AND PRIORITY OF PAYMENTS

The Notes are obligations of the Issuer only and will not be the obligations of, or the responsibility of, or guaranteed by, any other party. However, there are a number of features of the transaction which enhance the likelihood of timely receipt of payments by the Noteholders, as follows.

Liquidity Support for the Notes and the Certificates provided by Available Revenue Receipts

It is anticipated that, during the life of the Notes, the interest payable by Borrowers on the Mortgage Loans will, assuming that all of the Mortgage Loans are fully performing, be sufficient so that the Available Revenue Receipts will be sufficient to pay the amounts payable in accordance with items (1) to (19) of the Pre-Enforcement Revenue Priority of Payments. The actual amount of any excess payable to the Certificateholders will vary during the life of the Notes. Two of the key factors determining such variation are the interest rates applicable to the Mortgage Loans in the Mortgage Portfolio relative to the payments due on the Notes and the Certificates and the performance of the Mortgage Portfolio.

Available Revenue Receipts will be applied (after making payments ranking higher in the Pre-Enforcement Revenue Priority of Payments) on each Interest Payment Date in accordance with the Pre-Enforcement Revenue Priority of Payments, towards reducing any Principal Deficiency Ledger entries which may arise from Losses on the Mortgage Portfolio, from the application of Available Principal Receipts in accordance with item (2) of the Pre-Enforcement Principal Priority of Payments and (prior to the redemption of the Rated Notes in full) from the application of Available Principal Receipts as Principal Addition Amounts to cure any PAA Deficit in accordance with item (1) of the Pre-Enforcement Principal Priority of Payments (for the avoidance of doubt, drawings under the Liquidity Facility and any Liquidity Reserve Fund Actual Amounts will not be available for the purpose of eliminating any such PAA Deficit).

Amounts will also be available to the Class A Noteholders under the Liquidity Facility Agreement and the Liquidity Reserve Fund – see “*Liquidity Facility Agreement and Liquidity Reserve Fund*” below.

Liquidity Facility Agreement and Liquidity Reserve Fund

On the Closing Date, the Issuer will enter into the Liquidity Facility Agreement and have the Liquidity Facility made available to it thereunder. In addition, on and from the Liquidity Facility Replacement Date, the Issuer or the Cash Manager on its behalf will establish the Liquidity Reserve Fund. Amounts drawn under the Liquidity Facility prior to an Enforcement Notice and Liquidity Reserve Fund Actual Amounts (on and from the Liquidity Facility Replacement Date) will be available to provide liquidity support (and in the case of Liquidity Reserve Fund Actual Amounts only, ultimately credit enhancement) for the Class A Notes (prior to the Class A Redemption Date) and the Class B Notes (following the Class A Redemption Date) **provided that** (on any Interest Payment Date) Excess Liquidity Amounts and (on and from the Class B Redemption Date) all amounts standing to the credit of the Liquidity Reserve Fund Ledger, will form part of Available Revenue Receipts and be applied in accordance with the Pre-Enforcement Revenue Priority of Payments.

The Liquidity Reserve Fund Actual Amount will be deposited in the Deposit Account (with a corresponding credit being made to the Liquidity Reserve Fund Ledger). For the avoidance of doubt, prior to the Liquidity Facility Replacement Date, the Liquidity Reserve Fund Actual Amount will be zero. The Issuer may invest the amounts standing to the credit of the Liquidity Reserve Fund Ledger from time to time in Authorised Investments.

If required, amounts drawn under the Liquidity Facility will be applied by the Cash Manager as Available Revenue Receipts to the extent there is a shortfall to meet, (A) prior to the Class A Redemption Date, items (1) to (4) of the Pre-Enforcement Revenue Priority of Payments and (B) following the Class A Redemption Date, items (1) to (3) and item (6) of the Pre-Enforcement Revenue Priority of Payments, and (on and from the Liquidity Facility Replacement Date) amounts representing the Liquidity Reserve Fund Actual Amount will, (A) for so long as any Class A Notes are outstanding be applied by the Cash Manager as Available Revenue Receipts to the extent there is a shortfall to meet items (1) to (4) of the Pre-Enforcement Revenue Priority of Payments; and (B) following the Class A Redemption Date, for so long as any Class B Notes are outstanding, for so long as any Class A Notes are outstanding, be applied by the Cash Manager as Available Revenue Receipts to the extent there is a shortfall to meet items (1) to (3) and item (6) of the Pre-Enforcement Revenue Priority of Payments, **provided that:**

- on each Interest Payment Date prior to the Liquidity Facility Replacement Date, such shortfall shall be funded:
 - (i) *first*, by application of any Principal Addition Amounts in relation to the Most Senior Class of Notes to cure any PAA Deficit on such Interest Payment Date; and
 - (ii) *second*, by application of amounts available under the Liquidity Facility;
- on each Interest Payment Date on and from the Liquidity Facility Replacement Date, such shortfall shall be funded:
 - (i) *first*, by application of any Principal Addition Amounts in relation to the Most Senior Class of Notes to cure any PAA Deficit on such Interest Payment Date;
 - (ii) *second*, by application of any Liquidity Reserve Fund Actual Amounts; and
 - (iii) *third*, by application of amounts available under the Liquidity Facility;
- on each Interest Payment Date before the Class B Redemption Date, Excess Liquidity Amounts will form part of Available Revenue Receipts and will be applied in accordance with the Pre-Enforcement Revenue Priority of Payments; and
- on and from the Class B Redemption Date, all amounts standing to the credit of the Liquidity Reserve Fund Ledger will form part of Available Revenue Receipts and will be applied in accordance with the Pre-Enforcement Revenue Priority of Payments.

On and from Liquidity Facility Replacement Date up to and including the Class B Redemption Date, the Liquidity Reserve Fund will be funded in accordance with item (16) of the Pre-Enforcement Revenue Priority of Payments and (disregarding for these purposes any Liquidity Reserve Fund Actual Amounts applied on that or any previous Interest Payment Date) item (2) of the Pre-Enforcement Principal Priority of Payments, up to the Liquidity Reserve Target.

On and from the Liquidity Facility Replacement Date, any amounts credited to the Liquidity Reserve Fund, will (disregarding for such purposes, any debit entries made to the Liquidity Reserve Fund Ledger on or prior to such Interest Payment Date) reduce the commitment amount under the Liquidity Facility by an equivalent amount until the commitment amount under the Liquidity Facility is reduced to zero.

On and following the LF Cancellation Date, the commitment amount under the Liquidity Facility will be zero.

On the Class B Redemption Date, all amounts standing to the credit of the Liquidity Reserve Fund Ledger will form part of Available Revenue Receipts and will be applied in accordance with the Pre-Enforcement Revenue Priority of Payments.

Use of Available Principal Receipts to pay PAA Deficit

On each Calculation Date prior to the service of an Enforcement Notice and prior to the redemption of the Rated Notes in full, and with reference to the immediately following Interest Payment Date, the Cash Manager will calculate whether there will be an excess or a deficit of Available Revenue Receipts available to pay PAA Deficits, being:

- (a) if the Class A Notes are the Most Senior Class, items (1) to (4) of the Pre-Enforcement Revenue Priority of Payments until all amounts payable thereunder are paid in full;
- (b) if the Class B Notes are the Most Senior Class, items (1) to (3) and (6) of the Pre-Enforcement Revenue Priority of Payments;
- (c) if the Class C Notes are the Most Senior Class, items (1) to (3) and (8) of the Pre-Enforcement Revenue Priority of Payments;
- (d) if the Class D Notes are the Most Senior Class, items (1) to (3) and (10) of the Pre-Enforcement Revenue Priority of Payments;
- (e) if the Class E Notes are the Most Senior Class, items (1) to (3) and (12) of the Pre-Enforcement Revenue Priority of Payments;

- (f) if the Class F Notes are the Most Senior Class, items (1) to (3) and (14) of the Pre-Enforcement Revenue Priority of Payments; and
- (g) if the Class Z Notes are the Most Senior Class, items (1) to (3) of the Pre-Enforcement Revenue Priority of Payments, (but disregarding for these purposes, items (c), (d) and (e) of the definition of Available Revenue Receipts).

If the Cash Manager determines that there will be a PAA Deficit, then pursuant to item (1) of the Pre-Enforcement Principal Priority of Payments, the Cash Manager on behalf of the Issuer shall apply Available Principal Receipts being the Principal Addition Amounts as Available Revenue Receipts in accordance with the Pre-Enforcement Revenue Priority of Payments.

Any Available Principal Receipts applied as Principal Addition Amounts on any Interest Payment Date in accordance with item (1) of the Pre-Enforcement Principal Priority of Payments will be recorded as a debit on the Principal Deficiency Ledger (as further described below).

Principal Deficiency Ledger

A Principal Deficiency Ledger will be established to record as a debit (i) any Losses affecting the Mortgage Loans in the Mortgage Portfolio; (ii) any Principal Addition Amounts and (iii) any Available Principal Receipts applied in accordance with item (2) of the Pre-Enforcement Principal Priority of Payments.

The Principal Deficiency Ledger will comprise seven sub-ledgers (one for each Class of Notes).

Any (i) Losses on the Mortgage Portfolio will be recorded as a debit on the date on which the Cash Manager is informed of such Losses by the Servicer; (ii) Principal Addition Amounts; and (iii) amounts of Available Principal Receipts applied in accordance with item (2) of the Pre-Enforcement Principal Priority of Payments will be recorded as a debit on the Calculation Date immediately preceding the Interest Payment Date on which they are so applied. All such debits will be recorded and debited in the following manner:

- (a) *first*, to the Class Z Principal Deficiency Sub-Ledger up to a maximum amount equal to the Principal Amount Outstanding of the Class Z Notes;
- (b) *second*, to the Class F Principal Deficiency Sub-Ledger up to a maximum amount equal to the Principal Amount Outstanding of the Class F Notes;
- (c) *third*, to the Class E Principal Deficiency Sub-Ledger up to a maximum amount equal to the Principal Amount Outstanding of the Class E Notes;
- (d) *fourth*, to the Class D Principal Deficiency Sub-Ledger up to a maximum amount equal to the Principal Amount Outstanding of the Class D Notes;
- (e) *fifth*, to the Class C Principal Deficiency Sub-Ledger up to a maximum amount equal to the Principal Amount Outstanding of the Class C Notes;
- (f) *sixth*, to the Class B Principal Deficiency Sub-Ledger up to a maximum amount equal to the Principal Amount Outstanding of the Class B Notes; and
- (g) *seventh*, to the Class A Principal Deficiency Sub-Ledger up to a maximum amount equal to the Principal Amount Outstanding of the Class A Notes.

Investors should note that realised Losses in any period will be calculated after applying any recoveries following enforcement of a Mortgage Loan to outstanding fees, expenses, and interest amounts due and payable on the relevant Mortgage Loan.

The Cash Manager will record as a credit to the Principal Deficiency Ledger, the Available Revenue Receipts applied pursuant to items (5), (7), (9), (11), (13), (15) and (17) of the Pre-Enforcement Revenue Priority of Payments (if any) (which amounts shall, for the avoidance of doubt, thereupon become Available Principal Receipts).

Operation of ledgers

Pursuant to the Cash Management Agreement, the Cash Manager shall maintain the following ledgers on behalf of the Issuer:

- (a) the **Principal Ledger**, which will record all Principal Receipts received by the Issuer and the distribution of the Principal Receipts in accordance with the Pre-Enforcement Principal Priority of Payments or the Post-Enforcement Priority of Payments (as applicable);
- (b) the **Revenue Ledger**, which shall record as a credit all Revenue Receipts and the proceeds of each Liquidity Drawing and as a debit the distribution of the Revenue Receipts and the distribution of any other relevant amounts recorded on the Revenue Ledger in accordance with the Pre-Enforcement Revenue Priority of Payments or the Post-Enforcement Priority of Payments (as applicable) or by way of Permitted Withdrawals;
- (c) the **Liquidity Reserve Fund Ledger**, which will record amounts of Liquidity Reserve Fund Actual Amounts credited to, and debited from, the Liquidity Reserve Fund. On each Interest Payment Date (prior to service of an Enforcement Notice), the Cash Manager will record:
 - (i) **as a debit:**
 - (A) prior to the Class A Redemption Date, Liquidity Reserve Fund Actual Amounts used to meet any shortfall in amounts due in respect of items (1) to (4) of the Pre-Enforcement Revenue Priority of Payments;
 - (B) following the Class A Redemption Date (and prior to the Class B Redemption Date), Liquidity Reserve Fund Actual Amounts used to meet any shortfall in amounts due in respect of items (1) to (3) and item (6) of the Pre-Enforcement Revenue Priority of Payments; and
 - (ii) **as a credit:**
 - (A) amounts credited to the Liquidity Reserve Fund, on and from the Liquidity Facility Replacement Date, and up to and including the Class B Redemption Date, in accordance with (i) *first*, item (16) of the Pre-Enforcement Revenue Priority of Payments; and (ii) *second*, (disregarding for these purposes any Liquidity Reserve Fund Actual Amounts applied on that or any previous Interest Payment Date) item (2) of the Pre-Enforcement Principal Priority of Payments, up to the Liquidity Reserve Target;
- (d) the **Principal Deficiency Ledger**, which will record on the appropriate sub-ledger as a debit (i) deficiencies arising from Losses on the Mortgage Portfolio (on the date the Cash Manager is informed of such Losses by the Servicer); (ii) Principal Addition Amounts and (iii) any Available Principal Receipts applied in accordance with item (2) of the Pre-Enforcement Principal Priority of Payments (in the case of (ii) and (iii), on the Calculation Date immediately preceding the Interest Payment Date on which the relevant amounts are to be applied), and record as a credit Available Revenue Receipts applied as Available Principal Receipts pursuant to the Pre-Enforcement Revenue Priority of Payments (if any) on each Interest Payment Date (see “*Principal Deficiency Ledger*” above);
- (e) the **Issuer Profit Ledger**, which shall record as a credit any amounts retained by the Issuer as profit in accordance with the Pre-Enforcement Revenue Priority of Payments and as a debit any amount used to discharge any tax liability of the Issuer;
- (f) the **Liquidity Standby Ledger**, which shall record Liquidity Standby Drawings, and as a debit any amount of such drawing applied as a deemed Liquidity Drawing to:
 - (A) meet a shortfall in amounts due in respect of (A) prior to the Class A Redemption Date, items (1) to (4) of the Pre-Enforcement Revenue Priority of Payments in each case after applying any Principal Addition Amounts in relation to the Notes to cure a PAA Deficit on such Interest Payment Date and after applying any Liquidity Reserve Fund Actual Amounts and (B) following the Class A Redemption Date, items (1) to (3) and item (6) of the Pre-Enforcement Revenue Priority of Payments in each case after applying any Principal Addition Amounts in relation to the Class B Notes to cure a PAA Deficit on such Interest Payment Date and after applying any Liquidity Reserve Fund Actual Amounts; or

- (B) which are returned to the Liquidity Facility Provider following the repayment or prepayment of any Liquidity Standby Drawing or cancellation of its commitment under the Liquidity Facility Agreement;
- (g) the **LTH Indemnity Reserve Ledger** shall record on and from the First Interest Payment Date any amounts made available in accordance with item (19)(ii) of the Pre-Enforcement Revenue Priority of Payments. Amounts standing to the credit of the LTH Indemnity Reserve Ledger shall be debited from time to time, (i) in order to pay or provide for LTH Indemnity Amounts (if any); and (ii) on the Interest Payment Date immediately prior to the Final Maturity Date, in an amount equal to all amounts standing the credit of the LTH Indemnity Reserve Ledger (after having paid or provided for all LTH Indemnity Amounts), as Available Revenue Receipts.

Balances standing to the credit of the Deposit Account, and recorded on the ledgers will accrue interest on the Actual/365 basis at a per annum rate specified to the Issuer by the Issuer Account Bank from time to time.

Available Revenue Receipts and Available Principal Receipts and Interest Deferral

Available Revenue Receipts and Available Principal Receipts shall be applied on each Interest Payment Date in accordance with the Pre-Enforcement Revenue Priority of Payments and the Pre-Enforcement Principal Priority of Payments, respectively. Other than Issuer Profit Amounts, it is not intended that any surplus will be accumulated in the Issuer.

If, on any Interest Payment Date while there are Rated Notes outstanding, the Issuer has insufficient Available Revenue Receipts to pay the interest thereon or interest due on the Subordinated Notes that would otherwise be payable, then (other than in respect of the Class A Notes) the Issuer will be entitled under Condition 8.12 (*Subordination by Deferral*) to defer payment of that amount (to the extent of the insufficiency) until the following Interest Payment Date. Any such deferral in accordance with the deferral provisions contained in the Conditions will not constitute an Event of Default. However, failure to pay interest on the Class A Notes within any applicable grace period in accordance with the Conditions shall constitute an Event of Default under the Notes which may result in the Trustee enforcing the Security.

“**Available Revenue Receipts**” means for any Interest Payment Date (without double counting):

- (a) Revenue Receipts on the Mortgage Loans received during the three immediately preceding Collection Periods or, if any of the immediately preceding three Collection Periods is a Determination Period, Calculated Revenue Receipts (excluding in each case an amount to be applied as Available Principal Receipts in accordance with Condition 8.13(c)(i) (*Determinations and Reconciliation*) on the relevant Interest Payment Date);
- (b) interest payable to the Issuer on the Deposit Account (including in respect of any Liquidity Standby Drawings credited to the Deposit Account) and income from any Authorised Investments received during the three immediately preceding Collection Periods;
- (c) (A) prior to the LF Cancellation Date, any Liquidity Drawing (where for the avoidance of doubt, “Liquidity Drawing” does not include any Liquidity Standby Drawing) and (B) on and from the Liquidity Facility Replacement Date, the Liquidity Reserve Fund Actual Amount, but only to the extent necessary (after applying all other Available Revenue Receipts and any Principal Addition Amounts to do so (assuming for the purpose of this paragraph (c) that this paragraph (c) had not applied)) to make payments in the Pre-Enforcement Revenue Priority of Payments to the extent there is a shortfall to meet items, (A) prior to the Class A Redemption Date, (1) to (4) of the Pre-Enforcement Revenue Priority of Payments and (B) following the Class A Redemption Date (but prior to the Class B Redemption Date), items (1) to (3) and item (6) of the Pre-Enforcement Revenue Priority of Payments. If the LF Cancellation Date has not yet occurred the Liquidity Reserve Fund Actual Amount will be applied first before any Liquidity Drawing is made;
- (d) Principal Addition Amounts to be applied as Available Revenue Receipts (prior to the application of Liquidity Drawings and the Liquidity Reserve Fund Actual Amount in accordance with paragraph (c) above);
- (e) any amount applied as Available Revenue Receipts in accordance with Condition 8.13(c)(ii) (*Determinations and Reconciliation*);
- (f) other net income of the Issuer received during the three immediately preceding Collection Periods (other than any Principal Receipts);

- (g) any Excess Liquidity Amounts; and
- (h) on the Interest Payment Date immediately prior to the Final Maturity Date, all amounts standing to the credit of the LTH Indemnity Reserve Ledger (after having paid or provided for all LTH Indemnity Amounts (if any));

less:

- (i) Permitted Withdrawals.

For the avoidance of doubt, the issuance proceeds of any Further Class A1 Notes shall not form part of Available Revenue Receipts.

“Available Principal Receipts” means for any Interest Payment Date (without double counting):

- (a) Principal Receipts on the Mortgage Loans received during the three immediately preceding Collection Periods;
- (b) amounts (if any) to be credited to the Principal Deficiency Ledger pursuant to items (5) and/or (7) and/or (9) and/or (11) and/or (13) and/or (15) and/or (17) of the Pre-Enforcement Revenue Priority of Payments;
- (c) any amount to be applied as Available Principal Receipts in accordance with Condition 8.13(c)(i) (*Determinations and Reconciliation*); and
- (d) any Enhanced Amortisation Amounts.

For the avoidance of doubt, the issuance proceeds of any Further Class A1 Notes shall not form part of Available Principal Receipts.

Application of Available Revenue Receipts prior to the service of an Enforcement Notice by the Trustee on the Issuer

On each Interest Payment Date prior to the service of an Enforcement Notice by the Trustee on the Issuer, the Cash Manager (on behalf of the Issuer) shall apply or provide for the Available Revenue Receipts in the following order of priority (in each case only if and to the extent that payments or provisions of a higher priority have been made in full) (the **“Pre-Enforcement Revenue Priority of Payments”**):

- (1) in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof of:
 - (i) any amounts due and payable to the Servicer and any costs, charges, liabilities and expenses then due and payable to the Servicer or any such amount to become due and payable to the Servicer in the immediately succeeding Interest Period under the provisions of the Servicing Agreement (the **“Servicer Original Amount”**), *less* the amount by which the Servicer Original Amount exceeds the Applicable Servicer Fee Cap;
 - (ii) any amounts due and payable to the Back-Up Servicer (including any Transfer Costs which the Servicer has failed to pay) and any costs, charges, liabilities and expenses then due and payable to the Back-Up Servicer or any such amount to become due and payable to the Back-Up Servicer in the immediately succeeding Interest Period under the provisions of the Back-Up Servicing Agreement (the **“BUS Original Amount”**), *less* the amount by which the BUS Original Amount exceeds the Applicable Servicer Fee Cap of the Back-Up Servicer;
 - (iii) any fees, costs, charges, liabilities, expenses and all other amounts then due and payable or to become due and payable in the immediately succeeding Interest Period to the Trustee or any Appointee, together with (if payable) VAT thereon;
 - (iv) any remuneration then due and payable to the Agent Bank, the Registrar and the Paying Agents and any costs, charges, liabilities and expenses then due or to become due and payable in the immediately succeeding Interest Period to them under the provisions of the Agency Agreement, together with (if payable) VAT thereon;

- (v) any amounts then due and payable to the Cash Manager and any costs, charges, liabilities and expenses then due and payable to the Cash Manager or any such amount to become due and payable to the Cash Manager in the immediately succeeding Interest Period under the provisions of the Cash Management Agreement, together with (if payable) VAT thereon;
 - (vi) any amounts then due and payable to the Back-Up Cash Manager Facilitator and any costs, charges, liabilities and expenses then due and payable to the Back-Up Cash Manager Facilitator or any such amount to become due and payable to the Back-Up Cash Manager Facilitator in the immediately succeeding Interest Period under the provisions of the Cash Management Agreement, together with (if payable) VAT thereon;
 - (vii) any amounts then due and payable to the Corporate Services Provider and any costs, charges, liabilities and expenses then due and payable or to become due and payable in the immediately succeeding Interest Period to the Corporate Services Provider under the provisions of the Corporate Services Agreement, together with (if payable) VAT thereon; and
 - (viii) any amounts then due and payable to the Collection Account Bank (including any Direct Debit Liability Amount then due and payable to the Collection Account Bank), the Issuer Account Bank or to such bank at which any other account in the name of the Issuer is held and any costs, charges, liabilities and expenses then due and payable to the Collection Account Bank, the Issuer Account Bank or to such bank at which any other account in the name of the Issuer is held, any such amount to become due and payable to the Collection Account Bank, the Issuer Account Bank or to any such other bank, as applicable, in the immediately succeeding Interest Period under the provisions of the Collection Account Declaration of Trust, the Account Bank Agreement or agreement governing the operation of any other account in the name for the Issuer, together with (if payable) VAT thereon;
- (2) in or towards payment *pro rata* and *pari passu*:
- (i) any amounts due and payable by the Issuer to third parties and incurred without breach by the Issuer of the Transaction Documents to which it is a party (and for which payment has not been provided for elsewhere) and any amounts necessary to provide for any such amounts expected to become due and payable by the Issuer in the immediately succeeding Interest Period (including, without limitation, any rating agency surveillance fees, statutory audit costs, annual listing maintenance fees);
 - (ii) in or towards satisfaction of the Issuer Profit Amount and amounts required to discharge any liability of the Issuer for corporation tax (which cannot be met out of amounts previously retained as Issuer Profit Amount); and
 - (iii) if applicable, the fees, costs, liabilities and expenses of any other third party website provider (including, for the avoidance of doubt, the EU Securitisation Repository and EuroABS);
- (3) to pay any amounts and liabilities then due and payable to the Liquidity Facility Provider and any fees, costs, charges and expenses then due to the Liquidity Facility Provider under the provisions of the Liquidity Facility Agreement, together with (if payable) VAT thereon (the “**LFP Amount**”);
- (4) in or towards payment *pro rata* and *pari passu* of interest due and payable on the Class A Notes;
- (5) to credit the Class A Principal Deficiency Sub-Ledger in an amount sufficient to eliminate any debit thereon;
- (6) in or towards payment *pro rata* and *pari passu* of interest due and payable on the Class B Notes;
- (7) to credit the Class B Principal Deficiency Sub-Ledger in an amount sufficient to eliminate any debit thereon;
- (8) in or towards payment *pro rata* and *pari passu* of interest due and payable on the Class C Notes;
- (9) to credit the Class C Principal Deficiency Sub-Ledger in an amount sufficient to eliminate any debit thereon;
- (10) in or towards payment *pro rata* and *pari passu* of interest due and payable on the Class D Notes;
- (11) to credit the Class D Principal Deficiency Sub-Ledger in an amount sufficient to eliminate any debit thereon;
- (12) in or towards payment *pro rata* and *pari passu* of interest due and payable on the Class E Notes;

- (13) to credit the Class E Principal Deficiency Sub-Ledger in an amount sufficient to eliminate any debit thereon;
- (14) in or towards payment *pro rata* and *pari passu* of interest due and payable on the Class F Notes;
- (15) to credit the Class F Principal Deficiency Sub-Ledger in an amount sufficient to eliminate any debit thereon;
- (16) on and from the Liquidity Facility Replacement Date and after taking into account Available Principal Receipts to be applied on such Interest Payment Date in accordance with item (2) of the Pre-Enforcement Principal Priority of Payments, amounts to be credited to the Liquidity Reserve Fund up to the Liquidity Reserve Target;
- (17) to credit the Class Z Principal Deficiency Sub-Ledger in an amount sufficient to eliminate any debit thereon;
- (18) in or towards payment of the Subordinated Servicing Fees;
- (19) in respect of the Legal Title Holder,
 - (i) to the extent that there are no amounts standing to the credit of the LTH Indemnity Reserve Ledger or such amounts are otherwise insufficient to pay or provide for any LTH Indemnity Amounts then due, in or towards payment of any LTH Indemnity Amounts in excess of the amounts standing to the credit of the LTH Indemnity Reserve Ledger; and
 - (ii) to credit the LTH Indemnity Reserve Ledger up to the LTH Indemnity Reserve Required Amount;
- (20) on any Interest Payment Date prior to the Final Rated Notes Redemption Date, an amount equal to the lesser of:
 - (i) all remaining Available Revenue Receipts (having applied such amounts pursuant to items (1) to (19) (inclusive), above; and
 - (ii) the amount required by the Issuer to pay in full all amounts payable under items 1 to 8 of the Pre-Enforcement Principal Priority of Payments,
 to be applied as Available Principal Receipts (the “**Enhanced Amortisation Amount**”); and
- (21) to pay, *pro rata* and *pari passu*, the XB Payment due on the Class XB Certificates (which shall be zero in circumstances where the Issuer has insufficient proceeds available to meet its obligations under items (1) to (20) above).

Application of Principal Receipts prior to service of an Enforcement Notice

Prior to the service of an Enforcement Notice on the Issuer by the Trustee, the Issuer is required pursuant to the terms of the Cash Management Agreement to apply Available Principal Receipts (for the avoidance of doubt, Par Proceeds from Further Class A1 Notes issuance are to be applied to redeem the Class A2 Notes only, after the distribution of all other amounts on the Interest Payment Date in accordance with the Pre-Enforcement Principal Priority of Payments) on each Interest Payment Date in the following order of priority (the “**Pre-Enforcement Principal Priority of Payments**”):

- (1) any Principal Addition Amounts to be applied to meet any PAA Deficit;
- (2) on and from the Liquidity Facility Replacement Date up to and including the Class B Redemption Date (disregarding for these purposes any Liquidity Reserve Fund Actual Amounts applied on that or any previous Interest Payment Date), to credit the Liquidity Reserve Fund Ledger by an amount which, when aggregated with all other amounts credited to the Liquidity Reserve Fund Ledger pursuant to item (16) of the Pre-Enforcement Revenue Priority of Payments or this item (2), is equal to the Liquidity Reserve Target;
- (3) in or towards payment *pro rata* and *pari passu* of principal due and payable on the Class A Notes (excluding, for the avoidance of doubt, any Further Class A1 Notes issued on such Interest Payment Date) until the Class A Notes have been reduced to zero;
- (4) in or towards payment *pro rata* and *pari passu* of principal due and payable on the Class B Notes until the Class B Notes have been reduced to zero;

- (5) in or towards payment *pro rata* and *pari passu* of principal due and payable on the Class C Notes until the Class C Notes have been reduced to zero;
- (6) in or towards payment *pro rata* and *pari passu* of principal due and payable on the Class D Notes until the Class D Notes have been reduced to zero;
- (7) in or towards payment *pro rata* and *pari passu* of principal due and payable on the Class E Notes until the Class E Notes have been reduced to zero;
- (8) in or towards payment *pro rata* and *pari passu* of principal due and payable on the Class F Notes until the Class F Notes have been reduced to zero;
- (9) in or towards payment *pro rata* and *pari passu* of principal due and payable on the Class Z Notes until the Class Z Notes have been reduced to zero; and
- (10) in or towards payment *pro rata* and *pari passu* of the XB Payment on the Class XB Certificates (which shall be zero in circumstances where the Issuer has insufficient proceeds available to meet its obligations under items (1) to (9) above).

Par Proceeds of the issuance of Further Class A1 Notes

Par Proceeds from Further A1 Notes issuances shall not form part of Available Principal Receipts or Available Revenue Receipts but rather will instead be used by the Issuer solely to redeem the Class A2 Notes (in part or in full) on the Interest Payment Date on which the Further Class A1 are issued. On the Interest Payment that the Further Class A1 Notes are issued, the Priority of Payments shall be run, and, following application of the Priority of Payments, the Par Proceeds will be applied solely in or towards the redemption of the Class A2 Notes (in part or in full).

Post-Enforcement Priority of Payments

Following the service of an Enforcement Notice by the Trustee on the Issuer, the Trustee (or the Cash Manager on its behalf or a Receiver) will apply all monies held in the Charged Accounts (other than any amounts standing to the credit of the Liquidity Standby Ledger following the credit to the Liquidity Standby Ledger of any Liquidity Standby Drawing made under the Liquidity Facility Agreement, and any Permitted Withdrawals) and all amounts received or recovered following service of an Enforcement Notice in the following order of priority (the “**Post-Enforcement Priority of Payments**”):

- (1) in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof of:
 - (i) any fees, costs, charges, liabilities, expenses and all other amounts then due and payable to the Trustee or any Appointee, under the provisions of the Trust Deed and the other Transaction Documents, together with (if payable) VAT thereon as provided therein; and
 - (ii) any fees, costs, charges, liabilities, expenses and all other amounts then due and payable to any Receiver appointed by the Trustee or any Appointee under the provisions of the Deed of Charge and the other Transaction Documents, together with (if payable) VAT thereon as provided therein;
- (2) in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof of:
 - (i) any remuneration then due and payable to the Agent Bank, the Registrar and the Paying Agents and any costs, charges, liabilities and expenses then due and payable to them under the provisions of the Agency Agreement, together with (if payable) VAT thereon as provided therein;
 - (ii) any amounts then due and payable to the Cash Manager and any costs, charges, liabilities and expenses then due and payable to the Cash Manager or any such amount to become due and payable to the Cash Manager in the immediately succeeding Interest Period under the provisions of the Cash Management Agreement, together with (if payable) VAT thereon as provided therein;
 - (iii) any amounts then due and payable to the Back-Up Cash Manager Facilitator and any costs, charges, liabilities and expenses then due and payable to the Back-Up Cash Manager Facilitator or any such amount to become due and payable to the Back-Up Cash Manager Facilitator in the immediately succeeding Interest

Period under the provisions of the Cash Management Agreement, together with (if payable) VAT thereon as provided therein;

- (iv) any amounts then due and payable to the Collection Account Bank (including any Direct Debit Liability Amount then due and payable to the Collection Account Bank), the Issuer Account Bank or to such bank at which any other account in the name of the Issuer is held and any costs, charges, liabilities and expenses then due and payable to the Collection Account Bank, the Issuer Account Bank or to such bank at which any other account in the name of the Issuer is held, any such amount to become due and payable to the Collection Account Bank, the Issuer Account Bank or to any such other bank, as applicable, in the immediately succeeding Interest Period under the provisions of the Collection Account Declaration of Trust, the Account Bank Agreement or agreement governing the operation of any other account in the name of the Issuer, together with (if payable) VAT thereon as provided therein;
 - (v) any amounts then due and payable to the Corporate Services Provider and any costs, charges, liabilities and expenses then due and payable or to become due and payable in the immediately succeeding Interest Period to the Corporate Services Provider under the provisions of the Corporate Services Agreement, together with (if payable) VAT thereon as provided therein;
 - (vi) any amounts due and payable by the Issuer to third parties and incurred without breach by the Issuer of the Transaction Documents to which it is a party (and for which payment has not been provided for elsewhere) and any amounts necessary to provide for any such amounts expected to become due and payable by the Issuer in the immediately succeeding Interest Period (including, without limitation, any rating agency surveillance fees, statutory audit costs, annual listing maintenance fees);
 - (vii) if applicable, the fees, costs, liabilities and expenses of any other third party website provider (including, for the avoidance of doubt, the EU Securitisation Repository and EuroABS);
 - (viii) any Servicer Original Amount, *less* the amount by which the Servicer Original Amount exceeds the Applicable Servicer Fee Cap of the Servicer; and
 - (ix) any BUS Original Amount, *less* the amount to which the BUS Original Amount exceeds the Applicable Servicer Fee Cap of the Back-Up Servicer together with (if payable) VAT on the BUS Original Amount;
- (3) to pay any amounts and liabilities then due and payable to the Liquidity Facility Provider including any fees, costs, charges and expenses then due under the provisions of the Liquidity Documents, together with (if payable) VAT thereon as provided therein;
 - (4) in or towards payment *pro rata* and *pari passu* first of interest and then principal due and payable on the Class A Notes until the Principal Amount Outstanding of the Class A Notes has been redeemed in full;
 - (5) in or towards payment *pro rata* and *pari passu* first of interest and then principal due and payable on the Class B Notes until the Principal Amount Outstanding of the Class B Notes has been redeemed in full;
 - (6) in or towards payment *pro rata* and *pari passu* first of interest and then principal due and payable on the Class C Notes until the Principal Amount Outstanding of the Class C Notes has been redeemed in full;
 - (7) in or towards payment *pro rata* and *pari passu* first of interest and then principal due and payable on the Class D Notes until the Principal Amount Outstanding of the Class D Notes has been redeemed in full;
 - (8) in or towards payment *pro rata* and *pari passu* first of interest and then principal due and payable on the Class E Notes until the Principal Amount Outstanding of the Class E Notes has been redeemed in full;
 - (9) in or towards payment *pro rata* and *pari passu* first of interest and then principal due and payable on the Class F Notes until the Principal Amount Outstanding of the Class F Notes has been redeemed in full;
 - (10) in or towards payment of the Subordinated Servicing Fees in excess of the Servicer Fee Cap;
 - (11) in respect of the Legal Title Holder, to the extent that there are no amounts standing to the credit of the LTH Indemnity Reserve Ledger or such amounts are otherwise insufficient to pay or provide for any LTH Indemnity

Amounts then due, in or towards payment of any LTH Indemnity Amounts in excess of the amounts standing to the credit of the LTH Indemnity Reserve Ledger;

- (12) in or towards payment *pro rata* and *pari passu* of principal due and payable on the Class Z Notes until the Principal Amount Outstanding of the Class Z Notes has been redeemed in full;
- (13) in or towards payment *pro rata* and *pari passu* of any amounts due and payable by the Issuer to third parties and incurred without breach by the Issuer of the Transaction Documents to which it is a party (and for which payment has not been provided for elsewhere) and any amounts necessary to provide for any such amounts expected to become due and payable by the Issuer in the immediately succeeding Interest Period;
- (14) to the Issuer, the Issuer Profit Amount and amounts required to discharge any liability of the Issuer for corporation tax (which cannot be met out of amounts previously retained as the Issuer Profit Amount); and
- (15) to pay, *pro rata* and *pari passu*, the XB Payment due on the Class XB Certificates (which shall be zero in circumstances where the Issuer has insufficient proceeds available to meet its obligations under items (1) to (14) above).

Liquidity Drawings

In the event that the Cash Manager determines that there would be a shortfall in Available Revenue Receipts to pay items (1) to (4) (prior to the Class A Redemption Date) and items (1) to (3) and item (6) (following the Class A Redemption Date), in each case, of the Pre-Enforcement Revenue Priority of Payments:

- (i) prior to the Liquidity Facility Replacement Date, after applying any Principal Addition Amounts to cure any PAA Deficit; or
- (ii) on and from the Liquidity Facility Replacement Date, after applying any Principal Addition Amounts to cure any PAA Deficit and first taking into account any Liquidity Reserve Fund Actual Amounts,

the Cash Manager must (prior to a Liquidity Facility Event of Default) notify the Issuer of the same and the Issuer will request a drawing under the Liquidity Facility in an amount equal to such shortfall for application by the Issuer in accordance with the Pre-Enforcement Revenue Priority of Payments. The proceeds of any Liquidity Drawing will be credited to the Deposit Account and recorded on the Revenue Ledger and will form part of Available Revenue Receipts on the relevant Interest Payment Date.

Liquidity Standby Drawings

The Liquidity Facility Agreement will provide that, if at any time:

- (a) a Downgrade Event has occurred and is outstanding and a 30-day period (or, in the case of a Downgrade Event relating to an S&P rating, a 90-day period) has expired from the occurrence of such Downgrade Event; or
- (b) an Extension Refusal has occurred and is outstanding,

then the Issuer (i) may find an alternative liquidity facility provider, or (ii) must (in the case of paragraph (a) above, on the condition that (A) the rights and obligations of the Liquidity Facility Provider under the Liquidity Facility Agreement have not been transferred or assigned to a New Liquidity Facility Provider or (B) a new liquidity facility agreement has not been entered into by the Issuer with a New Liquidity Facility Provider on terms substantially similar to the terms of Liquidity Facility Agreement), or may (in the case of paragraph (b) above), require the Liquidity Facility Provider to pay the Liquidity Standby Drawing into the Deposit Account and credited to the Liquidity Standby Ledger.

If the Liquidity Facility Provider is required to advance a Liquidity Standby Drawing to the Issuer, if it is so requested by or on behalf of the Issuer or if it so chooses, the Liquidity Facility Provider shall, at the expense of the Issuer, transfer the facility to, or replace itself with, a new liquidity facility provider. In the event that the Issuer makes a Liquidity Standby Drawing the Cash Manager will be required, prior to the proceeds of such drawing being applied as deemed Liquidity Drawings as described above, to invest such funds in Authorised Investments. Amounts standing to the credit of the Liquidity Standby Ledger will be available to the Issuer, if no Liquidity Facility Event of Default is outstanding or would

result from the making of the drawing, for the purposes of making deemed Liquidity Drawings as described above and in accordance with the terms of the Liquidity Facility Agreement. Following (a) the service of an Enforcement Notice or the Notes otherwise becoming due and repayable in full, (b) the rating of the Liquidity Facility Provider ceasing to be below the LF Provider Ratings or (c) certain events of default and other events specified under the Liquidity Facility Agreement, principal amounts standing to the credit of the Liquidity Standby Ledger in respect of a Liquidity Standby Drawing will be returned to the Liquidity Facility Provider and will not be applied in accordance with any of the applicable Priority of Payments. If and to the extent that there is a reduction in the Liquidity Facility commitment amount (e.g. due to the increase in amounts credited to the Liquidity Reserve Fund or as a result of any reduction in the amount of the Liquidity Reserve Target following any partial redemption of the Class A Notes and/or the Class B Notes) there will be a *pro rata* repayment of the Liquidity Standby Drawing by reference to the amount by which there is a reduction in the Liquidity Facility Commitment.

Repayment of drawings

All payments due to the Liquidity Facility Provider under the Liquidity Facility Agreement will rank in priority to payments of interest and principal on the Notes. The Issuer will repay:

- (a) any Liquidity Drawing on the earliest of: (A) the Interest Payment Date following the last day of the Interest Period for a Liquidity Drawing; (B) the Final Maturity Date or the date on which an Enforcement Notice is delivered (whichever is the earliest); (C) the Class A Redemption Date; and (D) the date on which the Liquidity Facility Required Amount equals zero and the Commitment is cancelled in full; and
- (b) any Liquidity Standby Drawing on the earliest of (A) if a Downgrade Event resulted in the Liquidity Standby Drawing, the date falling two Business Days after the date on which the Liquidity Facility Provider satisfies the Issuer and the Trustee that it again has the LF Provider Ratings (unless an Extension Refusal occurred after the Downgrade Event); (B) the date on which the Liquidity Facility Provider assigns or transfers (including by way of novation) its rights and obligations under the Liquidity Facility Agreement to a New Liquidity Facility Provider which has the LF Provider Ratings in accordance with the terms of the Liquidity Facility Agreement; (C) the Final Maturity Date or the date on which an Enforcement Notice is delivered (whichever is the earliest); (D) the Class A Redemption Date; (E) the date on which the Liquidity Facility Required Amount equals zero and the Commitment is cancelled in full; and (F) the date on which the Issuer enters into a new liquidity facility agreement with a New Liquidity Facility Provider substantially similar to the terms set out in the Liquidity Facility Agreement.

The Issuer will pay interest on any drawings made under the Liquidity Facility (including any Liquidity Standby Drawings) for each LF Accrual Interest Period at a rate equal to the Base Rate plus 1.65 per cent., **provided that**, if the Base Rate is less than zero, the Base Rate shall be deemed to be zero.

“**Base Rate**” means:

- (a) in respect of all LF Accrual Interest Periods, other than the Final LF Accrual Interest Period:

$$\sum_{i=1}^{d0} \left(\frac{SONIA_i \times n_i}{365} \times Principal_i \right)$$

“**d0**” means the number of Business Days in the relevant LF Accrual Interest Period.

“**i**” means a series of whole numbers from 1 to d0, each representing the relevant Business Day in chronological order from, and including, the first Business Day in the relevant LF Accrual Interest Period.

“**n_i**” means, for any day i, the number of calendar days from and including such day i up to but excluding the following Business Day.

“**SONIA_i**” means SONIA Reference Rate effective on any day i.

“**Principal_i**” means the principal amount outstanding under the Liquidity Facility Agreement on any day i.

- (b) in respect of the Final LF Accrual Interest Period:

- (i) for the period from the penultimate Interest Determination Date to the Interest Determination Date immediately preceding the Final Rated Notes Redemption Date:

$$\sum_{i=1}^{d0} \left(\frac{SONIA_i \times n_i}{365} \times Principal_i \right)$$

“**d0**” means the number of Business Days in the relevant LF Accrual Interest Period.

“**i**” means a series of whole numbers from 1 to d0, each representing the relevant Business Day in chronological order from, and including, the first Business Day in the relevant LF Accrual Interest Period.

“**n_i**” means, for any day i, the number of calendar days from and including such day i up to but excluding the following Business Day.

“**SONIA_i**” means SONIA Reference Rate effective on any day i.

“**Principal_i**” means the principal amount outstanding under the Liquidity Facility Agreement on any day i.

- (ii) for the period from the Interest Determination Date immediately preceding the Final Rated Notes Redemption Date to the Final Rated Notes Redemption Date:

$$\frac{(SONIA_x \times Y)}{365} \times Principal$$

“**Y**” means the number of calendar days from and including the SONIA Fixing Date to and excluding the Final Rated Notes Redemption Date.

“**SONIA_x**” means SONIA Reference Rate on the Business Day immediately preceding the SONIA Fixing Date.

“**Principal**” means the principal amount outstanding under the Liquidity Facility Agreement on the Business Day immediately preceding the SONIA Fixing Date.

“**LF Accrual Interest Period**” means: for the first LF Accrual Interest Period, in respect of each Loan, the period from and including the relevant utilisation date to but excluding the immediately following Interest Determination Date and thereafter each period from and including an Interest Determination Date to but excluding the next Interest Determination Date provided that in respect of the LF Accrual Interest Period immediately preceding the Final Rated Notes Redemption Date (such period, the “**Final LF Accrual Interest Period**”), the LF Accrual Interest Period means the period from and including the penultimate Interest Determination Date prior to the Final Rated Notes Redemption Date to and including the Final Rated Notes Redemption Date.

“**SONIA Fixing Date**” means the Interest Determination Date immediately preceding the Final Rated Notes Redemption Date.

DESCRIPTION OF THE NOTES IN GLOBAL FORM

General

The Notes of each Class will be offered and sold outside the United States to non-U.S. Persons in reliance on Regulation S and will be represented on issue by one or more Regulation S Global Note in fully registered form without interest coupons or principal receipts. Beneficial interests in a Regulation S Global Note may only be held through Euroclear or Clearstream, Luxembourg or their participants at any time. The Notes are intended to be held under the new safekeeping structure for registered global securities which are intended to constitute eligible collateral for Eurosystem monetary policy operations.

The Global Notes will have an ISIN and a common code and will be deposited on or about the Closing Date with a common safekeeper for both Euroclear and Clearstream, Luxembourg (the “**Common Safekeeper**”) and registered in the name of the nominee for the Common Safekeeper.

All capitalised terms not defined in this section shall be as defined in the Conditions of the Notes. The Issuer will procure the Registrar to maintain a register in which it will register in the name of the Common Safekeeper as the owner of the Global Notes.

The authenticated Global Notes will be delivered free of payment to Common Safekeeper, provided that the Global Notes are credited to the relevant *commissionaire* account opened by the ICSDs for the benefit of the settlement bank (under which the Issuer will have third party rights) and the Global Notes being released from the *commissionaire* account on a delivery versus payment basis. On the Closing Date, the Common Safekeeper that it has custody of the Global Notes, Euroclear or Clearstream, Luxembourg will record book-entry interests representing beneficial interests (the “**Book-Entry Interests**”) in the Global Notes attributable thereto (as the case may be).

Book-Entry Interests in respect of the Notes will be recorded in Minimum Denominations. Ownership of Book-Entry Interests is limited to Participants in Euroclear or Clearstream, Luxembourg 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 Co-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). The laws of some jurisdictions or other applicable rules may require that certain purchasers of securities take physical delivery of such securities in definitive form. The foregoing limitations may therefore impair the ability to own, transfer or pledge Book-Entry Interests.

So long as a nominee of the Common Safekeeper is the registered holder of the respective Global Notes underlying the Book-Entry Interests, the nominee of the Common Safekeeper will be considered the sole Noteholder of the relevant Global Note for all purposes under the Trust Deed and the Agency Agreement. Except as set forth under “*Issuance of Definitive Notes*”, below, 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 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 Note 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 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 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 will be adequate to ensure the timely exercise of remedies under the Trust Deed.

Unless and until Book-Entry Interests in the Global Notes are exchanged for Definitive Notes, the Global Notes registered in the name of a nominee of the Common Safekeeper may not be transferred except as a whole by the Common Safekeeper to a successor of the Common Safekeeper.

Purchasers of Book-Entry Interests in a Global Note will hold Book-Entry Interests in the respective Global Notes relating thereto. Investors may hold their Book-Entry Interests in respect of a Global Note directly through Euroclear or Clearstream, Luxembourg (in accordance with the provisions set forth under “*Transfers and Transfer Restrictions*”, below), if they are account holders in such systems, or indirectly through organisations which are account holders in such systems. Euroclear and Clearstream, Luxembourg will hold Book-Entry Interests in each respective Global Note on behalf of their account holders through securities accounts in the respective account holders’ names on Euroclear’s and Clearstream, Luxembourg’s book-entry registration and transfer systems.

Trading between Euroclear and/or Clearstream, Luxembourg 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.

Payments on the Global Notes

Payment of principal and interest on, and any other amount due in respect of, the Global Notes will be made in Sterling by or to the order of the Principal Paying Agent on behalf of the Issuer to the Common Safekeeper or its nominee as the registered holder thereof with respect to the relevant Global Note. 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 their nominees in respect of those Book-Entry Interests. All such payments will be distributed without deduction or withholding for or on account of any taxes, duties, assessments or other governmental charges of whatever nature except as may be required by law or as otherwise set out in Condition 12 (*Taxation*). If any such deduction or withholding is required to be made, then neither the Issuer, the Paying Agents nor any other person will be obliged to pay additional amounts in respect thereof.

In accordance with the rules and procedures for the time being of Euroclear or, as the case may be, Clearstream, Luxembourg, after receipt of any payment from the Principal Paying Agent, 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, as is now the case with the securities held for the accounts of customers in bearer form or registered in “street name”, and will be the responsibility of such Participants or Indirect Participants. None of the Issuer, any agent of the Issuer, CERH II, the Co-Arrangers, the Joint Lead Managers or the Trustee will have any responsibility or liability for any aspect of the records relating to or payments made on account of a Participant’s ownership of Book-Entry Interests or for maintaining, supervising or reviewing any records relating to a Participant’s ownership of Book-Entry Interests.

Information Regarding Euroclear and Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg have advised the Issuer as follows:

- Euroclear and Clearstream, Luxembourg each hold securities for their account holders and facilitate the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders, thereby eliminating the need for physical movements of certificates and any risk from lack of simultaneous transfers of securities.
- Euroclear and Clearstream, Luxembourg each provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg each also deal with domestic securities markets in several countries through established depositary and custodial relationships. The respective systems of Euroclear and of Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective account holders may settle trades with each other.
- Account holders in both Euroclear and Clearstream, Luxembourg are worldwide financial institutions including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to both Euroclear and Clearstream, Luxembourg is available to other institutions that clear through or maintain a custodial relationship with an account holder of either system.
- An account holder's overall contractual relations with either Euroclear or Clearstream, Luxembourg are governed by the respective rules and operating procedures of Euroclear or Clearstream, Luxembourg and any applicable laws. Both Euroclear and Clearstream, Luxembourg act under such rules and operating procedures only on behalf of their respective account holders, and have no record of or relationship with persons holding through their respective account holders.
- The Issuer understands that under existing industry practices, if any of the Issuer or the Trustee requests any action of owners of Book-Entry Interests or if an owner of a Book-Entry Interest desires to give instructions or take any action that a holder is entitled to give or take under the Trust Deed or the Deed of Charge, Euroclear or Clearstream, Luxembourg as the case may be, would authorise the Participants owning the relevant Book-Entry Interests to give instructions or take such action, and such Participants would authorise Indirect Participants to give or take such action or would otherwise act upon the instructions of such Indirect Participants.

Redemption

In the event that any Global Note (or portion thereof) is redeemed, the Principal Paying Agent will deliver all amounts received by it in respect of the redemption of such Global Note to the nominee of the Common Safekeeper and, upon final payment, the Registrar will surrender such Global Note (or portion thereof) to or to the order of the relevant Paying Agent for cancellation. Appropriate entries will be made in the Register. The redemption price payable in connection with the redemption of Book-Entry Interests will be equal to the amount received by the relevant Paying Agent in connection with the redemption of the Global Note (or portion thereof) relating thereto. For any redemptions of the Global Note in part, selection of the relevant Book-Entry Interest relating thereto to be redeemed will be made by Euroclear or Clearstream, Luxembourg, as the case may be, on a *pro rata* basis (or on such basis as Euroclear or Clearstream, Luxembourg, as the case may be, deems fair and appropriate). Upon any redemption in part, the relevant Paying Agent will mark down the schedule to such Global Note by the principal amount so redeemed.

Cancellation

All Notes redeemed in full will be cancelled forthwith by the Issuer and may not be reissued or resold.

Transfers and Transfer Restrictions

All transfer of Book-Entry Interests will be recorded with the book-entry systems maintained by Euroclear or Clearstream, Luxembourg pursuant to the customary procedures established by each respective system and its Participants.

Each Regulation S Global Note will bear a legend substantially identical to that appearing under “*Subscription and Sale – Legends on Global Note Certificates*”.

Beneficial interests in the Global Notes may be held only through Euroclear and Clearstream, Luxembourg. Neither the Global Notes nor any beneficial interest therein may be transferred except in compliance with the transfer restrictions set forth in the legend appearing in the Global Notes.

Settlement and transfer of notes

Subject to the rules and procedures of each applicable clearing system, purchases of notes held within a clearing system must be made by or through Participants, which will receive a credit for such notes on the clearing system’s records. The ownership interest of each actual purchaser of each such note (being the beneficial owner) will in turn be recorded on the Participant’s records. Beneficial owners will not receive written confirmation from any clearing system of their purchase, but beneficial owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the direct and indirect participant through which such beneficial owner entered into the transaction. Transfers of ownership interests in notes held within the clearing system will be effected by entries made on the books of Participants acting on behalf of beneficial owners.

Beneficial owners will not receive individual notes representing their ownership interests in such notes unless use of the book-entry system for the notes described in this section is discontinued.

No clearing system has knowledge of the actual beneficial owners of the notes held within such clearing system and their records will reflect only the identity of the direct participants to whose accounts such notes are credited, which may or may not be the beneficial owners. Participants will remain responsible for keeping account of their holdings on behalf of their customers. Conveyance of notices and other communications by the clearing systems to direct participants, by direct participants to indirect participants, and by direct participants and indirect participants to beneficial owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

All transfers of Book-Entry Interests will be recorded in accordance with the book-entry systems maintained by Euroclear or Clearstream, Luxembourg, as applicable, pursuant to customary procedures established by each respective system and its Participants. See “*General*”, above.

Issuance of Definitive Notes

Holders of Book-Entry Interests in a Global Note will be entitled to receive 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 subdivision therein or thereof having power to tax or in the interpretation or administration of such legislation which becomes effective on or after the Closing 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 Certificates.

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 “*Transfers and Transfer Restrictions*” above **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. 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 the minimum authorised denomination that are not integral multiples of such denomination. 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.

Action in Respect of the Global Note 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 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 “*General*” above, with respect to soliciting instructions from their respective Participants. The Registrar will not exercise any discretion in the granting of consents or waivers or the taking of any other action in respect of the Book-Entry Interests or the Global Notes.

Reports

The Issuer will send to Euroclear and Clearstream, Luxembourg a copy of any notices, reports and other communications received relating to the Issuer, the Global Note or the Book-Entry Interests. Any notice shall be deemed to have been duly given to the relevant Noteholders if sent to the applicable clearing system for communication by them to the holders of the relevant Notes and shall be deemed to be given on the date on which it was so sent and (so long as the relevant Notes are listed on the official list of Euronext Dublin and admitted to trading on its regulated market) any notice shall also be published in accordance with the relevant guidelines of Euronext Dublin. See also Condition 22 (*Notices*).

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 Documents and the other Transaction Documents (as defined below).

1 General

- 1.1 The £15,760,000 Class A1 Mortgage Backed Floating Rate Notes due 2054 (the “**Class A1 Notes**”, such term to include, after the date of the issuance of any Further Class A1 Notes, the Initial Class A1 Notes and Further Class A1 Notes), the £297,422,000 Class A2 Mortgage Backed Floating Rate Notes due 2054 (the “**Class A2 Notes**” and together with the Class A1 Notes, the “**Class A Notes**”) the £20,661,000 Class B Mortgage Backed Floating Rate Notes due 2054 (the “**Class B Notes**”), the £21,749,000 Class C Mortgage Backed Floating Rate Notes due 2054 (the “**Class C Notes**”), the £13,049,000 Class D Mortgage Backed Floating Rate Notes due 2054 (the “**Class D Notes**”), the £13,049,000 Class E Mortgage Backed Floating Rate Notes due 2054 (the “**Class E Notes**”), the £6,525,000 Class F Mortgage Backed Floating Rate Notes due 2054 (the “**Class F Notes**”) (the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes being the “**Rated Notes**”, and the Rated Notes other than the Class A Notes being the “**Subordinated Rated Notes**”) and the £46,758,000 Class Z Mortgage Backed Notes due 2054 (the “**Class Z Notes**”, together with the Rated Notes, the “**Notes**”) will be issued by Towd Point Mortgage Funding 2023 - Vantage 3 plc (registered number 15184057) (the “**Issuer**”) on or about the Closing Date.
- 1.2 The Issuer has agreed to issue the Notes subject to and with the benefit of the terms of the Trust Deed and the Agency Agreement. The security for the Notes is created pursuant to, and on the terms set out in, the Deed of Charge.
- 1.3 The Agency Agreement records certain arrangements in relation to the payment of interest and principal in respect of the Notes.
- 1.4 Certain provisions of these Conditions are summaries of the Trust Documents and the Incorporated Terms Memorandum and the Agency Agreement and are subject to their detailed provisions.
- 1.5 The Noteholders are bound by the terms of the Trust Documents, and the Incorporated Terms Memorandum, and are deemed to have notice of all the provisions of the Transaction Documents.
- 1.6 Copies of the Transaction Documents (other than the Scottish Declaration of Trust) and the Memorandum and Articles of Association of the Issuer are available for inspection by Noteholders, upon reasonable notice, during normal business hours at the principal office for the time being of the Trustee, being at the date hereof 125 Old Broad Street, Fifth Floor, London EC2N 1AR, United Kingdom and at the Specified Offices of each of the Paying Agents, the initial Specified Offices of which are set out below. Upon reasonable request, such Paying Agent will allow copies of such documents to be taken.

2 Definitions and Construction

- 2.1 In these Conditions the defined terms where used shall have the meanings set out in the Incorporated Terms Memorandum. Terms of construction set out in the Incorporated Terms Memorandum shall be construed accordingly in these Conditions.
- 2.2 Any reference to any document defined as a Transaction Document or any other agreement or document shall be construed as a reference to such Transaction Document or, as the case may be, such other agreement or document as the same may have been or may from time to time be, amended, restated, varied, novated, supplemented or replaced.

3 Form and Denomination

- 3.1 The Notes are in fully registered form in the Minimum Denomination for such Notes, without principal receipts, interest coupons or talons attached.
- 3.2 The aggregate nominal amount of each Class of Notes initially offered and sold outside the United States to non-U.S. Persons pursuant to Regulation S under the Securities Act is represented by one or more global registered notes in fully registered form without coupons attached.
- 3.3 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 S.A./N.V. or Clearstream Banking, *société anonyme*, as appropriate.
- 3.4 For so long as the Notes are represented by a Global Note, and for so long as Euroclear and Clearstream, Luxembourg so permit, the Notes shall be tradable only in the minimum denominations of £100,000 and integral multiples of £1,000 in excess thereof.
- 3.5 Definitive Notes will be issued in registered form and serially numbered in the circumstances referred to below. Definitive Notes, if issued, will be issued in Minimum Denominations.
- 3.6 If, while any 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 (A) the laws or regulations of the United Kingdom or any political sub-division therein or thereof having power to tax or (B) the interpretation or administration of such legislation which becomes effective on or after the Closing 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 if the Notes were in definitive form,

(each a “**relevant event**”) the Issuer will issue Definitive Notes to Noteholders whose accounts with the relevant clearing systems are credited with interests in that Global Note in exchange for those interests within 30 days of the relevant event but not earlier than the Exchange Date. The Global Note will not be exchangeable for Definitive Notes in any other circumstances.

4 Title and transfer

- 4.1 The holder registered in 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.
- 4.2 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.
- 4.3 No transfer of a Note will be valid unless and until entered on the Register.
- 4.4 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 Agency Agreement, the Trust Deed and the legend appearing on the face of the Notes. 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 Trustee. The regulations referred to above may be changed by the Issuer with the prior written approval of the Registrar and the Trustee. A copy of the current regulations will be sent by the Principal Paying Agent in the United Kingdom 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.

- 4.5 A Definitive Note may be transferred in whole or in part upon the surrender of the relevant Definitive Note, together with the form of transfer endorsed on it duly completed and executed, at the Specified Office of the Registrar or the Principal Paying Agent. In the case of a transfer of part only of a Definitive Note, a new Definitive Note, in respect of the balance remaining will be issued to the transferor by or by order of the Registrar.
- 4.6 Each new Definitive Note, to be issued upon transfer of Definitive Notes, will, within five 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.
- 4.7 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.
- 4.8 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.

5 Status and Ranking

- 5.1 **Status:** The Notes of each Class constitute direct, secured and (subject to the limited recourse provision in Condition 10 (*Limited Recourse and Non-Petition*)) unconditional obligations of the Issuer.

- 5.2 **Ranking:**

- (a) The Class A1 Notes and the Class A2 Notes constitute direct, secured and (subject to the limited recourse provision in Condition 10 (*Limited Recourse and Non-Petition*)) unconditional obligations of the Issuer. The Class A1 Notes and the Class A2 Notes (as at the Closing Date being the Initial Class A1 Notes only and from time to time including any Further Class A1 Notes issued pursuant to Condition 24 (*Further Class A1 Notes Issue*)) rank *pari passu* without preference or priority among themselves in relation to payment of interest and principal at all times as provided in these Conditions and the Transaction Documents. For the avoidance of doubt, Par Proceeds from the issuance of Further Class A1 Notes will be applied solely in or towards redemption of the Class A2 Notes only.

Accordingly, the interests of the person who is registered in the Register as holder of Class A1 Notes (the “**Class A1 Noteholders**”) and the interests of the persons who for the time being are registered in the Register as holders of the Class A2 Notes (the “**Class A2 Noteholders**” and, together with the Class A1 Noteholders, the “**Class A Noteholders**”) will subordinate the interests of the holders of all other Classes of Notes.

- (b) The Class B Notes constitute direct, secured and (subject to the limited recourse provision in Condition 10 (*Limited Recourse and Non-Petition*)) and Condition 8.12 (*Subordination by Deferral*)) unconditional obligations of the Issuer. The Class B Notes rank *pari passu* without preference or priority among themselves in relation to payment of interest and principal, and subordinate to the Class A Notes, as provided in these Conditions and the Transaction Documents. Accordingly, the interests of the Class B Noteholders will be subordinated to the interests of the Class A Noteholders (so long as any Class A Note remain outstanding).
 - (c) The Class C Notes constitute direct, secured and (subject to the limited recourse provision in Condition 10 (*Limited Recourse and Non-Petition*)) and Condition 8.12 (*Subordination by Deferral*)) unconditional obligations of the Issuer. The Class C Notes rank *pari passu* without preference or priority among themselves in relation to payment of interest and principal at all times, and subordinate to the Class A Notes and the Class B Notes and as provided in these Conditions and the Transaction Documents. Accordingly, the interests of the Class C Noteholders will be subordinated to the interests of each of the Class A

Noteholders and the Class B Noteholders (so long as any Class A Notes and/or Class B Notes remain outstanding).

- (d) The Class D Notes constitute direct, secured and (subject to the limited recourse provision in Condition 10 (*Limited Recourse and Non-Petition*) and Condition 8.12 (*Subordination by Deferral*)) unconditional obligations of the Issuer. The Class D Notes rank *pari passu* without preference or priority among themselves in relation to payment of interest and principal at all times, and subordinate to the Class A Notes, the Class B Notes and the Class C Notes, as provided in these Conditions and the Transaction Documents. Accordingly, the interests of the Class D Noteholders will be subordinated to the interests of each of the Class A Noteholders, the Class B Noteholders and the Class C Noteholders (so long as any Class A Notes, Class B Notes, and/or Class C Notes remain outstanding).
- (e) The Class E Notes constitute direct, secured and (subject to the limited recourse provision in Condition 10 (*Limited Recourse and Non-Petition*) and Condition 8.12 (*Subordination by Deferral*)) unconditional obligations of the Issuer. The Class E Notes rank *pari passu* without preference or priority among themselves in relation to payment of interest and principal at all times, and subordinate to the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes, as provided in these Conditions and the Transaction Documents. Accordingly, the interests of the Class E Noteholders will be subordinated to the interests of each of the Class A Noteholders, the Class B Noteholders, the Class C Noteholders and the Class D Noteholders (so long as any Class A Notes, Class B Notes, Class C Notes and/or Class D Notes remain outstanding).
- (f) The Class F Notes constitute direct, secured and (subject to the limited recourse provision in Condition 10 (*Limited Recourse and Non-Petition*) and Condition 8.12 (*Subordination by Deferral*)) unconditional obligations of the Issuer. The Class F Notes rank *pari passu* without preference or priority among themselves in relation to payment of interest and principal at all times, and subordinate to the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes, as provided in these Conditions and the Transaction Documents. Accordingly, the interests of the Class F Noteholders will be subordinated to the interests of each of the Class A Noteholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders and the Class E Noteholders (so long as any Class A Notes, Class B Notes, Class C Notes, Class D Notes and/or Class E Notes remain outstanding).
- (g) The Class Z Notes constitute direct, secured and (subject to the limited recourse provisions in Condition 10 (*Limited Recourse and Non-Petition*) and Condition 8.12 (*Subordination by Deferral*)) unconditional obligations of the Issuer. The Class Z Notes rank *pari passu* without preference or priority among themselves in relation to the payment of principal at all times, and subordinate to the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes, as provided in these Conditions and the Transaction Documents. Accordingly, the interests of the Class Z Noteholders will be subordinated to the interests of each of the Class A Noteholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders, the Class E Noteholders and the Class F Noteholders (so long as any Class A Notes, Class B Notes, Class C Notes, Class D Notes, Class E Notes and/or the Class F Notes remain outstanding).
- (h) The Class XB Certificates constitute direct, secured and (subject to the limited recourse provisions in Certificate Condition 10 (*Limited Recourse and Non-Petition*)) unconditional obligations of the Issuer. The Class XB Certificates rank *pari passu* without preference or priority among themselves in relation to the payment of XB Payments, and subordinate to the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Class Z Notes, as provided in these Conditions and the Transaction Documents. Accordingly, the interests of the Class XB Certificateholders will be subordinated to the interests of each of the Class A Noteholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders, the Class E Noteholders, the Class F Noteholders and the Class Z Noteholders (so long as any Class A Notes, Class B Notes, Class C Notes, Class D Notes, Class E Notes, Class F Notes and/or Class Z Notes remain outstanding).
- (i) The Trust Deed and the Deed of Charge contain provisions requiring the Trustee to have regard to the interests of holders of each Class of the Notes and each Class of the Certificates as regards all rights, powers,

trusts, authorities, duties and discretions of the Trustee (except where expressly provided otherwise) but requiring the Trustee where there is a conflict of interests between one or more Classes of Notes and/or the Certificates in any such case to have regard (except as expressly provided otherwise) to the interests of the holders of the Class of Notes and/or Certificates ranking in priority to the other relevant Classes of Notes or the Certificates in the Post-Enforcement Priority of Payments (where for such purposes, the Certificates shall be deemed to rank junior to all Classes of Notes) and, if all the Notes have been redeemed, the Class XB Certificates.

- 5.3 ***Sole Obligations:*** The Notes are obligations solely of the Issuer and are not obligations of, or guaranteed by, any of the other Transaction Parties.
- 5.4 ***Priority of Payments:*** Prior to the delivery of an Enforcement Notice, the Issuer is required to apply Available Revenue Receipts and Available Principal Receipts in accordance with the Pre-Enforcement Revenue Priority of Payments and Pre-Enforcement Principal Priority of Payments (as applicable) and thereafter, in accordance with the Post-Enforcement Priority of Payments.

6 Security

- 6.1 ***Security:*** The Notes are secured by the Security.
- 6.2 ***Enforceability:*** The Security will become enforceable upon the delivery by the Trustee of an Enforcement Notice in accordance with Condition 13 (*Events of Default*) and subject to the matters referred to in Condition 14 (*Enforcement*).

7 Issuer Covenants

- 7.1 The Issuer makes the Issuer Covenants in favour of the Trustee which, amongst other things, restrict the ability of the Issuer to create or incur any indebtedness (save as permitted in the Trust Deed and excluding, for the purposes of this covenant, the issuance of any Further Class A1 Notes pursuant to Condition 24 (*Further Class A1 Notes Issues*)), dispose of assets or change the nature of its business, without the prior written consent of the Trustee or unless otherwise permitted by the Transaction Documents. So long as any Note remains outstanding, the Issuer shall comply with the Issuer Covenants.
- 7.2 Following the exercise of any right under the Deed Poll to purchase the Mortgage Portfolio in accordance with the terms of the Deed Poll, the Issuer shall not seek to enter into an arrangement with any other third party to sell the Mortgage Portfolio and/or participate in any arrangement which frustrates the rights of the Mortgage Portfolio Purchase Option Holder to complete any such acquisition of the Mortgage Portfolio.

8 Interest

- 8.1 ***Accrual of Interest:*** Each Note (save for the Class Z Notes) bears interest on its Principal Amount Outstanding, from (and including) the Closing Date. No interest will be payable in respect of the Class Z Notes.
- 8.2 ***Cessation of Interest:*** Each Note (save for the Class Z Notes) (or, in the case of the redemption of part only of a Note, that part only of such Note) shall cease to bear interest from its due date for redemption unless, upon due presentation, payment of the principal is improperly withheld or refused or default is otherwise made in respect of the payment, in which case, it will continue to bear interest in accordance with this Condition (both before and after judgment) until whichever is the earlier of:
- (a) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder; and
 - (b) the day which is seven days after the Principal Paying Agent or the Trustee has notified the Noteholders of such Class (in accordance with Condition 22 (*Notices*)) that the full amount payable is available for collection by the Noteholder, **provided that** on due presentation payment is in fact made.

- 8.3 **Interest Payments:** Interest on each Note (save for the Class Z Notes) is payable in Sterling in arrear on each Interest Payment Date commencing on the First Interest Payment Date, in an amount equal to the Interest Amount in respect of such Note for the Interest Period ending on the day immediately preceding such Interest Payment Date subject to the rest of this Condition 8 (*Interest*) and in accordance with the applicable Priority of Payments.
- 8.4 **Calculation of Interest Amount:** Upon or as soon as practicable after each Interest Determination Date, the Issuer shall calculate (or shall cause the Agent Bank to calculate) the Interest Amount payable on each Note (save for the Class Z Notes) for the Related Interest Period.
- 8.5 **Step-Up Margins:** On and from the Interest Payment Date immediately following the FORD, the Step-Up Margin will (subject as provided in Condition 8.12 (*Subordination by Deferral*)) become payable as the Relevant Margin on each of the Floating Rate Notes
- 8.6 **Determination of Note Rate, Interest Amount and Interest Payment Date:** The Agent Bank will, on each Interest Determination Date, determine:
- (a) the Floating Rate of Interest for each Class of the Floating Rate Notes for the Related Interest Period; and
 - (b) the Interest Payment Date next following the Related Interest Period,
- and notify the Issuer, the Servicer, the Cash Manager, the Trustee and the Paying Agents and for so long as the Notes are listed on Euronext Dublin.
- 8.7 **Publication of Note Rate, Interest Amount and Interest Payment Date:** As soon as practicable after receiving each notification of the Note Rate, the Interest Amount and the Interest Payment Date in accordance with Condition 8.6 (*Determination of Note Rate, Interest Amount and Interest Payment Date*) and in any event no later than the second Business Day thereafter, the Issuer will cause such Note Rate and Interest Amount for each Class and the next following Interest Payment Date to be published in accordance with the Notices Condition.
- 8.8 **Amendments to Publications:** The Note Rate, Interest Amount for each Class and the Interest Payment Date so published 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 relevant Interest Period.
- 8.9 **Determination or Calculation by Trustee:** If the Agent Bank does not at any time for any reason determine the Note Rate or the Interest Amount for each Class in accordance with this Condition 8, the Trustee may (but without, save in the case of any wilful default, fraud or gross negligence by the Trustee, any Liability accruing to the Trustee as a result):
- (a) determine the Note Rate for each Class at such rate as, in its absolute discretion (having such regard as it shall think fit to the procedure described in this Condition 8), it shall deem fair and reasonable in all the circumstances; and/or
 - (b) calculate the Interest Amount for each Class in the manner specified in this Condition 8,
- and any such determination and/or calculation shall be deemed to have been made by the Agent Bank. In each case the Trustee may, at the expense of the Issuer, employ an expert to make the determination and/or the calculation and any such determination and/or calculation shall be deemed to have been made by the Agent Bank.
- 8.10 **Notifications to be final:** All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 8, whether by the Paying Agents, the Agent Bank or the Trustee shall (in the absence of any manifest error) be binding on the Issuer and all Noteholders and (in the absence of any Breach of Duty) no Liability to the Trustee or the Noteholders shall attach to the Agents in connection with the exercise or non-exercise by them or any of them of their powers, duties and discretions under this Condition 8. The Trustee shall have no Liability to any person in connection with the exercise or non-exercise of its powers, duties and discretions under this Condition 8.
- 8.11 **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, a Paying Agent and a Principal Paying Agent. In the event of the Agent being unable or unwilling to continue to act as an Agent, the Issuer shall appoint such other bank as may be previously approved in writing by

the Trustee to act as such in its place. The Agent Bank may not resign until a successor approved in writing by the Trustee is appointed by the Issuer. Notice of any change in any of the Reference Banks or Agents or in their Specified Offices shall promptly be given to the Noteholders in accordance with the Notices Condition.

8.12 Subordination by Deferral

(a) Interest

- (i) If the Issuer otherwise has insufficient funds to make payment in full of all amounts of Required Interest (which shall, for the purposes of this Condition 8.12, include any Required Interest previously deferred under this Condition 8.12 and Additional Interest thereon) payable in respect of a respective Class of Subordinated Notes after having paid or provided for items of higher priority in the Pre-Enforcement Revenue Priority of Payments, then the Issuer shall be entitled to defer to the next Interest Payment Date the payment of such Required Interest (such deferred interest being “**Deferred Required Interest**”) in respect of the relevant Subordinated Notes to the extent only of any such insufficiency of funds.
- (ii) Any amounts of Deferred Required Interest in respect of a Class of Subordinated Notes shall accrue Additional Interest at the Reference Rate plus the Relevant Margin.
- (iii) Any such Deferred Required Interest and Additional Interest thereon shall, in any event, become payable on the next Interest Payment Date (unless and to the extent that this Condition 8.12 again applies) or on such earlier date as the relevant Class of Subordinated Notes becomes due and repayable in full in accordance with these Conditions.
- (iv) Payments of any amounts of Deferred Required Interest shall not be deferred beyond the Final Maturity Date or beyond any earlier date on which each respective Class of Notes falls to be redeemed in full in accordance with Condition 9 (*Final Redemption, Mandatory Redemption in part, Optional Redemption and Cancellation*) below and any such amount which has not then been paid in respect of the relevant Class of Notes shall thereupon become due and payable in full.
- (v) For the avoidance of any doubt, this Condition 8.12 does not apply to the Class A Notes.

(b) Notification

As soon as practicable after becoming aware that any part of a payment of Required Interest on a Class of Subordinated Notes with the respective current shortfall will be (in addition to amounts previously deferred) deferred or that a payment previously deferred will be made in accordance with this Condition 8.12, the Issuer will give notice thereof to the relevant Class of Noteholders, as appropriate, in accordance with Condition 22 (*Notices*). Any deferral of interest in accordance with this Condition 8.12 will not constitute an Event of Default. The provisions of this Condition 8.12 shall cease to apply on the Final Maturity Date, or any earlier date on which the Notes are redeemed in full or, are required to be redeemed in full, at which time all deferred interest and accrued interest thereon shall become due and payable.

8.13 Determinations and Reconciliation

- (a) In the event that the Cash Manager does not receive the Servicer Report with respect to a Determination Period, then the Cash Manager may use the Servicer Reports in respect of the three most recent Collection Periods (or, where there are not at least three previous Servicer Reports, any previous Servicer Reports) for the purposes of calculating the amounts available to the Issuer to make payments, as set out in this Condition 8.13 (*Determinations and Reconciliation*). When the Cash Manager receives the Servicer Report relating to the Determination Period, it will make the reconciliation calculations and reconciliation payments as set out in Condition 8.13(c). Any (i) calculations properly done on the basis of such estimates in accordance with Conditions 8.13(b) and/or 8.13(c); (ii) payments made under any of the Notes and Transaction Documents in accordance with such calculations; and (iii) reconciliation calculations and reconciliation payments made as a result of such reconciliation calculations, each in accordance with Condition 8.13(b) and/or 8.13(c), shall be deemed to be done, in accordance with the provisions of the Transaction Documents and will in themselves not lead to an Event of Default and no liability will attach to the Cash Manager in connection with the exercise by it of its powers, duties and discretion for such purposes.

- (b) In respect of any Determination Period the Cash Manager shall:
 - (i) determine the Interest Determination Ratio by reference to the three most recently received Servicer Reports (or, where there are not at least three previous Servicer Reports, any previous Servicer Reports received in the preceding Collection Periods);
 - (ii) calculate the Calculated Revenue Receipts; and
 - (iii) calculate the Calculated Principal Receipts.
- (c) Following the end of any Determination Period, upon receipt by the Cash Manager of the Servicer Reports in respect of such Determination Period, the Cash Manager shall reconcile the calculations made in accordance with Condition 8.13 (b) above to the actual collections set out in the Servicer Reports by allocating the Reconciliation Amount as follows:
 - (i) if the Reconciliation Amount is a positive number, the Cash Manager shall apply an amount equal to the lesser of (i) the absolute value of the Reconciliation Amount and (ii) the amount standing to the credit of the Revenue Ledger, as Available Principal Receipts (with a corresponding debit of the Revenue Ledger); and
 - (ii) if the Reconciliation Amount is a negative number, the Cash Manager shall apply an amount equal to the lesser of (i) the absolute value of the Reconciliation Amount and (ii) the amount standing to the credit of the Principal Ledger, as Available Revenue Receipts (with a corresponding debit of the Principal Ledger),

provided that the Cash Manager shall apply such Reconciliation Amount in determining Available Revenue Receipts and Available Principal Receipts for such Collection Period in accordance with the terms of the Cash Management Agreement and the Cash Manager shall promptly notify the Issuer and the Trustee of such Reconciliation Amount.

9 Final Redemption, Mandatory Redemption in part, Optional Redemption and Cancellation

- 9.1 **Final Redemption:** Unless previously redeemed or purchased and cancelled as provided in this Condition 9 (*Final Redemption, Mandatory Redemption in part, Optional Redemption and Cancellation*), the Issuer shall redeem the Notes in each Class at their Principal Amount Outstanding together with any accrued and unpaid interest on the Final Maturity Date.
- 9.2 **Mandatory Redemption in part:** On each Interest Payment Date prior to the delivery of an Enforcement Notice, the Issuer is required to apply Available Principal Receipts towards the redemption of the Notes to the extent that there are such amounts available to do so in accordance with the Pre-Enforcement Principal Priority of Payments, **provided that** if as a result of the application of the Available Principal Receipts a Class of Notes will be redeemed in full, it shall be redeemed together with all accrued but unpaid interest (including any interest deferred in accordance with Condition 8.12 (*Subordination by Deferral*)). For the avoidance of doubt, the Par Proceeds of any Further Class A1 Notes will be applied solely in or towards redemption of the Class A2 Notes (in full or in part) on the Interest Payment Date on which the Further Class A1 Notes are issued. On the Interest Payment Date that the Further Class A1 Notes are issued, the relevant Priority of Payments shall be run, and then, following application of the relevant Priority of Payments, the Par Proceeds will be applied solely in or towards the redemption of the Class A2 Notes (in part or in full).
- 9.3 **Optional Redemption in whole:**
 The Issuer may on any Interest Payment Date when, on the related Calculation Date, the aggregate of the Principal Amount Outstanding of the outstanding Notes is equal to or less than 10 per cent. of the Principal Amount Outstanding of all of the Notes as at the Closing Date, exercise its right to redeem all of the Notes (not partial) in each Class at their Principal Amount Outstanding together with accrued and unpaid interest subject to the following:
 - (a) no Enforcement Notice has been delivered by the Trustee;

- (b) the Issuer has given not more than 60 nor less than 14 days' notice to the Trustee and the Noteholders in accordance with the Notices Condition of its intention to redeem all (but not some only) of the Notes in each Class; and
- (c) prior to giving any such notice, the Issuer shall have provided to the Trustee a certificate signed by two directors of the Issuer to the effect that it will have the funds on the relevant Interest Payment Date, not subject to the interest of any other person, required to redeem the Notes pursuant to this Condition and meet its payment obligations of a higher priority under the Pre-Enforcement Principal Priority of Payments.

9.4 ***Optional Redemption in whole for taxation reasons:***

The Issuer may exercise its right to redeem all of the Notes (not partial) in each Class at their Principal Amount Outstanding together with any accrued but unpaid interest:

- (a) after the date on which, by virtue of a change in Tax law (or the application or official interpretation of Tax law), the Issuer (or the Paying Agents on the Issuer's behalf) is to make any payment in respect of the Notes and the Issuer (or the Paying Agents on the Issuer's behalf) would be required to make a Tax Deduction in respect of such relevant payment; or
- (b) after the date on which, by virtue of a change in the Tax law (or the application or official interpretation of Tax law), the Issuer would be subject to United Kingdom corporation tax in an accounting period on an amount which materially exceeds the aggregate Issuer Profit Amount retained during that accounting period;

subject to the following:

- (i) no Enforcement Notice has been delivered by the Trustee;
- (ii) the Issuer has given not more than 60 nor less than 14 days' notice to the Trustee and the Noteholders in accordance with the Notices Condition of its intention to redeem all (but not some only) of the Notes in each Class; and
- (iii) that prior to giving any such notice, the Issuer has provided to the Trustee the following:
 - (A) in the case of Conditions 9.4(a) and (b) only, a legal opinion (in form and substance satisfactory to the Trustee) from a firm of lawyers in the applicable jurisdiction (approved in writing by the Trustee), opining on the relevant change in Tax law;
 - (B) in the case of Condition 9.4(a) only, a certificate signed by two directors of the Issuer to the effect that the obligation to make a Tax Deduction cannot be avoided by the Issuer taking reasonable measures available to it; and
 - (C) in the case of Conditions 9.4(a) and (b) only, a certificate signed by two directors of the Issuer to the effect that it will have the funds on the relevant Interest Payment Date, not subject to the interest of any other person, required to redeem the Notes pursuant to this Condition and meet its payment obligations of a higher priority under the Pre-Enforcement Principal Priority of Payments.

9.5 ***Mandatory Redemption of the Notes following the exercise of a Risk Retention Regulatory Change Option***

- (a) On any Business Day, if a Risk Retention Regulatory Change Event occurs and the Seller exercise the Risk Retention Regulatory Change Option, the Issuer will give not more than forty nor less than five Business Days' notice to (i) the Noteholders, in accordance with Condition 22 (*Notices*), and (ii) the Trustee, and the Notes will be redeemed at their respective amounts determined in accordance with Condition 9.5(b) on the Interest Payment Date immediately following the exercise of such option by the Seller, **provided that** the Issuer has, immediately prior to giving such notice, certified to the Trustee that it will have the necessary funds to pay all principal and interest due in respect of the Notes on the relevant Interest Payment Date and to discharge all other amounts required to be paid in priority to or *pari passu* with the Notes and the Certificates on such Interest Payment Date (such certification to be provided by way of certificate signed by two directors of the Issuer on which the Trustee shall be entitled to rely without any further enquiry or

liability) (and for the avoidance of doubt, the order of priority shall be as set out in the Post-Enforcement Priority of Payments).

- (b) Any Note redeemed pursuant to Condition 9.5(a) will be redeemed at an amount equal to the Principal Amount Outstanding of the relevant Note to be redeemed together with accrued (and unpaid) interest on the Principal Amount Outstanding for the respective Class of Notes up to, but excluding, the relevant Interest Payment Date (**provided that** in relation to any Notes held by the Retention Holder, or any of its subsidiaries or nominees (in each case each party having provided written confirmation of their agreement thereto together with evidence of their holding of the relevant Notes) the redemption amounts payable by the Issuer to such person in respect of the Retention Notes may be set off (to the greatest extent possible and directly or by way of multi-party direction and set-off) against the purchase price payable to the Issuer for the purchase of the Mortgage Portfolio).

9.6 *Mandatory Redemption of the Notes following the exercise of Mortgage Portfolio Purchase Option or Market Mortgage Portfolio Purchase*

- (a) Following the exercise of the Mortgage Portfolio Purchase Option or upon the occurrence of a Market Mortgage Portfolio Purchase and, in each case, on giving not more than 50 nor less than 2 Business Days' notice to the Noteholders and the Certificateholders in accordance with Condition 22 (*Notices*) and Certificate Condition 20 (*Notices*), and the Trustee, the consideration received by the Issuer will be applied in accordance with the relevant Priority of Payments on the immediately succeeding Interest Payment Date (which, for the avoidance of doubt, may be on the FORD or another Interest Payment Date thereafter) with the result that the Notes will be redeemed in full in accordance with this Condition 9.6.
- (b) Any Note redeemed pursuant to Condition 9.6(a) will be redeemed at an amount equal to the Principal Amount Outstanding of the relevant Note to be redeemed together with accrued (and unpaid) interest on the Principal Amount Outstanding of the relevant Note up to but excluding the Interest Payment Date on which the redemption occurred (**provided that** in relation to any Notes held by any Seller, or any of its subsidiaries or nominees (in each case each party having provided written confirmation of their agreement thereto together with evidence of their holding of the relevant Notes) the redemption amounts payable by the Issuer to such person may be set off (to the greatest extent possible) against the purchase price payable to the Issuer for the purchase of the Mortgage Portfolio).

9.7 *Calculation of Note Principal Payment and Principal Amount Outstanding:* On each Calculation Date, the Issuer shall calculate (or cause the Cash Manager to calculate):

- (a) the aggregate of any Note Principal Payment due in relation to each Note in each Class on the Interest Payment Date immediately succeeding such Calculation Date; and
- (b) the Principal Amount Outstanding of each Note in each Class on the Interest Payment Date immediately succeeding such Calculation Date (after deducting any Note Principal Payment due to be made on that Interest Payment Date in relation to such Class),

and notify the Issuer, the Trustee, the Paying Agents, the Agent Bank and for so long as the Notes are listed on Euronext Dublin, Euronext Dublin in accordance with Condition 9.11 (*Notice of Calculation*).

9.8 *Calculations Final and Binding:* Each calculation by or on behalf of the Issuer of any Note Principal Payment and the Principal Amount Outstanding of a Note of each Class shall in each case (in the absence of manifest error) be final and binding on all persons.

9.9 *Trustee to determine Amounts in case of Issuer Default:* If the Issuer does not at any time for any reason calculate (or cause the Cash Manager to calculate) any Note Principal Payment and the Principal Amount Outstanding in relation to each Class in accordance with this Condition 9, such amounts may be calculated by the Trustee (without, in the absence of fraud, wilful default or gross negligence, any liability to any person accruing to the Trustee as a result) in accordance with this Condition 9 (based on information supplied to it by the Issuer or the Cash Manager) and each such calculation shall be deemed to have been made by the Issuer. In each case, the Trustee may, at the expense of the Issuer employ an expert to make such calculations and any such calculations shall be deemed to have been made by the Issuer.

- 9.10 **Conclusiveness of Certificates and Legal Opinions:** Any certificate and legal opinion given by or on behalf of the Issuer pursuant to Condition 9.3 (*Optional Redemption in whole*) and Condition 9.4 (*Optional Redemption in whole for taxation reasons*) shall be relied on by the Trustee without further enquiry or Liability to any other person and shall be conclusive and binding on the Noteholders, the Trustee and on the other Secured Creditors.
- 9.11 **Notice of Calculation:** The Issuer will cause each calculation of a Note Principal Payment and Principal Amount Outstanding in relation to each Class to be notified immediately after calculation to the Trustee, the Agents and, for so long as the Notes are listed on Euronext Dublin, Euronext Dublin and will immediately cause details of each calculation of a Note Principal Payment and the Principal Amount Outstanding in relation to each Class to be published in accordance with the Notices Condition by no later than two Business Days prior to each Interest Payment Date.
- 9.12 **Notice irrevocable:** Any such notice as is referred to in Condition 9.3 (*Optional Redemption in whole*) or Condition 9.4 (*Optional Redemption in whole for taxation reasons*) or Condition 9.12 (*Notice of Calculation*) shall be irrevocable and, upon the expiration of such notice, the Issuer shall be bound to redeem the Notes to which such notice relates at their Principal Amount Outstanding if effected pursuant to Condition 9.3 (*Optional Redemption in whole*) or Condition 9.4 (*Optional Redemption in whole for taxation reasons*) and in an amount equal to the Note Principal Payment in respect of each Note calculated as at the related Calculation Date if effected pursuant to Condition 9.2 (*Mandatory Redemption in part*).
- 9.13 **Cancellation of redeemed Notes:** All Notes redeemed in full will be cancelled forthwith by the Issuer, together with all unmatured Coupons appertaining thereto or surrendered therewith, and no such Notes or Coupons may not be reissued or resold.

10 Limited Recourse and Non-Petition

- 10.1 If at any time following:

- (a) the occurrence of either:
 - (i) the Final Maturity Date or any earlier date upon which all of the Notes of each Class are due and payable; or
 - (ii) the service of an Enforcement Notice; or
- (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 Priority of Payments,

the proceeds of such Realisation are insufficient, after payment of all other claims ranking in priority in accordance with the applicable Priority of Payments, to pay in full all amounts then due and payable under any respective 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 and any payments in respect of the Certificates) 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.

- 10.2 Apart from the Trustee, none of the Noteholders or any other Secured Creditor (nor any other person acting on behalf of any of them) shall be entitled at any time to institute against the Issuer or its directors, officers, successors or assigns, or join in any institution against the Issuer of, any bankruptcy, examinership, reorganisation, arrangement, insolvency, winding up or liquidation proceedings or for the appointment of a liquidator, administrator, receiver or any other insolvency official in relation to the Issuer or in relation to the whole or any substantial part of the undertakings of the Issuer.

11 Payments

- 11.1 **Principal and Interest:** Payments of principal and interest shall be made by transfer to an account in Sterling, maintained by the payee with a bank in London and (in the case of final redemption) upon surrender (or, in the case

of part payment only, endorsement) of the relevant Notes at the Specified Office of any Paying Agent in accordance with the terms of the Agency Agreement.

- 11.2 **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 person shown in the Register at the opening of business on the relevant record date in respect of a Note shall be the only person entitled to receive payments in respect of Notes represented by such Note and the Issuer will be discharged by payment to, or to the order of, such person in respect of each amount so paid.
- 11.3 **Payments subject to Fiscal Laws:** All payments in respect of the Notes are subject in each case to any applicable fiscal or other laws and regulations. No commissions or expenses shall be charged to the Noteholders in respect of such payments.
- 11.4 **Partial Payments:** If a Principal Paying Agent makes a partial payment in respect of any Note, the Issuer shall procure that the amount and date of such payment are noted on the Register and, in the case of partial payment upon presentation of a Note, that a statement indicating the amount and the date of such payment is endorsed on the relevant Note.
- 11.5 **Payments on Business Days:** If the due date for payment of any amount in respect of any Note is not a Business Day, then the holder shall not be entitled to payment until the next succeeding Business Day (unless such Business Day falls in the following calendar month, in which case it shall be brought forward to the immediately preceding Business Day) and no further payments of additional amounts by way of interest, principal or otherwise shall be due in respect of such Note.

12 Taxation

- 12.1 **Payments free of Tax:** All payments of principal and interest in respect of the Notes shall be made free and clear of, and without withholding or deduction for or on account of, any Taxes imposed, levied, collected, withheld or assessed by the Issuer Jurisdiction or any political subdivision or any authority thereof or therein having power to tax, unless the Issuer, the Trustee or the Paying Agents (as the case may be) are required by law to make any Tax Deduction. In that event, the Issuer, the Trustee or the Paying Agents (as the case may be) shall make such payments after such Tax Deduction and shall account to the relevant authorities for the amount so withheld or deducted. Notwithstanding any other provision in these Conditions, the Issuer, the Trustee and the Paying Agent shall be permitted to withhold or deduct any amounts required pursuant to a FATCA withholding.
- 12.2 **No payment of additional amounts:** None of the Issuer, the Trustee or the Paying Agents will be obliged to pay any additional amounts to the Noteholders as a result of any such Tax Deduction. None of the Issuer, the Trustee or the Paying Agent shall have any obligation to pay additional amounts or otherwise indemnify a holder for any FATCA withholding deducted or withheld by the Issuer, the Trustee, a Paying Agent or any other party as a result of any person not being entitled to receive payments free of FATCA withholding.

13 Events of Default

- 13.1 **Events of Default:** Subject to the other provisions of this Condition 13, each of the following events shall be treated as an Event of Default:
 - (a) *Non-payment:* the Issuer fails to pay any amount of principal in respect of the Notes within seven Business Days following the due date for payment of such principal or, subject to Condition 8.12 (*Subordination by Deferral*), fails to pay any amount of interest in respect of the Class A Notes within fourteen Business Days following the due date for payment of such interest;
 - (b) *Breach of other obligations:* the Issuer defaults in the performance or observance of any of its other obligations under or in respect of Notes, the Issuer Covenants, the Trust Deed, the Deed of Charge or any of the other Transaction Documents to which it is a party and such default (a) is, in the opinion of the Trustee, materially prejudicial to the interests of the holders of the Most Senior Class and (b) is, in the opinion of the Trustee, incapable of remedy, or is, in the opinion of the Trustee, capable of remedy, but

remains unremedied for 30 days (or such longer period as the Trustee may permit) after the Trustee has given written notice of such default to the Issuer;

- (c) *Insolvency*: an Insolvency Event in respect of the Issuer occurs;
- (d) *Unlawfulness*: 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 or Trust Documents or any of the other Transaction Documents; and
- (e) *Misrepresentation*: any representation or warranty made by the Issuer under any Transaction Document is incorrect when made which in the opinion of the Trustee is materially prejudicial to the interests of the holders of the Most Senior Class and the matters giving rise to such misrepresentation are not remedied within a period of 30 days (or such longer period as the Trustee may permit) (except that in any case where the Trustee considers the matters giving rise to such misrepresentation to be incapable of remedy, then no continuation or notice as is hereinafter mentioned will be required) following the service by the Trustee on the Issuer of notice requiring the same to be remedied.

13.2 ***Delivery of Enforcement Notice***: If an Event of Default occurs and is continuing, the Trustee may at its discretion and shall:

- (a) if so requested in writing by the holders of at least 25 per cent. in aggregate of the Principal Amount Outstanding of the Most Senior Class of Notes outstanding; or
 - (b) if so directed by an Extraordinary Resolution of the holders of the Most Senior Class of Notes outstanding;
- deliver an Enforcement Notice to the Issuer.

13.3 ***Conditions to delivery of Enforcement Notice***: Notwithstanding Condition 13.2 (*Delivery of Enforcement Notice*) the Trustee shall not be obliged to deliver an Enforcement Notice unless:

- (a) in the case of the occurrence of any of the events mentioned in Condition 13.1(b) (*Breach of other obligations*) the Trustee shall have certified in writing that the happening of such event is in its opinion materially prejudicial to the interests of the holders of the Most Senior Class of Notes outstanding; and
- (b) it shall, in all circumstances, have been indemnified and/or secured and/or prefunded to its satisfaction against all Liabilities to which it may thereby become liable or which it may incur by so doing.

13.4 ***Consequences of delivery of Enforcement Notice***: Upon the delivery of an Enforcement Notice, the Notes of each Class shall become immediately due and payable, without further action or formality, at their Principal Amount Outstanding together with any accrued interest.

14 Enforcement

14.1 ***Proceedings***: The Trustee may, at its discretion and without further notice, institute such steps, actions or proceedings as it thinks fit to enforce its rights under the Trust Deed in respect of the Notes of each Class (including these Conditions), the Deed of Charge or under the other Transaction Documents or to enforce the Security, but it shall not be bound to do so unless:

- (a) so requested in writing by the holders of at least 25 per cent. in aggregate of the Principal Amount Outstanding of the Most Senior Class outstanding; or
- (b) so directed by an Extraordinary Resolution of the holders of the Most Senior Class outstanding;

and in any such case, only if it shall have been indemnified and/or secured and/or prefunded to its satisfaction against all Liabilities to which it may thereby become liable or which it may incur by so doing.

14.2 ***Restrictions on disposal of Issuer's assets***: If an Enforcement Notice has been delivered by the Trustee otherwise than by reason of non-payment of any amount due in respect of the Notes, the Trustee will not be entitled to dispose of the Charged Property (except in respect of any Liquidity Standby Drawing standing to the credit of the Liquidity Standby Ledger which shall be repaid to the Liquidity Facility Provider in accordance with the terms of the Liquidity Facility Agreement) or any part thereof unless either:

- (a) the Issuer certifies to the Trustee (upon which certification the Trustee shall be entitled to rely absolutely and without enquiry and without any Liability for doing so) that a sufficient amount would be realised to allow payment in full of all amounts owing to the Noteholders of each Class after payment of all other claims ranking in priority to the Notes in accordance with the Post-Enforcement Priority of Payments; or
- (b) the Trustee is of the opinion, which shall be binding on the Noteholders and the other Secured Creditors, reached solely in reliance upon the advice of an investment bank or other financial adviser selected by the Trustee, (and if the Trustee is unable to obtain such advice having made reasonable efforts to do so this Condition 14.2(b) shall not apply) 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 due in respect of the Notes of each Class after payment of all other claims ranking in priority to the Notes in accordance with the Post-Enforcement Priority of Payments and the Trustee shall have no Liability to any person for the consequences of any such opinion reached in accordance with this Condition 14.2(b); and
- (c) the Trustee shall not be bound to make the determination, or seek the advice of an investment bank or other financial adviser, contained in Condition 14.2(b) unless the Trustee shall have been indemnified and/or secured and/or prefunded to its satisfaction against all Liabilities to which it may thereby become liable for which it may incur by so doing and shall have no Liability to anyone for not so doing.

14.3 **Third Party Rights:** No person shall have any right to enforce any Condition or any provision of the Trust Deed under the Contracts (Rights of Third Parties) Act 1999.

15 No action by Noteholders, Certificateholders or any other Secured Creditor

- 15.1 Only the Trustee may pursue the remedies available under the general law or under the Trust Documents to enforce the Security and no Noteholder, Certificateholder or other Secured Creditor shall be entitled to proceed directly against the Issuer to enforce the Security and, in particular, none of the Noteholders, the Certificateholders or any other Secured Creditor (nor any person on its or their behalf, other than the Trustee where appropriate) are entitled:
- (a) otherwise than as permitted by these Conditions, to direct the Trustee to enforce the Security or take any proceedings against the Issuer to enforce the Security;
 - (b) to take or join any person in taking any steps against the Issuer for the purpose of obtaining payment of any amount due by the Issuer to such Noteholders, Certificateholders or any other Secured Creditors;
 - (c) until the date falling two years after the Final Discharge Date, to initiate or join any person in initiating any insolvency proceeding in relation to the Issuer; or
 - (d) to take or join in the taking of any steps or proceedings which would result in the Priority of Payments not being observed.

unless, the Trustee, having become bound to enforce the performance of any of these Conditions or any of the provisions of the Transaction Documents and/or to take any other proceedings, fails to do so within 60 days or is unable to do so, and such failure or inability shall be continuing, provided that no Noteholder, Certificateholder or other Secured Creditor shall be entitled to take any steps or proceedings to procure the winding up, administration or liquidation of the Issuer.

16 Meetings of Noteholders

- 16.1 **Convening:** The Trust Deed contains “*Provisions for Meetings of Noteholders*” for convening separate or combined meetings of Noteholders of any Class to consider matters relating to the Notes, including the modification of any provision of these Conditions or the Trust Deed, which modification may be made if sanctioned by an Extraordinary Resolution.
- 16.2 **Separate and combined meetings:** The Trust Deed provides that:

- (a) subject to paragraph (b), below, an Extraordinary Resolution which in the opinion of the Trustee affects the interests of the Noteholders of only one Class of Notes shall be transacted at a separate meeting of the Noteholders of that Class;
- (b) in respect of the Class A Notes, subject to as provided in Condition 16.4 (*quorum*), an Extraordinary Resolution which, in the opinion of the Trustee, affects the interests of the holders of:
 - (i) the Class A1 Notes and the Class A2 Notes, but does not give rise to a conflict of interest between the holders of such Class A1 Notes and the Class A2 Notes, shall be deemed to have been duly passed if passed at a single meeting of the holders of the Class A1 Notes and the Class A2 Notes; and
 - (ii) the Class A1 Notes and the Class A2 Notes, but does give rise to a conflict of interest between the holders of such Class A1 Notes and Class A2 Notes shall be deemed to have been duly passed only if it shall be duly passed at a separate meeting of the holders of the Class A1 Notes and the Class A2 Notes,

notwithstanding the forgoing, any Extraordinary Resolution of the Class A Noteholders to direct the Trustee to give an Enforcement Notice pursuant to Condition 13 (*Events of Default*) shall only be capable of being passed at a single meeting of the Class A Noteholders.

- (c) an Extraordinary Resolution which in the opinion of the Trustee affects the interests of the Noteholders of more than one Class of Notes but does not give rise to an actual or potential conflict of interest between the holders of one Class of Notes and the holders of another Class of Notes shall be transacted either at separate meetings of the Noteholders of each such Class or at a single meeting of the Noteholders of all such Classes of Notes, as the Trustee shall determine in its absolute discretion; and
- (d) an Extraordinary Resolution which in the opinion of the Trustee affects the Noteholders of more than one Class of Notes and gives rise to any conflict of interest, actual or potential between the Noteholders of one Class of Notes and the Noteholders of any other Class of Notes shall be transacted at separate meetings of the Noteholders of each such Class.

16.3 **Request from Noteholders:** A meeting of Noteholders of a particular Class may be convened by the Trustee or the Issuer at any time and must be convened by the Trustee (subject to its being indemnified and/or secured and/or prefunded to its satisfaction) upon the request in writing of Noteholders of a particular Class holding not less than 10 per cent. in aggregate of the Principal Amount Outstanding of the outstanding Notes of that Class. However, so long as no Event of Default has occurred and is continuing, the Noteholders are not entitled to instruct or direct the Issuer to take any action, either directly or indirectly through the Trustee, without consent of the Issuer and, if applicable, certain other Transaction Parties pursuant to any relevant Transaction Documents, unless the Issuer has an obligation to take such action under the relevant Transaction Documents.

16.4 **Quorum:** The quorum at any meeting convened to vote on:

- (a) an Ordinary Resolution, relating to a meeting of a particular Class or Classes of the Notes will be one or more persons present and holding or representing in aggregate not less than 25 per cent. of the Principal Amount Outstanding of the relevant Class or Classes of Notes then outstanding or, at any adjourned meeting, one or more persons present and holding or representing in aggregate not less than 10 per cent. of the Principal Amount Outstanding of the relevant Class or Classes of Notes then outstanding and subject to Condition 16.2(b), the Class A1 Notes and the Class A2 Notes shall constitute a single Class of Class A Notes;
- (b) an Extraordinary Resolution, other than regarding a Reserved Matter, relating to a meeting of a particular Class or Classes of the Notes will be one or more persons holding or representing, in aggregate, more than 50 per cent. of the Principal Amount Outstanding of the outstanding Notes in that Class or those Classes or, at any adjourned meeting, one or more persons holding or representing, in aggregate, not less than 25 per cent. of the Principal Amount Outstanding of the outstanding Notes so held or represented in such Class or those Classes; and

- (c) an Extraordinary Resolution relating to a Reserved Matter (which must be proposed separately to each Class of Noteholders) will be one or more persons holding or representing not less than 75 per cent. in aggregate of the Principal Amount Outstanding of the outstanding Notes in the relevant Class or Classes or, at any adjourned meeting, one or more persons holding or representing more than 50 per cent. in aggregate of the Principal Amount Outstanding of the outstanding Notes in the relevant Class or Classes.

16.5 Relationship between Classes:

In relation to each Class of Notes:

- (a) no Extraordinary Resolution involving a Reserved Matter that is passed by the holders of one Class of Notes shall be effective unless it is sanctioned by an Extraordinary Resolution of the holders of each of the other Classes of Notes (to the extent that there are outstanding Notes in each such other Classes);
- (b) no Extraordinary Resolution to approve any matter other than a Reserved Matter of any Class of Notes shall be effective unless it is sanctioned by an Extraordinary Resolution of the holders of the Most Senior Class of Notes then outstanding, unless the Trustee is of the opinion that it would not be materially prejudicial to the interests of the holders of the Most Senior Class of Notes then outstanding;
- (c) any resolution passed at a Meeting of Noteholders of one or more Classes of Notes duly convened and held in accordance with the Trust Deed shall be binding upon all Noteholders of such Class or Classes, whether or not present at such Meeting and whether or not voting; and
- (d) except in the case of a meeting relating to a Reserved Matter, any resolution passed at a meeting of the holders of the Most Senior Class of Notes duly convened and held as aforesaid shall also be binding upon the holders of all the other Classes of Notes.

- 16.6 Resolutions in writing or by Electronic Consents:** A Written Resolution shall take effect as if it were an Extraordinary Resolution. Any resolution passed by way of Electronic Consents given by holders through the relevant clearing system(s) in accordance with these Conditions and the Trust Deed shall also be binding on the relevant Noteholders.

17 Modification and Waiver

- 17.1 Modification:** the Trustee may at any time and from time to time, without the consent or sanction of the Noteholders, the Certificateholders or any other Secured Creditors (other than the Secured Creditors who are party to the relevant Transaction Document), concur with the Issuer and any other relevant parties in making:

- (a) any modification to these Conditions, the Certificate Conditions, the Trust Documents, the Notes, the Certificates or the other Transaction Documents in relation to which its consent is required (other than in respect of a Reserved Matter or any provisions of the Trust Documents referred to in the definition of a Reserved Matter) which, in the opinion of the Trustee will not be materially prejudicial to the holders of the Most Senior Class outstanding; or
- (b) any modification to these Conditions, the Certificate Conditions, the Trust Documents, the Notes, the Certificates or the other Transaction Documents in relation to which its consent is required, if, in the opinion of the Trustee, such modification is of a formal, minor or technical nature or is made to correct a manifest error,

provided that, prior to the LF Cancellation Date, no material amendments to the LFP Related Provisions may be made without the consent of the Liquidity Facility Provider.

- 17.2 Additional Right of Modification:**

Notwithstanding the provisions of Condition 17.1 (*Modification*), the Trustee shall be obliged, without any consent or sanction of the Noteholders, the Certificateholders or, subject to proviso (iii) below, any other Secured Creditor, to concur with the Issuer in making any modification (other than in respect of a Reserved Matter) to these Conditions or any other Transaction Document to which it is a party or in relation to which it holds security that the Issuer considers necessary:

- (a) 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** the Issuer certifies in writing to the 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 (upon which certificate the Trustee shall be entitled to rely absolutely and without enquiry or liability);
- (b) to enable the Issuer to enter into any new and/or amended bank account agreement, collection account agreement or liquidity facility agreement including (without limitation):
 - (i) in connection with the appointment of a new liquidity facility provider, modifications to the calculation of the Base Rate, the LF Accrual Interest Period and such other consequential modifications to the Liquidity Facility Agreement, any Transaction Documents and these Conditions and/or the entry into such further documents which are necessary or advisable in the commercially reasonable judgement of the Issuer (or the Cash Manager on its behalf) to facilitate the appointment of a new liquidity facility provider and reflect generally accepted market practice in the publicly listed asset backed markets with respect to the determination of the rate of interest in liquidity facilities materially similar to the Liquidity Facility; or
 - (ii) where the unsecured, unsubordinated and unguaranteed debt obligations of the Issuer Account Bank, Collection Account Bank or Liquidity Facility Provider are downgraded below any relevant rating level as set out in the relevant Transaction Document, and the Issuer is required to take certain remedial action (as set out in the relevant Transaction Documents) in order to maintain the ratings of the Rated Notes at their then current ratings,

provided that the Issuer certifies to the Trustee (upon which the Trustee shall rely absolutely and without enquiry or liability) that any such new agreement and/or amendment would not have an adverse effect on the then current rating of the Most Senior Class and **provided that** the Trustee shall not be obliged to agree to any such new agreement and/or amendment which, in the sole opinion of the Trustee, would have the effect of (i) exposing the Trustee 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 protections, of the Trustee under the Transaction Documents and/or these Conditions and/or the Certificate Conditions;

- (c) for the purpose of complying with any changes after the Closing Date in the requirements of the UK CRA Regulation, the U.S. Risk Retention Rules, the EU Securitisation Regulation, the UK Securitisation Regulation, the UK CRR, UK AIFMR and/or UK Solvency II (including any associated regulatory technical standards and advice, guidance or recommendations from relevant supervisory regulators) as amended from time to time, **provided that** the Issuer certifies to the Trustee in writing that such modification is required solely for such purpose and has been drafted solely to such effect (upon which certificate the Trustee shall be entitled to rely absolutely and without enquiry or liability);
- (d) for the purpose of enabling the Notes to be (or to remain) listed on Euronext Dublin, provided that the Issuer certifies to the Trustee in writing that such modification is required solely for such purpose and has been drafted solely to such effect (upon which certificate the Trustee shall be entitled to rely absolutely and without enquiry or liability);
- (e) for the purposes of enabling the Issuer or any other person that is a Transaction Party to comply with the Code, any current or future regulations or official interpretations thereof, any agreement entered into pursuant to 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 Trustee in writing that such modification is required solely for such purpose and has been drafted solely to such effect (upon which certificate the Trustee shall be entitled to rely absolutely and without enquiry or liability);
- (f) which is necessary to facilitate the issue of Further Class A1 Notes pursuant to Condition 24 (*Further Class A1 Notes*), **provided that** the Issuer or the relevant Transaction Party, as applicable, certifies to the Trustee in writing that such modification is required solely for such purpose and has been drafted solely to such effect (upon which certificate the Trustee shall be entitled to rely absolutely and without enquiry or liability)

and **provided further that**, prior to the LF Cancellation Date only, the Issuer shall not be entitled to effect any material amendments to the LFP Related Provisions without the consent of the Liquidity Facility Provider (which the Issuer shall obtain and confirm in the foregoing certificate if applicable); or

- (g) for the purpose of changing the reference rate from the Applicable Reference Rate in respect of each Class of Rated Notes to an alternative reference rate (any such rate, an “**Alternative Reference Rate**”) and making such other amendments to these Conditions or any other Transaction Document as are necessary or advisable in the reasonable judgment of the Issuer to facilitate the changes envisaged pursuant to this Condition 17.2(g) (for the avoidance of doubt, this may include modifications to when the Rate of Interest applicable to any Class of Notes is calculated and/or notified to Noteholders or other such consequential modifications) (a “**Reference Rate Modification**”), **provided that** the Issuer certifies to the Trustee in writing (upon which certificate the Trustee shall be entitled to rely absolutely and without enquiry or liability) that:
 - (i) the Reference Rate Modification is being undertaken due to any one or more of the following:
 - (A) a material disruption to the Applicable Reference Rate, a material change in the methodology of calculating the Applicable Reference Rate or the Applicable Reference Rate ceasing to exist or be published, or the administrator of the Applicable Reference Rate having used a fallback methodology for calculating the Applicable Reference Rate for a period of at least 30 calendar days; or
 - (B) the insolvency or cessation of business of the administrator of the Applicable Reference Rate (in circumstances where no successor administrator has been appointed); or
 - (C) a public statement by the administrator of the Applicable Reference Rate that it will cease publishing the Applicable Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Applicable Reference Rate) with effect from a date no later than 6 months after the proposed effective date of such Reference Rate Modification; or
 - (D) a public statement by the supervisor of the administrator of the Applicable Reference Rate that the Applicable Reference Rate has been or will be permanently or indefinitely discontinued or there will be a material change in the methodology of calculating the Applicable Reference Rate with effect from a date no later than 6 months after the proposed effective date of such Reference Rate Modification; or
 - (E) a public statement by the supervisor of the administrator of the Applicable Reference Rate that means the Applicable Reference Rate will be prohibited from being used or that its use is subject to restrictions or adverse consequences with effect from a date no later than 6 months after the proposed effective date of such Reference Rate Modification; or
 - (F) a change in the generally accepted market practice in the publicly listed asset backed floating rate notes market to refer to a Benchmark Rate endorsed in a public statement by the Bank of England, the Financial Conduct Authority or the Prudential Regulation Authority or any relevant committee or other body established, sponsored or approved by any of the foregoing, including the Working Group on Sterling Risk-Free Reference Rates, despite the continued existence of the Applicable Reference Rate; or
 - (G) it having become unlawful and/or impossible and/or impracticable for any Paying Agent, Agent Bank, the Issuer or the Cash Manager to calculate any payments due to be made to any Noteholder using the Applicable Reference Rate; or
 - (H) it being the reasonable expectation of the Issuer that any of the events specified in subparagraphs (A), (B) or (G) will occur or exist within six months of the proposed effective date of such Reference Rate Modification;

- (I) the Alternative Reference Rate being adopted in a material number of publicly listed issues of asset-backed floating rate notes denominated in the same currency as any of the Notes; or
 - (J) a Reference Rate Modification is being proposed pursuant to Condition 17.2(j); and
- (ii) the Alternative Reference Rate is any one or more of the following:
- (A) a benchmark rate with an equivalent term to the Applicable Reference Rate as published, endorsed, approved or recognised as a replacement to the Applicable Reference Rate by the Bank of England, the Financial Conduct Authority or the Prudential Regulation Authority or any relevant committee or other body established, sponsored or approved by any of the foregoing, including the Working Group on Sterling Risk-Free Reference Rates (which, for the avoidance of doubt, may be an Alternative Reference Rate together with a specified adjustment factor which may increase or decrease the relevant Alternative Reference Rate); or
 - (B) a benchmark rate with an equivalent term utilised in a material number of publicly-listed new issues of asset backed floating rate notes denominated in sterling in the six months prior to the proposed effective date of such Reference Rate Modification; or
 - (C) such other benchmark rate as the Issuer reasonably determines, **provided that** this option may only be used if the Issuer certifies to the Trustee (upon which certificate the Trustee shall be entitled to rely absolutely and without enquiry or liability) that, in the reasonable opinion of the Issuer, neither Condition 17.2(f)(ii)(A) nor Condition 17.2(f)(ii)(B) are applicable and/or practicable in the context of the transaction constituted by the Transaction Documents, and sets out the rationale in the Modification Certificate (as defined below) for choosing the proposed Alternative Reference Rate; and
- (iii) the same Alternative Reference Rate will be applied to all Classes of Rated Notes; and
- (iv) the details of and the rationale for any Note Rate Maintenance Adjustment (as defined below) proposed in accordance with item (v)(C) of the proviso to Conditions 17.2(a) to (g) are as set out in the notice to Noteholders given pursuant proviso (v) below; and
- (v) the modifications proposed are required solely for the purpose of applying the Alternative Reference Rate and making consequential modifications to these Conditions or any Transaction Document which are, as reasonably determined by the Issuer necessary or advisable, and the modifications have been drafted solely to such effect; and
- (vi) CHL has agreed to pay, or to put the Issuer in funds to pay, all fees, costs and expenses (including legal fees and any initial or ongoing costs associated with the Reference Rate Modification) incurred by the Issuer and the Trustee or any other Transaction Party in connection with the Reference Rate Modification,

(the certificate to be provided by the Issuer or the relevant Transaction Party, as the case may be, pursuant to Condition 17.2(a) to (g) 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 Trustee;
- (ii) the Modification Certificate in relation to such modification shall be provided to the Trustee both at the time the 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 ranking in any Priority of Payments is affected has been obtained and, prior to the LF Cancellation Date only, in the case of material amendments to the LFP Related Provisions, the Liquidity Facility Provider provide their consent to such material amendments;

- (iv) either:
 - (A) the Issuer obtains from each of the Rating Agencies a written RAC (or certifies in the Modification Certificate that it 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 (x) a downgrade, withdrawal or suspension of the then current ratings assigned to any Class of the Notes by such Rating Agency or (y) such Rating Agency placing any Notes on rating watch negative (or equivalent); or
 - (B) the Issuer certifies in the Modification Certificate that it has informed the Rating Agencies of the proposed modification and none of the Rating Agencies has indicated that such modification would result in (x) a downgrade, withdrawal or suspension of the then current ratings assigned to any Class of the Notes by such Rating Agency or (y) such Rating Agency placing any Notes on rating watch negative (or equivalent); and
- (v) the Issuer certifies in writing to the Trustee (which certificate may be in the Modification Certificate and upon which certificate the Trustee shall be entitled to rely absolutely and without enquiry or liability) that the Issuer has provided at least 30 calendar days' notice to the Noteholders of each Class of the proposed modification in accordance with Condition 22 (*Notices*) 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 of Notes then outstanding have not contacted the Issuer or Principal Paying Agent 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 Issuer or Principal Paying Agent that such Noteholders do not consent to the modification. In the case of a Reference Rate Modification, the notice to Noteholders given pursuant to this sub-paragraph (v) shall confirm:
 - (A) the sub-paragraph(s) of Condition 17.2(g) under which the Reference Rate Modification is being proposed; and
 - (B) which Alternative Reference Rate is proposed to be adopted pursuant to Condition 17.2(g)(ii), and, where Condition 17.2(g)(ii)(C) is being applied, the rationale for choosing the proposed Alternative Reference Rate; and
 - (C) details of the adjustment which the Issuer proposes to make (if any) to the margin payable on each Class of Notes which are the subject of the Reference Rate Modification in order to, so far as reasonably and commercially practicable, preserve what would have been the expected Rate of Interest applicable to each such Class of Notes had no such Reference Rate Modification been effected (the "**Note Rate Maintenance Adjustment**"), **provided that:**
 - (1) in the event that the Bank of England, the Financial Conduct Authority or the Prudential Regulation Authority or any relevant committee or other body established, sponsored or approved by any of the foregoing, including the Working Group on Sterling Risk-Free Reference Rates has published, endorsed, approved or recognised a note rate maintenance adjustment mechanism which could be used in the context of a transition from the Applicable Reference Rate to the Alternative Reference Rate, then the Issuer shall propose that note rate maintenance adjustment mechanism as the Note Rate Maintenance Adjustment, or otherwise the Issuer shall set out in the notice to Noteholders the rationale for concluding that this is not a commercial and reasonable approach in relation to the Notes and the proposed Reference Rate Modification; or
 - (2) in the event that it has become generally accepted market practice in the publicly listed asset backed floating rate notes to use a particular note rate maintenance adjustment mechanism in the context of a transition from the Applicable Reference Rate to the Alternative Reference Rate, then the Issuer shall propose that note rate

maintenance adjustment mechanism as the Note Rate Maintenance Adjustment, or otherwise the Issuer shall set out in the notice to Noteholders the rationale for concluding that this is not a commercial and reasonable approach in relation to the Notes and the proposed Reference Rate Modification; or

- (3) in the event that neither (1) nor (2) above apply, the Issuer shall use reasonable endeavours to propose an alternative Note Rate Maintenance Adjustment as reasonably determined by the Issuer and shall set out the rationale for the proposal or otherwise the Issuer shall set out in the notice to Noteholders the rationale for concluding that this is not a commercial and reasonable approach in relation to the Notes and the proposed Reference Rate Modification; and
 - (4) if any Note Rate Maintenance Adjustment is proposed, the Note Rate Maintenance Adjustment applicable to each Class of Notes other than the Most Senior Class shall be at least equal to that applicable to the Most Senior Class. In circumstances where the Issuer proposes a lower Note Rate Maintenance Adjustment on any Class of Notes other than the Most Senior Class than that which is proposed for the Most Senior Class or another Class of Notes which ranks senior to the Class of Notes to which the lower Note Rate Maintenance Adjustment is proposed to be made, the Reference Rate Modification will not be made unless an Extraordinary Resolution is passed in favour of such modification in accordance with Condition 16 (*Meetings of Noteholders*) by the Noteholders of each Class of Notes then outstanding to which the lower Note Rate Maintenance Adjustment is proposed to be made; and
 - (5) for the avoidance of doubt, the Note Rate Maintenance Adjustment may effect an increase or a decrease to the margin or may be set at zero; and
- (D) details of (i) other amendments which the Issuer proposes to make (if any) to these Conditions or any other Transaction Document and (ii) any new, supplemental or additional documents into which the Issuer proposes to enter to facilitate the changes envisaged pursuant to this Condition 17.2 (*Additional Right of Modification*).

If Noteholders representing at least 10 per cent. of the aggregate Principal Amount Outstanding of the Most Senior Class of Notes then outstanding have notified the Issuer or the Principal Paying Agent in writing (or otherwise in accordance with the then current practice of any applicable clearing system through which such Notes may be held, a copy of which notification the Principal Paying Agent shall promptly provide to the Issuer and the Trustee) within the notification period referred to above that they do not consent to the modification, then such modification will not be made unless an Extraordinary Resolution of the holders of the Most Senior Class of Notes then outstanding is passed in favour of such modification in accordance with Condition 16 (*Meetings of Noteholders*).

Objections made in writing other than through the applicable clearing system must be accompanied by evidence to the Issuer's satisfaction (having regard to prevailing market practices) of the relevant Noteholder's holding of the Notes.

- (h) Notwithstanding anything to the contrary in this Condition 17.2 (*Additional Right of Modification*) or any Transaction Document:
 - (i) when implementing any modification pursuant to this Condition 17.2 (*Additional Right of Modification*) (save to the extent the Trustee considers that the proposed modification would constitute a Reserved Matter), the Trustee shall not consider the interests of the Noteholders, Certificateholders, any other Secured Creditor or any other person and shall act and rely absolutely, and without enquiry or Liability, on any certificate (including any Modification Certificates) or evidence provided to it by the Issuer or the relevant Transaction Party, as the case may be, pursuant to this Condition 17.2 (*Additional Right of Modification*) and shall not be liable to the Noteholders, Certificateholders, 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 Trustee shall not be obliged to agree to any modification which, in the sole opinion of the Trustee would have the effect of (i) exposing the Trustee 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 protections, of the Trustee in the Transaction Documents and/or these Conditions.
 - (i) Any such modification shall be binding on all Noteholders and shall be notified by the Issuer as soon as reasonably practicable to:
 - (i) so long as any of the Notes rated by the Rating Agencies remains outstanding, each Rating Agency;
 - (ii) the Secured Creditors;
 - (iii) the Noteholders in accordance with Condition 22 (Notices); and
 - (iv) the Certificateholders in accordance with Certificate Condition 20 (Notices).
 - (j) Following the making of a Reference Rate Modification, if it becomes generally accepted market practice in the publicly listed asset backed floating rate notes market to use a benchmark rate of interest which is different from the Alternative Reference Rate which had already been adopted by the Issuer in respect of the Notes pursuant to a Reference Rate Modification, the Issuer is entitled to propose a further Reference Rate Modification pursuant to this Condition 17.2.
- 17.3 **Waiver:** In addition, the Trustee may, without the consent of the Noteholders, the Certificateholders or any other Secured Creditor authorise or waive any proposed breach or breach of the covenants or provisions contained in the Trust Documents, the Notes, the Certificates or any of the other Transaction Documents or determine that any Event of Default or Certificates Event of Default shall not be treated as such for the purposes of these Conditions, the Notes, the Certificate Conditions or any of the Transaction Documents if, in the opinion of the Trustee, the interests of the holders of the Most Senior Class outstanding will not be materially prejudiced by such waiver.
- 17.4 **Restriction on power to waive:** The Trustee shall not exercise any powers conferred upon it by Condition 17.3 (*Waiver*) in contravention of any express direction by an Extraordinary Resolution of the holders of the Most Senior Class outstanding or of a request or direction in writing made by the holders of not less than 25 per cent. in aggregate Principal Amount Outstanding of the Most Senior Class outstanding (or, if there are no Notes outstanding, not less than 25 per cent. by number of the holders of the number of Certificates then in issue), but so that no such direction or request (a) shall affect any authorisation, waiver or determination previously given or made or (b) shall authorise or waive any such proposed breach or breach relating to a Reserved Matter unless the holders of each Class of outstanding Notes and/or the holders of the Certificates then in issue (as the case may be) in accordance with Condition 16.5 (*Relationship between Classes*) and Certificate Condition 14.4 (*Relationship between Noteholders and Certificateholders*) (as applicable) have, by Extraordinary Resolution, so authorised its exercise.
- 17.5 **Notification:** Unless the Trustee otherwise agrees, the Issuer shall cause any such authorisation, waiver, modification or determination to be notified to the Noteholders, the Rating Agencies and the other Secured Creditors in accordance with the Notices Condition and the Transaction Documents, as soon as practicable after it has been made.
- 17.6 **Binding Nature:** Any authorisation, waiver, determination or modification referred to in Condition 17.1 (*Modification*) or Condition 17.3 (*Waiver*) shall be binding on the Noteholders and the other Secured Creditors.

18 Prescription

- 18.1 **Principal:** Claims for principal in respect of Notes shall become void where application for payment is made more than ten years after the due date therefor.
- 18.2 **Interest:** Claims for interest in respect of Notes, shall become void where application for payment is made more than five years after the due date therefor.

19 Replacement of Notes

If any Note is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Registrar, subject to all applicable laws and Euronext Dublin requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Notes must be surrendered before replacements will be issued.

20 Trustee and Agents

- 20.1 **Trustee's right to Indemnity:** Under the Transaction Documents, the Trustee is entitled to be indemnified and relieved from responsibility in certain circumstances and to be paid or reimbursed for any Liabilities incurred by it in priority to the claims of the Noteholders. In addition, the Trustee is entitled to enter into business transactions with the Issuer and any entity relating to the Issuer without accounting for any profit.
- 20.2 **Trustee not responsible for loss or for monitoring:** The Trustee is not responsible for any loss, expense or Liability which may be suffered as a result of the Charged Property or any documents of title thereto being uninsured or inadequately insured or being held by or to the order of the Servicer or by any person on behalf of the Trustee (as applicable). The Trustee shall not be responsible for monitoring the compliance by any of the other Transaction Parties with their obligations under the Transaction Documents.
- 20.3 **Regard to classes of Noteholders:** In the exercise of its powers and discretions under these Conditions and the Trust Deed, the Trustee will:
- (a) have regard to the interests of each Class of Noteholders as a Class and will not be responsible for any consequence for individual Noteholders as a result of such holders being domiciled or resident in, or otherwise connected in any way with, or subject to the jurisdiction of, a particular territory or taxing jurisdiction; and
 - (b) in the event of a conflict of interests of holders of different Classes of Notes and the Certificates, have regard only to the interests of the holders of the Most Senior Class of Notes outstanding and will not have regard to any lower ranking Class of Notes or (following the redemption in full of all Classes of Notes) the Certificates or to the interests of the other Secured Creditors except to ensure the application of the Issuer's funds after the delivery of an Enforcement Notice in accordance with the Post-Enforcement Priority of Payments.
- 20.4 **Paying Agents solely agents of Issuer:** In acting under the Agency Agreement and in connection with the Notes, the Paying Agents act solely as agents of the Issuer and (to the extent provided therein) the Trustee and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders.
- 20.5 **Initial Paying Agents:** The Issuer reserves the right (with the prior written approval of the Trustee) to vary or terminate the appointment of any Agent and to appoint a successor principal paying agent or agent bank and additional or successor paying agents at any time, having given not less than 30 days' notice to such Agent.

21 Substitution of Issuer

- 21.1 **Substitution of Issuer:** The Trustee may, without the consent of the Noteholders, the Certificateholders or any other Secured Creditor, subject to such further conditions as are specified in the Trust Deed, concur with the Issuer to the substitution of a Substituted Obligor in place of the Issuer as the principal debtor in respect of the Trust Documents, the Transaction Documents, the Notes, the Certificates and the Secured Amounts.
- 21.2 **Notice of Substitution of Issuer:** Not later than fourteen days after any substitution of the Issuer in accordance with this Condition 21, the Substituted Obligor shall cause notice of such substitution to be given to the Noteholders, the Certificateholders and the other Secured Creditors in accordance with the Notices Condition and the other relevant Transaction Documents.
- 21.3 **Change of Law:** In the case of a substitution pursuant to this Condition 21, the Trustee may in its absolute discretion agree, without the consent of the Noteholders, the Certificateholders or the other Secured Creditors to a change of

the law governing the Notes, the Certificates and/or any of the Transaction Documents **provided that** such change would not, in the opinion of the Trustee, be materially prejudicial to the interests of the holders of the Most Senior Class outstanding, **provided that** the Rating Agencies are notified by the Issuer. For the avoidance of doubt, a Transaction Document cannot be amended without the agreement of all the parties thereto.

- 21.4 **No indemnity:** No Noteholder or Certificateholder shall, in connection with any such substitution, be entitled to claim from the Issuer or the Trustee any indemnification or payment in respect of any tax consequence of any such substitution upon individual Noteholders or Certificateholders.
- 21.5 **Further Class A1 Notes:** The Issuer will, upon the direction of the Seller and with the written consent of the Class A2 Noteholder (but without the consent of any other Noteholders or Certificateholders) issue Further Class A1 Notes in accordance with Condition 24 (*Further Class A1 Notes Issue*).

22 Notices

- 22.1 **Valid Notices:** For so long as the relevant Notes are in global form, any notice to Noteholders shall be validly given to the relevant Noteholders if sent to the Clearing Systems for communication by them to the holders of the relevant Class of Notes and shall be deemed to be given on the date on which it was so sent. While the Notes are represented by Definitive Notes, any notice to the holders thereof shall be validly given if published in the *Financial Times*, or, if such newspaper shall cease to be published or, if timely publication therein is not practicable, in such other English newspaper or newspapers as the Trustee shall approve in advance having a general circulation in the United Kingdom. So long as the relevant Notes are listed on the official list of Euronext Dublin and admitted to trading on its regulated market any notice shall also be published in accordance with the relevant guidelines of Euronext Dublin by a notification in writing to its Company Announcements Office, and any notice so published shall be deemed to have been given on the date of publication.
- 22.2 **Other Methods:** The Trustee shall be at liberty to sanction some other method of giving notice to the Noteholders or to a Class or category of them if, in its opinion, such other method is reasonable having regard to market practice then prevailing and to the requirements of the stock exchange on which the Notes are then listed and **provided that** notice of such other method is given to the Noteholders in such manner as the Trustee shall require.

23 Non-Responsive Rating Agency

- 23.1 In respect of the exercise of any power, duty, trust, authority or discretion as contemplated hereunder or in relation to the Notes and any of the Transaction Documents, the Trustee shall be entitled but not obliged to take into account any RAC that the then current ratings of the Rated Notes will not be reduced, qualified, adversely affected or withdrawn thereby.
- 23.2 If a RAC 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 RAC or response is delivered to each Rating Agency by or on behalf of the Issuer (copied to the Trustee) and:
- (a) (I) one Rating Agency (such Rating Agency, a “**Non-Responsive Rating Agency**”) indicates that it does not consider such RAC or response necessary in the circumstances or that it does not, as a matter of practice or policy provide such RAC or response or (II) within 30 days of delivery of such request, no RAC or response is received and/or such request elicits no statement by such Rating Agency that such RAC or response could not be given; and
 - (b) one Rating Agency gives such RAC or response based on the same facts,

then such condition to receive a RAC or response from each Rating Agency shall be deemed modified so that there shall be no requirement for the RAC or response from the Non-Responsive Rating Agency if the Cash Manager or the Servicer on behalf of the Issuer provides to the Trustee a certificate signed by two directors certifying and confirming that each of the events in paragraphs (a)(I) or (II) and (b) above has occurred, the Issuer having sent a written request to each Rating Agency and the Trustee shall be entitled to rely upon such certificate absolutely and without enquiry or Liability to any person for so doing.

- 23.3 The Trustee shall be entitled to rely absolutely and without enquiry or Liability to any person on any certificate delivered to it in connection with a Non-Responsive Rating Agency pursuant to this Condition 23. The Trustee shall not be required to investigate any action taken by the Issuer or such Non-Responsive Rating Agency and shall treat the applicable condition or requirement to receive a RAC or response from each Rating Agency as having been modified with the consent of all Noteholders and all parties to the relevant Transaction Documents so that there shall be no requirement for such RAC or response from such Non-Responsive Rating Agency.

24 Further Class A1 Notes Issue

- 24.1 The Issuer will, upon the direction of the Seller and with the written consent of the Class A2 Noteholder (acting by way of Extraordinary Resolution) (but without the consent of any other Noteholders or Certificateholders) create and issue further Class A1 Notes (the “**Further Class A1 Notes**”), which are intended to be fungible with the Class A1 Notes issued on the Closing Date (such Class A1 Notes being the “**Initial Class A1 Notes**”) and any other Further Class A1 Notes issued following the Closing Date, in order to redeem the Class A2 Notes (in full or in part). The Further Class A1 Notes will be issued on an Interest Payment Date and will carry the same terms and conditions in all respects (or in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue) as the Initial Class A1 Notes, so that the same shall be consolidated and form a single Class A1 Note with the Initial Class A1 Notes and rank *pari passu* with the Initial Class A1 Notes provided that:
- (a) the Class A2 Noteholder has been notified (via written notice in the form scheduled to the Trust Deed, such notice a “**Further Class A1 Note Issue Request**” and in accordance with Condition 20 (*Notice*)) (copied to the Trustee) by the Issuer of the proposed issuance at least 30 calendar days in advance of the relevant Interest Payment Date (or such shorter time period as the Issuer, the Class A2 Noteholders and the Seller may agree) of the proposed issuance (including the proposed aggregate principal amounts of such Further Class A1 Notes and the proposed issuance date, which shall be an Interest Payment Date) and the Class A2 Noteholder has provided its written consent (acting by way of Extraordinary Resolution) within ten Business Days of such notification (and such consent will be deemed to have been given if the Class A2 Noteholder fails to reply within such ten Business Day period);
 - (b) the amount of issuance proceeds received by the Issuer in connection with the issue of the Further Class A1 Notes is an amount equal to or greater than the Principal Amount Outstanding of the Further Class A1 Notes issued;
 - (c) in the event that the aggregate principal amount of such Further Class A1 Notes will be less than the aggregate principal amount of the Class A2 Notes (as at the date the Further Class A1 Notes are to be issued), the portion of the Class A2 Notes remaining after redemption must not be less than the Minimum Denomination;
 - (d) the Issuer obtains a Rating Agency Confirmation that following the issuance of any Further Class A1 Notes the ratings on the Class A1 Notes would be maintained;
 - (e) the Par Proceeds of the Further Class A1 Notes shall be used solely to redeem the Class A2 Notes (in full or in part) on the Interest Payment Date on which the Further Class A1 Notes are issued. On the Interest Payment Date that the Further Class A1 Notes are issued, the Priority of Payments shall be run, and, following the application of Available Principal Receipts and Available Revenue Receipts in accordance with the applicable Priority of Payments, the Par Proceeds will be applied solely in or towards the redemption of the Class A2 Notes and for the avoidance of doubt, the Class A2 Notes must be redeemed only in an amount equal to the corresponding Par Proceeds of the Further Class A1 Notes issued at such time;
 - (f) the Issuer will have sufficient funds available to it to cover the costs and expenses of issuing the Further Class A1 Notes (or such costs and expenses will be paid on its behalf) and will prepare a listing document and application will be made by the Issuer, in respect of the Further Class A1 Notes, for such Further Class A1 Notes to be listed on Euronext or, if the Initial Class A1 Notes are no longer listed on that exchange,

such exchange, if any, on which the Initial Class A1 Notes are then listed or admitted to trading on, such conditions to be certified by the Issuer in the Further Class A1 Note Issue Request; and

- (g) the Retention Holder will hold no less than 5 per cent. of the Class A Notes (including any Further Class A1 Notes at any time) in compliance with the Retention Requirements,

in each case, as determined by the Issuer.

“**Par Proceeds**” means, in respect of each issue of Further Class A1 Notes, an amount equal to the Principal Amount Outstanding of the Further Class A1 Notes issued.

- 24.2 The Issuer shall give notice to the Trustee in writing (on which the Trustee shall rely absolutely) and the Noteholders in accordance with Condition 20 (*Notice*) that the conditions described in this Condition 24 have been or will be met on the date of issue of such Further Class A1 Notes.
- 24.3 If any such Further Class A1 Notes are issued, the Issuer will advise the Central Bank of Ireland and Euronext accordingly, and will procure the publication of a notice of such issue in accordance with Condition 20 (*Notice*).
- 24.4 Any such Further Class A1 Notes will be constituted by a further deed supplemental to the Trust Deed and have the benefit of the security constituted by the Deed of Charge.
- 24.5 Any of the Transaction Documents, these Conditions or the Certificate Conditions may, in accordance with Condition 17.2(f) and Certificates Condition 15.2(f), without the consent of Noteholders or Certificateholders, be amended (other than a Reserved Matter), and further Transaction Documents may be entered into without the consent of Noteholders or Certificateholders, in connection with such Further Class A1 Notes.
- 24.6 To the extent that, upon the issuance of the Further Class A1 Notes, the corresponding Par Proceeds applied to the Class A2 Notes results in paying down the Principal Amount Outstanding of the Class A2 Notes to zero, the provisions in these Conditions relating to the Class A2 Notes shall be deemed to not apply **provided that**, for the avoidance of doubt, any instructions or direction validly given by the Class A2 Noteholders prior to such redemption shall continue to be valid (if applicable).
- 24.7 The Issuer shall pay the arranger(s) and/or manager(s) in respect of any Further Class A1 Notes issued pursuant to this Condition 24 a commission out of any issuance proceeds that are in excess of the Par Proceeds, as directed by the Seller and the Class A2 Noteholder (in writing). The arranger(s) and/or the manager(s) shall be entitled to deduct any such commissions out of the gross issuance proceeds raised from the relevant issuance of Further Class A1 Notes and thereafter deliver to the Issuer the remaining net issuance proceeds.

25 Governing Law and Jurisdiction

- 25.1 **Governing law:** The Transaction Documents (other than the Scottish Trust Security, the Scottish Sub Securities, the Scottish Declaration of Trust and the Scottish Trust Transfer), the Notes, the Certificates and these Conditions (and any non-contractual obligations arising out of or in connection with them) are governed by, and shall be construed in accordance with, English law save for any provisions or terms which are particular to the laws of Northern Ireland which shall be governed by and constructed in accordance with Northern Irish law. The Security granted in respect of the Northern Irish Mortgage Loans, the Northern Irish Mortgages and Related Security shall be governed and construed in accordance with Northern Irish law. The Scottish Trust Security, the Scottish Declaration of Trust, the Scottish Trust Transfer and any Scottish Sub Securities are governed by, and shall be construed in accordance with, Scots law.
- 25.2 **Jurisdiction:** The Courts of England and Wales are to have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Notes, the Certificates and the Transaction Documents (including a dispute relating to non-contractual obligations or a dispute regarding the existence, validity or termination of any of the Notes, the Certificates or the Transaction Documents or the consequences of their nullity) and accordingly any legal action or proceedings arising out of or in connection with the Notes, the Certificates and/or the Transaction Documents may be brought in such Courts. The Issuer has in each of the Transaction Documents to which it is a party irrevocably submitted to the jurisdiction of such Courts. Notwithstanding the above, the Trustee may take

proceedings in any other courts with jurisdiction. To the extent allowed by law, the Trustee may take concurrent proceedings in any number of jurisdictions.

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).

1 General

- 1.1 The 1,000,000 Class XB Certificates (the “**Class XB Certificates**” or the “**Certificates**”), will be issued by Towd Point Mortgage Funding 2023 - Vantage 3 plc (registered number 15184057) (the “**Issuer**”) on or about the Closing Date. Any reference in these Certificate Conditions to a Class of Certificates or Certificateholders shall be a reference to the Class XB Certificates, or to the holders thereof.
- 1.2 The Issuer has agreed to issue the Certificates subject to and with the benefit of the terms of the Trust Deed and the Agency Agreement. The security for the Certificates is created pursuant to, and on the terms set out in, the Deed of Charge.
- 1.3 The Agency Agreement records certain arrangements in relation to the payment of Certificate Payments with respect to the Class XB Certificates.
- 1.4 Certain provisions of these Certificate Conditions are summaries of the Trust Documents and the Incorporated Terms Memorandum and the Agency Agreement and are subject to their detailed provisions.
- 1.5 The Certificateholders are bound by the terms of the Trust Documents, and the Incorporated Terms Memorandum, and are deemed to have notice of all the provisions of the Transaction Documents.
- 1.6 Copies of the Transaction Documents (other than the Scottish Declaration of Trust) and the Memorandum and Articles of Association of the Issuer are available for inspection by Certificateholders, upon reasonable notice, during normal business hours at the principal office for the time being of the Trustee, being at the date hereof 125 Old Broad Street, London EC2N 1AR, Fifth Floor, United Kingdom and at the Specified Offices of each of the Paying Agents, the initial Specified Offices of which are set out below. Upon reasonable request, such Paying Agent will allow copies of such documents to be taken.

2 Definitions

- 2.1 Capitalised terms not otherwise defined in these Certificate Conditions and any rules of interpretation shall have the meanings given to them in the terms and conditions of the Notes.
- 2.2 ***Transaction Documents and other agreements:*** Any reference to any document defined as a Transaction Document or any other agreement or document shall be construed as a reference to such Transaction Document or, as the case may be, such other agreement or document as the same may have been, or may from time to time be, amended, restated, varied, novated, supplemented or replaced.

3 Form and Denomination

- 3.1 Each Certificate will be represented by a definitive certificate in registered form (a “**Definitive Certificate**”).
- 3.2 Transfers and exchanges of beneficial interests in such Definitive Certificate and entitlement to payments thereunder will be effected by the Registrar. Each Definitive Certificate will be registered in the name of the respective holder.
- 3.3 Definitive Certificates will be serially numbered and will be issued in registered form only.

4 Title

- 4.1 The holder registered in the Register of a respective Class of 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.

- 4.2 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.
- 4.3 No transfer of a Certificate will be valid unless and until entered on the Register.
- 4.4 Transfers and exchanges of beneficial interests in the Definitive Certificates and entries on the Register relating thereto will be made subject to any restrictions on transfers set forth on such Certificates and the detailed regulations concerning transfers of such Certificates contained in the Agency Agreement, the Trust Deed and the legend appearing on the face of the Certificates. In no event will the transfer of a Definitive Certificate be made absent compliance with the regulations referred to above, and any purported transfer in violation of such regulations shall be void *ab initio* and will not be honoured by the Issuer or the Trustee. The regulations referred to above may be changed by the Issuer with the prior written approval of the Registrar and the Trustee. A copy of the current regulations will be sent by the Principal Paying Agent in the United Kingdom or the Registrar to any holder of a Certificate who so requests (and who provides evidence of such holding where the Certificates are in global form) and will be available upon request at the Specified Office of the Registrar or the Principal Paying Agent.
- 4.5 A Definitive Certificate may be transferred in whole or in part upon the surrender of the relevant Definitive Certificate, together with the form of transfer endorsed on it duly completed and executed, at the Specified Office of the Registrar or the Principal Paying Agent. In the case of a transfer of part only of a Definitive Certificate, a new Definitive Certificate, in respect of the balance remaining will be issued to the transferor by or by order of the Registrar.
- 4.6 Each new Definitive Certificate, to be issued upon transfer of Definitive Notes will, within five Business Days of receipt of such request for transfer, be available for delivery at the Specified Office of the Registrar or the Principal Paying Agent stipulated in the request for transfer, or be mailed at the risk of the holder entitled to the Definitive Certificate, to such address as may be specified in such request.
- 4.7 Registration of Definitive Certificates on transfer will be effected without charge by or on behalf of the Issuer or the Registrar, but upon payment of (or the giving of such indemnity as the Registrar may require in respect of) any tax or other governmental charges which may be imposed in relation to it.

5 Status and Ranking

- 5.1 **Status:** The Certificates constitute direct, secured and (subject to the limited recourse provision in Certificate Condition 8.8 (*Limited Recourse and Non-Petition*)) unconditional obligations of the Issuer, and represent the Issuer's obligation to pay any XB Payment amounts to the Class XB Certificateholders.
- 5.2 The Class XB Certificates rank *pari passu* without preference or priority among themselves in relation to payment of the XB Payments at all times, as provided in these Certificate Conditions and the Transaction Documents.
- 5.3 **Sole Obligations:** The Certificates are obligations solely of the Issuer and are not obligations of, or guaranteed by, any of the other Transaction Parties.
- 5.4 **Priority of Payments.** Prior to the delivery of an Enforcement Notice, the Issuer is required to apply Available Revenue Receipts and Available Principal Receipts in accordance with the Pre-Enforcement Revenue Priority of Payments and the Pre-Enforcement Principal Priority of Payments (as applicable) and thereafter, in accordance with the Post-Enforcement Priority of Payments.

6 Security

- 6.1 **Security:** The Certificates are secured by the Security.
- 6.2 **Enforceability:** The Security will become enforceable upon the delivery by the Trustee of an Enforcement Notice in accordance with (i) as long as there are Notes outstanding, Condition 13 (*Events of Default*) and subject to the matters referred to in Condition 14 (*Enforcement*), and (ii) while there are no Notes outstanding and as long as there

are Certificates in issue, Certificate Condition 11 (*Certificates Events of Default*) and subject to the matters referred to in Certificate Condition 12 (*Enforcement*).

7 Issuer Covenants

The Issuer makes the Issuer Covenants in favour of the Trustee which, amongst other things, restrict the ability of the Issuer to create or incur any indebtedness (save as permitted in the Trust Deed), dispose of assets or change the nature of its business, without the prior written consent of the Trustee or unless otherwise permitted by the Transaction Documents. So long as any Note remains outstanding or a Certificate remains in issue, the Issuer shall comply with the Issuer Covenants.

8 Certificate Payments

- 8.1 **Right to Certificate Payments:** The Class XB Certificates represents a *pro rata* entitlement to receive Certificate Payments by way of excess spread generated from the purchase by the Issuer of the Mortgage Portfolio, respectively.
- 8.2 **Payment:** A Certificate Payment shall be payable in respect of the Certificates on each Interest Payment Date as referred to below.
- 8.3 **Determination of Certificate Payment Amount:** The Cash Manager shall on each Calculation Date determine the Certificate Payment payable on the immediately following Interest Payment Date and the Certificate Payment Amount payable in respect of each Certificate on such Interest Payment Date.
- 8.4 **Publication of Certificate Payment and Certificate Payment Amount:** The Cash Manager shall cause the Certificate Payment and Certificate Payment Amount (if any) for each Interest Payment Date to be notified to the Issuer, the Trustee, the Registrar and the Paying Agents (as applicable) and to be published in accordance with the Notices Condition as soon as possible after their determination and in no event later than two Business Days prior to the immediately succeeding Interest Payment Date.
- 8.5 **Amendments to Publications:** The Certificate Payment and Certificate Payment Amount (if any) so published on a given Interest Payment Date 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 relevant Interest Period.
- 8.6 **Determination or Calculation by Trustee:** If the Cash Manager does not at any time for any reason determine the Certificate Payment and the Certificate Payment Amount in accordance with this Certificate Condition 8 (*Certificate Payments*), the Trustee may (but without, save in the case of any wilful default, fraud or gross negligence by the Trustee, any Liability accruing to the Trustee as a result) determine the Certificate Payment and the Certificate Payment Amount in the manner, in its absolute discretion (having such regard as it shall think fit to the procedure described in this Certificate Condition 8), it shall deem fair and reasonable in all the circumstances, and such determination and/or calculation shall be deemed to have been made by the Cash Manager. The Trustee may, at the expense of the Issuer, employ an expert to make the determination and/or the calculation and any such determination and/or calculation shall be deemed to have been made by the Cash Manager.
- 8.7 **Notifications to be final:** All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Certificate Condition 8, whether by the Cash Manager or the Trustee shall (in the absence of any manifest error) be binding on the Issuer and all Certificateholders and (in the absence of any Breach of Duty) no Liability to the Trustee or the Certificateholders shall attach to the Cash Manager or the Agents in connection with the exercise or non-exercise by them or any of them of their powers, duties and discretions under this Certificate Condition 8. The Trustee shall have no Liability to any person in connection with the exercise or non-exercise of its powers, duties and discretions under this Certificate Condition 8.

8.8 Limited Recourse and Non-Petition

If at any time following:

- (a) the occurrence of either:

- (i) the Final Maturity Date or any earlier date upon which all of the Notes of each Class are due and payable; or
- (ii) the service of an Enforcement Notice; or
- (b) realisation of the Charged Property and application in full of any amounts available to pay amounts due and payable under the Certificates (including Certificate Payments) in accordance with the applicable Priority of Payments, the proceeds of such Realisation are insufficient, after payment of all other claims ranking in priority in accordance with the applicable Priority of Payments, to pay in full all amounts then due and payable in respect of the Certificates then the amount remaining to be paid (after such application in full of the amounts first referred to in Certificate Condition 8.8(b) in respect of the Certificates) shall cease to be due and payable by the Issuer and the Certificateholders shall have no further claim against the Issuer in respect of any further amounts due to be paid in respect of the Certificates.

Apart from the Trustee, none of the Certificateholders or any other Secured Creditor (nor any other person acting on behalf of any of them) shall be entitled at any time to institute against the Issuer or its directors, officers, successors or assigns, or join in any institution against the Issuer of, any bankruptcy, examinership, reorganisation, arrangement, insolvency, winding up or liquidation proceedings or for the appointment of a liquidator, administrator, receiver or any other insolvency official in relation to the Issuer or in relation to the whole or any substantial part of the undertakings of the Issuer.

9 Payments

- 9.1 **Payments:** Payments shall be made by transfer to an account in Sterling, maintained by the payee with a bank in London and (in the case of final cancellation) upon surrender (or, in the case of part payment only, endorsement) of the relevant Certificates at the Specified Office of any Paying Agent in accordance with the terms of the Agency Agreement.
- 9.2 **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 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 the Certificates represented by 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.
- 9.3 **Payments subject to fiscal laws:** All payments in respect of the Certificates are subject in each case to any applicable fiscal or other laws and regulations. No commissions or expenses shall be charged to the Noteholders in respect of such payments.
- 9.4 **Partial Payments:** If a Principal Paying Agent makes a partial payment in respect of any Certificate, the Issuer shall procure that the amount and date of such payment are noted on the Register and, in the case of partial payment upon presentation of a Certificate, that a statement indicating the amount and the date of such payment is endorsed on the relevant Certificate.
- 9.5 **Payments on Business Days:** If the due date for payment of any amount in respect of any Certificate is not a Business Day (unless such Business Day falls in the following calendar month, in which case it shall be brought forward to the immediately preceding Business Day), then the holder shall not be entitled to payment until the next succeeding Business Day and no further payments of additional amounts shall be due in respect of such Certificate.
- 9.6 **Cancellation and Reissuance:** The Certificates will be cancelled upon the earliest to occur of (i) the redemption in full of the Notes; and (ii) the Final Discharge Date.

10 Taxation

- 10.1 **Payments free of Tax:** All payments in respect of the Certificates shall be made free and clear of, and without withholding or deduction for or on account of, any Taxes imposed, levied, collected, withheld or assessed by the Issuer Jurisdiction or any political subdivision or any authority thereof or therein having power to tax, unless the

Issuer, the Trustee or the Paying Agents (as the case may be) are required by law to make any Tax Deduction. In that event, the Issuer, the Trustee or the Paying Agents (as the case may be) shall make such payments after such Tax Deduction and shall account to the relevant authorities for the amount so withheld or deducted. Notwithstanding any other provision in these Certificate Conditions, the Issuer, the Trustee and the Paying Agent shall be permitted to withhold or deduct any amounts required pursuant to a FATCA withholding.

- 10.2 **No payment of additional amounts:** None of the Issuer, the Trustee or the Paying Agents will be obliged to pay any additional amounts to the Certificateholders as a result of any such Tax Deduction. None of the Issuer, the Trustee or the Paying Agent shall have any obligation to pay additional amounts or otherwise indemnify a holder for any FATCA withholding deducted or withheld by the Issuer, the Trustee, a Paying Agent or any other party as a result of any person not being entitled to receive payments free of FATCA withholding.

11 Certificates Events of Default

- 11.1 **Certificates Events of Default:** Subject to the other provisions of this Certificate Condition 11 and subject to the Notes no longer being outstanding, each of the following events shall be treated as a Certificates Event of Default:

- (a) *Non-payment:* the Issuer fails to pay any amount due in respect of the Certificates within seven Business Days following the due date for payment of such amount;
- (b) *Breach of other obligations:* the Issuer defaults in the performance or observance of any of its other obligations under or in respect of the Certificates, the Issuer Covenants, the Trust Deed, the Deed of Charge or any of the other Transaction Documents to which it is a party and such default (a) is, in the opinion of the Trustee, materially prejudicial to the interests of the holders of the Most Senior Class outstanding and (b) is, in the opinion of the Trustee, incapable of remedy, or is, in the opinion of the Trustee, capable of remedy, but remains unremedied for 30 days (or such longer period as the Trustee may permit) after the Trustee has given written notice of such default to the Issuer;
- (c) *Insolvency:* an Insolvency Event in respect of the Issuer occurs;
- (d) *Unlawfulness:* 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 or Trust Documents or any of the other Transaction Documents; and
- (e) *Misrepresentation:* any representation or warranty made by the Issuer under any Transaction Document is incorrect when made which in the opinion of the Trustee is materially prejudicial to the interests of the holders of the Most Senior Class outstanding and the matters giving rise to such misrepresentation are not remedied within a period of 30 days (or such longer period as the Trustee may permit) (except that in any case where the Trustee considers the matters giving rise to such misrepresentation to be incapable of remedy, then no continuation or notice as is hereinafter mentioned will be required) following the service by the Trustee on the Issuer of notice requiring the same to be remedied.

- 11.2 **Delivery of Enforcement Notice:** If a Certificates Event of Default occurs and is continuing and **provided that** at such time all of the Notes are no longer outstanding, the Trustee may at its discretion and shall:

- (a) if so requested in writing by the holders of at least 25 per cent. in number of the Certificates then in issue; or
- (b) if so directed by an Extraordinary Resolution of the Certificateholders, deliver an Enforcement Notice to the Issuer.

- 11.3 **Conditions to delivery of Enforcement Notice:** Notwithstanding Certificate Condition 11.2 (*Delivery of Enforcement Notice*) the Trustee shall not be obliged to deliver an Enforcement Notice unless:

- (a) in the case of the occurrence of any of the events mentioned in Certificate Condition 11.1(b) (*Breach of other obligations*) the Trustee shall have certified in writing that the happening of such event is in its opinion materially prejudicial to the interests of the Certificateholders; and
- (b) it shall have been indemnified and/or secured and/or prefunded to its satisfaction against all Liabilities to which it may thereby become liable or which it may incur by so doing.

- 11.4 **Consequences of delivery of Enforcement Notice:** Upon the delivery of an Enforcement Notice or an enforcement notice pursuant to Condition 13.2 (*Delivery of Enforcement Notice*), any Certificate Payments pursuant to the Certificates shall thereby immediately become due and payable, without further action or formality.

12 Enforcement

- 12.1 **Proceedings:** The Trustee may, at its discretion and without further notice, institute such steps, actions or proceedings as it thinks fit to enforce its rights under the Trust Deed in respect of the Notes of each Class, the Certificates (including these Certificate Conditions), the Deed of Charge or under the other Transaction Documents or to enforce the Security, but it shall not be bound to do so unless:

- (a) whilst there are Notes outstanding, it is:
 - (i) so requested in writing by the holders of at least 25 per cent. in aggregate of the Principal Amount Outstanding of the Most Senior Class of Notes then outstanding; or
 - (ii) so directed by an Extraordinary Resolution of the holders of the Most Senior Class of Notes outstanding; and
- (b) whilst there are no Notes outstanding but there are Certificates in issue, it is:
 - (i) so requested in writing by the holders of at least 25 per cent. in number of the Certificates then in issue; or
 - (ii) so directed by an Extraordinary Resolution of the holders of the Certificates,

and in any such case, only if it shall have been indemnified and/or secured and/or prefunded to its satisfaction against all Liabilities to which it may thereby become liable or which it may incur by so doing.

- 12.2 **Directions to the Trustee:** If the Trustee shall take any action, step or proceeding described in Certificate Condition 12.1 (*Proceedings*) it may take such action, step or proceeding without having regard to the effect of such action on individual Certificateholders or any other Secured Creditor, **provided that** so long as any of the Notes are outstanding, the Trustee shall not, and shall not be bound to, act at the request or direction of the Certificateholders unless:

- (a) to do so would not, in its opinion, be materially prejudicial to the interests of the Noteholders; or
- (b) (if the Trustee is not of that opinion) such action is sanctioned by an Extraordinary Resolution of each Class of Noteholders.

- 12.3 **Restrictions on disposal of Issuer's assets:** If an Enforcement Notice has been delivered by the Trustee otherwise than by reason of non-payment of any amount due in respect of the Notes or the Certificates, the Trustee will not be entitled to dispose of the Charged Property (except in respect of any Liquidity Standby Drawing standing to the credit of the Liquidity Standby Ledger which shall be repaid to the Liquidity Facility Provider in accordance with the terms of the Liquidity Facility Agreement) or any part thereof unless either:

- (a) the Issuer certifies to the Trustee (upon which certification the Trustee shall be entitled to rely absolutely and without enquiry and without any Liability for doing so) that a sufficient amount would be realised to allow payment in full of all amounts owing to the Noteholders of each Class after payment of all other claims ranking in priority to the Notes in accordance with the Post-Enforcement Priority of Payments; or
- (b) the Trustee is of the opinion, which shall be binding on the Noteholders, the Certificateholders and the other Secured Creditors, reached solely in reliance upon the advice of an investment bank or other financial adviser selected by the Trustee, (and if the Trustee is unable to obtain such advice having made reasonable efforts to do so this Certificate Condition 12.3(b) shall not apply) 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 due in respect of the Notes of each Class after payment of all other claims ranking in priority to the Notes in accordance with the Post-Enforcement Priority of Payments and the Trustee shall have no Liability

to any person for the consequences of any such opinion reached in accordance with this Certificate Condition 12.3(b); and

- (c) the Trustee shall not be bound to make the determination, or seek the advice of an investment bank or other financial adviser, contained in Certificate Condition 12.3(b) unless the Trustee shall have been indemnified and/or secured and/or prefunded to its satisfaction against all Liabilities to which it may thereby become liable for which it may incur by so doing and shall have no Liability to anyone for not so doing.

12.4 **Third Party Rights:** No person shall have any right to enforce any Certificate Condition or any provision of the Trust Deed under the Contracts (Rights of Third Parties) Act 1999.

13 No action by Noteholders, Certificateholders or any other Secured Creditor

13.1 Only the Trustee may pursue the remedies available under the general law or under the Trust Documents to enforce the Security and no Noteholder, Certificateholder or other Secured Creditor shall be entitled to proceed directly against the Issuer to enforce the Security and, in particular, none of the Noteholders, the Certificateholders or any other Secured Creditor (nor any person on its or their behalf, other than the Trustee where appropriate) are entitled:

- (a) otherwise than as permitted by these Certificate Conditions, to direct the Trustee to enforce the Security or take any proceedings against the Issuer to enforce the Security;
- (b) to take or join any person in taking any steps against the Issuer for the purpose of obtaining payment of any amount due by the Issuer to such Noteholders, Certificateholders or any other Secured Creditors;
- (c) until the date falling two years after the Final Discharge Date, to initiate or join any person in initiating any insolvency proceeding in relation to the Issuer; or
- (d) to take or join in the taking of any steps or proceedings which would result in the Priority of Payments not being observed.

unless, the Trustee, having become bound to enforce the performance of any of the Conditions or any of the provisions of the Transaction Documents and/or to take any other proceedings, fails to do so within 60 days or is unable to do so, and such failure or inability shall be continuing, provided that no Noteholder, Certificateholder or other Secured Creditor shall be entitled to take any steps or proceedings to procure the winding up, administration or liquidation of the Issuer.

14 Meetings of Certificateholders

14.1 **Convening:** The Trust Deed contains "*Provisions for Meetings of Certificateholders*" for convening meetings of Certificateholders to consider matters relating to the Notes and the Certificates (as applicable), including the modification of any provision of these Certificate Conditions or the Trust Deed, which modification may be made if sanctioned by an Extraordinary Resolution.

14.2 **Request from Certificateholders:** A meeting of Certificateholders of each Class may be convened by the Trustee or the Issuer at any time and must be convened by the Trustee (subject to its being indemnified and/or secured and/or prefunded to its satisfaction) upon the request in writing of Certificateholders holding not less than 10 per cent. in number of the relevant Class of Certificates then in issue. However, so long as no Certificates Event of Default has occurred and is continuing, the Certificateholders are not entitled to instruct or direct the Issuer to take any action, either directly or indirectly through the Trustee, without consent of the Issuer and, if applicable, certain other Transaction Parties pursuant to any relevant Transaction Documents, unless the Issuer has an obligation to take such action under the relevant Transaction Documents.

14.3 **Quorum:** The quorum at any meeting convened to vote on:

- (a) an Ordinary Resolution, relating to a meeting of a particular Class or Classes of the Certificates will be one or more persons present and holding or representing in aggregate not less than 25 per cent. of the number of the relevant Class of Certificates then outstanding or, at any adjourned meeting, one or more persons

present and holding or representing in aggregate not less than 10 per cent. of the number of the relevant Class of Certificates then outstanding;

- (b) an Extraordinary Resolution, other than regarding a Reserved Matter, relating to a meeting of a particular Class or Classes of the Certificates will be one or more persons holding or representing, in aggregate, more than 50 per cent. in number of each Class of the Certificates then in issue or, at any adjourned meeting, one or more persons present and holding or representing in aggregate not less than 25 per cent. in number of each Class of the Certificates then in issue; and
- (c) an Extraordinary Resolution relating to a Reserved Matter (which must be proposed separately to each Class of Certificateholders) will be one or more persons holding or representing in aggregate not less than 75 per cent. in number of each Class of the Certificates then in issue or, at any adjourned meeting, one or more persons holding or representing in aggregate more than 50 per cent. in number of each Class of the Certificates then in issue.

14.4 ***Relationship between Noteholders and Certificateholders:***

In relation to each Class of Notes and the Certificates:

- (a) subject to Certificate Condition 14.4(e), no Extraordinary Resolution involving a Reserved Matter that is passed by the holders of any Class of the Certificates shall, to the extent there are Notes outstanding, be effective unless it is sanctioned by an Extraordinary Resolution of the holders of each Class of Notes then outstanding in accordance with Condition 16 (*Meetings of Noteholders*) unless the Trustee is of the opinion that it would not be materially prejudicial to the interests of the holders of the outstanding Notes;
- (b) no Extraordinary Resolution to approve any matter other than a Reserved Matter that is passed by the holders of any Class of the Certificates shall be effective unless it is sanctioned by an Extraordinary Resolution of the holders of each Class of Notes then outstanding in accordance with Condition 16 (*Meetings of Noteholders*) unless the Trustee is of the opinion that it would not be materially prejudicial to the interests of the holders of the outstanding Notes;
- (c) any resolution passed at a Meeting of Certificateholders duly convened and held in accordance with the Trust Deed shall be binding upon all of the Certificateholders, whether or not present at such Meeting and whether or not voting;
- (d) except in the case of a meeting relating to a Reserved Matter, any resolution passed at a meeting of the holders of the Most Senior Class of Notes then outstanding duly convened and held as aforesaid shall also be binding upon the holders of all the other Classes of Notes and the Certificates; and
- (e) a matter which is a Reserved Matter affecting only the holders of a Class of the Certificates shall only require an Extraordinary Resolution of the holders of the relevant Class of Certificates then in issue and, for avoidance of doubt, shall not require an Extraordinary Resolution of the holders of any Class or Classes of Notes.

14.5 ***Resolutions in writing or by Electronic Consents:*** A Written Resolution shall take effect as if it were an Extraordinary Resolution.

15 **Modification and Waiver**

15.1 ***Modification:*** the Trustee may at any time and from time to time, without the consent or sanction of the Noteholders, Certificateholders or any other Secured Creditors (other than the Secured Creditors who are party to the relevant Transaction Document), concur with the Issuer and any other relevant parties in making:

- (a) any modification to these Certificate Conditions, the Conditions, the Trust Documents, the Notes, the Certificates or the other Transaction Documents in relation to which its consent is required (other than in respect of a Reserved Matter or any provisions of the Trust Documents referred to in the definition of a Reserved Matter) which, in the opinion of the Trustee will not be materially prejudicial to the holders of the Most Senior Class outstanding; or

- (b) any modification to these Certificate Conditions, the Conditions, the Trust Documents, the Notes, the Certificates or the other Transaction Documents in relation to which its consent is required, if, in the opinion of the Trustee, such modification is of a formal, minor or technical nature or is made to correct a manifest error,

provided that, no material amendments to the LFP Related Provisions may be made without the consent of the Liquidity Facility Provider.

15.2 *Additional Right of Modification:*

Notwithstanding the provisions of Certificate Condition 15.1 (*Modification*), the Trustee shall be obliged, without any consent or sanction of the Noteholders, the Certificateholders or, subject to proviso (g) below, any other Secured Creditor, to concur with the Issuer in making any modification (other than in respect of a Reserved Matter) to these Certificate Conditions or any other Transaction Document to which it is a party or in relation to which it holds security that the Issuer considers necessary:

- (a) 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** the Issuer certifies in writing to the 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 (upon which certificate the Trustee shall be entitled to rely absolutely and without enquiry or liability);
- (b) to enable the Issuer to enter into any new and/or amended bank account agreement, collection account agreement or liquidity facility agreement including (without limitation):
 - (i) in connection with the appointment of a new liquidity facility provider, modifications to the calculation of the Base Rate, the LF Accrual Interest Period and such other consequential modifications to the Liquidity Facility Agreement, any Transaction Documents and the Conditions and/or the entry into such further documents which are necessary or advisable in the commercially reasonable judgement of the Issuer (or the Cash Manager on its behalf) to facilitate the appointment of a new liquidity facility provider and reflect generally accepted market practice in the publicly listed asset backed markets with respect to the determination of the rate of interest in liquidity facilities materially similar to the Liquidity Facility; or
 - (ii) where the unsecured, unsubordinated and unguaranteed debt obligations of the Issuer Account Bank, Collection Account Bank or Liquidity Facility Provider are downgraded below any relevant rating level as set out in the relevant Transaction Document, and the Issuer is required to take certain remedial action (as set out in the relevant Transaction Documents) in order to maintain the ratings of the Rated Notes at their then current ratings,

provided that the Issuer certifies to the Trustee (upon which the Trustee shall rely absolutely and without enquiry or liability) that any such new agreement and/or amendment would not have an adverse effect on the then current rating of the Most Senior Class and **provided that** the Trustee shall not be obliged to agree to any such new agreement and/or amendment which, in the sole opinion of the Trustee, would have the effect of (i) exposing the Trustee 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 protections, of the Trustee under the Transaction Documents and/or the Conditions and/or these Certificate Conditions;

- (c) for the purpose of complying with any changes after the Closing Date in the UK CRA Regulation, the U.S. Risk Retention Rules, the EU Securitisation Regulation, the UK Securitisation Regulation, the UK CRR, UK AIFMR and/or UK Solvency II (including any associated regulatory technical standards and advice, guidance or recommendations from relevant supervisory regulators) as amended from time to time, **provided that** the Issuer certifies to the Trustee in writing that such modification is required solely for such purpose and has been drafted solely to such effect (upon which certificate the Trustee shall be entitled to rely absolutely and without enquiry or liability);

- (d) for the purpose of enabling the Notes to be (or to remain) listed on Euronext Dublin, **provided that** the Issuer certifies to the Trustee in writing that such modification is required solely for such purpose and has been drafted solely to such effect (upon which certificate the Trustee shall be entitled to rely absolutely and without enquiry or liability);
- (e) for the purposes of enabling the Issuer or any other person that is a Transaction Party to comply with the Code, any current or future regulations or official interpretations thereof, any agreement entered into pursuant to 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 Trustee in writing that such modification is required solely for such purpose and has been drafted solely to such effect (upon which certificate the Trustee shall be entitled to rely absolutely and without enquiry or liability); or
- (f) which is necessary to facilitate the issue of Further Class A1 Notes pursuant to Condition 24 (*Further Class A1 Notes*), **provided that** the Issuer or the relevant Transaction Party, as applicable, certifies to the Trustee in writing that such modification is required solely for such purpose and has been drafted solely to such effect (upon which certificate the Trustee shall be entitled to rely absolutely and without enquiry or liability) **and provided further that**, prior to the LF Cancellation Date only, the Issuer shall not be entitled to effect any material amendments to the LFP Related Provisions without the consent of the Liquidity Facility Provider (which the Issuer shall obtain and confirm in the foregoing certificate if applicable); or
- (g) for the purpose of changing the reference rate from the Applicable Reference Rate in respect of each Class of Rated Notes (and irrespective of whether any change is proposed to the Certificate Conditions) to an alternative reference rate (any such rate, an “**Alternative Reference Rate**”) and making such other amendments to the Conditions of the Rated Notes or any other Transaction Document as are necessary or advisable in the reasonable judgement of the Issuer to facilitate the changes envisaged pursuant to this Certificate Condition 15.2(g) (for the avoidance of doubt, this may include modifications to when the Rate of Interest applicable to any Class of Notes is calculated and/or notified to Noteholders or other such consequential modifications) (a “**Reference Rate Modification**”), **provided that** the Issuer certifies to the Trustee in writing (upon which certificate the Trustee shall be entitled to rely absolutely and without enquiry or liability) that:
 - (i) the Reference Rate Modification is being undertaken due to any one or more of the following:
 - (A) a material disruption to the Applicable Reference Rate, a material change in the methodology of calculating the Applicable Reference Rate or the Applicable Reference Rate ceasing to exist or be published, or the administrator of the Applicable Reference Rate having used a fallback methodology for calculating the Applicable Reference Rate for a period of at least 30 calendar days; or
 - (B) the insolvency or cessation of business of the administrator of the Applicable Reference Rate (in circumstances where no successor administrator has been appointed); or
 - (C) a public statement by the administrator of the Applicable Reference Rate that it will cease publishing the Applicable Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Applicable Reference Rate) with effect from a date no later than 6 months after the proposed effective date of such Reference Rate Modification; or
 - (D) a public statement by the supervisor of the administrator of the Applicable Reference Rate that the Applicable Reference Rate has been or will be permanently or indefinitely discontinued or there will be a material change in the methodology of calculating the Applicable Reference Rate with effect from a date no later than 6 months after the proposed effective date of such Reference Rate Modification; or
 - (E) a public statement by the supervisor of the administrator of the Applicable Reference Rate that means the Applicable Reference Rate will be prohibited from being used or that its use

is subject to restrictions or adverse consequences with effect from a date no later than 6 months after the proposed effective date of such Reference Rate Modification; or

- (F) a change in the generally accepted market practice in the publicly listed asset backed floating rate notes market to refer to a Benchmark Rate endorsed in a public statement by the Bank of England, the Financial Conduct Authority or the Prudential Regulation Authority or any relevant committee or other body established, sponsored or approved by any of the foregoing, including the Working Group on Sterling Risk-Free Reference Rates, despite the continued existence of the Applicable Reference Rate; or
 - (G) it having become unlawful and/or impossible and/or impracticable for any Paying Agent, Agent Bank, the Issuer or the Cash Manager to calculate any payments due to be made to any Noteholder using the Applicable Reference Rate; or
 - (H) it being the reasonable expectation of the Issuer that any of the events specified in sub-paragraphs (A), (B) or (G) will occur or exist within six months of the proposed effective date of such Reference Rate Modification;
 - (I) the Alternative Reference Rate being adopted in a material number of publicly listed issues of asset-backed floating rate notes denominated in the same currency as any of the Notes; or
 - (J) a Reference Rate Modification is being proposed pursuant to Certificate Condition 15.2(j); and
- (ii) the Alternative Reference Rate is any one or more of the following:
- (A) a benchmark rate with an equivalent term to the Applicable Reference Rate as published, endorsed, approved or recognised as a replacement to the Applicable Reference Rate by the Bank of England, the Financial Conduct Authority or the Prudential Regulation Authority or any relevant committee or other body established, sponsored or approved by any of the foregoing, including the Working Group on Sterling Risk-Free Reference Rates (which, for the avoidance of doubt, may be an Alternative Reference Rate together with a specified adjustment factor which may increase or decrease the relevant Alternative Reference Rate); or
 - (B) a benchmark rate with an equivalent term utilised in a material number of publicly-listed new issues of asset backed floating rate notes denominated in sterling in the six months prior to the proposed effective date of such Reference Rate Modification; or
 - (C) such other benchmark rate as the Issuer reasonably determines, **provided that** this option may only be used if the Issuer certifies to the Trustee (upon which certificate the Trustee shall be entitled to rely absolutely and without enquiry or liability) that, in the reasonable opinion of the Issuer, neither Certificate Condition 15.2(g)(ii)(A) nor Certificate Condition 15.2(g)(ii)(B) are applicable and/or practicable in the context of the transaction constituted by the Transaction Documents, and sets out the rationale in the Modification Certificate for choosing the proposed Alternative Reference Rate; and
- (iii) the same Alternative Reference Rate will be applied to all Classes of Rated Notes; and
- (iv) the details of and the rationale for any Note Rate Maintenance Adjustment (as defined below) proposed in accordance with item (v)(C) of the proviso to Certificate Conditions 15.2(a) to (g) are as set out in the notice to Noteholders given pursuant to sub-paragraph (v) below; and
- (v) the modifications proposed are required solely for the purpose of applying the Alternative Reference Rate and making consequential modifications to the Conditions of the Notes or any Transaction Document which are, as reasonably determined by the Issuer necessary or advisable, and the modifications have been drafted solely to such effect; and

- (vi) CHL has agreed to pay, or to put the Issuer in funds to pay, all fees, costs and expenses (including legal fees and any initial or ongoing costs associated with the Reference Rate Modification) incurred by the Issuer and the Trustee or any other Transaction Party in connection with the Reference Rate Modification

(the certificate to be provided by the Issuer or the relevant Transaction Party, as the case may be, pursuant to paragraphs (a) to (g) above being a “**Modification Certificate**”), **provided that:**

- (A) at least 30 calendar days’ prior written notice of any such proposed modification has been given to the Trustee;
- (B) the Modification Certificate in relation to such modification shall be provided to the Trustee both at the time the Trustee is notified of the proposed modification and on the date that such modification takes effect;
- (C) the consent of each Secured Creditor which is party to the relevant Transaction Document or whose ranking in any Priority of Payments is affected has been obtained and, prior to the LF Cancellation Date only, in the case of material amendments to the LFP Related Provisions, the Liquidity Facility Provider provide their consent to such material amendments;
- (D) either:
 - (i) the Issuer obtains from each of the Rating Agencies a written RAC (or certifies in the Modification Certificate that it 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 (x) a downgrade, withdrawal or suspension of the then current ratings assigned to any Class of the Notes by such Rating Agency or (y) such Rating Agency placing any Notes on rating watch negative (or equivalent); or
 - (ii) the Issuer certifies in the Modification Certificate that it has informed the Rating Agencies of the proposed modification and none of the Rating Agencies has indicated that such modification would result in (x) a downgrade, withdrawal or suspension of the then current ratings assigned to any Class of the Notes by such Rating Agency or (y) such Rating Agency placing any Notes on rating watch negative (or equivalent); and
- (E) the Issuer certifies in writing to the Trustee (which certificate may be in the Modification Certificate and upon which certificate the Trustee shall be entitled to rely absolutely and without enquiry or liability) that the Issuer has provided at least 30 calendar days’ notice to the Certificateholders of each Class of the proposed modification in accordance with Certificate Condition 20 (*Notices*) and by publication on Bloomberg on the “Company News” screen relating to the Certificates, and Certificateholders representing at least 10 per cent. of the number of Certificates then in issue have not contacted the Issuer or Principal Paying Agent in writing within such notification period notifying the Issuer or Principal Paying Agent that such Certificateholders do not consent to the modification. In the case of a Reference Rate Modification, the notice to Certificateholders given pursuant to this sub-paragraph (v) shall confirm:
 - (i) the sub-paragraph(s) of Certificate Condition 15.2(g) under which the Reference Rate Modification is being proposed; and
 - (ii) which Alternative Reference Rate is proposed to be adopted pursuant to Certificate Condition 15.2(g)(ii), and, where Certificate Condition

15.2(g)(ii)(C) is being applied, the rationale for choosing the proposed Alternative Reference Rate; and

- (iii) details of, and rationale for, the adjustment which the Issuer proposes to make (if any) to the margin payable on each Class of Rated Notes which are the subject of the Reference Rate Modification in order to, so far as reasonably and commercially practicable, preserve what would have been the expected Rate of Interest applicable to each such Class of Notes had no such Reference Rate Modification been effected; and
- (iv) details of (i) other amendments which the Issuer proposes to make (if any) to the Conditions of the Notes or any other Transaction Document and (ii) any new, supplemental or additional documents into which the Issuer proposes to enter to facilitate the changes envisaged pursuant to this Certificate Condition 15.2 (*Additional Right of Modification*).

If Certificateholders representing at least 10 per cent. of the number of Certificates then in issue have notified the Issuer or Principal Paying Agent in writing a copy of which notification the Principal Paying Agent shall promptly provide to the Issuer and the Trustee within the notification period referred to above that they do not consent to the modification, then such modification will not be made unless an Extraordinary Resolution of the holders of the Certificates then in issue is passed in favour of such modification in accordance with Certificate Condition 14 (*Meetings of Certificateholders*).

Objections made in writing must be accompanied by evidence to the Issuer's satisfaction (having regard to prevailing market practices) of the relevant Certificateholders holding of the Certificates.

- (h) Notwithstanding anything to the contrary in this Certificate Condition 15.2 or any Transaction Document:
 - (i) when implementing any modification pursuant to this Certificate Condition 15.2 (save to the extent the Trustee considers that the proposed modification would constitute a Reserved Matter), the Trustee shall not consider the interests of the Noteholders, Certificateholders, any other Secured Creditor or any other person and shall act and rely absolutely, and without enquiry or Liability, on any certificate (including any Modification Certificates) or evidence provided to it by the Issuer or the relevant Transaction Party, as the case may be, pursuant to this Certificate Condition 15.2 and shall not be liable to the Noteholders, Certificateholders, 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 Trustee shall not be obliged to agree to any modification which, in the sole opinion of the Trustee would have the effect of (A) exposing the Trustee to any Liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction or (B) increasing the obligations or duties, or decreasing the rights or protections, of the Trustee in the Transaction Documents and/or these Certificate Conditions.
- (i) Any such modification shall be binding on all Certificateholders and shall be notified by the Issuer as soon as reasonably practicable to:
 - (i) so long as any of the Notes rated by the Rating Agencies remains outstanding, each Rating Agency;
 - (ii) the Secured Creditors;
 - (iii) the Noteholders in accordance with Condition 22 (*Notices*); and
 - (iv) the Certificateholders in accordance with Certificate Condition 20 (*Notices*).
- (j) Following the making of a Reference Rate Modification, if it becomes generally accepted market practice in the publicly listed asset backed floating rate notes market to use a benchmark rate of interest which is different from the Alternative Reference Rate which had already been adopted by the Issuer in respect of

the Rated Notes pursuant to a Reference Rate Modification, the Issuer is entitled to propose a further Reference Rate Modification pursuant to this Certificate Condition 15.2.

- 15.3 **Waiver:** In addition, the Trustee may, without the consent of the Noteholders, the Certificateholders or any other Secured Creditor authorise or waive any proposed breach or breach of the covenants or provisions contained in the Trust Documents, the Notes, the Certificates or any of the other Transaction Documents or determine that any Event of Default or Certificates Event of Default shall not be treated as such for the purposes of these Certificate Conditions, the Notes, the Certificates or any of the other Transaction Documents if, in the opinion of the Trustee, the holders of the Most Senior Class outstanding will not be materially prejudiced by such waiver.
- 15.4 **Restriction on power to waive:** The Trustee shall not exercise any powers conferred upon it by Certificate Condition 15.3 (*Waiver*) in contravention of any express direction by an Extraordinary Resolution of the holders of the Most Senior Class then outstanding or of a request or direction in writing made by the holders of not less than 25 per cent. in aggregate Principal Amount Outstanding of the Most Senior Class then outstanding (or, if there are no Notes outstanding, not less than 25 per cent. by number of the holders of the Certificates then in issue), but so that no such direction or request (a) shall affect any authorisation, waiver or determination previously given or made or (b) shall authorise or waive any such proposed breach or breach relating to a Reserved Matter unless the holders of each Class of outstanding Notes and/or the holders of the Certificates then in issue (as the case may be) in accordance with Condition 16.5 (*Relationship between Classes*) and Certificate Condition 14.4 (*Relationship between Noteholders and Certificateholders*) (as applicable) have, by Extraordinary Resolution, so authorised its exercise.
- 15.5 **Notification:** Unless the Trustee otherwise agrees, the Issuer shall cause any such authorisation, waiver, modification or determination to be notified to the Noteholders, the Rating Agencies, the Certificateholders and the other Secured Creditors in accordance with the Certificate Condition 20 (*Notices*) and the Transaction Documents, as soon as practicable after it has been made.
- 15.6 **Binding Nature:** Any authorisation, waiver, determination or modification referred to in Certificate Condition 15.1 (*Modification*) or Certificate Condition 15.3 (*Waiver*) shall be binding on the Noteholders, the Certificateholders and the other Secured Creditors.

16 Prescription

- 16.1 **Certificate Payments:** Claims in respect of Certificate Payment Amounts will be prescribed after ten years from the Relevant Date in respect of the relevant payment.

In this Certificate Condition 16, the “**Relevant Date**”, in respect of a payment, is the date on which such payment first becomes due or (if the full amount of the monies payable on that date has not been duly received by the Principal Paying Agent or the Trustee on or prior to such date) the date on which, the full amount of such monies having been received, notice to that effect is duly given to the relevant Certificateholders in accordance with Certificate Condition 20 (*Notices*).

17 Replacement of the Certificates

If any Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Registrar, subject to all applicable laws, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

18 Trustee and Agents

- 18.1 **Trustee's right to Indemnity:** Under the Transaction Documents, the Trustee is entitled to be indemnified and relieved from responsibility in certain circumstances and to be paid or reimbursed for any Liabilities incurred by it in priority to the claims of the Noteholders and the Certificateholders. In addition, the Trustee is entitled to enter into business transactions with the Issuer and any entity relating to the Issuer without accounting for any profit.

- 18.2 ***Trustee not responsible for loss or for monitoring:*** The Trustee is not responsible for any loss, expense or Liability which may be suffered as a result of the Charged Property or any documents of title thereto being uninsured or inadequately insured or being held by or to the order of the Servicer or by any person on behalf of the Trustee (as applicable). The Trustee shall not be responsible for monitoring the compliance by any of the other Transaction Parties with their obligations under the Transaction Documents.
- 18.3 ***Regard to Classes of Noteholders:*** In the exercise of its powers and discretions under these Certificate Conditions and the Trust Deed, the Trustee will:
- (a) have regard to the general interests of the Certificateholders and will not be responsible for any consequence for individual Certificateholders as a result of such holders being domiciled or resident in, or otherwise connected in any way with, or subject to the jurisdiction of, a particular territory or taxing jurisdiction; and
 - (b) in the event of a conflict of interests of holders of different Classes of Notes and Certificates, have regard only to the interests of the holders of the Most Senior Class and will not have regard to any lower ranking Class of Notes or (following the redemption in full of all Classes of Notes) the Certificates or to the interests of the other Secured Creditors except to ensure the application of the Issuer's funds after the delivery of an Enforcement Notice in accordance with the Post-Enforcement Priority of Payments.
- 18.4 ***Paying Agents solely agents of Issuer:*** In acting under the Agency Agreement and in connection with the Notes and the Certificates, the Paying Agents act solely as agents of the Issuer and (to the extent provided therein) the Trustee and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders or the Certificateholders.
- 18.5 ***Initial Paying Agents:*** The Issuer reserves the right (with the prior written approval of the Trustee) to vary or terminate the appointment of any Agent and to appoint a successor principal paying agent or agent bank and additional or successor paying agents at any time, having given not less than 30 days' notice to such Agent.

19 Substitution of Issuer

- 19.1 ***Substitution of Issuer:*** The Trustee may, without the consent of the Noteholders, the Certificateholders or any other Secured Creditor, subject to such further conditions as are specified in the Trust Deed, concur with the Issuer to the substitution of a Substituted Obligor in place of the Issuer as the principal debtor in respect of the Trust Documents, the Transaction Documents, the Notes, the Certificates and the Secured Amounts.
- 19.2 ***Notice of Substitution of Issuer:*** Not later than fourteen days after any substitution of the Issuer in accordance with this Certificate Condition, the Substituted Obligor shall cause notice of such substitution to be given to the Noteholders, the Certificateholders and the other Secured Creditors in accordance with the Notices Condition and the other relevant Transaction Documents.
- 19.3 ***Change of Law:*** In the case of a substitution pursuant to this Certificate Condition, the Trustee may in its absolute discretion agree, without the consent of the Noteholders, the Certificateholders or the other Secured Creditors to a change of the law governing the Notes, the Certificates and/or any of the Transaction Documents **provided that** such change would not, in the opinion of the Trustee, be materially prejudicial (i) to the extent there are Notes outstanding, to the interests of the holders of the Most Senior Class outstanding, and (ii) while there are no Notes outstanding, to the interests of the Certificateholders **provided that** the Rating Agencies are notified by the Issuer. For the avoidance of doubt, a Transaction Document cannot be amended without the agreement of all the parties thereto.
- 19.4 ***No indemnity:*** No Noteholder or Certificateholder shall, in connection with any such substitution, be entitled to claim from the Issuer or the Trustee any indemnification or payment in respect of any tax consequence of any such substitution upon individual Noteholders or Certificateholders.
- 19.5 ***Further Class A1 Notes:*** The Issuer will, upon the direction of the Seller and with the written consent of the Class A2 Noteholder (but without the consent of any other Noteholders or Certificateholders) issue Further Class A1 Notes in accordance with Condition 24 (*Further Class A1 Notes Issue*).

20 Notices

- 20.1 **Communications in writing:** Any notice to the Certificateholders shall be delivered in writing, in the English language, personally or sent by first class post (and air mail if overseas) or by fax or by email to the party due to receive the notice at its address, fax number or email address and marked for the attention of the person or persons set out in Register in respect of the relevant Certificate.
- 20.2 **Time of receipt:** Unless there is evidence that it was received earlier, a notice marked for the attention of the person specified in accordance with Condition 20.1 (*Communications in writing*) is deemed given:
- (a) if delivered personally, when left at the relevant address referred to in the Register;
 - (b) if sent by post, except air mail, two Business Days after posting it;
 - (c) if sent by air mail, six Business Days after posting it;
 - (d) if sent by fax, on completion of its transmission; and
 - (e) if sent by email, two Business Days after sending it,
- provided that in each case where personal delivery or delivery by fax occurs after 6:00 p.m. on a Business Day or on a day which is not a Business Day, service shall be deemed to occur at 9:00 a.m. on the next following Business Day.
- 20.3 **Other methods of notification:** The Trustee shall be at liberty to sanction any other method of giving notice to the Certificateholders 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 Certificateholders in such manner as the Trustee shall deem appropriate.

21 Governing Law and Jurisdiction

- 21.1 **Governing law:** The Transaction Documents (other than the Scottish Trust Security, the Scottish Sub Securities, the Scottish Declaration of Trust and the Scottish Trust Transfer), the Notes, the Certificates and these Certificate Conditions (and any non-contractual obligations arising out of or in connection with them) are governed by, and shall be construed in accordance with, English law save for any provisions or terms which are particular to the laws of Northern Ireland which shall be governed by and construed in accordance with Northern Irish law. The Security granted in respect of the Northern Irish Mortgage Loans, the Northern Irish Mortgages and Related Security shall be governed and construed in accordance with Northern Irish law. The Scottish Trust Security, the Scottish Declaration of Trust, the Scottish Trust Transfer and any Scottish Sub Securities are governed by and shall be construed in accordance with, Scots law.
- 21.2 **Jurisdiction:** The Courts of England and Wales are to have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Notes, the Certificates and the Transaction Documents (including a dispute relating to non-contractual obligations or a dispute regarding the existence, validity or termination of any of the Notes, the Certificates or the Transaction Documents or the consequences of their nullity) and accordingly any legal action or proceedings arising out of or in connection with the Notes, the Certificates and/or the Transaction Documents may be brought in such Courts. The Issuer has in each of the Transaction Documents to which it is a party irrevocably submitted to the jurisdiction of such Courts. Notwithstanding the above, the Trustee may take proceedings in any other courts with jurisdiction. To the extent allowed by law, the Trustee may take concurrent proceedings in any number of jurisdictions.

UNITED KINGDOM TAXATION

United Kingdom Taxation

The following is a summary of the United Kingdom withholding taxation treatment at the date hereof in relation to payments of principal and interest in respect of the Notes and United Kingdom stamp tax in relation to the issue and transfer of the Notes. It is based on current United Kingdom tax law as applied in England and Wales and the published practice of HMRC (which may not be binding on HMRC) and which may be subject to change, sometimes with retrospective effect. The comments do not deal with other United Kingdom tax aspects of acquiring, holding or disposing of the Notes. The comments relate only to the position of persons who are absolute beneficial owners of the Notes. The following is a general guide for information purposes and should be treated with appropriate caution. It is not intended as tax advice and it does not purport to describe all of the tax considerations that may be relevant to a prospective purchaser. This summary does not deal with any taxation implications of an investment in the Certificates other than in relation to United Kingdom stamp tax on the issue and transfer of the Certificates. Noteholders and Certificateholders who are in any doubt as to their tax position should consult their professional advisers. Noteholders and Certificateholders who may be liable to taxation in jurisdictions other than the United Kingdom in respect of their acquisition, holding or disposal of the Notes or the Certificates are particularly advised to consult their professional advisers as to whether they are so liable (and if so under the laws of which jurisdictions), since the following comments relate only to certain United Kingdom taxation aspects of payments in respect of the Notes. In particular, Noteholders and Certificateholders should be aware that they may be liable to taxation under the laws of other jurisdictions in relation to payments in respect of the Notes and the Certificates even if such payments may be made without withholding or deduction for or on account of taxation under the laws of the United Kingdom.

Interest on the Notes

Withholding tax on payments of interest on the Notes

The Notes will constitute “quoted Eurobonds” provided they are and continue to be listed on a recognised stock exchange within the meaning of Section 1005 Income Tax Act 2007. Whilst the Notes are and continue to be quoted Eurobonds, payments of interest on the Notes may be made without withholding or deduction for or on account of United Kingdom income tax.

Securities will be “listed on a recognised stock exchange” for this purpose if they are admitted to trading on an exchange designated as a recognised stock exchange by an order made by the Commissioners for HMRC and they are officially listed, in accordance with provisions corresponding to those generally applicable in the European Economic Area. Euronext Dublin is a recognised stock exchange for these purposes, and accordingly the Notes will constitute quoted Eurobonds provided they are and continue to be officially listed in Ireland in accordance with provisions corresponding to those generally applicable in the European Economic Area and admitted to trading on the regulated market of Euronext Dublin.

In all cases falling outside the exemption described above, interest on the Notes may fall to be paid under deduction of United Kingdom income tax at the basic rate (currently 20 per cent.) subject to such relief as may be available following a direction from HMRC pursuant to the provisions of any applicable double taxation treaty, or to any other exemption which may apply.

Other Rules Relating to United Kingdom Withholding Tax

- (a) Notes may be issued at an issue price of less than 100 per cent. of their principal amount. Any discount element on any such Notes will not generally be subject to any United Kingdom withholding tax pursuant to the provisions mentioned above.
- (b) Where interest has been paid under deduction of United Kingdom income tax, Holders who are not resident in the United Kingdom may be able to recover all or part of the tax deducted if there is an appropriate provision in any applicable double taxation treaty.
- (c) The references to “interest” above mean “interest” as understood in United Kingdom tax law. The statements above do not take any account of any different definitions of “interest” or “principal” which may prevail under any other law or which may be created by the terms and conditions of the Notes or any related documentation.

- (d) The above description of the United Kingdom withholding tax position assumes that there will be no substitution of the issuer pursuant to Condition 21 (*Substitution of Issuer*), Certificate Condition 19 (*Substitution of Issuer*) or otherwise and does not consider the tax consequences of any such substitution.

United Kingdom Stamp Taxes

No United Kingdom stamp duty or stamp duty reserve tax is payable on the issue of the Notes or on a transfer of, or agreement to transfer, any Notes.

No United Kingdom stamp duty reserve tax should be payable on the issue of any Certificate or agreements to transfer any Certificate. No United Kingdom stamp duty should be payable on the issue of any Certificate. United Kingdom stamp duty may be payable on any instrument transferring a Certificate. If such an instrument were created, then stamp duty would be chargeable at the rate of 0.5 per cent. of the stampable consideration for the transfer or agreement to transfer (or 1.5% if the transfer is into a depository receipt system or clearance service).

ERISA CONSIDERATIONS FOR INVESTORS

Part 4, Subtitle B, Title I of the U.S. Employee Retirement Income Security Act of 1974, as amended (“**ERISA**”), and Section 4975 of the U.S. Internal Revenue Code of 1986, as amended (the “**Code**”), prohibit a broad range of transactions involving (i) employee benefit plans or other plans (including individual retirement accounts and Keogh plans) subject to such provisions, as well as any entities whose underlying assets are treated under ERISA as plan assets by reason of any such plan’s investment in such entities (each of the foregoing, a “**Plan**”) and (ii) persons who have certain specified relationships to a Plan or its assets (“**parties in interest**” under ERISA and “disqualified persons” under the Code; collectively, “**Parties in Interest**”) unless an exemption applies. Investments by Plans are subject to ERISA’s general fiduciary requirements (“**ERISA Plans**”) are subject to the requirements of investment prudence and diversification and the requirement that an ERISA Plan’s investments be made in accordance with the documents governing the ERISA Plan.

The prudence of a particular investment must be determined by the responsible fiduciary of an ERISA Plan by taking into account the ERISA Plan’s particular circumstances and all of the facts and circumstances of the investment. Violations of these rules may result in the imposition of excise taxes and other penalties and liabilities under ERISA and Section 4975 of the Code.

Governmental plans, certain church plans, and non-U.S. employee benefit plans (as described in Section 4(b)(4) of ERISA) may not be subject to the prohibited transaction rules of ERISA or Section 4975 of the Code, but may be subject to substantially similar rules under other applicable laws (“**Similar Law**”). Accordingly, assets of such plans may not be invested in the Notes or Certificates unless the acquisition or holding of the Notes or Certificates does not result in any violation of Similar Law.

For purposes of ERISA, if a Plan invests in an equity interest of an entity, the Plan’s assets include both the equity interest and an undivided interest in each of the entity’s underlying assets, unless an exception applies. An exception exists as to an entity if the aggregate ownership by Plans of the value of each class of equity interest in the entity is less than 25 per cent. of the total value of such class, disregarding for purposes of such calculation any interests held by persons who have discretionary authority of the investment of the entity’s assets or renders investment advice for compensation and certain affiliates thereof. If the assets of the Trust were deemed to be plan assets of a Plan, the Trustee would be subject to certain fiduciary obligations under ERISA and certain transactions that the Trustee might enter into, or may have entered into, in the ordinary course of business might constitute or result in non-exempt prohibited transactions under ERISA or Section 4975 of the Code and might have to be rescinded.

Representations and Warranties

No Notes or Certificates may be purchased or held by any Benefit Plan Investor, and each purchaser or subsequent transferee of such Notes or Certificates will be deemed by such purchase or acquisition to have represented, warranted and agreed that, for so long as it holds such Notes or Certificates or any interest therein, (a) it is not and will not be, and is not and will not be acting on behalf, of a Benefit Plan Investor or a plan that is subject to Similar Law, or (b) it is a plan subject to Similar Law and its acquisition, holding and transfer or other disposition of any such Notes or Certificates will not result in a violation of Similar Law.

The foregoing discussion is general in nature and is not intended to be all-inclusive. Fiduciaries of other plans, in consultation with their advisors, should consider the impact of their applicable Similar Laws on an investment in the Notes or Certificates and the considerations discussed above.

The sale of Securities to a Plan is in no respect a representation by the Issuer, the Paying Agent, the Registrar or any other party to the transactions that such an investment meets all relevant legal 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.

WITHHOLDING OF U.S. TAX ON ACCOUNT OF FATCA

Pursuant to certain provisions of the Code, commonly known as FATCA, a “foreign financial institution” (including an intermediary through which the Notes are held) may be required to withhold at a rate of 30 per cent. on certain payments it makes (“**foreign passthru payments**”) to persons that fail to meet certain certification, reporting, or related requirements. The Issuer may be a foreign financial institution for these purposes. A number of jurisdictions (including the United Kingdom) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (“**IGAs**”), which modify the way in which FATCA applies in their jurisdictions. 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 publication of the final regulations defining “foreign passthrough payment” in the U.S. Federal Register. In the preamble to the proposed regulations, the U.S. Department of the Treasury indicated that taxpayers may rely on these proposed regulations until the issuance of final regulations. Additionally, Notes that are characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining “foreign passthru payments” are filed with the U.S. Federal Register generally would be “grandfathered” for purposes of FATCA withholding unless materially modified after such date (including by reason of a substitution of the Issuer). Potential investors should consult their own tax advisers regarding how these rules may apply to any 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 to a holder of Notes as a result of the withholding.

FATCA is particularly complex and its application is uncertain at this time. Prospective investors should consult their tax advisers on how these rules may apply to the Issuer and to payments they may receive in connection with the Notes.

SUBSCRIPTION AND SALE

The Joint Lead Managers and the Retention Holder (or a wholly owned affiliate (or affiliates in respect of the Retention Notes only)) have, pursuant to a subscription agreement dated 15 November 2023 amongst the Retention Holder, the Seller, the Co-Arrangers, the Joint Lead Managers and the Issuer (the “**Subscription Agreement**”), agreed with the Issuer (subject to certain conditions) to procure subscriptions and payments for or subscribe and pay for on the Closing Date:

- (a) in the case of the Joint Lead Managers:
 - (i) £100,000 of the Class A1 Notes at the issue price of 100.00000 per cent. of the aggregate principal amount of the Class A1 Notes;
 - (ii) £297,422,000 of the Class A2 Notes at the issue price of 100.00000 per cent. of the aggregate principal amount of the Class A2 Notes;
 - (iii) £19,627,000 of the Class B Notes at the issue price of 98.27928 per cent. of the aggregate principal amount of the Class B Notes;
 - (iv) £20,661,000 of the Class C Notes at the issue price of 97.65373 per cent. of the aggregate principal amount of the Class C Notes;
- (b) in case of CERH II (either directly or through a directly or indirectly wholly-owned entity (or entities)):
 - (i) £15,660,000 of the Class A1 Notes at the issue price of 100.00000 per cent. of the aggregate principal amount of the Class A1 Notes;
 - (ii) £1,034,000 of the Class B Notes at the issue price of 98.27928 per cent. of the aggregate principal amount of the Class B Notes;
 - (iii) £1,088,000 of the Class C Notes at the issue price of 97.65373 per cent. of the aggregate principal amount of the Class C Notes;
 - (iv) £653,000 of the Class D Notes at the issue price of 98.70000 per cent. of the aggregate principal amount of the Class D Notes;
 - (v) £653,000 of the Class E Notes at the issue price of 98.75000 per cent. of the aggregate principal amount of the Class E Notes;
 - (vi) £327,000 of the Class F Notes at the issue price of 98.75000 per cent. of the aggregate principal amount of the Class F Notes; and
 - (vii) £2,338,000 of the Class Z Notes at the issue price of 31.25000 per cent. of the aggregate principal amount of the Class Z Notes.
- (c) in the case of CERH II (or an affiliate or affiliates):
 - (i) £12,396,000 of the Class D Notes at the issue price of 98.70000 per cent. of the aggregate principal amount of the Class D Notes;
 - (ii) £12,396,000 of the Class E Notes at the issue price of 98.75000 per cent. of the aggregate principal amount of the Class E Notes;
 - (iii) £6,198,000 of the Class F Notes at the issue price of 98.75000 per cent. of the aggregate principal amount of the Class F Notes; and
 - (iv) £44,420,000 of the Class Z Notes at the issue price of 31.25000 per cent. of the aggregate principal amount of the Class Z Notes.

The Issuer will also issue the Certificates in the form of Regulation S Definitive Certificates to a nominee of the Seller on the Closing Date.

On the Closing Date the Retention Holder will hold an economic exposure to (i) the entire Principal Amount Outstanding of the Class A1 Notes (excluding £100,000), which will represent at least 5% of the aggregate Principal Amount Outstanding of Class A Notes and (ii) at least 5% of each other Class of Notes (other than the Class A2 Notes) for the purposes of complying with the EU Securitisation Regulations and the UK Securitisation Regulations. In respect of any Further Class A1 Notes, the Retention Holder will acquire an amount of such Further Class A1 Notes sufficient to remain compliant with the Retention Requirements.

The Issuer has agreed to indemnify the Retention Holder, the Seller, the Joint Lead Managers and the Co-Arrangers against certain liabilities and to pay certain costs and expenses in connection with the issue of the Notes.

Each of Merrill Lynch International, Wells Fargo Securities International Limited and Barclays Bank PLC will subscribe for the Notes on a joint and several basis.

Subject to any terms and conditions set forth in the Subscription Agreement, CERH II (or its affiliate or affiliates) may retain any portions of Notes (other than in respect of the Retention Notes) in which it has agreed to subscribe, or may sell them on (or following) the Closing Date pursuant to separate placement agreements entered into with one or more of the Joint Lead Managers or their affiliates.

Any offers and sales of Notes will be made in negotiated transactions or otherwise at varying prices to be determined at the relevant time of sale. As a result, the purchase price paid by an investor in a portion of the Notes may be higher or lower than the price paid by a different investor in the same Class sold in this offering.

Other than admission of the Notes to the official list of Euronext Dublin and admission to trading on its regulated market, no action has been taken by the Issuer, the Co-Arrangers, the Joint Lead Managers, CHL, CERH II, the Seller or the Retention Holder, which would or has been intended to permit a public offering of the Notes or Certificates, or possession or distribution of this Prospectus or other offering material relating to the Notes and Certificates, in any country or jurisdiction where action for that purpose is required.

This Prospectus does not constitute, and may not be used for the purpose of, an offer or a solicitation by anyone to subscribe for or purchase any of the Notes or Certificates in or from any country or jurisdiction where such an offer or solicitation is not authorised or is unlawful.

Offers and Sales

The Notes and the Certificates (including interests therein represented by a Global Note, a Definitive Note, a Book-Entry Interest or a Definitive Certificate) have not been and will not be registered under the Securities Act or the securities laws of any state of the United States or any other relevant jurisdiction and accordingly, may not be reoffered, resold, pledged or otherwise transferred except in accordance with the restrictions described below. Neither the Issuer nor any other person is required to register or qualify the Notes or the Certificates or to provide registration rights to any investor therein. The Notes and the Certificates are initially being offered and sold outside the United States to persons other than U.S. Persons pursuant to Regulation S.

The Notes and the Certificates may not be reoffered, resold, pledged or otherwise transferred except, subject to the restrictions on transfer described herein to a non-U.S. Person in accordance with Rule 903 or 904 of Regulation S.

Ownership of interests in Regulation S Global Notes will be limited to persons who have accounts with Euroclear or Clearstream, Luxembourg, or persons who hold interests through Euroclear or Clearstream, Luxembourg, and any sale or transfer of such interests to U.S. Persons shall not be permitted. Any offers, sales or deliveries of Notes or Certificates to U.S. Persons by an investor holding such Notes or Certificates in the form of Regulation S Global Note or Regulation S Definitive Certificate may, except as described in “*Description of the Notes in Global Form – Transfers and Transfer Restrictions*”, constitute a violation of U.S. law.

Subject to the restrictions applicable to all sales of Notes or Certificates, there is no restriction on the Issuer, the Seller or any of their respective affiliates from purchasing any Notes or Certificates.

Investor Representations and Restrictions on Resale

Each purchaser of the Notes and the Certificates (which term for the purposes of this section will be deemed to include any interests in the Notes or Certificates, as applicable, including Book-Entry Interests) will be deemed to have represented and agreed as follows:

- (a) it understands that the Notes or Certificates, as applicable, are only being offered in a transaction that does not require registration under the Securities Act and the Notes and Certificates have not been and will not be registered under the Securities Act or the securities laws of any state of the United States or any other relevant jurisdiction and accordingly, may not be reoffered, resold, pledged or otherwise transferred to, for the account or benefit of, U.S. Persons except in accordance with the restrictions described below;
- (b) in the case of the Regulation S Global Note or a Regulation S Definitive Certificate, it is not a U.S. Person (within the meaning of Regulation S) and is acquiring such Notes or Certificates, as applicable, in an “offshore transaction” (as defined in Regulation S) pursuant to an exemption from registration provided by Regulation S;
- (c) it understands that the Issuer has not been registered under the Investment Company Act;
- (d) if it decides to resell or otherwise transfer Regulation S Global Notes or the Regulation S Definitive Certificates, as applicable, then it agrees that it will resell or transfer such Notes or Certificates, as applicable, only: to a non-U.S. Person acquiring the Notes or Certificates, as applicable, in an offshore transaction pursuant to an exemption from registration in accordance with Rule 903 or Rule 904 of Regulation S, , **provided, that** the agreement of such purchaser is subject to any requirement of law that the disposition of the purchaser’s property shall at all times be and remain within its control;
- (e) it will, and will require each subsequent holder to, notify any purchaser of the Notes or Certificates, as applicable, from it of the resale restrictions referred to in paragraph (d) above, if then applicable;
- (f) if the purchaser purchased the Notes or Certificates during the initial syndication of the Notes or Certificates, it (1) either (i) is not a Risk Retention U.S. Person or (ii) has obtained the prior written consent from CERH II and its purchase of the Notes or Certificates falls within the exemption provided by Section 20 of the U.S. Risk Retention Rules (a “**U.S. Risk Retention Waiver**”), (2) is acquiring such Note or Certificate or a beneficial interest therein for its own account and not with a view to distribute such Notes and Certificate and (3) is not acquiring such Note or Certificate or a beneficial interest therein as part of a scheme to evade the requirements of the U.S. Risk Retention Rules (including acquiring such Note through a non-Risk Retention U.S. Person, rather than a Risk Retention U.S. Person, as part of a scheme to evade the 10 per cent. Risk Retention U.S. Person limitation in the exemption provided for in Section 20 of the U.S. Risk Retention Rules);
- (g) each purchaser and subsequent transferee of any Notes or Certificates (or any interest therein) will be deemed by such purchase or acquisition of any such Note or Certificate (or any interest therein), as applicable, to have represented and warranted, on each day from the date on which the purchaser or transferee acquires such Note or Certificate (or any interest therein), as applicable, through and including the date on which the purchaser or transferee disposes of such Note or Certificate (or any interest therein), as applicable, that it is not and will not be a Benefit Plan Investor or a plan subject to Similar Law and that in purchasing and holding such Note or Certificate (or any interest therein), as applicable, it is not and will not be acting on behalf of a Benefit Plan Investor or a plan subject to Similar Law or its acquisition, holding and transfer or other disposition of such Notes or Certificates (or any interest therein), as applicable will not result in a violation of Similar Law;
- (h) it understands that the Issuer, the Registrar, the Co-Arrangers and CERH II and their affiliates and others will rely upon the truth and accuracy of the acknowledgments, representations and agreements contained in this section; and
- (i) it is an eligible counterparty or professional client, each as defined in MiFID II for the purposes of any product governance target market assessment in respect of the Notes or the Certificates.

U.S. Risk Retention Rules

Each prospective investor will be required to provide representations to the Issuer and CERH II relating to its status as a Risk Retention U.S. Person:

- (a) from the time of the announcement of the securitisation transaction involving the issuance of the Notes; and
- (b) if such representations have not been previously made, as a condition to placing any offer to purchase the Notes.

The Co-Arrangers, the Joint Lead Managers, the Issuer and CERH II will rely on the representations each prospective investor will be required to make as outlined in the immediately preceding sentence without further investigation. Notwithstanding the foregoing, each of CERH II, the Co-Arrangers, the Joint Lead Managers and the Issuer has acknowledged and agreed that the Issuer can, with the consent of, and in reliance on, CERH II, sell a limited portion of the Notes to, or for the account or benefit of, Risk Retention U.S. Persons under the "foreign offering" exemption from the U.S. Risk Retention Rules.

Except with the prior written consent of CERH II and where such sale falls within the exemption provided by Section 20 of the U.S. Risk Retention Rules, the Notes offered and sold by the Issuer may not be purchased by, or for the account or benefit of, any "U.S. Person" as defined in the U.S. Risk Retention Rules. Under the U.S. Risk Retention Rules, and subject to limited exceptions, "U.S. person" means any of the following:

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

The material difference between such definitions is that (1) a "U.S. person" under Regulation S includes any partnership or corporation that is organized or incorporated under the laws of any foreign jurisdiction formed by one or more "U.S. persons" (as defined in Regulation S) principally for the purpose of investing in securities that are otherwise offered within the United States pursuant to an applicable exemption under the Securities Act unless it is organized or incorporated and owned by accredited investors (as defined in Rule 501(a) of Regulation D under the Securities Act) who are not natural persons, estates or trusts, while any organization or entity described in (1) is treated as a "U.S. person" under the U.S. Risk Retention Rules, regardless of whether it is so organized and owned by accredited investors (as defined in Rule 501(a) of Regulation D under the Securities Act) who are not natural persons, estates or trusts.

United Kingdom

Each of the Co-Arrangers, the Joint Lead Managers, the Seller and the Issuer has represented and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and

- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

Each of the Co-Arrangers, the Joint Lead Managers, the Seller and the Issuer has acknowledged that, save for having obtained the approval of the Central Bank of Ireland of this Prospectus as a prospectus in accordance with the requirement of the Prospectus Regulation and implementing measures in Ireland, having applied for the admission of the Notes to the official list of Euronext Dublin and admission to trading on its regulated market, no further action has been or will be taken in any jurisdiction by the Co-Arrangers, the Joint Lead Managers, the Seller, CERH II or the Issuer that would, or is intended to, permit a public offering of the Notes, or possession or distribution of the Prospectus or any other offering material in relation to the Notes, in any country or jurisdiction where such further action for that purpose is required.

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 to any retail investor in the United Kingdom. For the purposes of this provision the expression “retail investor” means a person who is one (or more) of the following:

- (a) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA (“**UK MiFID II**”); or
- (b) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under FSMA which were relied on immediately before exit day to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (8) of Article 2(1) of UK MiFID II.

United States

Each of the Co-Arrangers and the Joint Lead Managers have acknowledged that the Notes or Certificates are not designed for, and may not be purchased or held by, any Benefit Plan Investor and each purchaser of such Notes or Certificates will be deemed to have represented, warranted and agreed that it is not, and for so long as it holds such Notes or Certificates will not be, a Benefit Plan Investor.

Each of the Co-Arrangers and the Joint Lead Managers have acknowledged, in the Subscription Agreement, that 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 and therefore may not be offered or sold, directly or indirectly, to, or for the account or benefit of, U.S. Persons. In addition, the Notes cannot be resold in the United States, or outside of the United States to U.S. Persons, except in accordance with the applicable transfer restrictions described herein.

Each of the Co-Arrangers and the Joint Lead Managers have agreed that with respect to the relevant Regulation S Global Notes for which it has subscribed it will not offer or sell the Regulation S Global Notes during the 40 days after the later of the commencement of the offering and the Closing Date (the “**Distribution Compliance Period**”) into or within the United States or to, or for the account or benefit of any U.S. Person (as defined in Regulation S), except in accordance with Rule 903 or 904 of Regulation S.

The Co-Arrangers and each Joint Lead Manager has further agreed that it will have sent to each affiliate or person receiving a selling commission, fee or other remuneration that purchases Regulation S Global Notes from it during the Distribution Compliance Period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. Persons to substantially the following effect:

“The securities covered hereby have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”), or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act).

In addition, until 40 days after the completion of the distribution of the Notes, any offer or sale of Notes within the United States by any dealer (whether or not participating in the offering), except in accordance with Regulation S (if available) or pursuant to an exemption from or in a transaction not subject to registration under the Securities Act, may violate the registration requirements of the Securities Act.”

In addition, an offer or sale of the Notes within the United States by the Co-Arrangers or any Joint Lead Managers (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than pursuant to an exemption from the registration requirements under the Securities Act.

The Issuer, the Co-Arrangers and the Joint Lead Managers and CERH II reserve the right to reject any offer to purchase the Notes, in whole or in part, for any reason. This Prospectus does not constitute an offer to any person in the United States or to any U.S. Person. Distribution of this Prospectus to any U.S. Person is unauthorised and prohibited, and any disclosure without the prior written consent of the Issuer of any of its contents to any U.S. Person is prohibited.

Each of the Co-Arrangers, the Joint Lead Managers and CERH II have acknowledged that Regulation S Global Note 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, for so long as it holds such Note that it is not and will not be, such a Benefit Plan Investor.

Ireland

Each of the Co-Arrangers, the Joint Lead Managers, the Seller and the Issuer has represented and agreed that:

- (a) it will not underwrite the issue of, or place the Notes, otherwise than in conformity with the provisions of S.I. No. 60 of 2007, European Communities (Markets in Financial Instruments) Regulations 2007 (as amended), including, without limitation, Parts 7 and 152 thereof and the provisions of the Investor Compensation Act 1998;
- (b) it will not underwrite the issue of, or place, the Notes, otherwise than in conformity with the provisions of the Irish Central Bank Acts 1942 – 2012 (as amended) and any codes of conduct rules made under Section 117(1) of the Central Bank Act 1998;
- (c) it will not underwrite the issue of, or place, or do anything in Ireland in respect of the Notes otherwise than in conformity with the provisions of the Irish Prospectus (Regulation (EU) 2017/1129) and any rules issued under Section 51 of the Irish Investment Funds, Companies and Miscellaneous Provisions Act 2005, 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, otherwise than in conformity with the provisions of the Irish Market Abuse (Directive 2003/6/EC) Regulations 2005 (as amended) and any rules issued under Section 34 of the Irish Investment Funds, Companies and Miscellaneous Provisions Act 2005 by the Central Bank of Ireland.

European Economic Area

In relation to each Member State of the EEA which has implemented the Prospectus Regulation (each, a “**Relevant Member State**”), each of the Co-Arrangers, the Issuer, the Joint Lead Managers and the Seller has represented and agreed that with effect from and including the date on which the Prospectus Regulation is implemented in that Relevant Member State it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Prospectus to the public in that Relevant Member State other than:

- (a) to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- (b) to fewer than 150, natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), as permitted under the Prospectus Regulation, subject to obtaining the prior consent of the Issuer for any such offer; or
- (c) in any other circumstances falling within Article 3(2) of the Prospectus Regulation,

provided that no such offer of Notes will require the Issuer and the Joint Lead Managers to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 16 of the Prospectus Regulation.

For the purposes of this provision, the expression of an offer of Notes to the public in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer

and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Regulation in that Member State.

Prohibition of Sales to EEA Retail Investors

The Joint Lead Managers have each represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the European Economic Area. For the purposes of this provision:

- (a) the expression “retail investor” means a person who is one (or more) of the following:
 - (i) from the date of application of the PRIIPs Regulation, a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); or
 - (ii) from the date of application of the PRIIPs Regulation, a customer within the meaning of Directive (EU) 2016/97 (as amended, the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
 - (iii) not a qualified investor as defined in the Prospectus Regulation; and
- (b) the expression “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe to the Notes.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948) (as amended, the “**FIEA**”) in reliance upon the exemption from the registration requirements since the offering constitutes the small number private placement. A transferor of the Notes shall not transfer or resell the Notes except where the transferor transfers or resells all the Notes *en bloc* to one transferee.

General

Other than admission of the Notes to the official list of Euronext Dublin, no action has been taken by the Co-Arrangers, the Joint Lead Managers, the Seller, CERH II and the Issuer that would, or is intended to, permit a public offer of the Notes in any country or jurisdiction where any such action for that purpose is required. Accordingly, each of the Co-Arrangers, the Joint Lead Managers, the Seller and the Issuer has undertaken that it will not, directly or indirectly, offer or sell any Notes or Certificates or have in its possession, distribute or publish any offering circular, prospectus, form of application, advertisement or other document or information in respect of the Notes or the Certificates in any country or jurisdiction except under circumstances that will, to the best of its knowledge and belief, result in compliance with any applicable laws and regulations and all offers and sales of Notes by it will be made on the same terms.

Legends on Global Notes and Definitive Certificates

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

NEITHER THIS [NOTE][CERTIFICATE] NOR BENEFICIAL INTERESTS HEREIN HAVE BEEN OR WILL BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “**SECURITIES ACT**”), THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR THE SECURITIES LAWS OF ANY OTHER JURISDICTION. 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.

ANY TRANSFER OF THIS [NOTE][CERTIFICATE] MAY ONLY BE MADE 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 (“**REGULATION S**”). EACH HOLDER OR SUBSEQUENT HOLDER OF THIS [NOTE]

[CERTIFICATE] WILL BE DEEMED TO HAVE MADE THE REPRESENTATIONS AND AGREEMENTS SET FORTH IN THE TRUST DEED. ANY PURPORTED TRANSFER OF THIS [NOTE][CERTIFICATE] THAT DOES NOT COMPLY WITH THE FOREGOING REQUIREMENTS SHALL BE NULL AND VOID *AB INITIO*.

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

BY ITS ACQUISITION AND HOLDING OF THIS [NOTE][CERTIFICATE] EACH HOLDER OF THIS [NOTE][CERTIFICATE] OR ANY INTEREST HEREIN WILL BE DEEMED TO HAVE REPRESENTED AND AGREED THAT, FOR SO LONG AS IT HOLDS THIS [NOTE][CERTIFICATE] OR ANY INTEREST THEREIN, EITHER (A) IT IS NOT AND WILL NOT BE, AND IS NOT AND WILL NOT BE ACTING ON BEHALF OF, (I) AN **"EMPLOYEE BENEFIT PLAN"** WITHIN THE MEANING OF SECTION 3(3) OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED (**"ERISA"**), THAT IS SUBJECT TO TITLE I OF ERISA, (II) A **"PLAN"** WITHIN THE MEANING OF SECTION 4975(e)(1) OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE **"CODE"**), THAT IS SUBJECT TO SECTION 4975 OF THE CODE, (III) A PERSON OR ENTITY WHOSE UNDERLYING ASSETS INCLUDE, OR ARE DEEMED TO INCLUDE, **"PLAN ASSETS"** UNDER THE U.S. DEPARTMENT OF LABOR REGULATION AT 29 C.F.R. § 2510.3-101, AS MODIFIED BY SECTION 3(42) OF ERISA, OR OTHERWISE FOR PURPOSES OF TITLE I OF ERISA OR SECTION 4975 OF THE CODE BY REASON OF THE FOREGOING EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN THE PERSON OR ENTITY (COLLECTIVELY, THE **"BENEFIT PLAN INVESTORS"**) OR (IV) A **"GOVERNMENTAL PLAN"** WITHIN THE MEANING OF SECTION 3(32) OF ERISA, A **"CHURCH PLAN"** WITHIN THE MEANING OF SECTION 3(33) OF ERISA THAT HAS MADE NO ELECTION UNDER SECTION 410(d) OF THE CODE, A NON-U.S. PLAN DESCRIBED IN SECTION 4(b)(4) OF ERISA OR AN EMPLOYEE BENEFIT PLAN THAT IS NOT A BENEFIT PLAN INVESTOR BUT IS SUBJECT TO ANY U.S. FEDERAL, STATE, LOCAL, NON-U.S. OR OTHER LAW OR REGULATION THAT CONTAINS ONE OR MORE PROVISIONS THAT ARE SUBSTANTIALLY SIMILAR TO THE FIDUCIARY RESPONSIBILITY AND PROHIBITED TRANSACTION PROVISIONS OF TITLE I OF ERISA OR SECTION 4975 OF THE CODE (**"SIMILAR LAW"**) OR (B) IT IS A PLAN SUBJECT TO SIMILAR LAW AND ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS [NOTE][CERTIFICATE] OR ANY INTEREST HEREIN DOES NOT AND WILL NOT VIOLATE ANY APPLICABLE SIMILAR LAW. ANY PURPORTED TRANSFER OF THIS [NOTE][CERTIFICATE] THAT DOES NOT COMPLY WITH THESE REQUIREMENTS SHALL BE NULL AND VOID *AB INITIO*.

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

LISTING AND GENERAL INFORMATION

- (a) It is expected that the admission of the Notes to the official list of Euronext Dublin and the admission of the Notes to trading on its regulated market will be granted on or about 17 November 2023. The Certificates will not be listed.
- (b) 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.
- (c) None of the Issuer or Holdings is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware), since 3 October 2023 (being the date of incorporation of each of the Issuer and Holdings) which may have, or have had in the recent past, significant effects upon the financial position or profitability of the Issuer or Holdings (as the case may be).
- (d) The auditors for the Issuer are MacIntyre Hudson LLP which is a member of the Institute of Chartered Accountants in England and Wales. So long as the Notes are admitted to trading on Euronext Dublin's regulated market, the most recently published audited annual accounts of the Issuer from time to time shall be filed with Euronext Dublin and shall be available at the Specified Office of the Principal Paying Agent in London.
- (e) For so long as the Notes are admitted to the official list of Euronext Dublin, the Issuer shall maintain a Paying Agent in the United Kingdom.
- (f) The financial year end of the Issuer is 31 December. The first statutory accounts of the Issuer will be prepared for the period ending 31 December 2024.
- (g) The Issuer does not publish interim accounts.
- (h) Since 3 October 2023 (being the date of their respective incorporation), there has been (a) no material adverse change in the financial position or prospects of the Issuer or Holdings and (b) no significant change in the financial or trading position of the Issuer or Holdings.
- (i) Since the date of its incorporation, the Issuer has not entered into any contracts or arrangements not being in the ordinary course of business.
- (j) The issue of the Notes and the Certificates was authorised pursuant to a resolution of the board of directors of the Issuer passed on or about 09 November 2023.
- (k) The following Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg under the following ISIN and Common Codes:

Class	Regulation S ISIN	Regulation S Common Code
Notes		
A1	XS2711545694	271154569
A2	XS2711546668	271154666
B	XS2711545777	271154577
C	XS2711545934	271154593
D	XS2711546155	271154615
E	XS2711546239	271154623
F	XS2711546312	271154631
Z	XS2711546585	271154658

- (l) From the date of this Prospectus and for so long as the Notes are listed on Euronext Dublin's regulated market: (A) copies of the Transaction Documents (other than the Scottish Trust) may be inspected online at www.euroabs.com; and (B) the Memorandum and Articles of Association of the Issuer may be inspected in physical form at the offices of the Issuer at 10th Floor, 5 Churchill Place, London, England, E14 5HU, in each case for the life of the transaction set out herein:
- (i) the Memorandum and Articles of Association of the Issuer; and
 - (ii) copies of each of the Transaction Documents.
- Upon reasonable request, the Principal Paying Agent will allow copies of such documents to be taken.
- (m) In accordance with the Cash Management Agreement, the Cash Manager will (with the assistance of the Servicer and the Issuer) prepare and publish an Investor Report on a monthly basis in respect of the Mortgage Portfolio and the Notes containing, *inter alia*, certain aggregated loan data in relation to the Mortgage Portfolio in respect of the relevant Collection Period and information in relation to the Notes including, but not limited to, the ratings of the Notes, amounts paid by the Issuer pursuant to the relevant Priority of Payments, required counterparty information and the Retention Holder's holding of the Notes and Certificates and confirmation of the Retention Holder's compliance with Article 6 of the EU Securitisation Regulation and Article 6 of the UK Securitisation Regulation as confirmed in each case to the Cash Manager by the Seller or the Issuer. Cash Manager, on behalf of the Issuer, will: (i) deliver the monthly Investor Reports to EuroABS; and (ii) publish the monthly Investor Reports on the Cash Manager's website at www.chlmortgages.co.uk. The Issuer will ensure that each Investor Report is published on the EuroABS Website and the SecRep EU Website (in its capacity as EU Securitisation Repository) on a quarterly basis in compliance with the UK Securitisation Regulation and EU Securitisation Regulation. For the avoidance of doubt, these websites and the contents thereof do not form part of this Prospectus. In addition, loan level information will be provided on a quarterly basis by the Servicer to EuroABS and the Issuer will ensure that it is published on the EuroABS Website and the SecRep EU Website (in its capacity as EU Securitisation Repository), as required by the UK Securitisation Regulation and the EU Securitisation Regulation (as the case may be). Furthermore, a BOE Tape will be provided on a quarterly basis by the Servicer to EuroABS and the Issuer will ensure that it is published on the EuroABS Website, for the purpose of the Bank of England's Sterling Monetary Framework. Other than as outlined above, the Issuer does not intend to provide post-issuance transaction information regarding the Notes, the Certificates or the Mortgage Loans. The first Investor Report shall be published within one month of the First Interest Payment Date and thereafter shall be published: (i) on a monthly basis to www.chlmortgages.co.uk and EuroABS and (ii) on a quarterly basis, in respect of compliance with the UK Securitisation Regulation and the EU Securitisation Regulation.
- (n) The Issuer confirms that the Mortgage Loans backing the issue of the Notes and the Certificates 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 and the Certificates. Investors are advised to review carefully any disclosure in the Prospectus together with any amendments or supplements thereto.
- (o) Arthur Cox Listing Services Limited is acting solely in its capacity as listing agent for the Issuer in relation to the Notes and is not itself seeking admission of the Notes to the official list of Euronext Dublin or to trading on the regulated market of Euronext Dublin.
- (p) The total expenses to be paid in relation to admission of the Notes to the official list of Euronext Dublin and trading on the regulated market of Euronext Dublin are estimated to be approximately €15,440.
- (q) A liability cash flow model relating to the Transaction will be made available on the website of EuroABS at www.euroabs.com on or around the date on which the first Investor Report is to be published.
- (r) The Issuer will:
- (i) make available (or procure the availability of) the Transaction Documents – redacted where applicable - required by Article 7(1)(b) of the EU Securitisation Regulation and Article 7(1)(b) of the UK Securitisation Regulation;

- (ii) publish (or procure the publication of) details of any inside information as required by and in accordance with Article 7(1)(f) of the EU Securitisation Regulation and Article 7(1)(f) of the UK Securitisation Regulation and any significant event information required by and in accordance with Article 7(1)(g) of the EU Securitisation Regulation and Article 7(1)(g) of the UK Securitisation Regulation; and
 - (iii) The information set out in paragraphs (i) and (ii) above shall (subject to the same being provided to the Cash Manager in a form acceptable to it) be published by the Cash Manager at www.chlmortgages.com and by the Cash Manager on the website of EuroABS at <https://www.euroabs.com> and SecRep BV (in its capacity as EU Securitisation Repository) at <https://www.secrep.eu>. For the avoidance of doubt, these websites and the contents thereof do not form part of this Prospectus.
- (s) The Issuer's LEI code is: 6354009WAXGJMASHCS30.
- (t) Any website referred to in this document does not form part of the Prospectus and has not been scrutinised or approved by the Central Bank of Ireland.

GLOSSARY

“Account Bank Agreement”	means the agreement so named dated on or about the Closing Date between the Issuer, the Legal Title Holder, the Seller, the Cash Manager, the Issuer Account Bank and the Trustee.
“Accrued Interest”	means as at any date of determination on or after the Closing Date and in relation to any Mortgage Loan, interest on such Mortgage Loan (not being interest which is currently payable on such date of determination) which has accrued (but is not yet due and payable) from and including the Monthly Payment Date immediately prior to such date of determination to and including that date of determination.
“Additional Interest”	means the interest which accrues on Deferred Required Interest pursuant to Condition 8 (<i>Interest</i>).
“Adjustable Rate Mortgage Loans”	means any Mortgage Loan as of the Portfolio Reference Date that does not have a fixed rate of interest as its index.
“Agency Agreement”	means the agreement so named dated on or about the Closing Date between the Issuer, the Agents and the Trustee.
“Agents”	means the Agent Bank, the Paying Agents and the Registrar (or any successors duly appointed) and “ Agent ” means any one of them.
“Ancillary Rights”	means in relation to a Right, all ancillary rights, accretions and supplements to such Right, including any guarantees or indemnities in respect of such Right.
“Applicable Law”	means: <ul style="list-style-type: none"> (a) all applicable laws, rules, regulations, ordinances, directives, treaties and statutes, authorisations, permits, licences, notices, instructions, codes of practice and decrees of any relevant regulatory authority or any judgment, court orders or judicial practice of any court and any other legally binding requirement of any regulatory authority or government authority having jurisdiction with respect to a Transaction Party (including any non-binding decisions of the FOS); and (b) any guidance and principles set out in the FCA Mortgage Code of Business Sourcebook (“MCOB”), any applicable provision in the FCA Handbook as it relates to businesses involved in mortgage lending and/or the provision of mortgage loan administration services and any other applicable policies and guidelines whether or not having the force of law (each as may restated, amended or replaced from time to time) only to the extent such guidance or principles do not conflict with any of the matters referred to in paragraph (a) of this definition.
“Applicable Reference Rate”	means in respect of the Notes, Compounded Daily SONIA or such other alternative reference rate from time to time.
“Applicable Servicer Fee Cap”	means, in relation to the Servicer, and the Back-Up Servicer, (A) the Servicer Fee Cap multiplied by (B) the SFC Relevant Percentage of that party.
“Appointee”	means any delegate, agent, nominee, custodian, attorney or manager appointed or employed by the Trustee pursuant to the provisions of the Trust Documents and other Transaction Documents.
“Arrears of Interest”	means as at any date of determination on or after the Closing Date and in relation to any Mortgage Loan, the aggregate of all interest (other than Capitalised Arrears or Accrued Interest) on such Mortgage Loan which is currently due, payable and unpaid on that date.

“Assigned Rights”	means the Benefit of the Mortgage Loans and the Related Security assigned or to be assigned to the Issuer by the Seller in accordance with the terms of the Mortgage Sale Agreement.
“Authorised Investments”	<p>means, investments of the funds standing to the credit of the Deposit Account which are:</p> <ul style="list-style-type: none"> (a) Sterling gilt-edged securities; and (b) Sterling demand or time deposits, certificates of deposit and short-term debt obligations (including commercial paper), <p>provided that in all cases such investments will only be made such that there is no withholding or deduction for or on account of taxes applicable thereto and either:</p> <ul style="list-style-type: none"> (i) such investments (A) have a maturity date of 60 days or less and mature before the next following Interest Payment Date or within 60 days, whichever is sooner and, in each case, for at least the price paid for the relevant investment, (B) may be broken or demanded by the Issuer (at no cost to the Issuer and for at least the price paid for the relevant investment) before the next following Interest Payment Date or within 60 days, whichever is sooner, and (C) are rated at least A-1 by S&P and AA (low) by DBRS; or (ii) such investments (A) have a maturity date of 90 days or less and mature before the next following Interest Payment Date or within 90 days, whichever is sooner and, in each case, for at least the price paid for the relevant investment, (B) may be broken or demanded by the Issuer (at no cost to the Issuer and for at least the price paid for the relevant investment) before the next following Interest Payment Date or within 90 days, whichever is sooner, and (C) are rated at least A-1+ by S&P and AA (low) by DBRS. <p>and provided further that, for the avoidance of doubt, where such investments would be in a money market fund or would result in the recharacterisation of the Notes or any transaction as a “re-securitisation” or a “synthetic securitisation” as defined in Articles 2(4) and 2(10), respectively, of the UK Securitisation Regulation and article 2(4) and 2(10), respectively, of the EU Securitisation Regulation (as amended and/or supplemented from time to time), such investments shall not qualify as “Authorised Investments”.</p>
“Availability Period”	<p>means the period from and including the Closing Date to and including the date which is the earliest of:</p> <ul style="list-style-type: none"> (a) the date falling 364 days after the Closing Date, subject to any extension made under the terms of the Liquidity Facility Agreement; (b) the Class B Redemption Date; (c) the Final Maturity Date; and (d) the date on which the Commitment is cancelled in full.
“Available Principal Receipts”	<p>means for any Interest Payment Date (without double counting):</p> <ul style="list-style-type: none"> (a) Principal Receipts on the Mortgage Loans received during the three immediately preceding Collection Periods; (b) amounts (if any) to be credited to the Principal Deficiency Ledger pursuant to items (5) and/or (7) and/or (9) and/or (11) and/or (13) and/or (15) and/or (17) of the Pre-Enforcement Revenue Priority of Payments; and (c) any amount to be applied as Available Principal Receipts in accordance with Condition 8.13(c)(i) (<i>Determinations and Reconciliation</i>); and (d) any Enhanced Amortisation Amounts.

For the avoidance of doubt, the issuance of any Further Class A1 Notes shall not form part of Available Principal Receipts.

“Available Revenue Receipts”

means for any Interest Payment Date (without double counting):

- (a) Revenue Receipts on the Mortgage Loans received during the three immediately preceding Collection Periods or, if any of the immediately preceding three Collection Periods is a Determination Period, Calculated Revenue Receipts (excluding in each case an amount to be applied as Available Principal Receipts in accordance with Condition 8.13(c)(i) (*Determinations and Reconciliation*) on the relevant Interest Payment Date);
- (b) interest payable to the Issuer on the Deposit Account (including in respect of any Liquidity Standby Drawings credited to the Deposit Account) and income from any Authorised Investments received during the three immediately preceding Collection Periods;
- (c) (A) prior to the LF Cancellation Date, any Liquidity Drawing (where for the avoidance of doubt, “Liquidity Drawing” does not include any Liquidity Standby Drawing) and (B) on and from the Liquidity Facility Replacement Date, the Liquidity Reserve Fund Actual Amount, but only to the extent necessary (after applying all other Available Revenue Receipts and any Principal Addition Amounts to do so (assuming for the purpose of this paragraph (c) that this paragraph (c) had not applied)) to make payments in the Pre-Enforcement Revenue Priority of Payments to the extent there is a shortfall to meet, (i) prior to the Class A Redemption Date, items (1) to (4) of the Pre-Enforcement Revenue Priority of Payments. and (ii) following the Class A Redemption Date, items (1) to (3) and item (6) of the Pre-Enforcement Revenue Priority of Payments If the LF Cancellation Date has not yet occurred the Liquidity Reserve Fund Actual Amount will be applied first before any Liquidity Drawing is made;
- (d) Principal Addition Amounts to be applied as Available Revenue Receipts (prior to the application of Liquidity Drawings and the Liquidity Reserve Fund Actual Amount in accordance with paragraph (c) above);
- (e) any amount applied as Available Revenue Receipts in accordance with Condition 8.13(c)(ii) (*Determinations and Reconciliation*);
- (f) other net income of the Issuer received during the three immediately preceding Collection Periods (other than any Principal Receipts);
- (g) any Excess Liquidity Amounts; and
- (h) on the Interest Payment Date immediately prior to the Final Maturity Date, all amounts standing to the credit of the LTH Indemnity Reserve Ledger (after having paid or provided for all LTH Indemnity Amounts (if any));

less:

- (i) Permitted Withdrawals.

For the avoidance of doubt, the issuance of any Further Class A1 Notes shall not form part of Revenue Receipts.

“Back-Up Cash Manager Facilitator Fee”

means a fee of £1,500 per annum payable to the Back-Up Cash Manager Facilitator.

“Back-Up Servicer Fee”

means the fee payable by the Issuer to the Back-Up Servicer pursuant to the Back-Up Servicing Agreement.

“Back-Up Servicing Agreement”

means the agreement so named dated on or about the Closing Date between the Back-Up Servicer, the Servicer, the Seller, the Legal Title Holder, the, the Issuer and the Trustee pursuant to which the Back-Up Servicer will be appointed as back-up

	servicer in relation to the Mortgage Loans or any agreement entered into between the Issuer, the Trustee and any replacement Back-Up Servicer.
“Bank of England Base Rate” or “BBR”	means the base rate quoted by the Bank of England at the relevant date.
“Barclays”	means Barclays Bank PLC, acting in its capacity as Co-Arranger and Joint Lead Manager.
“BBR Mortgage Loans”	means the Mortgage Loans which are Bank of England-linked mortgages where the applicable rate of interest is calculated by reference to the Bank of England Base Rate or, where the applicable rate of interest is calculated by reference to a combination of the Bank of England Base Rate and the appropriate loan to value ratio.
“Basel III”	means the Basel III reform package approved by the Basel Committee on Banking Supervision.
“Benefit”	<p>in respect of any asset, agreement, property or right (each a “Right” for the purpose of this definition) held, assigned, conveyed, transferred, charged, sold or disposed of by any person shall be construed so as to include:</p> <ul style="list-style-type: none"> (a) all right, title, interest and benefit, present and future, actual and contingent (and interests arising in respect thereof) of such person in, to, under and in respect of such Right and all Ancillary Rights in respect of such Right; (b) all monies and proceeds payable or to become payable under, in respect of, or pursuant to such Right or its Ancillary Rights and the right to receive payment of such monies and proceeds and all payments made including, in respect of any bank account, all sums of money which may at any time be credited to such bank account together with all interest accruing from time to time on such money and the debts represented by such bank account; (c) the benefit of all covenants, undertakings, representations, warranties and indemnities in favour of such person contained in or relating to such Right or its Ancillary Rights; (d) the benefit of all powers of and remedies for enforcing or protecting such person’s right, title, interest and benefit in, to, under and in respect of such Right or its Ancillary Rights, including the right to demand, sue for, recover, receive and give receipts for proceeds of and amounts due under or in respect of or relating to such Right or its Ancillary Rights; and (e) all items expressed to be held on trust for such person under or comprised in any such Right or its Ancillary Rights, all rights to deliver notices and/or take such steps as are required to cause payment to become due and payable in respect of such Right and its Ancillary Rights, all rights of action in respect of any breach of or in connection with any such Right and its Ancillary Rights and all rights to receive damages or obtain other relief in respect of such breach.
“Benefit Plan Investors”	means investors in employee benefit plans under or investment in the person or entity under the Code.
“BofA Securities”	means Merrill Lynch International acting in its capacity as Co-Arranger and Joint Lead Manager.
“Borrower”	means, in relation to a Mortgage Loan, the individual or individuals, or a corporate specified as such in the relevant Mortgage Conditions together with the individual or individuals (if any) from time to time assuming an obligation to repay such Mortgage Loan or part of it.
“Breach of Duty”	means in relation to any person (other than the Trustee, the Issuer Account Bank, the Back-Up Cash Manager Facilitator and the Agents), a wilful default, fraud, illegal

	dealing, negligence or material breach of any agreement or breach of trust by such person and in relation to the Trustee, the Issuer Account Bank, the and each Agent means a wilful default, fraud or gross negligence by the Trustee, the Issuer Account Bank, the Back-Up Cash Manager Facilitator or the relevant Agent (as the case may be).
“BOE Tape”	means the loan-by-loan level report in the form required by the Bank of England for the purpose of the Bank of England’s Sterling monetary framework.
“Buildings Insurance Policies”	means all buildings insurance policies relating to Properties taken out (a) in the name of the relevant Borrower and (b) in the name of the landlord in the case of leasehold Properties where the relevant landlord is responsible for insuring the Property and each a “Buildings Insurance Policy” .
“Business Day”	means a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in London.
“BUS Original Amount”	means any amounts due and payable to the Back-Up Servicer or replacement servicer (as the case may be) (including any Transfer Costs which the Servicer has failed to pay) and any costs, charges, liabilities and expenses then due and payable to the Back-Up Servicer or replacement servicer (as the case may be) or any such amount to become due and payable to the Back-Up Servicer in the immediately succeeding Interest Period under the provisions of the Back-Up Servicing Agreement.
“Buy-to-Let Mortgage Loans”	means Mortgage Loans originated by the Originators which were advanced on the basis that they would be secured by non-owner occupied freehold, fee farm grant, heritable or leasehold properties for the repayment of the respective Mortgage Loan which are intended for individual or corporate borrowers who wished to use the Mortgage Loan as means to purchase or re-mortgage residential property for the purpose of letting to third parties.
“Calculated Principal Receipts”	means, in respect of any Determination Period, the product of (i) 1 minus the Interest Determination Ratio and (ii) all collections received by the Issuer during such Determination Period.
“Calculated Revenue Receipts”	means, in respect of any Determination Period, as the product of (i) the Interest Determination Ratio and (ii) all collections received by the Issuer during such Determination Period.
“Calculation Date”	means, in relation to an Interest Payment Date, the third Business Day prior to such Interest Payment Date.
“Capital Balance”	means in respect of a Mortgage Loan at any date the principal balance of that Mortgage Loan.
“Capitalised Arrears”	means, in relation to a Mortgage Loan, on any date, amounts (excluding Arrears of Interest or amounts comprising Capitalised Expenses) which are overdue in respect of that Mortgage Loan and which as at that date have been added to the Capital Balance of such Mortgage Loan in accordance with the Mortgage Conditions or otherwise by arrangement with the relevant Borrower.
“Capitalised Expenses”	means for any Mortgage Loan at any date, expenses which are overdue in respect of that Mortgage Loan and which as at that date have been added to the Capital Balance of that Mortgage Loan in accordance with the Mortgage Conditions or otherwise by arrangement with the relevant Borrower.
“Cash Management Agreement”	means the agreement so named entered into on or about the Closing Date between the Cash Manager, the Issuer, the Legal Title Holder, the Servicer, and the Trustee and/or any successor or replacement cash management agreement entered into by the Issuer from time to time.

“CCA”	means Consumer Credit Act 1974 (as amended, extended or re-enacted from time to time).
“Certificate Conditions”	means, in relation to the Certificates, the terms and conditions to be endorsed on the Certificates in, or substantially in, the form set out in Schedule 12 (<i>Terms and Conditions of the Certificates</i>) to the Trust Deed as any of the same may from time to time be modified in accordance with the Trust Deed and any reference to a particular numbered Certificate Condition shall be construed accordingly.
“Certificateholders”	means the persons who for the time being are the holders of the Certificates.
“Certificate of Title”	means a solicitor’s or licensed conveyancer’s report or certificate of title obtained by or on behalf of the relevant Originator in respect of each Property substantially in the form of the <i>pro-forma</i> set out in the Standard Documentation.
“Certificate Payment”	means the XB Payment.
“Certificate Payment Amount”	means, for a Class of Certificate on any date on which amounts are to be applied in accordance with the applicable Priority of Payments, the Certificate Payment in respect of the relevant Class for that date, divided by the number of Certificates of the relevant Class then in issue.
“Certificates”	means the Class XB Certificates.
“Certificates Event of Default”	means any one of the events specified in Certificate Condition 11 (<i>Certificates Events of Default</i>).
“Charged Accounts”	means the Issuer Accounts and any bank or other account in which the Issuer may at any time acquire a Benefit and over which the Issuer has created an Encumbrance in favour of the Trustee pursuant to the Deed of Charge.
“Charged Property”	means all the property of the Issuer which is subject to the Security.
“Charges”	means the security granted (by way of deposit) by the Borrowers, in favour of the Legal Title Holder, in respect of any Life Policies for the payment of the Mortgage Loans.
“Class”	means a respective class of Notes or Certificates.
“Class A Global Note”	means the Regulation S global note in fully registered form without interest coupons or principal receipts attached, representing the Class A Notes.
“Class A Noteholders”	means the persons who for the time being are the holders of the Class A Notes.
“Class A Principal Deficiency Sub-Ledger”	means the sub-ledger of the Principal Deficiency Ledger relating to the Class A Notes.
“Class A Redemption Date”	means the date on which the Class A Notes are redeemed in full.
“Class B Global Note”	means the Regulation S global note in fully registered form without interest coupons or principal receipts attached, representing the Class B Notes.
“Class B Noteholders”	means the persons who for the time being are the holders of the Class B Notes.
“Class B Principal Deficiency Sub-Ledger”	means the sub-ledger of the Principal Deficiency Ledger relating to the Class B Notes.
“Class B Redemption Date”	means the date on which the Class B Notes are redeemed in full.
“Class C Global Note”	means the Regulation S global note in fully registered form without interest coupons or principal receipts attached, representing the Class C Notes.
“Class C Noteholders”	means the persons who for the time being are the holders of the Class C Notes.
“Class C Principal Deficiency Sub-Ledger”	means the sub-ledger of the Principal Deficiency Ledger relating to the Class C Notes.
“Class D Global Note”	means the Regulation S global note in fully registered form without interest coupons or principal receipts attached, representing the Class D Notes.

“Class D Noteholders”	means the persons who for the time being are the holders of the Class D Notes.
“Class D Principal Deficiency Sub-Ledger”	means the sub-ledger of the Principal Deficiency Ledger relating to the Class D Notes.
“Class E Global Note”	means the Regulation S global note in fully registered form without interest coupons or principal receipts attached, representing the Class E Notes.
“Class E Noteholders”	means the persons who for the time being are the holders of the Class E Notes.
“Class E Principal Deficiency Sub-Ledger”	means the sub-ledger of the Principal Deficiency Ledger relating to the Class E Notes.
“Class F Global Note”	means the Regulation S global note in fully registered form without interest coupons or principal receipts attached, representing the Class F Notes.
“Class F Noteholders”	means the persons who for the time being are the holders of the Class F Notes.
“Class F Principal Deficiency Sub-Ledger”	means the sub-ledger of the Principal Deficiency Ledger relating to the Class F Notes.
“Class Z Global Note”	means the Regulation S global note in fully registered form without interest coupons or principal receipts attached, representing the Class Z Notes.
“Class Z Noteholders”	means the persons who for the time being are holders of the Class Z Notes.
“Class Z Principal Deficiency Sub-Ledger”	means the sub-ledger of the Principal Deficiency Ledger relating to the Class Z Notes.
“Clearing System Business Day”	means a day on which each Clearing System for which the Notes are being held is open for business.
“Clearing Systems”	means Clearstream, Luxembourg and Euroclear.
“Closing Date”	means 17 November 2023 or such other date as the Issuer, the Co-Arrangers, CERH II, the Joint Lead Managers and the Seller may agree.
“CMA”	means the Competition and Market Authority of the United Kingdom.
“Code”	means the U.S. Internal Revenue Code of 1986, as amended.
“Collection Account”	means an account in the name of the Legal Title Holder held with the Collection Account Bank into which collections are paid by Borrowers from time to time.
“Collection Account Agreement”	means the agreement so named dated on or about the Closing Date between the Legal Title Holder, the Issuer, the Servicer, the Trustee, the Seller and the Collection Account Bank in respect of the Collection Account.
“Collection Account Bank Rating”	<p>means:</p> <ul style="list-style-type: none"> (a) in the case of S&P, a long-term, unsecured, unsubordinated and unguaranteed debt rating of BBB; and (b) in the case of DBRS, a long-term critical obligations rating of at least BBB or if a critical obligations rating is not available on the Collection Account Bank, an issuer or long-term unsecured debt or deposit rating of at least BBB (low) (or its equivalent rating by another rating agency), <p>or such other lower rating which is consistent with the then current rating methodology of the relevant Rating Agency in respect of the then current ratings of the Rated Notes.</p>
“Collection Account Declaration of Trust”	means the deed entered into on or about the Closing Date between (<i>inter alios</i>) the Issuer, the Legal Title Holder and the Collection Account Bank whereby the Legal Title Holder declared a trust over the Collection Account (including all amounts standing to the credit of the Collection Account) in favour of the Issuer and the Legal Title Holder.

“Collection Account Trust”	means the trust declared by the Legal Title Holder on or about the Closing Date over the Collection Account in favour of amongst others, the Issuer.
“Collection Period”	means each period from (and including) the first day in a calendar month (or, in the case of the first Collection Period, from (but excluding) the Cut-off Date) to (and including) the last day of that same calendar month (or in the case of the first Collection Period, the last day of November 2023).
“Commitment”	means the commitment of the Liquidity Facility Provider to the extent not cancelled, transferred or reduced under the Liquidity Facility Agreement, on the date of the Liquidity Facility Agreement and on each Interest Payment Date thereafter an amount equal to the Liquidity Facility Required Amount.
“Compounded Daily SONIA”	<p>means the rate of return of a daily compound interest investment (with the daily SONIA Reference Rate as reference rate for the calculation of interest) and will be calculated by the Agent Bank on the related Interest Determination Date, as follows, and the resulting percentage will be rounded upwards, if necessary, to five decimal places:</p> $\left[\prod_{i=1}^{d_0} \left(1 + \frac{SONIA_{i-5LBD} \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}$ <p>where:</p> <p>“d” means the number of calendar days in the relevant Interest Period;</p> <p>“d₀” means the number of Business Days in the relevant Interest Period;</p> <p>“i” means a series of whole numbers from 1 to d₀, each representing the relevant Business Day in chronological order from, and including, the first Business Day in the relevant Interest Period;</p> <p>“n_i” means, for any day i, means the number of calendar days from and including such day i up to but excluding the following Business Day; and</p> <p>“SONIA_{i-5LBD}” means, in respect of any Business Day falling in the relevant Interest Period, the Reference Rate for the Business Day falling five Business Days prior to the relevant Business Day i.</p>
“CONC”	means the Consumer Credit Sourcebook of the United Kingdom.
“Conditions”	means, in relation to the Notes, the terms and conditions to be endorsed on the Notes in, or substantially in, the form set out in Schedule 11 (<i>Terms and Conditions of the Notes</i>) to the Trust Deed as any of the same may from time to time be modified in accordance with the Trust Deed and any reference to a particular numbered Condition shall be construed accordingly.
“Consumer Buy-to-Let Mortgage Loan”	means a mortgage loan regulated as a “consumer buy-to-let mortgage contract” as defined by the Mortgage Credit Directive Order 2015.
“Contingency Policies”	means the certain contingency policies of insurance effected by the Legal Title Holder with various insurance companies.
“Corporate Services Agreement”	means the agreement so named dated on or about the Closing Date between, amongst others, the Corporate Services Provider, the Issuer and the Seller.
“Coupons”	means the interest coupons related to the Notes in definitive form.
“CRR”	means the Capital Requirements Regulation (EU) No. 575/2013 as amended by the CRR Amending Regulation.
“CRR Amending Regulation”	means Regulation (EU) 2017/2401.

“Current Balance”	<p>means, for each Mortgage Loan, at any given date, the aggregate balance of the amounts charged to the Borrower’s account in respect of a Mortgage Loan as at such date (but avoiding double counting) including:</p> <ul style="list-style-type: none"> (a) the original principal amount advanced to the relevant Borrower advanced on or before the given date due to the relevant Borrower and secured or intended to be secured by the related Mortgage; (b) any interest, disbursement, legal expense, fee, charge, rent, service charge, premium or payment which has been capitalised in accordance with the relevant Mortgage Conditions or with the relevant Borrower’s consent or capitalised in accordance with the Legal Title Holder’s normal charging practices and any applicable regulatory obligation (including, without limitation, any Capitalised Arrears and Capitalised Expenses) and added to the amounts secured or intended to be secured by the related Mortgage; and (c) any other amount (including, for the avoidance of doubt, Accrued Interest and Arrears of Interest) which is due or accrued (whether or not due) and which has not been paid by the relevant Borrower and has not been capitalised in accordance with the relevant Mortgage Conditions or with the relevant Borrower’s consent or in accordance with the Legal Title Holder’s normal charging practices and any applicable regulatory obligations but which is secured or intended to be secured by the related Mortgage, <p>as at that date, minus any repayment or payment of any of the foregoing made on or before the end of the calendar day immediately preceding that given date.</p>
“Current Interest”	<p>means, with respect to any Class of Notes and any Interest Payment Date, the amount equal to (A) the product of (i) the actual number of days in the relevant Interest Period; (ii) the applicable Note Rate in relation to such Class of Notes for such Interest Payment Date; and (iii) the Principal Amount Outstanding of such Class of Notes immediately prior to such Interest Payment Date; divided by (B) 365.</p>
“Cut-off Date”	<p>means 31 October 2023.</p>
“Data Tape”	<p>means the loan level collateral file as of the Portfolio Reference Date.</p>
“Day Count Fraction”	<p>means, in respect of an Interest Period, the actual number of days in such period divided by 365.</p>
“DBRS”	<p>means DBRS Ratings Limited and any successor to its rating business.</p>
“Deed of Charge”	<p>means the deed so named entered into on or about the Closing Date between, amongst others, the Issuer and the Trustee.</p>
“Deed Poll”	<p>means the deed poll dated the Closing Date executed by the Issuer in favour of the Mortgage Portfolio Purchase Option Holder and the Market Sale Option Holder from time to time.</p>
“Deferred Required Interest”	<p>shall mean any interest deferred pursuant to Condition 8.12(a).</p>
“Definitive Certificate”	<p>means any individual note certificate issued to a Certificateholder in respect of its holding of the Certificates in, or substantially in, the form set out in the Trust Deed.</p>
“Definitive Note”	<p>means any individual note certificate issued to a Noteholder in respect of its holding of the Notes in, or substantially in, the form set out in the Trust Deed.</p>
“Deposit Account”	<p>means the account in the name of the Issuer held at the Issuer Account Bank, or such additional or replacement bank account at such other account bank and/or other banks as may for the time being, be in place with the prior consent of the Trustee and designated as such.</p>
“Determination Period”	<p>means a Collection Period in respect of which the Cash Manager does not receive a Servicer Report.</p>

“Disclosed Split Title Loans”	means the Mortgage Loans identified in Annex 3 to the Mortgage Sale Agreement, provided that such loans shall no longer be “Disclosed Split Title Loans” from the date on which the relevant charges in respect thereof have been transferred to the Legal Title Holder.
“Direct Debit”	means a written instruction of a Borrower authorising its bank to honour a request of the relevant Originator or the Legal Title Holder, as applicable, to debit a sum of money on specified dates from the account of the Borrower for deposit into an account of the Legal Title Holder or Originator, as applicable.
“Direct Debiting Scheme”	means the scheme for the manual or automated debiting of bank accounts operated in accordance with the detailed rules of certain members of the Association for Payment Clearing Services.
“Direct Debit Liability Amount”	means (i) any amount credited to the Collection Account (including under the Direct Debiting Scheme) which has not been received as cleared funds or has otherwise been recalled and (ii) any amounts required to satisfy any of the obligations and/or liabilities incurred by the Collection Account Bank under the Direct Debiting Scheme in respect of direct debit indemnity claims, where any such amount has not been paid to the Collection Account Bank pursuant to the Collection Account Declaration of Trust.
“Downgrade Event”	occurs if, at any time, the Liquidity Facility Provider fails to maintain any of the LF Provider Ratings.
“EEA”	means the European Economic Area.
“Electronic Consent”	means consent given by way of electronic consents communicated through the electronic communications system of the relevant clearing system(s) to the Principal Paying Agent or another specified agent and/or the Trustee in accordance with the operating rules and procedures of the relevant clearing system(s).
“Encumbrance”	means: <ul style="list-style-type: none"> (a) a mortgage, standard security, assignation in security, charge, pledge, lien or other encumbrance securing any obligation of any person; (b) any arrangement under which money or claims to money, or the benefit of, a bank or other account may be applied, set off or made subject to a combination of accounts so as to effect discharge of any sum owed or payable to any person; or (c) any other type of preferential arrangement (including any title transfer and retention arrangement) having a similar effect.
“Enforcement Notice”	means a notice delivered by the Trustee to the Issuer in accordance with Condition 13 (<i>Events of Default</i>) and/or Certificate Condition 11 (<i>Certificates Events of Default</i>) which declares the Notes or, as applicable, the Certificates to be immediately due and payable.
“English Mortgage”	means a first ranking legal charge over freehold or leasehold English Property which is security for a Mortgage Loan.
“English Mortgage Loan”	means a residential mortgage loan in relation to English Property, secured by a Mortgage and its Related Security, sold or to be sold to the Issuer on the Closing pursuant to the Mortgage Sale Agreement but excluding (for the avoidance of doubt) a Mortgage Loan and its Related Security which is repurchased by the Seller pursuant to the Mortgage Sale Agreement and is no longer beneficially owned by the Issuer.
“English Property”	means a Property located in England or Wales.

“Enhanced Amortisation Amount”	has the meaning given to it in item 20 of the Pre-Enforcement Revenue Priority of Payments.
“ERISA”	means the U.S. Employee Retirement Income Security Act of 1974, as amended.
“ESMA”	means the European Securities and Markets Authority.
“EU Affected Investor”	means each of EU-regulated credit institutions, EU-regulated investment firms, certain alternative investment fund managers, 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.
“EU CRA Regulation”	means Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended.
“EU Retention Requirement”	means the risk retention requirements set out in Article 6(1) of the EU Securitisation Regulation and in accordance with Article 6(3)(a) of the EU Securitisation Regulation together with any technical standards (which, in each case, does not take into account any corresponding national measures).
“EU Securitisation Repository”	means a “securitisation repository” under Article 2(23) of the EU Securitisation Regulation and being a website that confirms (or, as of the Closing Date, intends to conform) with the requirements set out in Article 7(2) of the EU Securitisation Regulation.
“EU Securitisation Regulation”	means Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017, as amended, together with any relevant regulatory and/or implementing technical standards or delegated regulations applicable in relation thereto (including pursuant to any transitional arrangements made pursuant to Regulation (EU) 2017/2402) and, in each case, any relevant guidance and policy statements published by the Joint Committee of European Supervisory Authorities, the European Banking Authority, the European Securities and Markets Authority, the European Insurance and Occupational Pensions Authority (or, in each case any predecessor authority) or the European Commission in relation thereto.
“EuroABS Website”	means the website of EuroABS at https://www.euroabs.com .
“EUWA”	means the European Union (Withdrawal) Act 2018, as amended.
“Event of Default”	means any one of the events specified in Condition 13 (<i>Events of Default</i>).
“Excess Liquidity Amount”	means, on any Interest Payment Date, the amount (if positive) by which the amount credited to the Liquidity Reserve Fund Ledger, together with the Liquidity Reserve Fund Actual Amount recorded in the Liquidity Reserve Fund Ledger as at the last Interest Payment Date, exceeds the Liquidity Reserve Target.
“Exchange Act”	means the U.S. Securities Exchange Act of 1934, as amended.
“Excluded Loans”	means 2 Mortgage Loans which represent less than 0.089% of the Provisional Mortgage Portfolio (calculated by reference to the Current Balance of the Provisional Mortgage Portfolio as at the Portfolio Reference Date) and which are identified in Annex 4 to the Mortgage Sale Agreement.
“Excluded Loan Warranties”	means with respect to the Excluded Loans, Mortgage Loan Warranties (26) and (30) only.
“Exchange Date”	means the first day following the expiry of forty days after the Closing Date.
“Exercise Notice”	means a notice to be delivered by the Mortgage Portfolio Purchase Option Holder or Market Sale Option Holder, as applicable, in accordance with the Deed Poll to

	exercise the Mortgage Portfolio Purchase Option or the Market Sale Option (as applicable).
“Extension Refusal”	means the refusal by the Liquidity Facility Provider to grant an extension of the Liquidity Facility under the terms of the Liquidity Facility Agreement or the failure by the Liquidity Facility Provider to deliver a notice to the Issuer in relation to such extension in accordance with the terms of the Liquidity Facility Agreement.
“Extraordinary Resolution”	means: (i) a resolution passed at a Meeting duly convened and held in accordance with the Provisions for Meetings of Noteholders and Certificateholders by a majority of not less than 75% of the votes cast; (ii) a Written Resolution; or (iii) consent given by way of Electronic Consent by or on behalf of the Noteholders or the Certificateholders (as the case may be) in the case of the Noteholders, of not less than 75% in aggregate Principal Amount Outstanding of the relevant Class of Notes then outstanding or, in the case of the Certificateholders, of not less than 75% by number of the Certificates then in issue.
“FATCA”	means (i) Sections 1471 to 1474 of the Code and any current or future associated legislation, regulation or guidance or similar legislation, regulations or guidance enacted in any other jurisdiction which seeks to implement equivalent tax reporting and/or withholding tax regimes, and (ii) any intergovernmental agreement, treaty or any other arrangement between the United States and any other jurisdiction entered into in connection with the implementation, facilitation or compliance with the legislation, regulations or guidance described in clause (i).
“FATCA withholding”	means any deduction or withholding imposed or required pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any amended or successor provisions), any regulations or agreements thereunder, official interpretations thereof, or any law implementing an intergovernmental approach thereto.
“FCA”	means the United Kingdom Financial Conduct Authority or any replacement or successor body thereof.
“FCA Handbook”	means the handbook of rules and guidance of the FCA as in force from time to time.
“Final Discharge Date”	means the date on which the Trustee notifies the Issuer and the Secured Creditors that it is satisfied that all the Secured Amounts and/or all other monies and other liabilities due or owing by the Issuer have been paid or discharged in full.
“Final Maturity Date”	means the Interest Payment Date falling in February 2054.
“Final Rated Notes Redemption Date”	means the date on which all Rated Notes are redeemed in full.
“First Interest Payment Date”	means the Interest Payment Date falling in February 2024, save that in respect of the Further Class A1 Notes, the date so specified in the supplemental trust deed.
“Fixed Rate Mortgage Loans”	means the Mortgage Loans subject to a fixed interest rate for the life of the mortgage loan or for a specified period of time and at the expiry of that period are generally subject to the Legal Title Holder’s SVR or standard variable rate.
“Floating Rate Notes”	means the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes.

“Floating Rate of Interest”	means the Reference Rate determined as at the related Interest Determination Date plus the Relevant Margin in respect of the relevant Class of Floating Rate Notes, subject to a minimum of zero.
“FORD”	means the first optional redemption date which is the Interest Payment date falling in November 2026.
“FOS”	means the Financial Ombudsman Service.
“FSMA”	means the Financial Services and Markets Act 2000 (as amended).
“Full Status Borrowers”	means Borrowers who are employed for the purposes of the applicable Originators’ lending criteria.
“Fundamental Mortgage Loan Warranties”	means Mortgage Loan Warranties, (2), (3), (4), (8) and (10).
“Further Class A1 Notes”	has the meaning given to it in Condition 24 (<i>Further Class A1 Notes Issue</i>).
“Further Class A1 Note Issue Request”	has the meaning given to it in Condition 24 (<i>Further Class A1 Notes Issue</i>).
“Global Notes”	means the Class A Global Note, the Class B Global Note, the Class C Global Note, the Class D Global Note, the Class E Global Note, the Class F Global Note and the Class Z Global Note.
“Guarantee”	means a guarantee provided in support of the obligations of a Borrower under a Mortgage Loan.
“HMRC”	means His Majesty’s Revenue and Customs.
“Incorporated Terms Memorandum”	means the memorandum so named dated on or about the Closing Date and signed for the purpose of identification by each of the Transaction Parties.
“Initial Class A1 Notes”	has the meaning given to it in Condition 24 (<i>Further Class A1 Notes Issue</i>).
“Insolvency Event”	means, in relation to a company: <ul style="list-style-type: none"> (a) such company is unable or admits its inability to pay its debts as they fall due (after taking into account any grace period of permitted deferral), or suspends making payments on any of its debts; (b) a moratorium is declared in respect of any indebtedness of such company; (c) the commencement of negotiations with one or more creditors of such company with a view to rescheduling any indebtedness of such company other than in connection with any refinancing in the ordinary course of business; (d) any corporate action, legal proceedings or other procedure or step is taken in relation to the following events: <ul style="list-style-type: none"> (i) the appointment of an Insolvency Official in relation to such company or in relation to the whole or any part of the undertaking or assets of such company except, in the case of the Issuer, the application to the Court under paragraph 12 or the filing of notice of intention to appoint an administrator under paragraph 26 of Schedule B1 to the Insolvency Act by the Issuer or its directors, or the appointment of an administrative receiver by the Trustee following any such application or notice; (ii) an encumbrancer or other security holder (excluding, in relation to the Issuer, by the Trustee or any Receiver) taking possession of the whole or any part of the undertaking or assets of such company; (iii) the making of an arrangement, composition or compromise (whether by way of voluntary arrangement, scheme of arrangement or otherwise) with any creditor of such company, a reorganisation of such company, a conveyance to or assignment for the creditors of such company generally

	<p>or the making of an application to a court of competent jurisdiction for protection from the creditors of such company generally other than in connection with any refinancing in the ordinary course of business; or</p> <p>(iv) any distress, diligence, execution, attachment or other process being levied or enforced or imposed upon or against the whole or any part of the undertaking or assets of such company (excluding, in relation to the Issuer, by the Trustee or any Receiver); and</p> <p>(e) any procedure or step is taken, or any event occurs, analogous to those set out in (a) to (d) above, in any jurisdiction.</p>
“Insolvency Official”	means, in relation to a company, a liquidator, (except, in the case of the Issuer, a liquidator appointed for the purpose of a merger, reorganisation or amalgamation the terms of which have previously been approved either in writing by the Trustee or by an Extraordinary Resolution of the holders of the Most Senior Class of Notes outstanding) provisional liquidator, administrator, examiner, administrative receiver, receiver, receiver or manager, compulsory or interim manager, nominee, supervisor, trustee, conservator, guardian or other similar officer in respect of such company or in respect of any arrangement, compromise or composition with any creditors or any equivalent or analogous officer under the law of any jurisdiction.
“Insurance Policies”	means the Buildings Insurance Policies and the Contingency Policies relating to the Mortgage Loans from time to time.
“Interest Amount”	<p>means in respect of a Note for any Interest Period the amount of interest calculated under Condition 8.4 (<i>Calculation of Interest Amount</i>) on the related Interest Determination Date in respect of such Note for such Interest Period by:</p> <p>(a) multiplying the Principal Amount Outstanding of such Note on the Interest Payment Date coinciding with such Interest Determination Date by the relevant Note Rate; and</p> <p>(b) then multiplying the amount so calculated in paragraph (a) by the relevant Day Count Fraction,</p> <p>and rounding the resultant figure to the nearest Minimum Amount.</p> <p>For the avoidance of any doubt, the Class Z Notes will not receive any Interest Amounts.</p>
“Interest Determination Date”	means the date falling 5 Business Days prior to each Interest Payment Date and, in relation to an Interest Period, the “related Interest Determination Date” means the Interest Determination Date which falls 5 Business Days prior to the Interest Payment Date at the end of such Interest Period.
“Interest Determination Ratio”	means (i) the aggregate Revenue Receipts calculated in the three preceding Servicer Reports or, where there are not at least three previous Servicer Reports, any previous Servicer Reports received in the preceding Collection Periods, divided by (ii) the aggregate of all Revenue Receipts and all Principal Receipts calculated in such Servicer Reports.
“Interest Only Mortgage Loan”	means a Mortgage Loan in relation to which the principal amount is not repayable before maturity.
“Interest Payment Date” or “IPD”	means the 20 th of each of February, May, August and November, commencing on the First Interest Payment Date, provided that if any such day is not a Business Day, the Interest Payment Date shall be the immediately succeeding Business Day unless it would as a result fall into the next calendar month, in which case it will be brought forward to the immediately preceding Business Day.
“Interest Period”	means the period from (and including) an Interest Payment Date (except in the case of the first Interest Period, where it shall be the period from (and including) the

	Closing Date) to (but excluding) the next succeeding (or first) Interest Payment Date and, in relation to an Interest Determination Date, the “ Related Interest Period ” means the Interest Period in which such Interest Determination Date falls.
“ Investment Company Act ”	means the Investment Company Act of 1940, as amended.
“ Investor Report ”	means the report in respect of the Issuer provided by the Cash Manager to the Issuer, the Trustee, the Seller, the Legal Title Holder, the Servicer, the Back-Up Servicer, the Back-Up Cash Manager Facilitator, the Liquidity Facility Provider, the Rating Agencies, Bloomberg and any prospective investors in the Notes and the Certificates on a monthly basis pursuant to the Cash Management Agreement. The first such Investor Report shall be published within one month of the First Interest Payment Date and thereafter shall be published: (i) on a monthly basis to www.chlmortgages.co.uk and the EuroABS; and (ii) on a quarterly basis to the EuroABS Website and the Secrep EU Website (as the case may be), in compliance with the UK Securitisation Regulation and the EU Securitisation Regulation, in each case, pursuant to the Cash Management Agreement.
“ Issuer Account Bank Rating ”	means in respect of the Issuer Account Bank: <ul style="list-style-type: none"> (a) in the case of S&P, a long-term issuer credit rating of at least A; and (b) in the case of DBRS, a long-term critical obligations rating (which may be a private rating) of at least A (high) or an issuer or long-term unsecured debt or deposit rating of at least A (or its equivalent rating by another rating agency) or (in each case) such other credit rating as would not adversely affect the then current ratings of the Rated Notes.
“ Issuer Accounts ”	means the Deposit Account and any additional bank accounts in the name of the Issuer established or to be established pursuant to the Account Bank Agreement.
“ Issuer Covenants ”	means the covenants of the Issuer set out in Schedule 9 (<i>Issuer Covenants</i>) to the Incorporated Terms Memorandum.
“ Issuer Jurisdiction ”	means England and Wales (and the United Kingdom for tax purposes) or such other jurisdiction in which the Issuer or any Issuer substitute (as contemplated by Condition 21 (<i>Substitution of Issuer</i>)) is incorporated and/or subject to taxation.
“ Issuer Profit Amount ”	means (i) £10,500 on each Interest Payment Date falling after the Closing Date up to (and including) the Interest Payment Date falling in May 2024 and (ii) £250 on each Interest Payment Date thereafter, in each case to be credited to the Deposit Account and to be retained by the Issuer as profit in respect of the business of the Issuer.
“ Issuer Profit Ledger ”	means the ledger maintained by the Cash Manager on behalf of the Issuer which shall record as a credit any amounts retained by the Issuer as profit in accordance with the Pre-Enforcement Revenue Priority of Payments and as a debit any amount used to discharge any tax liability of the Issuer.
“ Land Registry ”	means the Land Registry of England and Wales, the Registers of Scotland, the Land Registry of Northern Ireland and/or the Registry of Deeds for Northern Ireland.
“ Latest Valuation ”	means, with respect to a Property, the original valuation or, if applicable, the most recent indexed valuation carried out with respect to such Property.
“ Legal Title Holder ”	means Capital Home Loans Limited.
“ LTH Indemnity Amounts ”	means any indemnity amounts which become due and payable to the Legal Title Holder after the Closing Date pursuant to Clause 6.3 (<i>Legal Title Holder’s Indemnification</i>) of the Servicing Agreement.
“ LTH Indemnity Reserve Required Amount ”	means, an amount equal to £300,000.

“LTH Indemnity Reserve Ledger”	means the ledger so named to be set up by the Cash Manager on the Deposit Account in accordance with the terms of the Cash Management Agreement.
“Legal Title Holder’s Policies”	means the originating, underwriting, administration, arrears and enforcement policy applied by the Legal Title Holder from time to time to loans and the security for their repayment which are beneficially owned solely by the Legal Title Holder.
“Legal Title Holder Power of Attorney”	means each power of attorney granted by the Legal Title Holder in favour of the Issuer and the Trustee on the Closing Date in substantially the same form as that set out in the Mortgage Sale Agreement.
“LF Cancellation Date”	means the earlier of: <ul style="list-style-type: none"> (a) LRF Date; (b) expiry of the Availability Period; and (c) Class B Redemption Date.
“LF Provider Ratings”	means, in respect of the Liquidity Facility Provider: <ul style="list-style-type: none"> (a) a long-term unsecured, unguaranteed and unsubordinated debt rating of at least A by S&P; and (b) a long-term unsecured, unguaranteed and unsubordinated debt rating of at least A by DBRS or if a critical obligations rating is not available on the Liquidity Facility Provider, an issuer or long term unsecured debt or deposit rating of at least A by DBRS.
“LFP Related Provisions”	means: (i) items (1) to (3) of the Pre-Enforcement Revenue Priority of Payments; (ii) items (1) to (3) of the Post-Enforcement Priority of Payments;; or (iii) the date of payment of amounts due under any Priority of Payments, a change of which is prejudicial to the Liquidity Facility Provider, or which would have the effect of or which relates to an increase in the amount of commitments under the Liquidity Facility or a reduction in the amount of any payment of principal, interest, fees or commission payable to the Liquidity Facility Provider.
“Liabilities”	means, in respect of any person, any losses, damages, costs, charges, awards, claims, demands, expenses, judgments, decrees, actions, proceedings or other liabilities whatsoever including properly incurred legal fees and any Taxes and penalties incurred by that person.
“LIBOR”	means the London Interbank Offered Rate for Sterling deposits;
“Life Policies”	means such policies of life assurance (if any), in each case in respect of a Borrower, (including any Substitute Life Policies) as may have been deposited by way of collateral security in respect of Interest Only Mortgage Loans for the payment of the sums secured under such Mortgage Loans.
“Liquidity Documents”	means: <ul style="list-style-type: none"> (a) the Liquidity Facility Agreement; (b) the Liquidity Facility Fee Letter; (c) a Transfer Certificate; and (d) any other document designated as such by the Liquidity Facility Provider, the Trustee and the Issuer.
“Liquidity Drawing”	means a drawing by the Issuer under the Liquidity Facility, following a determination by the Cash Manager that (after applying any Principal Addition Amounts to cure any PAA Deficit and first taking into account any Liquidity Reserve Fund Actual Amounts) there would be a shortfall in Available Revenue Receipts to pay: (A) (prior to the Class A Redemption Date) items (1) to (4) of the Pre-Enforcement Revenue Priority of Payments such drawing being an amount

	equal to such shortfall for application by the Issuer to pay items (1) to (4) of the Pre-Enforcement Revenue Priority of Payments; and (B) (following the Class A Redemption Date) items (1) to (3) and (6) of the Pre-Enforcement Revenue Priority of Payments such drawing being an amount equal to such shortfall for application by the Issuer in accordance with the Pre-Enforcement Revenue Priority of Payments.
“Liquidity Facility”	means the 364-day committed liquidity facility made available by the Liquidity Facility Provider to the Issuer pursuant to the terms of the Liquidity Facility Agreement.
“Liquidity Facility Agreement”	means the agreement so named between, <i>inter alia</i> , the Liquidity Facility Provider, the Issuer and the Cash Manager dated on or about the Closing Date.
“Liquidity Facility Event of Default”	means an event of default as specified under the Liquidity Facility Agreement.
“Liquidity Facility Fee Letter”	means the letter dated on or about the Closing Date between the Issuer and the Liquidity Facility Provider relating to the fees payable under the Liquidity Facility Agreement.
“Liquidity Facility Replacement Date”	means the Interest Payment Date falling in November 2028.
“Liquidity Facility Required Amount”	<p>means:</p> <ul style="list-style-type: none"> (a) prior to the Liquidity Facility Replacement Date, the Liquidity Reserve Target; or (b) on and from the Liquidity Facility Replacement Date (but prior to the LF Cancellation Date), the excess of (i) the Liquidity Reserve Target over (ii) the aggregate of all amounts credited to the Liquidity Reserve Fund Ledger on the current Interest Payment Date and all prior Interest Payment Dates (disregarding any debit entries made to the Liquidity Reserve Fund Ledger on or prior to such Interest Payment Date); or (c) from (and including) the LF Cancellation Date, zero, <p>provided that if the Liquidity Facility Required Amount is less than zero, it shall be deemed to be zero.</p>
“Liquidity Facility Undrawn Amount”	means the excess of (i) Liquidity Facility Required Amount over (ii) the amount drawn under the Liquidity Facility.
“Liquidity Reserve Fund”	means a fund which comprises any Liquidity Reserve Fund Actual Amounts.
“Liquidity Reserve Fund Actual Amount”	<p>means on and from the Liquidity Facility Replacement Date, the lesser of (A) the Liquidity Reserve Target; and (B) the amount available to be credited to the Liquidity Reserve Fund on that date in accordance with (x) first, item (16) of the Pre-Enforcement Revenue Priority of Payment; and (y) second, (disregarding for these purposes any Liquidity Reserve Fund Actual Amount applied on that or any previous Interest Payment Date) item (2) of the Pre-Enforcement Principal Priority of Payments.</p> <p>For the avoidance of doubt, prior to the Liquidity Facility Replacement Date, the Liquidity Reserve Fund Actual Amount shall be zero.</p>
“Liquidity Reserve Fund Ledger”	means the ledger so named to be set up by the Cash Manager on the Deposit Account in accordance with the terms of the Cash Management Agreement.
“Liquidity Reserve Target”	<p>means:</p> <ul style="list-style-type: none"> (a) on the Closing Date, an amount equal to 1.70% of the Principal Amount Outstanding of the Class A Notes, as at the Closing Date; (b) on any Interest Payment Date prior to but excluding the Class A Redemption Date, the higher of:

	<ul style="list-style-type: none"> (i) an amount equal to 1.70% of the Principal Amount Outstanding of the Class A Notes as at the immediately preceding Interest Payment Date; and (ii) an amount equal to 1.00% of the Principal Amount Outstanding of the Class B Notes as at the immediately preceding Interest Payment Date;
	(c) on any Interest Payment Date from (and including) the Class A Redemption Date (but prior to and excluding the Class B Redemption Date), an amount equal to 1.00% of the Principal Amount Outstanding of the Class B Notes as at the immediately preceding Interest Payment Date; and
	(d) thereafter, zero.
“Liquidity Standby Drawing”	means a drawing under the Liquidity Facility requested by the Issuer following a Downgrade Event or an Extension Refusal which has occurred and is outstanding in an amount equal to the then outstanding undrawn Commitment of the Liquidity Facility.
“Liquidity Standby Ledger”	means the ledger so named to be set up by the Cash Manager on the Deposit Account in accordance with the terms of the Cash Management Agreement.
“Loan”	has the meaning given to it in the Liquidity Facility Agreement.
“Losses”	<p>means the aggregate of:</p> <ul style="list-style-type: none"> (a) all realised losses (to the extent not already fully compensated for in accordance with the terms of the Mortgage Sale Agreement) on the Mortgage Loans which are not recovered from the proceeds following the sale of the Property to which such Mortgage Loan relates; and (b) any loss to the Issuer as a result of an exercise of any set-off by any Borrower in respect of its Mortgage Loan unless this is fully compensated under the provisions of the Mortgage Sale Agreement, <p>provided that, for the purposes of any entries in a Principal Deficiency Ledger, such entries shall not account for any “Losses” with respect to Shortfall Loans.</p>
“LRF Date”	means the first Interest Payment Date on or after the Liquidity Facility Replacement Date on which the aggregate of all amounts credited to the Liquidity Reserve Fund Ledger on such Interest Payment Date and all prior Interest Payment Dates (disregarding any debit entries made to the Liquidity Reserve Fund Ledger on or prior to such Interest Payment Date) is equal to or greater than the Liquidity Reserve Target.
“LTL”	means loan to total lend ratio.
“LTV”	means loan to value ratio.
“Margin”	<p>means the margin per annum as set out below:</p> <ul style="list-style-type: none"> (a) for the Class A1 Notes, 1.400 per cent per annum; (b) for the Class A2 Notes, 1.400 per cent per annum; (c) for the Class B Notes, 2.250 per cent per annum; (d) for the Class C Notes, 3.000 per cent per annum; (e) for the Class D Notes, 4.000 per cent per annum; (f) for the Class E Notes, 5.000 per cent per annum; and (g) for the Class F Notes, 6.000 per cent per annum.
“Market Mortgage Portfolio Purchase”	means in the event that the Mortgage Portfolio Purchase Option Holders do not elect to exercise the Mortgage Portfolio Purchase Option, the sale of the Mortgage Portfolio resulting from the Market Sale Option Holder directing a sale of the

	Mortgage Portfolio by directing the Issuer to appoint the Seller or its nominee as a portfolio manager to conduct such sale on behalf of the Issuer subject to the terms and conditions set out in the Deed Poll.
“Market Sale Option”	means an option held by the Market Sale Option Holder pursuant to the Deed Poll to direct the Issuer to appoint the Seller or its nominee as a portfolio manager to conduct a sale of the Mortgage Portfolio on behalf of the Issuer subject to the terms and conditions set out in the Deed Poll.
“Market Sale Option Holder”	means the Seller (or the person nominated as such by the Seller) in accordance with the terms of the Mortgage Sale Agreement (or any permitted assignee).
“Material Adverse Effect”	means, as the context specifies: <ul style="list-style-type: none"> (a) a material adverse effect on the validity or enforceability of any of the Transaction Documents; (b) in respect of a Transaction Party, a material adverse effect on: <ul style="list-style-type: none"> (i) the business, operations, assets, property, condition (financial or otherwise) or prospects of such Transaction Party; (ii) the ability of such Transaction Party to perform its obligations under any of the Transaction Documents; (iii) the rights or remedies of such Transaction Party under any of the Transaction Documents; (c) in the context of the Assigned Rights, a material adverse effect on the interests of the Issuer or the Trustee in the Assigned Rights, or on the ability of the Issuer (or the Servicer on the Issuer’s behalf) to collect under the Mortgage Loans or on the ability of the Trustee to enforce its Security; or (d) a material adverse effect on the validity or enforceability of any of the Notes.
“Meeting”	means (i) a meeting of Noteholders of any Class or Classes or (ii) a meeting of Certificateholders, in each case, whether originally convened or resumed following an adjournment.
“Minimum Amount”	means £0.01.
“Minimum Denomination”	means, in respect of the Notes represented by the Global Notes and (if issued) the Definitive Notes, for so long as Euroclear and Clearstream, Luxembourg (as applicable) so permit £100,000 and integral multiples of £1,000 in excess thereof.
“Minimum Mortgage Portfolio Sale Price”	shall be equal to an amount not less than: <ul style="list-style-type: none"> (a) the aggregate Principal Amount Outstanding of the Notes plus accrued and unpaid interest thereon calculated as at the Interest Payment Date immediately following the date on which the Market Sale Option is expected to be completed; <i>plus</i> (b) any fees, costs, amounts and expenses of the Issuer payable senior to the Class XB Certificates in the relevant Priority of Payments (but disregarding any amount to be paid to the Liquidity Facility Provider from amounts standing to the credit of the Liquidity Standby Ledger); <i>less</i> (c) any amounts standing to the credit of the Deposit Account (but disregarding any amounts standing to the credit of the Liquidity Standby Ledger) as at the most recent Servicer Report.
“Monthly CDR”	means on any calculation date the total new reposessions during the period of one month ending on that calculation date divided by the aggregate current balance of the loans comprised in the mortgage portfolio as at the immediately preceding calculation date (“ CDR ”). These are annualised using the formula:

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

where M is the monthly CDR expressed as a percentage.

“Monthly CPR”

means on any calculation date, the total unscheduled repayment received during the period of one month ending on that calculation date divided by the aggregate current balance of the loans comprised in the Mortgage Portfolio as at the immediately preceding calculation date (“CPR”). Unscheduled Repayments comprise payments from the Originator for the repurchase of loans from the portfolio, and capital repayments and redemptions from the Borrowers other than those received at the expected term end date of the loan. These are annualised using the formula:

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

where M is the monthly CPR expressed as a percentage.

“Monthly Payment”

means the amount scheduled to be repaid by a Borrower in respect of its Mortgage Loan in any given month as required by the applicable Mortgage Conditions to which such Mortgage Loan is subject.

“Monthly Payment Date”

means the date in each month on which interest (and principal in relation to a repayment mortgage) is due to be paid by a Borrower on a Mortgage Loan under the applicable Mortgage Conditions or, if any such day is not a Business Day, the next following Business Day, except where such next following Business Day falls in a different month in which case, the preceding Business Day.

“Moody’s”

means Moody’s Investors Service Ltd.

“Mortgage”

means a first ranking legal charge or standard security over a freehold, heritable or leasehold Property located in England, Wales, Northern Ireland or Scotland (as applicable) which is security for a Mortgage Loan (excluding any Shortfall Loans).

“Mortgage Charter”

means the mortgage charter published by HM Treasury on 26 June 2023.

“Mortgage Conditions”

means, in relation to each Mortgage Loan and any Mortgage relating thereto, the terms and conditions subject to which the Mortgage Loan and related Mortgage are made including, for the avoidance of doubt, the terms and conditions incorporated into any letter or letters of offer or agreement to make such Mortgage Loan;

“Mortgage Loan Agreement”

means a loan agreement in respect of a Mortgage Loan.

“Mortgage Loans”

means the English Mortgage Loans, the Northern Irish Mortgage Loans, the Scottish Mortgage Loans and the Shortfall Loans, and **“Mortgage Loan”** means any one of them.

“Mortgage Loan Files”

means the file or files relating to each Mortgage Loan (including files kept in microfiche format or similar electronic data retrieval system or the substance of which is transcribed and held on an electronic data retrieval system) containing, *inter alia*, correspondence between the Borrower and CHL and including mortgage documentation applicable to the Mortgage Loan, each letter of offer for that Mortgage Loan, the Valuation Report (if applicable) and, to the extent available, the solicitor’s or licensed conveyancer’s Certificate of Title.

“Mortgage Loan Warranties”

means the warranties given by the Seller to the Issuer pursuant to the Mortgage Sale Agreement.

“Mortgage Portfolio”

means the portfolio of Mortgage Loans, their Related Security and all moneys derived therefrom purchased or to be purchased by the Issuer from CERH Vantage Holdings SARL on or around the Closing Date.

“Mortgage Portfolio Purchase Option”

means the option held by the Mortgage Portfolio Purchase Option Holder to require the Issuer to (i) sell and transfer to the Mortgage Portfolio Purchase Option Holder or its nominee the beneficial title to all Mortgage Loans and Related Security in the Mortgage Portfolio (ii) transfer to the Mortgage Portfolio Purchase Option Holder (or its nominee) the right to legal title to the Mortgage Portfolio Purchase Option

	<p>Mortgage Loans and their Related Security; (iii) procure that the Legal Title Holder transfer legal title to the Mortgage Portfolio Purchase Option Holder or its nominee specified as such in the Exercise Notice; and (iv) serve all relevant notices and take all steps (including carrying out requisite registrations and recordings) in order to vest or transfer legal title in and to the Mortgage Portfolio Purchase Option Mortgage Loans in the Mortgage Portfolio Purchase Option Holder or its nominee, in each case subject to the terms of the Deed Poll.</p>
“Mortgage Portfolio Purchase Option Holder”	<p>means the Seller or the person nominated as such by the Seller in accordance with the terms of the Mortgage Sale Agreement (or any permitted assignee).</p>
“Mortgage Portfolio Purchase Option Completion Date”	<p>means the Interest Payment Date identified as the date on which the purchase of the whole beneficial title and (if applicable) the transfer of the whole legal title to all Mortgage Loans and Related Security in the Mortgage Portfolio to the Mortgage Portfolio Purchase Option Holder or its nominee is expected to be completed pursuant to the terms of the Deed Poll.</p>
“Mortgage Portfolio Purchase Option Purchase Price”	<p>means the purchase price for the Mortgage Portfolio under the Mortgage Portfolio Purchase Option or the Risk Retention Regulatory Change Option (as applicable), such amount being an amount equal to:</p> <ul style="list-style-type: none"> (a) the aggregate Principal Amount Outstanding of the Notes plus accrued and unpaid interest thereon calculated as of the Interest Payment Date immediately following the date on which the Mortgage Portfolio Purchase Option or the Risk Retention Regulatory Change Option (as applicable) is expected to be completed; plus (b) any fees, costs, amounts and expenses of the Issuer payable senior to the Class XB Certificates in the relevant Priority of Payments (but disregarding any amounts to be paid to the Liquidity Facility Provider from amounts standing to the credit of the Liquidity Standby Ledger); less (c) any amounts standing to the credit of the Deposit Account (but disregarding any amounts standing to the credit of the Liquidity Standby Ledger) as at the most recent Servicer Report, <p>provided that the Mortgage Portfolio Purchase Option Purchase Price may be set off (directly or by way of multi-party payment direction and set-off) against any amounts due or to become due to the relevant Mortgage Portfolio Purchase Option Holder (in each case each party having provided written confirmation of their agreement thereto together with evidence of their holding of the relevant Notes) on the following Interest Payment Date in respect of any Notes held by such person.</p>
“Mortgage Rate”	<p>means, in relation to any Mortgage Loan and in relation to any Interest Payment Date, the annual rate of interest payable on such Mortgage Loan in accordance with the relevant Mortgage Conditions.</p>
“Mortgage Sale Agreement”	<p>means the agreement so named dated on or about the Closing Date between the Legal Title Holder, the Seller, the Issuer, the Trustee and CHL as Servicer in relation to the sale of the Mortgage Portfolio to the Issuer.</p>
“Most Senior Class”	<p>means the Class A Notes or, if there are no Class A Notes then outstanding, the Class B Notes or, if there are no Class A Notes or Class B Notes then outstanding, the Class C Notes or, if there are no Class A Notes or Class B Notes or Class C Notes then outstanding, the Class D Notes or, if there are no Class A Notes, Class B Notes, Class C Notes, or Class D Notes then outstanding, the Class E Notes or, if there are no Class A Notes, Class B Notes, Class C Notes, Class D Notes or Class E Notes then outstanding, the Class F Notes or, or if there are no Class A Notes, Class B Notes, Class C Notes, Class D Notes, Class E Notes or Class F Notes then outstanding, the Class Z Notes, or if there are no Class A Notes, Class B Notes,</p>

	Class C Notes, Class D Notes, Class E Notes, Class F Notes or Class Z Notes then outstanding, or if there are no Class A Notes, Class B Notes, Class C Notes, Class D Notes, Class E Notes, Class F Notes, Class Z Notes then outstanding or if there are no Notes then outstanding, the Class XB Certificates.
“New Liquidity Facility Provider”	means any person to whom the rights and obligations of the Liquidity Facility Provider under the Liquidity Facility Agreement are transferred and which is a “Qualifying Lender” in accordance with the terms of the Liquidity Facility Agreement and which have the LF Provider Ratings.
“Non-Responsive Rating Agency”	has the meaning given to it in Condition 23.2 (<i>Non-Responsive Rating Agency</i>).
“Northern Irish Mortgage”	means a first ranking legal mortgage or charge over freehold or leasehold Properties located in Northern Ireland which is security for a Mortgage Loan.
“Northern Irish Mortgage Loan”	means a residential mortgage loan in relation to Properties located in Northern Ireland, secured by a Mortgage and its Related Security, sold or to be sold to the Issuer on the Closing Date pursuant to the Mortgage Sale Agreement.
“Note”	means, together, the £15,760,000 Class A1 Mortgage Backed Floating Rate Notes due February 2054 (the “Class A1 Notes” such term to include, after the date of the issuance of any Further Class A1 Notes, the Initial Class A1 Notes and Further Class A1 Notes), the £297,422,000 Class A2 Mortgage Backed Floating Rate Notes due February 2054 (the “Class A2 Notes” and together with the Class A1 Notes, the “Class A Notes”), the £20,661,000 Class B Mortgage Backed Floating Rate Notes due February 2054 (the “Class B Notes”), the £21,749,000 Class C Mortgage Backed Floating Rate Notes due February 2054 (the “Class C Notes”), the £13,049,000 Class D Mortgage Backed Floating Rate Notes due February 2054 (the “Class D Notes”), the £13,049,000 Class E Mortgage Backed Floating Rate Notes due February 2054 (the “Class E Notes”), the £6,525,000 Class F Mortgage Backed Floating Rate Notes due February 2054 (the “Class F Notes”) and the £46,758,000 Class Z Mortgage Backed Notes due February 2054 (the “Class Z Notes”).
“Note Principal Payment”	means in respect of any Note on any Interest Payment Date, the principal amount redeemable in respect of such a Note, which shall be a proportion of the amount of Available Principal Receipts required as at that Interest Payment Date pursuant to the Pre-Enforcement Principal Priority of Payments to be applied in redemption of the relevant Class of Notes on such date equal to the proportion that the Principal Amount Outstanding of the relevant Note bears to the aggregate Principal Amount Outstanding of such Class of Notes rounded down to the nearest Minimum Amount provided always that no such Note Principal Payment may exceed the Principal Amount Outstanding of the relevant Note.
“Note Rate”	for each Interest Period means in respect of each Class of Rated Notes, the Reference Rate determined as at the related Interest Determination Date plus the Relevant Margin in respect of such Class, subject to a minimum of zero.
“Noteholder”	means the Class A Noteholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders, the Class E Noteholders, the Class F Noteholders and the Class Z Noteholders or, where the context otherwise requires, the holders of Notes of a particular Class or Classes, as the case may be.
“Notices Condition”	means, in the case of the Notes, Condition 22 (<i>Notices</i>) and, in the case of the Certificates, Certificate Condition 20 (<i>Notices</i>).
“Notices Details”	means, in relation to any Party, the provisions set out in Schedule 9 (<i>Notice Details</i>) to the Incorporated Terms Memorandum.
“Ordinary Resolution”	means: (i) a resolution passed at a Meeting duly convened and held in accordance with the Provisions for Meetings of Noteholders and Certificateholders by a majority of not less than 50.1 per cent. of the votes cast; (ii) a Written Resolution; or

(iii) consent given by way of Electronic Consent by or on behalf of the Noteholders or the Certificateholders (as the case may be) in the case of the Noteholders, of not less than 50.1 per cent. in aggregate Principal Amount Outstanding of the relevant Class of Notes then outstanding or, in the case of the Certificateholders, of not less than 50.1 per cent. by number of the Certificates then in issue.

“Original Seller”

GE Money Home Lending Limited, GE Money Home Finance Limited, GE Money Mortgages Limited, GE Money Consumer Lending Limited, GE Money Secured Loans Limited, First National Mortgage Corporation Limited, FN Mortgages Limited, Household Mortgage Corporation Limited, Igroup BDA Limited, Igroup 2 Limited, Igroup UK Loans Limited, Igroup 3 Limited and MAES ECP No.1 Limited

“Originator”

means each of GE Money Home Lending Limited, GE Money Home Finance Limited (previously named First National Bank plc) and Igroup Limited (and **“Originators”** means all of them)

“Outstanding” or “outstanding”

means:

- (a) in relation to the Notes, all the Notes other than:
 - (i) those which have been redeemed in full and cancelled in accordance with the Conditions;
 - (ii) those in respect of which the date for redemption, in accordance with the provisions of the Conditions, has occurred and for which the redemption monies (including all interest accrued thereon to such date for redemption) have been duly paid to, or to the order of, the Trustee or the Principal Paying Agent in the manner provided for in the Agency Agreement (and, where appropriate, notice to that effect has been given to the Noteholders in accordance with the Notices Condition) and remain available for payment in accordance with the Conditions;
 - (iii) those which have been redeemed or surrendered for cancellation as provided in Condition 9 (*Final Redemption, Mandatory Redemption in part, Optional Redemption and Cancellation*) and notice of the cancellation of which has been given to the Trustee;
 - (iv) those which have become void under the Conditions;
 - (v) those mutilated or defaced Notes which have been surrendered or cancelled and those Notes which are alleged to have been lost, stolen or destroyed and in all cases in respect of which replacement Notes have been issued pursuant to the Conditions; and
 - (vi) any Global Note, to the extent that it shall have been exchanged for the related Definitive Notes pursuant to the provisions contained therein and the Conditions,

provided that for each of the following purposes, namely:

- (vii) the right to attend and vote at any meeting of Noteholders;
- (viii) the determination of how many and which Notes are for the time being outstanding for the purposes of clause 13 (*Waiver*), clause 14 (*Modifications*), clause 17 (*Proceedings and Actions by the Trustee*), clause 25 (*Appointment of Trustees*) and clause 26 (*Notice of a New Trustee*) of the Trust Deed and Condition 13 (*Events of Default*), Condition 14 (*Enforcement*), Condition 16 (*Meetings of Noteholders*) and Condition 17 (*Modification and Waiver*) and the Provisions for Meetings of Noteholders and Certificateholders; and

- (ix) any discretion, power or authority, whether contained in the Trust Deed or provided by law, which the Trustee is required to exercise in or by reference to the interests of the Noteholders or any of them,

those Notes (if any) which are for the time being held by or on behalf of or for the benefit of the Issuer, the Seller, any holding company of any of them or any other subsidiary of either such holding company, in each case as beneficial owner, shall (unless and until ceasing to be so held) be deemed not to remain outstanding, except, in the case of the Seller, any holding company of the Seller or any other subsidiary of such holding company (the “**Relevant Persons**”) where all of the Notes of any Class are held by or on behalf of or for the benefit of one or more Relevant Persons, in which case such Class of Notes (the “**Relevant Class of Notes**”) shall be deemed to remain outstanding 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;

- (b) in relation to the Certificates, all the Certificates issued from time to time other than:

- (i) those Certificates which have become void or in respect of which claims have become prescribed, in each case under Certificate Condition 16 (*Prescription*);
- (ii) those mutilated or defaced Certificates which have been surrendered and cancelled and in respect of which replacements have been issued pursuant to Certificate Condition 17 (*Replacement of the Certificates*); and
- (iii) for the purpose only of ascertaining the number of Certificates outstanding and without prejudice to the status for any other purpose of the relevant instrument those Certificates which are alleged to have been lost, stolen or destroyed and in respect of which replacements have been issued pursuant to Certificate Condition 17 (*Replacement of the Certificates*) with respect to the Certificates;

provided that for each of the following purposes, namely:

- (iv) the right to attend and vote at any meeting of Certificateholders;
- (v) the determination of how many and which Certificates are for the time being outstanding for the purposes of clause 13 (*Waiver*), clause 14 (*Modifications*), clause 17 (*Proceedings and Actions by the Trustee*), clause 25 (*Appointment of Trustees*) and clause 26 (*Notice of a New Trustee*) of the Trust Deed and Certificate Condition 11 (*Certificates Events of Default*), Certificate Condition 12 (*Enforcement*), Certificate Condition 14 (*Meetings of Certificateholders*) and Certificate Condition 15 (*Modification and Waiver*) and the Provisions for Meetings of Noteholders and Certificateholders; and
- (vi) any discretion, power or authority, whether contained in the Trust Deed or provided by law, which the Trustee is required to exercise in or by reference to the interests of the Certificateholders or any of them,
- (vii) those Certificates (if any) which are for the time being held by or on behalf of or for the benefit of the Issuer, the Seller, any holding company of any of them or any other subsidiary of either such holding company, in each case as beneficial owner (the “**Relevant Certificates**”), shall (unless and until ceasing to be so held) be deemed not to remain outstanding, except, in the case of the Seller, any holding company of the Seller or any other subsidiary of such holding company (the “**Relevant Persons**”) where all

of the Relevant Certificates are held by or on behalf of or for the benefit of one or more Relevant Persons, in which case the Relevant Certificates shall be deemed to remain outstanding, save that if there is any Certificates ranking *pari passu* with, or junior to, the Relevant Certificates and one or more Relevant Persons are not the beneficial owners of all such Certificates, then the Relevant Certificates shall be deemed not to remain outstanding.

“Overpayment”

means in respect of any Mortgage Loan, any additional amounts of principal receipts received in a month above the regular, scheduled Monthly Payment, paid by the relevant Borrower which:

- (a) is permitted by the terms of such Mortgage Loan or by agreement with the Borrower; and
- (b) reduces the Current Balance of such Mortgage Loan;

“PAA Deficit”

means the deficit (but disregarding for these purposes items (c), (d) and (e) of the definition of Available Revenue Receipts), in an amount which is available to pay:

- (a) if the Class A Notes are the Most Senior Class, items (1) to (4) of the Pre-Enforcement Revenue Priority of Payments until all amounts payable thereunder are paid in full;
- (b) if the Class B Notes are the Most Senior Class, items (1) to (3) and (6) of the Pre-Enforcement Revenue Priority of Payments;
- (c) if the Class C Notes are the Most Senior Class, items (1) to (3) and (8) of the Pre-Enforcement Revenue Priority of Payments;
- (d) if the Class D Notes are the Most Senior Class, items (1) to (3) and (10) of the Pre-Enforcement Revenue Priority of Payments;
- (e) if the Class E Notes are the Most Senior Class, items (1) to (3) and (12) of the Pre-Enforcement Revenue Priority of Payment;
- (f) if the Class F Notes are the Most Senior Class, items (1) to (3) and (14) of the Pre-Enforcement Revenue Priority of Payments; and
- (g) if the Class Z Notes are the Most Senior Class, items (1) to (3) of the Pre-Enforcement Revenue Priority of Payments.

“Part-and-part Mortgage Loans”

means Repayment Mortgage Loans that have an additional Interest Only Mortgage Loan in respect of a further advance or remortgage granted to the relevant Borrower.

“Par Proceeds”

has the meaning given to it in Condition 24 (*Further Class A1 Notes Issue*).

“Participants”

means persons that have accounts with Euroclear or Clearstream, Luxembourg.

“Paying Agents”

means the Principal Paying Agent and any other paying agents named in the Agency Agreement together with any successor or additional paying agents appointed from time to time in connection with the Notes and the Certificates under the Agency Agreement.

“Perfection Trigger Event”

means any of the events in the section entitled “*Sale of the Mortgage Portfolio under the Mortgage Sale Agreement – Perfection Trigger Events*”.

“Permitted Withdrawals”

means:

- (a) payments of certain insurance premiums, as well as payments of the ground rent, service charges, agent fees, general fees, occupancy, receivership set up fees, security, solicitors’ costs, tradesmen and utilities payments made by the Servicer in accordance with the Legal Title Holder’s Policies and the Servicing Agreement;

	<ul style="list-style-type: none"> (b) amounts under a direct debit which are repaid to the bank making the payment if such bank is unable to recoup such amount itself from its customer's account; (c) payment when due (but subject to any right to refuse or withhold payment or any right of set-off that has arisen by reason of the Borrower's breach of the terms of the relevant Mortgage) of any revenue amount payable to a Borrower under the Mortgage Conditions applicable to such Borrower (including following any Overpayment by such Borrower); and (d) any amount received from a Borrower at any time (including upon redemption of the relevant Mortgage Loan) for the express purpose of payment being made to a third party or the Legal Title Holder for the provision of a service to that Borrower or the Legal Title Holder.
"Portfolio Reference Date"	means 31 August 2023.
"Portfolio Selection Date"	means 31 October 2023.
"Post-Enforcement Priority of Payments"	has the meaning as set out on page 142 of this Prospectus.
"PPI"	means payment protection insurance.
"PRA"	means the Prudential Regulation Authority.
"Pre-Enforcement Principal Priority of Payments"	has the meaning set out on page 141 of this Prospectus.
"Pre-Enforcement Revenue Priority of Payments"	has the meaning set out on page 139 of this Prospectus.
"PRIIPs Regulation"	means Regulation (EU) No 1286/2014 of the European Parliament and of the Council of 26 November 2014.
"Principal Addition Amount"	means, in respect of any Interest Payment Date prior to the redemption in full of the Rated Notes, the amount of Available Principal Receipts to be applied by the Issuer in accordance with item (1) of the Pre-Enforcement Principal Priority of Payments to cure a PAA Deficit.
"Principal Amount Outstanding"	<p>means, on any day:</p> <ul style="list-style-type: none"> (a) in relation to a Note, the principal amount outstanding of that Note as at the Closing Date (and in respect of any Further Class A1 Notes, the date on which Further Class A1 Notes are issued), less the aggregate amount of any principal payments in respect of that Note which have become due and payable (and been paid) on or prior to that day; (b) in relation to a Class, the aggregate of the amount in (a) in respect of all Notes outstanding in such Class; and (c) in relation to the Notes outstanding at any time, the aggregate of the amount in (a) in respect of all Notes outstanding, regardless of Class.
"Principal Deficiency Ledger"	means the Principal Deficiency Ledger comprising the Class A Principal Deficiency Sub-Ledger (relating to the Class A Notes), the Class B Principal Deficiency Sub-Ledger (relating to the Class B Notes), the Class C Principal Deficiency Sub-Ledger (relating to the Class C Notes), the Class D Principal Deficiency Sub-Ledger (relating to the Class D Notes), the Class E Principal Deficiency Sub-Ledger (relating to the Class E Notes), the Class F Principal Deficiency Sub-Ledger (relating to the Class F Notes) and the Class Z Principal Deficiency Sub-Ledger (relating to the Class Z Notes) maintained by the Cash Manager on behalf of the Issuer which records on it all deficiencies arising from, without duplication (i) Losses allocated to the Notes; (ii) Principal Addition Amounts; and (iii) any

	Available Principal Receipts applied in accordance with item (a) of the Pre-Enforcement Principal Priority of Payments.
“Principal Deficiency Sub-Ledger”	means any of the Class A Principal Deficiency Sub-Ledger, the Class B Principal Deficiency Sub-Ledger, the Class C Principal Deficiency Sub-Ledger, the Class D Principal Deficiency Sub-Ledger, the Class E Principal Deficiency Sub-Ledger, the Class F Principal Deficiency Sub-Ledger and the Class Z Principal Deficiency Sub-Ledger.
“Principal Ledger”	means the ledger maintained by the Cash Manager on behalf of the Issuer which records all Principal Receipts received by the Issuer and the distribution of the Principal Receipts in accordance with the provisions of the Cash Management Agreement and in particular with the Pre-Enforcement Principal Priority of Payments or the Post-Enforcement Priority of Payments (as applicable).
“Principal Receipts”	means payments received by the Issuer representing: <ul style="list-style-type: none"> (a) any payment in respect of principal received in respect of any Mortgage Loan (including Capitalised Arrears, Capitalised Expenses and any amounts included in items (c) of the Current Balance (as at the Cut-Off Date) but excluding Accrued Interest and Arrears of Interest due or accrued after the Cut-Off Date); (b) recoveries of principal from defaulting Borrowers on enforcement of any Mortgage Loan (including the proceeds of sale of the relevant Property but excluding any recoveries of principal from defaulting Borrowers under Mortgage Loans in respect of which enforcement procedures have been completed); (c) any payment pursuant to any Insurance Policy in respect of a Property in connection with a Mortgage Loan in the Mortgage Portfolio; (d) recoveries of principal on redemption (including partial redemption) of any Mortgage Loan; (e) proceeds of the repurchase of any Mortgage Loan by the Seller from the Issuer pursuant to the Mortgage Sale Agreement (excluding, for the avoidance of doubt, amounts attributable to Accrued Interest and Arrears of Interest thereon and other interest amounts in respect of the Mortgage Loans as at the relevant repurchase date); (f) any other payments received which are not classified as Revenue Receipts; and (g) on the First Interest Payment Date, a positive amount (if any) equal to the difference between: (i) the gross proceeds of issuance of the Notes; and (ii) the aggregate of the Purchase Price, and any other amounts paid or payable by the Issuer out of proceeds of issuance of the Notes.
“Priority of Payments” or “Priorities of Payments”	means the Pre-Enforcement Revenue Priority of Payments, the Pre-Enforcement Principal Priority of Payments, and the Post-Enforcement Priority of Payments.
“Property”	means a freehold, heritable, or leasehold property which is subject to a Mortgage.
“Prospectus Regulation”	means Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (as amended).
“Provisional Mortgage Portfolio”	means, as at the Portfolio Reference Date, a portfolio comprising 4,470 Mortgage Loans with an aggregate Current Balance of £442,499,859.51.
“Prudent Mortgage Lender”	means the manner of a reasonably prudent mortgage lender lending to borrowers in England, Wales, Scotland or Northern Ireland where the Mortgage Loan is secured over residential property.
“Prudent Mortgage Servicer”	means a leading residential mortgage servicer who is acting prudently in servicing residential mortgage loans and their collateral security in respect of residential

	property in England, Wales, Scotland or Northern Ireland and which have in all material respects the same or similar characteristics to the Mortgage Portfolio and are administered to standards, criteria and procedures as ought to have been applied in relation to the Mortgage Portfolio or, if the relevant content in the relevant Servicing Agreement relates to a specific Mortgage Loan, as ought to have been applied in relation to such Mortgage Loan.
“Purchase Price”	means an amount equal to the aggregate Current Balance of the Portfolio as at the Cut-off Date.
“Quarterly CDR”	Quarterly CDR on any calculation date means the total new repossessions during the period of 3 months ending on that calculation date divided by the aggregate current balance of the loans comprised in the mortgage portfolio as at the as at as at the start of the Collection Period. These are annualised using the formula: $1 - ((1 - M)^4)$ where M is the quarterly CDR expressed as a percentage.
“Quarterly CPR”	means, on any calculation date, the total unscheduled repayments received during the period of 3 months ending on that calculation date divided by the aggregate current balance of the loans comprised in the mortgage portfolio as at as at the start of the Collection Period. Unscheduled Repayments comprise payments from the Originator for the repurchase of loans from the portfolio, and capital repayments and redemptions from the Borrowers other than those received at the expected term end date of the loan. These are annualised using the formula: $1 - ((1 - M)^4)$ where M is the quarterly CPR expressed as a percentage.
“Rated Notes”	means the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes.
“Rate of Interest”	means: (a) in the case of the Notes other than the Class Z Notes, the Floating Rate of Interest; and (b) no interest will be payable on the Class Z Notes.
“Rating Agencies”	means S&P and DBRS and, in each case, “Rating Agency” means any of them.
“Rating Agency Confirmation” or “RAC”	means any written confirmation or affirmation (in any form acceptable to the Trustee) from the relevant Rating Agencies of the then current ratings of the Rated Notes will not be reduced, qualified, adversely affected or withdrawn thereby.
“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 or through performance by an obligor.
“Receiver”	means any receiver, manager, administrator, receiver or manager, or administrative receiver appointed in respect of the Issuer by the Issuer at the request of the Trustee or by the Trustee in accordance with the Deed of Charge.
“Reconciliation Amount”	means in respect of any Collection Period which is a Determination Period, (i) the actual Principal Receipts as determined in accordance with the available Servicer Reports, less (ii) the Calculated Principal Receipts in respect of such Collection Period, plus (iii) any Reconciliation Amount not applied in previous Collection Periods.
“Reference Rate”	means the Compounded Daily SONIA provided that: (a) if, in respect of any Business Day in the relevant Interest Period, the Agent Bank (or such other party responsible for the calculation of the rate of interest)

determines that the SONIA Reference Rate is not available on the relevant 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 Interest Determination Date; plus (ii) the mean of the spread of the SONIA Reference Rate to the Bank Rate over the previous five days on which the SONIA Reference Rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads) to the Bank Rate;

- (b) notwithstanding the paragraph above, in the event the Bank of England publishes guidance as to: (i) how the SONIA Reference Rate is to be determined; or (ii) any rate that is to replace the SONIA Reference Rate, the Agent Bank in conjunction with the Issuer (or the Servicer on behalf of the Issuer) shall, to the extent that it is reasonably practicable, follow such guidance in order to determine SONIA, for so long as the SONIA Reference Rate is not available or has not been published by the authorised distributors; and
- (c) in the event that the Compounded Daily SONIA cannot be determined in accordance with the foregoing provisions by the Agent Bank (or such other party responsible for the calculation of the rate of interest), the Compounded Daily SONIA shall be: (i) that determined as at the last preceding Interest Determination Date; or (ii) if there is no such preceding Interest Determination Date, the initial Compounded Daily SONIA applicable 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) the Closing Date.

"Registers of Scotland"	means the Land Register of Scotland and/or the Scottish General Register of Sasines (as applicable).
"Registries of Northern Ireland"	means the Land Registry of Northern Ireland and/or the Registry of Deeds (as applicable).
"Regulated Credit Agreement"	means a mortgage loan regulated by the CCA as a regulated credit agreement – as defined by article 60B of the RAO.
"Regulated Mortgage Contract"	means a mortgage loan regulated by FSMA as a regulated mortgage contract – as defined by article 61 of the RAO.
"Regulation S"	means Regulation S under the Securities Act.
"Regulation S Definitive Certificate"	means the Definitive Certificates issued pursuant to Regulation S.
"Regulation S Global Notes"	means the Class A Global Note, the Class B Global Note, the Class C Global Note, the Class D Global Note, the Class E Global Note, the Class F Global Note and the Class Z Global Note sold outside of the United States to non-U.S. Persons pursuant to Regulation S and " Regulation S Global Note " means any one of them.
"Related Security"	means, in relation to a Mortgage Loan (but excluding any Shortfall Loans), the security for the repayment of that Mortgage Loan including the relevant Mortgage and all other matters applicable thereto acquired as part of the Mortgage Portfolio sold to the Issuer pursuant to the Mortgage Sale Agreement including (without limitation): <ul style="list-style-type: none"> (a) the benefit of all affidavits, declarations, consents, renunciations, guarantees, indemnities, waivers, ranking agreements and postponements (including, without limitation, deeds of consent relating to the relevant Property) from occupiers and other persons having an interest in or rights in connection with the relevant Property;

- (b) each right of action of the Seller against any person (including, without limitation, any solicitor, licensed conveyancer, qualified conveyancer, valuer, registrar or registry or other person) in connection with any report, valuation, opinion, certificate or other statement of fact or opinion (including, without limitation, each Certificate of Title and Valuation Report) given or received in connection with all or part of any Mortgage Loan and its Related Security or affecting the decision of CHL to make or offer to make all or part of the Mortgage Loan; and
- (c) the benefit of (including, without limitation, the rights as the insured person under and as notations of interest on, and returns of premium and proceeds of claims under) insurance and assurance policies (including, the relevant Insurance Policies, Life Policies and Charges) deposited, charged, obtained, or held in connection with the Mortgage Loan, Mortgage and/or Property and relevant Mortgage Loan Files.

“Relevant Margin”	means, for the Floating Rate Notes, up to and including the FORD, the Margin, and thereafter, the Step-Up Margin.
“Relevant Period”	means, in relation to each Interest Determination Date, the length in months of the Related Interest Period.
“Repayment Mortgage Loans”	means Mortgage Loans in relation to which monthly instalments, which can cover both interest and principal, are payable until the mortgage is fully repaid by its maturity.
“Replacement Servicing Agreement”	means: <ul style="list-style-type: none"> (a) the replacement servicing agreement entered into between <i>inter alios</i> any replacement servicer, the Seller, the Legal Title Holder and the Trustee from time to time; or (b) the replacement servicing agreement in the form set out in Schedule 1 to the Back-Up Servicing Agreement
“Repurchase Price”	has the meaning given to it in the section “ <i>Sale of the Mortgage Portfolio under the Mortgage Sale Agreement - Warranties, Repurchase and Indemnification</i> ”.
“Request”	has the meaning given to it in the Liquidity Facility Agreement.
“Required Interest”	means, in relation to an Interest Payment Date and any Class of Subordinated Rated Notes, an amount equal to the Current Interest for such Class of Subordinated Rated Notes.
“Reserved Matter”	means any proposal: <ul style="list-style-type: none"> (a) to change any date fixed for payment of principal or interest or any other amount in respect of the Notes of, or any Class or for any payment in respect of the Certificates including, without limitation, any Certificate Payment, to modify the amount of principal or interest or any other amount due on any date or require any other additional amount and/or premium to be paid in respect of the Notes of any Class or any payment in respect of the Certificates (including, without limitation, any Certificate Payment Amount) or to alter the method of calculating the amount of any payment in respect of the Notes of any Class or the Certificates (including, without limitation the Certificate Payment Amount) (other than a Reference Rate Modification); (b) (except in accordance with Condition 21 (<i>Substitution of Issuer</i>) or Certificate Condition 19 (<i>Substitution of Issuer</i>) and clause 15 (<i>Substitution</i>) of the Trust Deed) to effect the exchange, conversion or substitution of the Notes of any Class or the Certificates for, or the conversion of such Notes or Certificates into,

shares, bonds or other obligations or securities of the Issuer or any other person or body corporate formed or to be formed;

- (c) the modification or addition of any other amount payable ranking ahead of or *pari passu* with any Class of Notes or Certificates, including any fees payable by the Issuer to any third party (save as permitted under the Transaction Documents);
- (d) to change the definition of FORD;
- (e) to change the terms of the Deed Poll or any provisions concerning the exercise of the optional call thereunder, including Condition 9.3(a)(ii) (*Optional Redemption in whole*) (save for any change which is of a formal, minor or technical nature or is made to correct a manifest error);
- (f) to make any change to the provisions concerning limited recourse and non-petition in relation to the Issuer, including Condition 10 (*Limited Recourse and Non-Petition*) and Certificate Condition 8.8 (*Limited Recourse and Non-Petition*);
- (g) to make any change to Condition 7.2 (*Issuer Covenants*);
- (h) to change the currency in which amounts due in respect of the Notes or the Certificates are payable;
- (i) to alter the Priority of Payments in respect of the Notes or the Certificates;
- (j) to change the quorum required at any Meeting or the majority required to pass an Extraordinary Resolution;
- (k) to amend this definition; or
- (l) any change to any of the covenants or provisions contained in or arising pursuant to the Conditions, the Certificate Conditions or any Transaction Documents by any party thereto which would have the effect of any of the foregoing,

provided that neither (A) any amendments made in accordance with Condition 17.2 or Certificate Condition 15.2; nor (B) any issuance of any Further Class A1 Notes (or amendments to the Conditions or the Transaction Documents required by such issuance) shall constitute a Reserved Matter.

“Retention Notes ”

means 5 per cent. of the Principal Amount Outstanding of each Class of the Rated Notes and the Class Z Notes (and which, in respect of the Class A Notes, will mean an amount of Class A1 Notes (including with respect to any Further Class A1 Notes) equal to 5 per cent. of the Principal Amount Outstanding of the Class A Notes, collectively) in accordance with Article 6(3)(a) of the EU Securitisation Regulation and Article 6(3)(a) of the UK Securitisation Regulation.

“Revenue Ledger”

means the ledger maintained by the Cash Manager on behalf of the Issuer which records all Revenue Receipts and proceeds of all Liquidity Drawings received by the Issuer and distribution of the same in accordance with the Pre-Enforcement Revenue Priority of Payments or the Post-Enforcement Priority of Payments (as applicable).

“Revenue Receipts”

means payments received by the Issuer directly or from the Legal Title Holder representing:

- (a) payments of interest (including Arrears of Interest and Accrued Interest due or accrued after the Cut-Off Date but excluding Capitalised Arrears) and fees due from time to time under the Mortgage Loans;
- (b) recoveries of interest and outstanding fees (excluding Capitalised Arrears and Capitalised Expenses, if any) due or accrued after the Cut-Off Date from defaulting Borrowers under Mortgage Loans being enforced;

- (c) recoveries of interest and/or principal due or accrued after the Cut-Off Date from defaulting Borrowers under Mortgage Loans in respect of which enforcement procedures have been completed;
- (d) the proceeds of the repurchase of any Mortgage Loan or an indemnity by the Seller from the Issuer due or accrued after the Cut-Off Date pursuant to the Mortgage Sale Agreement to the extent such proceeds are attributable to Accrued Interest, Arrears of Interest and other interest amounts in respect of the Mortgage Loans (excluding, for the avoidance of doubt, Capitalised Arrears) as at the relevant transfer date;
- (e) in respect of the exercise of the Mortgage Portfolio Purchase Option or a Market Mortgage Portfolio Purchase, amounts received from a third party purchaser or amounts received from the Mortgage Portfolio Purchase Option Holder, as applicable, to be applied as Revenue Receipts including accrued interest, fees, costs and expenses for the Issuer and other amounts to be applied as revenue to effect a redemption in full of the Notes pursuant to Condition 9.4 (*Optional Redemption in whole for taxation reasons*), Condition 9.3 (*Optional Redemption in whole*) or Condition 9.6 (*Mandatory Redemption of the Notes following the exercise of Mortgage Portfolio Purchase Option or Market Mortgage Portfolio Purchase*);
- (f) any payments of any nature, including principal, interest and fees, received in respect of any Shortfall Loans from time to time; and
- (g) any early repayment charges which have been paid by the Borrower in respect of the Mortgage Loans.

“Risk Retention Regulatory Change Event”

means any change in or the adoption of any new law, rule or regulation which as a matter of law has a binding effect on the Seller after the Closing Date which would impose a positive obligation on it to subscribe for any Notes (but, excluding the Notes issued on the Closing Date and any Further Class A1 Notes) over and above those required to be maintained by it under its risk retention undertaking.

“Risk Retention Regulatory Change Option”

means the option of the Seller in the Mortgage Sale Agreement to acquire all but not some of the Mortgage Portfolio following a Risk Retention Regulatory Change Event.

“Risk Retention U.S. Person”

means a U.S. Person as such term is defined in the U.S. Risk Retention Rules.

“Rounded Arithmetic Mean”

means the arithmetic mean (rounded, if necessary, to the nearest 0.0001%, 0.00005% being rounded upwards).

“Sanctions”

means any sanctions administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury or His Majesty’s Treasury.

“S&P”

means S&P Global Ratings UK Limited and any successor to its rating business.

“Scottish Declaration of Trust”

means the Scots law declaration of trust over the right, title, benefit and interest in the Scottish Mortgage Loans and their Related Security, granted by the Legal Title Holder in favour of the Seller dated on or about the Closing Date, the Seller’s interest in which will be assigned by the Seller to the Issuer on or about the Closing Date pursuant to the Scottish Trust Transfer.

“Scottish Mortgage”

means a first ranking standard security granted in respect of a Scottish Property and which is security for a Scottish Mortgage Loan.

“Scottish Mortgage Loan”

means a residential mortgage loan in relation to a Scottish Property, secured by a Mortgage and its Related Security, sold or to be sold to the Issuer on the Closing Date pursuant to the Mortgage Sale Agreement but excluding (for the avoidance of doubt) a Scottish Mortgage Loan and its Related Security which is repurchased by

	the Seller pursuant to the Mortgage Sale Agreement and is no longer beneficially owned by the Issuer.
“Scottish Property”	means a Property located in Scotland.
“Scottish Sub-Securities”	means each standard security to be executed pursuant to the Deed of Charge.
“Scottish Trust”	means the trust created pursuant to the Scottish Declaration of Trust.
“Scottish Trust Security”	means the Scots law assignation in security granted by the Issuer in favour of the Trustee in respect of its beneficial title and interest in and under the Scottish Trust, pursuant to the Deed of Charge and substantially in the form set out therein.
“Scottish Trust Transfer”	means the Scots law assignation by the Seller of its interest as beneficiary under the Scottish Declaration of Trust to the Issuer granted pursuant to the Mortgage Sale Agreement, dated on or about the Closing Date.
“Screen”	means 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.
“SEC”	means the U.S. Securities and Exchange Commission.
“SecRep EU Website”	means the website of SecRep BV at https://www.secprep.eu .
“Secured Amounts”	means the aggregate of all moneys and Liabilities which from time to time are or may become due, owing or payable by the Issuer to each, some or any of the Secured Creditors under the Notes, the Certificates or the Transaction Documents.
“Secured Creditors”	means the Trustee in its own capacity, any Receiver or any Appointee appointed by the Trustee, each in its own capacity, the Agent Bank, the Paying Agents, the Registrar, the Corporate Services Provider, the Servicer, the Back-Up Servicer (and any replacement of the Servicer or the Back-Up Servicer), the Back-Up Cash Manager Facilitator, the Liquidity Facility Provider, the Cash Manager (and any replacement of the Cash Manager), the Collection Account Bank, the Issuer Account Bank, any bank at which any other account in the name of the Issuer is held, the Noteholders and the Certificateholders and any party named as such in a Transaction Document.
“Securities Act”	means the U.S. Securities Act of 1933, as amended.
“Security”	means the security granted by the Issuer to the Trustee under and pursuant to the Deed of Charge in favour of the Secured Creditors.
“Seller”	means CERH Vantage Holdings SARL
“Seller Power of Attorney”	means each power of attorney granted by the Seller in favour of the Issuer and the Trustee on the Closing Date in substantially the same form as that set out in the Mortgage Sale Agreement.
“Senior Expenses”	means the amounts due and payable under items (1) and (2) of the Pre-Enforcement Revenue Priority of Payments.
“Servicer”	means Capital Home Loans Limited; or any successor appointed as replacement servicer pursuant to the terms of a Replacement Servicing Agreement.
“Servicing Agreement”	means the servicing agreement between the Issuer, the Seller, CHL, the Legal Title Holder, the Trustee and the relating to the servicing of the Mortgage Loans which comes into effect on the Closing Date.
“Servicer Fee”	means the fee payable by the Issuer to the Servicer pursuant to the Servicing Agreement (including for the avoidance of doubt any Replacement Servicing Agreement).

“Servicer Fee Cap”	means, on each Interest Payment Date, the aggregate of the following for the three immediately preceding Collection Periods, being the product of (i) 1/12 of the Servicer Fee Cap Rate and (ii) the Capital Balance of the Mortgage Loans as at opening of business on the first day of the related Collection Period (or in respect of the First Interest Payment Date, the Closing Date).
“Servicer Fee Cap Rate”	means 0.60% per annum.
“Servicer Reports”	means the reports to be provided by the Servicer in accordance with the terms of the Servicing Agreements.
“Services”	means the services to be provided by the relevant Servicer under the relevant Servicing Agreement, as the context requires.
“SFC Relevant Percentage”	means: <ul style="list-style-type: none"> (a) in relation to the Servicer, (A) the Servicer Original Amount divided by (B) the aggregate of the BUS Original Amount, and the Servicer Original Amount; and (b) in relation to the Back-Up Servicer, (A) the BUS Original Amount divided by (B) the aggregate amount of the BUS Original Amount, and the Servicer Original Amount.
“Shortfall Loans”	means 334 shortfall loans, having an aggregate unsecured balance of approximately £11,439,855.55, in respect of which the security for repayment of each such loan has been sold.
“Shortfall Loan Warranties”	means with respect to the Shortfall Loans, Mortgage Loan Warranties (10), (26) and (30) only.
“Similar Law”	means any U.S. federal, state, local, non-U.S. or other law or regulation that contains one or more provisions that are substantially similar to the foregoing provisions of ERISA and the Code.
“Solvency II”	means Article 254 of Regulation (EU) No 2015/35.
“SONIA”	means the Sterling Overnight Interbank Average Rate.
“SONIA Reference Rate”	means, in respect of any Business Day, a reference rate equal to the daily SONIA rate for such Business Day as provided by the administrator of SONIA to authorised distributors and as then published on the relevant Screen or, if the relevant Screen is unavailable, as otherwise published by such authorised distributors (on the Business Day immediately following such Business Day).
“Specified Office”	means, in relation to any Agent: <ul style="list-style-type: none"> (a) the office specified against its name in the Notices Details; or (b) such other office as such Agent may specify in accordance with the provisions of the Agency Agreement.
“SPV Criteria”	means the criteria established from time to time by the Rating Agencies for a single purpose company in the Issuer Jurisdiction.
“Standard Documentation”	means the standard documentation of the Originator being the documents which were used by the relevant Originator at the relevant time in connection with its activities as a residential mortgage lender, a list of which is set out in the Mortgage Sale Agreement.
“Standard Variable Rate” or “SVR”	means, as applicable, the Legal Title Holder’s standard variable mortgage base rate and/or the standard variable mortgage base rate applicable to Mortgage Loans in accordance with the Mortgage Conditions.
“Standard Variable Rate Mortgage Loans”	means the Mortgage Loans which are subject to the Standard Variable Rate subject to the provisions of the Servicing Agreements.
“Step-Up Margin”	means the margin per annum as set out below:

	<p>(a) for the Class A1 Notes, 2.100 per cent per annum;</p> <p>(b) for the Class A2 Notes, 2.100 per cent per annum;</p> <p>(c) for the Class B Notes, 3.250 per cent per annum;</p> <p>(d) for the Class C Notes, 4.000 per cent per annum;</p> <p>(e) for the Class D Notes, 5.000 per cent per annum;</p> <p>(f) for the Class E Notes, 6.000 per cent per annum; and</p> <p>(g) for the Class F Notes, 7.000 per cent per annum.</p>
“Subordinated Noteholders”	means the holders of the Subordinated Notes.
“Subordinated Notes”	means the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Class Z Notes.
“Subordinated Rated Notes”	means the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes.
“Subordinated Servicing Fees”	means in any three Collection Periods, the amount by which the fees payable to the Servicer, and the Back-Up Servicer in those three Collection Periods exceed the Servicer Fee Cap for the same three Collection Periods.
“Substituted Obligor”	means a single purpose company incorporated in any jurisdiction that meets the SPV Criteria.
“Substitute Life Policies”	means any substitute Life Policy which replaces a Life Policy taken out by a Borrower (if any) as may be determined in accordance with the provisions of the Servicing Agreements and the Charges in respect of which may be charged for the benefit of the Trustee.
“Successor Cash Manager”	means, U.S. Bank Global Corporate Trust Limited or any other suitably experienced third party cash manager, in each case, who satisfies the conditions set out in the Cash Management Agreement.
“Tax”	shall be construed so as to include any present or future tax, levy, impost, duty, charge, fee, deduction or withholding of any nature whatsoever (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same, but excluding taxes on net income) imposed or levied by or on behalf of any Tax Authority in the United Kingdom and Ireland and “Taxes” , “taxation” , “taxable” and comparable expressions shall be construed accordingly.
“Tax Authority”	means any government, state or municipality or any local, state, federal or other authority, body or official anywhere in the world exercising a fiscal, revenue, customs or excise function (including, without limitation, His Majesty’s Revenue and Customs).
“Tax Deduction”	means any deduction or withholding for or on account of Tax.
“Tax Regulations”	means the Taxation of Securitisation Companies Regulations 2006 (SI 2006/3296) (as amended from time to time).
“Transaction”	means each of the transactions in the series of transactions contemplated by the Transaction Documents.
“Transaction Documents”	means the Account Bank Agreement, the Servicing Agreement, the Agency Agreement, the Cash Management Agreement, each Collection Account Declaration of Trust, the Corporate Services Agreement, the Deed of Charge (and any documents entered into pursuant to the Deed of Charge including the Scottish Trust Security and Scottish Sub Securities), the Incorporated Terms Memorandum, the Mortgage Sale Agreement, the Scottish Declaration of Trust, the Scottish Trust Transfer, the Legal Title Holder Power of Attorney, the Seller Power of Attorney, the Trust Deed, the Back-Up Servicing Agreement, the Liquidity Facility

	Agreement, the Deed Poll and such other related documents which are referred to in the terms of the above documents or which relate to the issue of the Notes and the Certificates and any other document designated as such (other than the Subscription Agreement).
“Transaction Party”	means any person who is a party to a Transaction Document and “Transaction Parties” means some or all of them.
“Transfer Certificate”	means a certificate, substantially in the form scheduled to the Liquidity Facility Agreement, with such amendments as the Liquidity Facility Provider may approve or reasonably require or any other form agreed between the Liquidity Facility Provider, the Issuer and the Trustee.
“Trust Deed”	means the deed so named dated on or about the Closing Date between the Issuer and the Trustee and any document expressed to be supplemental to the Trust Deed.
“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 or pursuant to 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).
“TSC Regulations”	means the Taxation of Securitisation Companies Regulations 2006.
“UK”	means the United Kingdom.
“UK AIFMR”	means Regulation (European Union) No 231/2013 as it forms part of domestic law of the United Kingdom by virtue of the EUWA.
“UK Affected Investor”	means 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 CRA Regulation”	means Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as it forms part of domestic law by virtue of EUWA.
“UK CRR Amending Regulation”	means Regulation (EU) 2017/2402 as it forms part of domestic law of the United Kingdom by virtue of the EUWA.
“UK CRR”	means Regulation (EU) No. 575/2013 as amended by the UK CRR Amending Regulations as it forms part of domestic law of the United Kingdom by virtue of EUWA.
“UK Solvency II”	means Article 245 of Regulation (EU) No 2015/35 as it forms part of domestic law of the United Kingdom by virtue of the EUWA.
“UK Retention Requirement”	means the risk retention requirements set out in Article 6(1) of the UK Securitisation Regulation and in accordance with Article 6(3)(a) of the UK Securitisation Regulation, together with any technical standards (which, in each case, does not take into account any corresponding national measures).
“UK Securitisation Regulation”	means Regulation (EU) No 2017/2402 as it forms part of retained EU law, as defined in the EUWA.

“U.S. Risk Retention Rules”	shall have the meaning given to it in the section entitled “ <i>U.S. Risk Retention</i> ” on page iv of this Prospectus.
“U.S. Risk Retention Waiver”	shall have the meaning given to it in the section entitled “ <i>Subscription and Sale – Investor Representation and Restrictions on Resale</i> ” on page 200 of this Prospectus.
“U.S. Person”	means a “U.S. person” as such term is defined under Regulation S.
“UTCCR”	means the Unfair Terms in Consumer Contracts Regulations 1994 and 1999.
“VAT”	means value added tax.
“Valuation Report”	means the valuation report or reports for mortgage purposes, obtained by the relevant Originator from a valuer in respect of each Property or a valuation report in respect of a valuation made using a methodology which would be acceptable to a Prudent Mortgage Servicer.
“Volcker Rule”	means the Section 13 of the Bank Holding Company Act of 1956, as amended, and the regulations adopted thereunder.
“Warranted Mortgage Loans”	means: (i) the Mortgage Loans, other than the Shortfall Loans and Excluded Loans, in respect of which the Seller will make certain representations and warranties to the Issuer and the Trustee on the Closing Date as set out in the Mortgage Sale Agreement; (ii) the Shortfall Loans, in respect of which the Seller will make the Shortfall Loan Warranties to the Issuer and the Trustee on the Closing Date as set out in the Mortgage Sale Agreement; and (iii) the Excluded Loans, in respect of which the Seller will make the Excluded Loan Warranties to the Issuer and the Trustee on the Closing Date as set out in the Mortgage Sale Agreement.
“Warranty Expiry Date”	means the date falling 24 calendar months following the Closing Date.
“Warranty Limitations”	has the meaning given to it in the section “ <i>Sale of the Mortgage Portfolio under the Mortgage Sale Agreement – Limitations on liability</i> ”.
“Written Resolution”	means a resolution in writing signed by or on behalf of the holders of 75% in aggregate Principal Amount Outstanding of the Notes of the relevant Class for the time being outstanding or of 75% of the number of Certificates then in issue who for the time being are entitled to receive notice of a Meeting in accordance with the Provisions for Meetings of Noteholders and Certificateholders, whether contained in one document or several documents in the same form, each signed by or on behalf of one or more such holders of the Notes or the Certificates.
“XB Payment”	means, on any date of determination: <ul style="list-style-type: none"> (i) prior to the delivery of an Enforcement Notice, in respect of each Interest Payment Date from the Closing Date, the amount by which (a) Available Revenue Receipts exceeds the amounts required to satisfy items (1) to (20) (inclusive) of the Pre-Enforcement Revenue Priority of Payments on that Interest Payment Date and (b) Available Principal Receipts exceeds the amounts required to satisfy items (1) to (9) (inclusive) of the Pre-Enforcement Principal Priority of Payments on that Interest Payment Date; and (ii) 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 (1) to (14) (inclusive) of the Post-Enforcement Priority of Payments on that date.

ANNEX A

STATISTICAL INFORMATION ON THE PROVISIONAL MORTGAGE PORTFOLIO

The statistical and other information contained in this section has been compiled by reference to the Provisional Mortgage Portfolio at 31 August 2023 (being the “**Portfolio Reference Date**”) which is comprised of 4,470 Mortgage Loan Accounts with an aggregate Current Balance of £442,499,860.

The Mortgage Loans included in the Provisional Mortgage Portfolio were previously owned by the Seller, as further described in the section entitled “*The Mortgage Portfolio*”.

The Mortgage Portfolio consists of Mortgage Loans which will be selected by the Seller from the Provisional Mortgage Portfolio on the Portfolio Selection Date after removing: (i) Mortgage Loans which are scheduled to redeem prior to the Closing Date; (ii) Mortgage Loans which at any time prior to the Closing Date are found not to comply with the warranties to be given in respect of the Mortgage Loans on the Closing Date as set out in the Mortgage Sale Agreement; and (iii) Mortgage Loans which are removed at the request of CERH II.

The Information contained in this section has not been updated to reflect any decrease in the size of the Mortgage Portfolio from that of the Provisional Mortgage Portfolio.

Except as otherwise indicated, these tables have been prepared using the Current Balance as of the Portfolio Reference Date. The terms “unpaid principal balance” and “Total Current Balance” in this section mean Current Balance. Columns may not add up to the total due to rounding.

As of the Portfolio Reference Date, the Provisional Mortgage Portfolio had the following characteristics:

Key Collateral Highlights

Pool	TPMF 2023-Vantage3
Portfolio Reference Date	31/08/2023
Total Current Balance (£) ⁽¹⁾	442,499,860
Total Capital Balance (£)	413,170,999
Total Fees Balance (£)	16,547,610
Total Arrears Balance (£)	12,781,250
Sets of Borrowers	4,449
Number of Properties	4,455
Number of Mortgage Loan Accounts	4,470
Average Loan Balance (£) ⁽²⁾	98,993
Maximum Loan Balance (£)	744,996
Weighted Average Original Loan to Value (%) ⁽³⁾	81.79
Weighted Average Indexed Current Loan to Value (%) ⁽³⁾⁽⁴⁾	51.38
Weighted Average Interest Rate (%) ⁽³⁾	7.74
Weighted Average Seasoning (Months) ⁽³⁾	202.50
Weighted Average Remaining Term (Months) ⁽³⁾	88.39
BBR (%)	98.57
SVR (%)	1.43
Interest Only (%) ⁽⁵⁾	79.02
Current Loans (%)	49.39
1 Month in Arrears (%)	9.07
2 Months in Arrears (%)	5.54
3+ Months in Arrears (%)	36.00

Note:

- (1) Current Balance is the sum of the (i) unpaid capital balance; (ii) unpaid arrears balance; and (iii) unpaid fee balances.
- (2) Average Loan Balance is the Current Balance ÷ Number of Loans.

- (3) Weighted-average (“WA”) based on the Current Balance.
- (4) Indexed using Nationwide House Price Index as of 30 June 2023.
- (5) Includes Part & Part Mortgage Loans.

With respect to each of the following tables 1 – 22 below, the following column headings have the following meanings:

Weighted Average Current Margin Rate (%)	For Mortgage Loans indexed to (x) standard variable rate, the margin is assumed to be the current interest rate less 9.25 per cent. per annum and (y) Bank of England Base Rate, the margin is assumed to be the current interest rate less 5.00 per cent. per annum.
Weighted Average Original Loan to Value (%)	The Original LTV for each Mortgage Loan is equal to a fraction, expressed as a percentage, (i) the numerator of which is the Original Principal Balance of the Mortgage Loan and (ii) the denominator of which is the related property value of the mortgaged property at origination.
Weighted Average Index Current Loan to Value (%)	The Index Current LTV for each Mortgage Loan is equal to a fraction, expressed as a percentage, (i) the numerator of which is the Original Principal Balance of the Mortgage Loan and (ii) the denominator of which is the related property value of the mortgaged property according to the Nationwide House Price Index as of 30 June 2023.
Weighted Average 12-Month Collection Rate (%)	The 12-Month Collection Rate has been calculated by dividing (i) the sum of the payments made on the loans during the prior 12 months over (ii) the amounts contractually due for the past 12 months. However, if a loan had a payment due of £0.00, the collection rate was considered to be one and if a loan had a payment due of less than zero, the collection rate was considered to be zero. The 12-month window was from September 2022 to August 2023.
Weighted Average 24-Month Collection Rate (%)	The 24-Month Collection Rate has been calculated by dividing (i) the sum of the payments made on the loans during the prior 24 months over (ii) the amounts contractually due for the past 24 months. However, if a loan had a payment due of £0.00, the collection rate was considered to be one and if a loan had a payment due of less than zero, the collection rate was considered to be zero. The 24-month window was from September 2021 to August 2023.

Current Interest Rate Index for Mortgage Loans

The table below shows the types of interest rate indices applicable to the Mortgage Loans as of the Portfolio Reference Date.

Table 1

Current Interest Rate Index for Mortgage Loans	Number of Loans	Total Current Balance (£)	Total Current Balance (%)	Weighted Average Current Interest Rate (%)	Weighted Average Current Margin Rate (%)	Average Loan Size (£)	Weighted Average Remaining Term (Months)	Weighted Average Loan Age (Months)	Weighted Average Original Loan to Value (%)	Weighted Average Index Current Loan to Value (%)	Weighted Average 12-Month Collection Rate (%)	Weighted Average 24-Month Collection Rate (%)
Bank of England Base Rate.....	4342	436,174,532	98.57	7.76	2.76	100,455	89	202	81.79	51.52	84.50	87.27
Standard Variable Rate	128	6,325,328	1.43	5.82	-3.43	49,417	58	221	81.75	41.82	78.14	85.29
Total	4,470	442,499,860	100.00	7.74	2.68	98,993	88	202	81.79	51.38	84.40	87.24

Months in Arrears

The following table shows the range of Months in Arrears of the Mortgage Loans as of the Portfolio Reference Date.

Table 2

Month in Arrears	Number of Loans	Total Current Balance (£)	Total Current Balance (%)	Weighted Average Current Interest Rate (%)	Weighted Average Current Margin Rate (%)	Average Loan Size (£)	Weighted Average Remaining Term (Months)	Weighted Average Loan Age (Months)	Weighted Average Original Loan to Value (%)	Weighted Average Index Current Loan to Value (%)	Weighted Average 12-Month Collection Rate (%)	Weighted Average 24-Month Collection Rate (%)
Current	2,421	218,536,288	49.39	7.65	2.57	90,267	87	203	81.60	47.71	99.96	99.94
1 Month in Arrears.....	382	40,153,325	9.07	7.74	2.73	105,113	87	202	82.07	52.18	92.84	94.93
2 Months in Arrears	234	24,526,935	5.54	7.93	2.92	104,816	89	203	83.32	50.86	91.04	94.01
3 Months in Arrears	195	20,179,434	4.56	7.80	2.78	103,484	94	203	83.79	53.83	82.48	87.53
4 Months in Arrears	166	20,809,059	4.70	7.71	2.67	125,356	88	203	83.04	57.03	79.96	84.22
5 Months in Arrears	148	17,357,466	3.92	7.86	2.85	117,280	94	204	83.45	54.98	69.85	79.02
6 Months or more in Arrears	924	100,937,352	22.81	7.85	2.78	109,240	90	201	80.80	56.87	49.57	57.03
Total	4,470	442,499,860	100.00	7.74	2.68	98,993	88	202	81.79	51.38	84.40	87.24

Original Term

The following table shows the range of the original term of all the Mortgage Loans as of the Portfolio Reference Date.

Table 3

Original Term (Months)	Number of Loans	Total Current Balance (£)	Total Current Balance (%)	Weighted Average Current Interest Rate (%)	Weighted Average Current Margin Rate (%)	Average Loan Size (£)	Weighted Average Remaining Term (Months)	Weighted Average Loan Age (Months)	Weighted Average Original Loan to Value (%)	Weighted Average Index Current Loan to Value (%)	Weighted Average 12-Month Collection Rate (%)	Weighted Average 24-Month Collection Rate (%)
<= 180	115	14,199,883	3.21	7.91	2.87	123,477	0	191	73.27	56.22	64.79	69.51
181 to 200.....	28	2,966,649	0.67	7.15	1.88	105,952	5	188	79.81	53.97	76.36	78.27
201 to 220.....	176	13,783,465	3.11	7.84	2.78	78,315	19	193	78.77	49.44	82.22	84.33
221 to 240.....	748	69,969,996	15.81	7.63	2.54	93,543	37	202	78.33	49.90	85.04	87.70
241 to 260.....	128	11,435,754	2.58	7.51	2.29	89,342	53	199	80.32	46.89	86.59	89.57
261 to 280.....	368	31,206,344	7.05	7.59	2.52	84,800	73	197	81.01	49.08	83.48	86.52
281 to 300.....	2,053	216,819,357	49.00	7.76	2.74	105,611	94	206	82.83	51.73	85.26	88.33
301 to 320.....	95	6,395,051	1.45	8.17	2.26	67,316	96	213	82.86	45.10	84.63	88.65
321 to 340.....	88	9,590,890	2.17	7.68	2.56	108,987	133	197	85.20	52.91	86.54	89.87
341 >=	671	66,132,470	14.95	7.81	2.79	98,558	168	201	84.65	53.29	85.67	87.42
Total	4,470	442,499,860	100.00	7.74	2.68	98,993	88	202	81.79	51.38	84.40]	87.24
Min Original Term.....	120.00 Months											
Max Original Term.....	503.00 Months											
Weighted Average Original Term.....	290.23 Months											

Remaining Term

The following table shows the range of the number of months until the maturity dates of all the Mortgage Loans as of the Portfolio Reference Date.

Table 4

Remaining Term (months)	Number of Loans	Total Current Balance (£)	Total Current Balance (%)	Weighted Average Current Interest Rate (%)	Weighted Average Current Margin Rate (%)	Average Loan Size (£)	Weighted Average Remaining Term (Months)	Weighted Average Loan Age (Months)	Weighted Average Original Loan to Value (%)	Weighted Average Index Current Loan to Value (%)	Weighted Average 12-Month Collection Rate (%)	Weighted Average 24-Month Collection Rate (%)
= 0	156	17,452,282	3.94	7.70	2.51	111,874	0	201	73.90	52.29	64.51	69.73
1 to 20	278	21,958,143	4.96	7.62	2.37	78,986	11	215	77.91	45.17	86.19	87.65
21 to 40.....	388	30,573,925	6.91	7.69	2.63	78,799	32	205	81.51	47.11	85.64	88.42
41 to 60.....	557	53,239,590	12.03	7.73	2.65	95,583	51	204	78.29	49.09	85.44	87.96
61 to 80.....	659	59,699,908	13.49	7.70	2.58	90,592	71	214	80.28	45.49	83.42	86.76
81 to 100.....	840	85,371,352	19.29	7.60	2.58	101,633	92	205	84.90	51.72	86.76	89.17
101 to 120.....	814	96,356,429	21.78	7.82	2.82	118,374	109	192	82.44	56.94	84.13	87.78
121 to 140.....	190	17,439,543	3.94	8.10	3.08	91,787	129	207	81.28	45.27	90.12	91.74

Remaining Term (months)	Number of Loans	Total Current Balance (£)	Total Current Balance (%)	Weighted Average Current Interest Rate (%)	Weighted Average Current Margin Rate (%)	Average Loan Size (£)	Weighted Average Remaining Term (Months)	Weighted Average Loan Age (Months)	Weighted Average Original Loan to Value (%)	Weighted Average Index Current Loan to Value (%)	Weighted Average 12-Month Collection Rate (%)	Weighted Average 24-Month Collection Rate (%)
141 to 160.....	221	22,139,874	5.00	7.62	2.58	100,180	151	203	84.94	52.08	83.88	87.30
161 to 180	250	26,723,360	6.04	7.90	2.87	106,893	169	192	85.44	58.49	84.77	86.04
181 >=.....	117	11,545,454	2.61	7.97	2.86	98,679	222	193	83.83	56.73	84.54	86.08
Total	4,470	442,499,860	100.00	7.74	2.68	98,993	88	202	81.79	51.38	84.40	87.24
Min Remaining Term.....	0.00 Months											
Max Remaining Term.....	316.00 Months											
Weighted Average Remaining Term.....	88.39 Months											

The weighted average remaining term as of the Portfolio Reference Date of the Mortgage Loans is 88 months.

Repayment Type

The following table shows the repayment types of all the Mortgage Loans as of the Portfolio Reference Date.

Table 5

Repayment Type	Number of Loans	Total Current Balance (£)	Total Current Balance (%)	Weighted Average Current Interest Rate (%)	Weighted Average Current Margin Rate (%)	Average Loan Size (£)	Weighted Average Remaining Term (Months)	Weighted Average Loan Age (Months)	Weighted Average Original Loan to Value (%)	Weighted Average Index Current Loan to Value (%)	Weighted Average 12-Month Collection Rate (%)	Weighted Average 24-Month Collection Rate (%)
Interest Only	1,933	295,315,266	66.74	7.74	2.68	152,776	78	203	82.58	57.92	81.70	85.47
Repayment.....	2,003	92,837,341	20.98	7.73	2.63	46,349	107	203	78.80	31.48	92.07	92.14
Part & Part.....	534	54,347,253	12.28	7.75	2.72	101,774	111	197	82.64	49.83	86.00	88.51
Total	4,470	442,499,860	100.00	7.74	2.68	98,993	88	202	81.79	51.38	84.40	87.24

Range of Loan Age

The following table shows the range of the number of months since the completion dates of the Mortgage Loans as of the Portfolio Reference Date.

Table 6

Range of Mortgage Loan Age (months)	Number of Loans	Total Current Balance (£)	Total Current Balance (%)	Weighted Average Current Interest Rate (%)	Weighted Average Current Margin Rate (%)	Average Loan Size (£)	Weighted Average Remaining Term (Months)	Weighted Average Loan Age (Months)	Weighted Average Original Loan to Value (%)	Weighted Average Index Current Loan to Value (%)	Weighted Average 12-Month Collection Rate (%)	Weighted Average 24-Month Collection Rate (%)
121 to 140.....	1	80,452	0.02	9.59	0.34	80,452	179	121	80.00	42.43	107.32	145.30

Range of Mortgage Loan Age (months)	Number of Loans	Total Current Balance (£)	Total Current Balance (%)	Weighted Average Current Interest Rate (%)	Weighted Average Current Margin Rate (%)	Average Loan Size (£)	Weighted Average Remaining Term (Months)	Weighted Average Loan Age (Months)	Weighted Average Original Loan to Value (%)	Weighted Average Index Current Loan to Value (%)	Weighted Average 12-Month Collection Rate (%)	Weighted Average 24-Month Collection Rate (%)
141 to 160.....	3	304,934	0.07	9.36	0.11	101,645	184	145	74.31	32.27	127.68	116.45
161 to 180.....	138	15,588,795	3.52	9.08	4.04	112,962	90	179	71.87	51.29	78.26	82.13
181 to 200.....	2,130	230,749,401	52.15	7.74	2.71	108,333	97	191	81.44	56.00	83.64	86.60
220 to 220.....	1,397	127,700,119	28.86	7.52	2.50	91,410	88	208	84.99	49.33	85.05	87.88
221 to 240.....	607	52,880,360	11.95	7.73	2.56	87,118	65	229	79.93	41.96	87.99	89.91
241 to 260.....	136	12,741,355	2.88	7.86	2.60	93,686	49	247	76.94	32.65	82.87	86.66
261 to 280.....	32	1,302,937	0.29	8.88	3.00	40,717	32	265	78.48	24.65	90.64	85.58
281 to 300.....	22	1,071,536	0.24	9.56	2.90	48,706	8	290	78.77	31.51	79.42	87.45
301 >=.....	4	79,971	0.02	10.75	1.50	19,993	0	315	68.98	20.47	94.88	94.70
Total	4,470	442,499,860	100.00	7.74	2.68	98,993	88	202	81.79	51.38	84.40	87.24
Min Seasoning	121.00 Months											
Max Seasoning	398.00 Months											
Weighted Average Seasoning	202.50 Months											

Current Interest Rates

The following table shows the range of current interest rates for the Mortgage Loans as of the Portfolio Reference Date.

Table 7

Interest Rate (%)	Number of Loans	Total Current Balance (£)	Total Current Balance (%)	Weighted Average Current Interest Rate (%)	Weighted Average Current Margin Rate (%)	Average Loan Size (£)	Weighted Average Remaining Term (Months)	Weighted Average Loan Age (Months)	Weighted Average Original Loan to Value (%)	Weighted Average Index Current Loan to Value (%)	Weighted Average 12-Month Collection Rate (%)	Weighted Average 24-Month Collection Rate (%)
<= 6.00.....	51	4,650,224	1.05	2.48	-5.32	91,181	54	213	70.67	41.92	72.89	81.12
6.01 to 6.50.....	152	12,764,999	2.88	6.41	1.41	83,980	67	224	71.72	36.08	85.21	86.82
6.51 to 7.00.....	734	60,023,264	13.56	6.83	1.83	81,776	82	205	74.25	42.77	85.41	87.50
7.01 to 7.50.....	1,278	133,325,888	30.13	7.33	2.33	104,324	88	204	83.66	50.88	84.42	87.27
7.51 to 8.00.....	820	87,638,938	19.81	7.81	2.81	106,877	95	200	84.96	54.93	86.32	88.70
8.01 to 8.50	581	63,184,443	14.28	8.21	3.21	108,751	92	197	83.32	56.17	82.94	86.23
8.51 to 9.00.....	444	47,920,000	10.83	8.74	3.73	107,928	95	199	85.76	57.62	83.21	86.49
9.01 to 9.50.....	172	16,934,708	3.83	9.29	4.28	98,458	90	202	79.60	53.12	82.41	85.48
9.51 to 10.00.....	65	5,580,639	1.26	9.81	4.62	85,856	82	206	73.10	43.95	84.03	87.78
10.01 >=.....	173	10,476,756	2.37	10.52	4.36	60,559	68	213	72.83	44.00	84.18	88.47
Total	4,470	442,499,860	100.00	7.74	2.68	98,993	88	202	81.79	51.38	84.40	87.24

Interest Rate (%)	Number of Loans	Total Current Balance (£)	Total Current Balance (%)	Weighted Average Current Interest Rate (%)	Weighted Average Current Margin Rate (%)	Average Loan Size (£)	Weighted Average Remaining Term (Months)	Weighted Average Loan Age (Months)	Weighted Average Original Loan to Value (%)	Weighted Average Index Current Loan to Value (%)	Weighted Average 12-Month Collection Rate (%)	Weighted Average 24-Month Collection Rate (%)
Min Current Interest Rate.....	0.00%											
Max Current Interest Rate.....	13.74%											
Weighted Average Current Interest Rate	7.74%											

The weighted average Current Interest rate as of the Portfolio Reference Date of the Mortgage Loans is 7.74 per cent.

Original Loan to Value Ratios (OLTVs)

The following table shows the range of OLTVs of the Mortgage Loans calculated by dividing the aggregate original balance of all Mortgage Loans (including capitalised interest and capitalised fees) as of the Portfolio Reference Date by the original valuation amount of the Property securing the Mortgage Loans.

Table 8

Original LTV (%)	Number of Loans	Total Current Balance (£)	Total Current Balance (%)	Weighted Average Current Interest Rate (%)	Weighted Average Current Margin Rate (%)	Average Loan Size (£)	Weighted Average Remaining Term (Months)	Weighted Average Loan Age (Months)	Weighted Average Original Loan to Value (%)	Weighted Average Index Current Loan to Value (%)	Weighted Average 12-Month Collection Rate (%)	Weighted Average 24-Month Collection Rate (%)
<= 50.00	249	12,596,550	2.85	7.80	2.74	50,589	72	198	40.90	27.05	77.30	81.47
50.01 to 55.00	125	8,507,832	1.92	7.54	2.52	68,063	82	202	52.50	34.25	80.77	82.41
55.01 to 60.00	203	14,406,326	3.26	7.44	2.39	70,967	71	199	57.95	35.37	88.07	90.30
60.01 to 65.00	213	16,422,272	3.71	7.67	2.59	77,100	82	200	62.83	41.84	84.65	84.93
65.01 to 70.00	321	26,186,655	5.92	7.67	2.57	81,578	83	201	68.27	45.70	82.74	85.23
70.01 to 75.00	379	33,995,589	7.68	7.84	2.77	89,698	79	204	73.11	45.24	84.58	87.84
75.01 to 80.00	614	60,112,244	13.58	7.69	2.61	97,903	86	201	78.21	47.96	85.33	87.93
80.01 to 85.00	692	73,564,187	16.62	7.73	2.69	106,307	87	205	83.31	50.88	84.87	87.69
85.01 to 90.00	667	72,830,797	16.46	7.60	2.53	109,192	88	206	88.25	52.08	86.22	88.76
90.01 to 95.00	501	59,502,105	13.45	7.77	2.71	118,767	95	199	92.74	59.03	83.33	87.25
95.01 to 100.00	406	51,431,184	11.62	7.82	2.76	126,678	99	204	96.93	63.53	84.09	86.74
100.01 >=	100	12,944,118	2.93	8.67	3.65	129,441	120	196	102.88	75.21	81.26	85.73
Total	4,470	442,499,860	100.00	7.74	2.68	98,993	88	202	81.79	51.38	84.40	87.24
Min Original LTV (%)	7.86%											
Max Original LTV (%)	167.66%											
Weighted Average LTV (%).....	81.79%											

The weighted average OLTV as of the Portfolio Reference Date of the Mortgage Loans is 81.79%.

Indexed Current Loan to Value Ratios (ICLTVs)

The following table shows the range of ICLTVs of the Mortgage Loans calculated by dividing the aggregate Current Balance of all Mortgage Loans (including capitalised interest and capitalised fees) as of the Portfolio Reference Date by the original valuation amount of the Property securing the Mortgage Loans indexed using the regional quarterly non-seasonally adjusted Nationwide House Price Index from the date of the original valuation until 30 June 2023.

Table 9

Indexed Current LTV (%)	Number of Loans	Total Current Balance (£)	Total Current Balance (%)	Weighted Average Current Interest Rate (%)	Weighted Average Current Margin Rate (%)	Average Loan Size (£)	Weighted Average Remaining Term (Months)	Weighted Average Loan Age (Months)	Weighted Average Original Loan to Value (%)	Weighted Average Index Current Loan to Value (%)	Weighted Average 12-Month Collection Rate (%)	Weighted Average 24-Month Collection Rate (%)
<= 20.00.....	824	24,359,283	5.50	7.46	2.31	29,562	62	214	67.04	14.28	97.33	96.52
20.01 to 25.00.....	318	15,778,768	3.57	7.68	2.58	49,619	81	208	71.28	22.84	91.96	92.09
25.01 to 30.00.....	342	20,888,500	4.72	7.62	2.51	61,077	91	207	73.96	27.49	90.88	92.40
30.01 to 35.00.....	330	26,953,748	6.09	7.58	2.47	81,678	82	207	73.28	32.47	90.77	91.50
35.01 to 40.00.....	299	29,247,243	6.61	7.62	2.49	97,817	87	209	77.62	37.73	87.52	90.37
40.01 to 45.00.....	321	38,813,450	8.77	7.62	2.60	120,914	87	206	79.37	42.77	87.69	90.23
45.01 to 50.00.....	351	46,774,163	10.57	7.74	2.71	133,260	85	205	81.28	47.57	85.38	87.94
50.01 to 55.00.....	365	51,585,570	11.66	7.74	2.71	141,330	88	201	83.16	52.37	87.63	89.10
55.01 to 60.00.....	353	49,202,152	11.12	7.72	2.65	139,383	88	200	85.49	57.43	82.91	86.43
60.01 to 65.00.....	261	36,916,686	8.34	7.82	2.72	141,443	94	198	86.28	62.46	80.18	85.45
65.01 to 70.00.....	232	33,256,803	7.52	7.81	2.78	143,348	95	197	87.57	67.40	76.35	81.86
70.01 to 75.00.....	187	25,998,662	5.88	7.95	2.94	139,030	98	198	90.01	72.38	80.68	82.97
75.01 to 80.00.....	115	16,590,809	3.75	7.97	2.97	144,268	95	195	90.19	77.39	77.74	82.05
80.01 to 85.00.....	80	11,429,875	2.58	8.10	3.06	142,873	99	194	89.72	82.32	71.32	74.20
85.01 to 90.00.....	38	5,603,337	1.27	8.01	3.01	147,456	95	193	87.93	87.41	63.07	74.05
90.01 to 95.00.....	20	3,066,327	0.69	8.22	3.22	153,316	115	193	91.20	91.76	70.07	75.82
95.01 to 100.00.....	14	2,339,954	0.53	8.04	3.04	167,140	97	190	85.85	97.31	47.23	56.68
100.01=>.....	20	3,694,530	0.83	7.76	2.76	184,727	112	193	90.52	110.92	66.38	73.75
Total	4,470	442,499,860	100.00	7.74	2.68	98,993	88	202	81.79	51.38	84.40	87.24
Min Indexed CLTV (%).....	0.17%											
Max Indexed CLTV (%).....	141.53%											
Weighted Average Indexed CLTV (%).....	51.38%											

* Nationwide Quarterly Non-Seasonally Adjusted Regional House Price Index as of June 2023

The weighted average ICLTV as of the Portfolio Reference Date of the Mortgage Loans is 51.38%.

Current Interest Margin

The table below shows the range of Margin Rates for the Mortgage Loans as of the Portfolio Reference Date.

Table 10

Margin (%)	Number of Loans	Total Current Balance (£)	Total Current Balance (%)	Weighted Average Current Interest Rate (%)	Weighted Average Current Margin Rate (%)	Average Loan Size (£)	Weighted Average Remaining Term (Months)	Weighted Average Loan Age (Months)	Weighted Average Original Loan to Value (%)	Weighted Average Index Current Loan to Value (%)	Weighted Average 12- Month Collection Rate (%)	Weighted Average 24- Month Collection Rate (%)
<= 1.00	56	5,048,788	1.14	3.02	-4.90	90,157	64	207	70.92	41.25	76.79	84.30
1.01 to 1.25	37	4,285,076	0.97	6.25	1.25	115,813	55	234	73.34	36.54	79.35	82.42
1.26 to 1.50	208	11,341,133	2.56	7.57	1.50	54,525	64	227	74.54	35.46	88.68	89.77
1.51 to 1.75	339	26,192,206	5.92	6.72	1.72	77,263	81	213	75.39	40.18	85.19	88.18
1.76 to 2.00	395	33,831,058	7.65	6.92	1.92	85,648	83	199	73.37	44.78	85.59	86.98
2.01 to 2.25	553	52,610,187	11.89	7.18	2.18	95,136	88	205	83.22	48.49	86.63	88.95
2.26 to 2.50	725	80,715,701	18.24	7.42	2.42	111,332	87	203	83.95	52.43	82.98	86.18
2.51 to 2.75	327	34,619,806	7.82	7.64	2.64	105,871	94	198	83.14	53.38	85.27	87.95
2.76 to 3.00	492	53,005,954	11.98	7.91	2.91	107,736	95	201	86.17	55.95	87.01	89.19
3.01 to 3.25	389	45,916,911	10.38	8.13	3.13	118,038	95	197	85.81	58.48	83.58	87.07
3.26 to 3.50	192	17,267,533	3.90	8.42	3.42	89,935	86	198	76.68	50.03	81.25	84.00
3.51 to 3.75	298	31,302,398	7.07	8.67	3.67	105,042	90	203	85.71	55.67	83.74	86.44
3.76 to 4.00	145	16,523,596	3.73	8.86	3.86	113,956	105	191	85.91	61.49	82.11	86.51
4.01 >=	314	29,839,512	6.74	9.68	4.68	95,030	85	202	75.49	50.17	82.11	85.91
Total	4,470	442,499,860	100.00	7.74	2.68	98,993	88	202	81.79	51.38	84.40	87.24
Min Current Interest Margin (%).....	-9.25%											
Max Current Interest Margin (%).....	8.74%											
Weighted Average Current Interest Margin (%).....	2.68%											

The weighted average Current Interest Margin for active Adjustable Rate Mortgage Loans as of the Portfolio Reference Date of the Mortgage Loans is 2.68%.

Current Balances

The following table shows the range of total balances of the Mortgage Loans as of the Portfolio Reference Date.

Table 11

Current Balance (£)	Number of Loans	Total Current Balance (£)	Total Current Balance (%)	Weighted Average Current Interest Rate (%)	Weighted Average Current Margin Rate (%)	Average Loan Size (£)	Weighted Average Remaining Term (Months)	Weighted Average Loan Age (Months)	Weighted Average Original Loan to Value (%)	Weighted Average Index Current Loan to Value (%)	Weighted Average 12-Month Collection Rate (%)	Weighted Average 24-Month Collection Rate (%)
<= 50,000	1,357	39,053,894	8.83	7.62	2.42	28,780	75	208	73.42	23.20	95.17	95.64
50,001 to 100,000	1,299	96,120,436	21.72	7.81	2.77	73,996	104	202	79.61	45.25	90.23	91.14
100,001 to 150,000	881	108,476,557	24.51	7.81	2.78	123,129	94	201	82.37	57.06	84.69	87.70
150,001 to 200,000	501	86,237,749	19.49	7.77	2.71	172,131	86	202	85.41	59.74	81.15	85.41
200,001 to 250,000	246	54,790,289	12.38	7.73	2.66	222,725	78	202	85.93	56.41	80.03	85.19
250,001 to 300,000	112	30,407,441	6.87	7.65	2.61	271,495	76	203	83.03	53.66	81.74	84.54
300,001 to 350,000	36	11,552,404	2.61	7.61	2.61	320,900	66	205	80.34	51.72	74.87	76.91
350,001 to 400,000	24	8,809,728	1.99	7.24	2.06	367,072	66	196	79.51	53.79	73.79	76.90
400,001 to 450,000	7	3,019,467	0.68	7.31	2.31	431,352	84	208	73.31	57.61	53.29	57.36
450,001 to 500,000	2	961,367	0.22	7.12	2.12	480,683	55	214	78.62	54.53	33.81	46.47
500,001 >=	5	3,070,529	0.69	7.07	2.07	614,106	89	205	69.98	38.84	63.71	67.73
Total	4,470	442,499,860	100.00	7.74	2.68	98,993	88	202	81.79	51.38	84.40	87.24
Min Current Balance (£)	59.58											
Max Current Balance (£)	744,996.36											
Average Current Balance (£)	98,993.26											

Mortgage Loan Purpose

The following table shows the purpose of the Mortgage Loans in the Provisional Mortgage Portfolio.

Table 12

Loan Purpose	Number of Loans	Total Current Balance (£)	Total Current Balance (%)	Weighted Average Current Interest Rate (%)	Weighted Average Current Margin Rate (%)	Average Loan Size (£)	Weighted Average Remaining Term (Months)	Weighted Average Loan Age (Months)	Weighted Average Original Loan to Value (%)	Weighted Average Index Current Loan to Value (%)	Weighted Average 12-Month Collection Rate (%)	Weighted Average 24-Month Collection Rate (%)
Re-mortgage	3,348	312,909,932	70.71	7.69	2.66	93,462	84	202	78.73	48.39	85.19	87.74
Purchase	1,107	129,347,057	29.23	7.85	2.72	116,845	99	203	89.21	58.63	82.50	86.03
Equity Release	15	242,871	0.05	9.37	1.47	16,191	30	251	80.50	47.24	84.66	89.05
Total	4,470	442,499,860	100.00	7.74	2.68	98,993	88	202	81.79	51.38	84.40	87.24

Months Clean

The following table shows the Mortgage Loans in the Provisional Mortgage Portfolio and their respective number of months clean.

Table 13

Months Clean	Number of Loans	Total Current Balance (£)	Total Current Balance (%)	Weighted Average Current Interest Rate (%)	Weighted Average Current Margin Rate (%)	Average Loan Size (£)	Weighted Average Remaining Term (Months)	Weighted Average Loan Age (Months)	Weighted Average Original Loan to Value (%)	Weighted Average Index Current Loan to Value (%)	Weighted Average 12-Month Collection Rate (%)	Weighted Average 24-Month Collection Rate (%)
Not Current.....	2,049	223,963,572	50.61	7.82	2.78	109,304	90	202	81.99	54.96	69.23	74.85
0 < Months Clean <= 3	166	16,153,767	3.65	7.67	2.56	97,312	91	202	83.17	50.13	102.17	100.81
3 < Months Clean <= 6	126	12,669,542	2.86	7.51	2.33	100,552	81	200	81.66	50.08	107.15	103.26
6 < Months Clean <= 9	91	8,601,572	1.94	7.37	2.01	94,523	88	205	80.83	49.50	101.30	100.86
9 < Months Clean <= 12	70	6,169,671	1.39	7.68	2.56	88,138	89	200	81.40	47.90	110.52	104.39
12 < Months Clean.....	1,968	174,941,736	39.53	7.67	2.61	88,893	87	203	81.49	47.22	98.79	99.41
Total	4,470	442,499,860	100.00	7.74	2.68	98,993	88	202	81.79	51.38	84.40	87.24

Geographical Distribution of Properties

The following table shows the distribution of geographic region of Properties securing the Mortgage Loans throughout the United Kingdom as of the Portfolio Reference Date.

Table 14

Geographic Region	Number of Loans	Total Current Balance (£)	Total Current Balance (%)	Weighted Average Current Interest Rate (%)	Weighted Average Current Margin Rate (%)	Average Loan Size (£)	Weighted Average Remaining Term (Months)	Weighted Average Loan Age (Months)	Weighted Average Original Loan to Value (%)	Weighted Average Index Current Loan to Value (%)	Weighted Average 12-Month Collection Rate (%)	Weighted Average 24-Month Collection Rate (%)
South East.....	585	82,346,478	18.61	7.66	2.58	140,763	80	204	82.56	46.51	84.33	87.49
Greater London.....	363	62,394,335	14.10	7.69	2.61	171,885	79	208	81.06	41.34	84.95	87.56
North West	651	55,742,120	12.60	7.80	2.75	85,625	96	201	83.00	56.57	83.18	86.68
West Midlands.....	488	41,494,868	9.38	7.74	2.67	85,030	92	204	83.66	50.47	83.45	86.33
Yorkshire & Humberside	491	36,673,923	8.29	7.75	2.70	74,692	95	199	84.39	56.63	83.32	85.34
East Midlands	326	29,871,423	6.75	7.75	2.66	91,630	91	204	83.43	50.15	84.03	87.31
South West	250	28,633,276	6.47	7.67	2.65	114,533	85	206	81.58	47.17	88.79	90.96
Northern Ireland	296	26,723,442	6.04	7.72	2.67	90,282	98	193	68.81	66.90	80.58	84.82
Scotland.....	306	22,490,869	5.08	7.97	2.91	73,500	93	197	81.73	58.29	84.37	85.49
Wales.....	292	21,443,117	4.85	7.83	2.78	73,435	93	200	82.09	52.58	89.51	91.05
North East.....	281	20,119,429	4.55	7.79	2.75	71,599	93	201	83.63	61.29	83.15	87.07
East of England.....	141	14,566,580	3.29	7.65	2.64	103,309	86	205	82.14	47.65	86.08	88.31

Geographic Region	Number of Loans	Total Current Balance (£)	Total Current Balance (%)	Weighted Average Current Interest Rate (%)	Weighted Average Current Margin Rate (%)	Average Loan Size (£)	Weighted Average Remaining Term (Months)	Weighted Average Loan Age (Months)	Weighted Average Original Loan to Value (%)	Weighted Average Index Current Loan to Value (%)	Weighted Average 12-Month Collection Rate (%)	Weighted Average 24-Month Collection Rate (%)
Total	4,470	442,499,860	100.00	7.74	2.68	98,993	88	202	81.79	51.38	84.40	87.24

Origination Year

The following table shows the range of years in which the Mortgage Loans in the Provisional Mortgage Portfolio were originated.

Table 15

Origination Year	Number of Loans	Total Current Balance (£)	Total Current Balance (%)	Weighted Average Current Interest Rate (%)	Weighted Average Current Margin Rate (%)	Average Loan Size (£)	Weighted Average Remaining Term (Months)	Weighted Average Loan Age (Months)	Weighted Average Original Loan to Value (%)	Weighted Average Index Current Loan to Value (%)	Weighted Average 12-Month Collection Rate (%)	Weighted Average 24-Month Collection Rate (%)
1990	1	5,954	0.00	10.75	1.50	5,954	0	398	23.77	1.92	100.00	100.00
1997	1	37,135	0.01	10.75	1.50	37,135	0	310	95.00	24.86	100.00	100.00
1998	9	347,582	0.08	9.73	2.31	38,620	2	299	78.03	30.02	64.10	77.96
1999	10	556,474	0.13	9.47	2.86	55,647	7	287	78.29	32.43	82.51	86.36
2000	11	347,895	0.08	9.83	3.88	31,627	20	280	76.12	25.19	105.69	106.89
2001	28	1,213,167	0.27	8.73	2.90	43,327	33	264	78.59	24.41	88.06	83.61
2002	62	5,141,265	1.16	8.16	2.64	82,924	42	252	77.14	29.36	88.22	90.52
2003	162	15,865,710	3.59	7.91	2.71	97,936	55	241	79.19	37.45	79.11	83.95
2004	437	37,762,920	8.53	7.64	2.47	86,414	66	229	79.84	42.29	88.74	90.70
2005	587	50,101,605	11.32	7.40	2.39	85,352	83	216	84.31	46.42	85.40	87.78
2006	1,014	98,380,096	22.23	7.63	2.61	97,022	91	204	85.14	51.36	85.24	88.14
2007	1,394	148,678,206	33.60	7.65	2.62	106,656	98	194	82.24	56.07	84.41	87.19
2008	746	83,363,469	18.84	8.14	3.11	111,747	93	183	77.45	55.03	81.42	84.70
2009	4	312,995	0.07	11.46	6.46	78,249	32	174	47.87	33.63	75.25	74.52
2010	1	94,006	0.02	8.76	-0.49	94,006	171	153	72.97	27.81	100.07	100.00
2011	2	210,928	0.05	9.63	0.38	105,464	189	142	74.90	34.26	139.99	123.78
2013	1	80,452	0.02	9.59	0.34	80,452	179	121	80.00	42.43	107.32	145.30
Total	4,470	442,499,860	100.00	7.74	2.68	98,993	88	202	81.79	51.38	84.40	87.24

Bankruptcy or Individual Voluntary Arrangements

The following table shows the bankruptcy or individual voluntary arrangement status of the Mortgage Loans in the Provisional Mortgage Portfolio.

Table 16

Bankruptcy or Individual Voluntary Arrangements (Primary Borrower)	Number of Loans	Total Current Balance (£)	Total Current Balance (%)	Weighted Average Current Interest Rate (%)	Weighted Average Current Margin Rate (%)	Average Loan Size (£)	Weighted Average Remaining Term (Months)	Weighted Average Loan Age (Months)	Weighted Average Original Loan to Value (%)	Weighted Average Index Current Loan to Value (%)	Weighted Average 12- Month Collection Rate (%)	Weighted Average 24- Month Collection Rate (%)
No	4,426	436,955,229	98.75	7.74	2.67	98,725	88	203	81.79	51.30	84.61	87.38
Yes	44	5,544,630	1.25	7.80	2.80	126,014	100	197	82.29	57.35	68.12	76.02
Total:	4,470	442,499,860	100.00	7.74	2.68	98,993	88	202	81.79	51.38	84.40	87.24

Property Type

The following table shows the property type of the Mortgage Loans in the Provisional Mortgage Portfolio.

Table 17

Property Type	Number of Loans	Total Current Balance (£)	Total Current Balance (%)	Weighted Average Current Interest Rate (%)	Weighted Average Current Margin Rate (%)	Average Loan Size (£)	Weighted Average Remaining Term (Months)	Weighted Average Loan Age (Months)	Weighted Average Original Loan to Value (%)	Weighted Average Index Current Loan to Value (%)	Weighted Average 12- Month Collection Rate (%)	Weighted Average 24- Month Collection Rate (%)
Residential (House, detached or semi-detached).....	4,257	420,963,774	95.13	7.74	2.70	98,887	89	202	82.02	51.56	84.47	87.32
Other	120	11,116,394	2.51	7.86	2.05	92,637	68	216	72.94	41.95	81.18	83.60
Residential (Flat/Apartment).....	93	10,419,692	2.35	7.64	2.56	112,040	83	205	82.19	54.18	85.24	87.85
Total:	4,470	442,499,860	100.00	7.74	2.68	98,993	88	202	81.79	51.38	84.40	87.24

Years Since Arrears

The following table shows the years since arrears of the Mortgage Loans in the Provisional Mortgage Portfolio

Table 18

Years Since Arrears	Number of Loans	Total Current Balance (£)	Total Current Balance (%)	Weighted Average Current Interest Rate (%)	Weighted Average Current Margin Rate (%)	Average Loan Size (£)	Weighted Average Remaining Term (Months)	Weighted Average Loan Age (Months)	Weighted Average Original Loan to Value (%)	Weighted Average Index Current Loan to Value (%)	Weighted Average 12- Month Collection Rate (%)	Weighted Average 24- Month Collection Rate (%)
In Arrears	2,049	223,963,572	50.61	7.82	2.78	109,304	90	202	81.99	54.96	69.23	74.85
Greater than or equal to 0 Years.....	429	41,361,211	9.35	7.57	2.39	96,413	88	202	82.02	49.86	104.22	101.92
Greater than or equal to 1 Year	277	24,131,696	5.45	7.68	2.57	87,118	88	202	80.46	47.86	100.02	103.72
Greater than or equal to 2 Years.....	209	19,123,303	4.32	7.71	2.59	91,499	87	201	81.66	47.44	97.82	98.05
Greater than or equal to 3 Years.....	683	59,583,946	13.47	7.75	2.69	87,239	87	202	82.22	47.51	98.86	98.79
Greater than or equal to 4 Years.....	70	6,208,083	1.40	7.63	2.52	88,687	83	208	83.04	47.92	97.57	97.44

Years Since Arrears	Number of Loans	Total Current Balance (£)	Total Current Balance (%)	Weighted Average Current Interest Rate (%)	Weighted Average Current Margin Rate (%)	Average Loan Size (£)	Weighted Average Remaining Term (Months)	Weighted Average Loan Age (Months)	Weighted Average Original Loan to Value (%)	Weighted Average Index Current Loan to Value (%)	Weighted Average 12-Month Collection Rate (%)	Weighted Average 24-Month Collection Rate (%)
Greater than or equal to 5 Years.....	70	5,357,546	1.21	7.59	2.53	76,536	88	202	79.91	41.27	97.93	97.92
Greater than or equal to 6 Years.....	56	3,965,974	0.90	7.61	2.61	70,821	93	202	78.53	47.93	99.39	99.20
Greater or equal to 10 Years or Clean for Life.....	627	58,804,528	13.29	7.59	2.56	93,787	86	204	81.32	46.97	99.22	99.26
Total:	4,470	442,499,860	100.00	7.74	2.68	98,993	88	202	81.79	51.38	84.40	87.24

Occupancy Type

The following table shows the occupancy type of the Mortgage Loans in the Provisional Mortgage Portfolio.

Table 19

Occupancy Type	Number of Loans	Total Current Balance (£)	Total Current Balance (%)	Weighted Average Current Interest Rate (%)	Weighted Average Current Margin Rate (%)	Average Loan Size (£)	Weighted Average Remaining Term (Months)	Weighted Average Loan Age (Months)	Weighted Average Original Loan to Value (%)	Weighted Average Index Current Loan to Value (%)	Weighted Average 12-Month Collection Rate (%)	Weighted Average 24-Month Collection Rate (%)
Owner-Occupied.....	4,410	434,308,970	98.15	7.75	2.69	98,483	89	202	81.95	51.57	84.24	87.12
Buy To Let	60	8,190,890	1.85	7.13	2.09	136,515	63	217	73.73	41.34	93.23	93.41
Total:	4,470	442,499,860	100.00	7.74	2.68	98,993	88	202	81.79	51.38	84.40	87.24

Ownership Type

The following table shows the ownership type of the Mortgage Loans in the Provisional Mortgage Portfolio.

Table 20

Ownership type	Number of Loans	Total Current Balance (£)	Total Current Balance (%)	Weighted Average Current Interest Rate (%)	Weighted Average Current Margin Rate (%)	Average Loan Size (£)	Weighted Average Remaining Term (Months)	Weighted Average Loan Age (Months)	Weighted Average Original Loan to Value (%)	Weighted Average Index Current Loan to Value (%)	Weighted Average 12-Month Collection Rate (%)	Weighted Average 24-Month Collection Rate (%)
Freehold	3,641	367,205,188	82.98	7.72	2.66	100,853	87	203	82.30	49.94	84.54	87.39
Leasehold	426	40,440,853	9.14	7.76	2.69	94,932	92	202	81.70	54.02	85.21	88.13
N/A.....	402	34,573,932	7.81	7.87	2.80	86,005	97	195	76.52	63.40	81.91	84.34
Feudal.....	1	279,886	0.06	6.89	1.89	279,886	0	187	77.76	69.64	97.04	119.55
Total:	4,470	442,499,860	100.00	7.74	2.68	98,993	88	202	81.79	51.38	84.40	87.24

Direct Debit

The following table shows the direct debit status of the Mortgage Loans in the Provisional Mortgage Portfolio.

Table 21

Direct Debit Status	Number of Loans	Total Current Balance (£)	Total Current Balance (%)	Weighted Average Current Interest Rate (%)	Weighted Average Current Margin Rate (%)	Average Loan Size (£)	Weighted Average Remaining Term (Months)	Weighted Average Loan Age (Months)	Weighted Average Original Loan to Value (%)	Weighted Average Index Current Loan to Value (%)	Weighted Average 12-Month Collection Rate (%)	Weighted Average 24-Month Collection Rate (%)
No	2,457	257,301,124	58.15	7.75	2.67	104,722	88	202	81.67	52.90	73.94	78.69
Yes	2,013	185,198,736	41.85	7.71	2.68	92,001	89	203	81.97	49.27	98.95	99.13
Total:	4,470	442,499,860	100.00	7.74	2.68	98,993	88	202	81.79	51.38	84.40	87.24

Forbearance Type

The following table shows the forbearance type of the Mortgage Loans in the Provisional Mortgage Portfolio.

Table 22

Forbearance Type	Number of Loans	Total Current Balance (£)	Total Current Balance (%)	Weighted Average Current Interest Rate (%)	Weighted Average Current Margin Rate (%)	Average Loan Size (£)	Weighted Average Remaining Term (Months)	Weighted Average Loan Age (Months)	Weighted Average Original Loan to Value (%)	Weighted Average Index Current Loan to Value (%)	Weighted Average 12-Month Collection Rate (%)	Weighted Average 24-Month Collection Rate (%)
Not in forbearance	2,837	277,149,683	62.63	7.67	2.61	97,691	84	203	81.39	49.87	87.51	89.72
Payment arrangement.....	1,384	139,657,067	31.56	7.85	2.78	100,908	94	201	82.85	53.75	77.86	82.79
Other	224	23,734,642	5.36	7.83	2.79	105,958	104	200	80.20	55.84	86.17	84.11
Term extension (including maturity roll over for interest only loans)	16	1,357,512	0.31	7.96	2.96	84,844	116	199	85.02	44.09	89.52	90.59
Multiple forbearance options exercised.....	6	405,762	0.09	8.84	3.84	67,627	66	224	75.87	37.26	83.89	90.70
Permanent transfer to IO	3	195,193	0.04	7.14	2.14	65,064	142	204	78.90	42.34	100.13	99.86
Total	4,470	442,499,860	100.00	7.74	2.68	98,993	88	202	81.79	51.38	84.40	87.24

ANNEX B

HISTORICAL PERFORMANCE OF THE WIDER MORTGAGE PORTFOLIO

The information consists of CPR, CDR, Loss Severity, Months in Arrears, and Collection Rates of Towd Point Mortgage Funding 2019-Vantage2 plc portfolio. No assurance can be made as to the performance of a particular pool of loans, whether similar to the information shown below for loans originated during any particular period or otherwise.

CPR

The table below sets out on a monthly and quarterly basis the annualised constant prepayment rate for the mortgage loans securitised in the Towd Point Mortgage Funding 2019-Vantage2 plc securitisation. Monthly CPR on any calculation date means the total unscheduled repayment received during the period of one month ending on that calculation date divided by the aggregate current balance of the loans comprised in the mortgage portfolio as at the immediately preceding calculation date. Unscheduled Repayments comprise payments from the Originator for the repurchase of loans from the portfolio, and capital repayments and redemptions from the Borrowers other than those received at the expected term end date of the loan. These are annualised using the formula:

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

where M is the monthly CPR expressed as a percentage.

Quarterly CPR on any calculation date means the total unscheduled repayments received during the period of 3 months ending on that calculation date divided by the aggregate current balance of the loans comprised in the mortgage portfolio as at the start of the Collection Period. Unscheduled Repayments comprise payments from the Originator for the repurchase of loans from the portfolio, and capital repayments and redemptions from the Borrowers other than those received at the expected term end date of the loan. These are annualised using the formula:

$$1 - ((1 - M)^4)$$

where M is the quarterly CPR expressed as a percentage.

It is noted that the CPR methodology was changed in January 2020 to comply with Investor Reporting obligations under Article 7(1)(e) of Regulation (EU) 2017/2402 set out in the ESMA Annex 12 Technical Standards requirements.]

Towd Point Mortgage Funding 2019-Vantage2 plc CPR

Month	Monthly CPR	Quarterly CPR
August 2023	10.50%	8.92%
July 2023	7.75%	7.69%
June 2023	8.53%	6.51%
May 2023	6.85%	6.06%
April 2023	4.12%	6.13%
March 2023	7.30%	6.86%
February 2023	6.97%	7.42%
January 2023	6.40%	8.81%
December 2022	8.97%	9.67%
November 2022	11.15%	8.85%
October 2022	8.97%	7.65%
September 2022	6.52%	6.48%
August 2022	7.53%	6.51%
July 2022	5.50%	7.01%

June 2022	6.52%	7.80%
May 2022	8.97%	7.80%
April 2022	7.97%	6.74%
March 2022	6.63%	6.40%
February 2022	5.72%	7.73%
January 2022	6.97%	7.42%
December 2021	10.50%	6.89%
November 2021	4.81%	5.83%
October 2021	5.38%	5.87%
September 2021	7.30%	6.21%
August 2021	4.93%	7.95%
July 2021	6.40%	7.84%
June 2021	12.43%	9.26%
May 2021	4.58%	7.57%
April 2021	10.71%	7.84%
March 2021	7.42%	5.45%
February 2021	5.38%	4.91%
January 2021	3.54%	4.75%
December 2020	5.84%	5.29%
November 2020	4.93%	4.60%
October 2020	5.04%	3.90%
September 2020	3.77%	4.48%
August 2020	2.96%	4.60%
July 2020	6.74%	4.25%
June 2020	4.12%	2.85%
May 2020	1.79%	3.01%

Source: Capital Home Loans Limited

CDR

The table below sets out on a monthly and quarterly basis the annualised constant default rate for the mortgage loans securitised in the Towd Point Mortgage Funding 2019-Vantage2 plc securitisation.

Monthly CDR on any calculation date means the total new repossessions during the period of one month ending on that calculation date divided by the aggregate current balance of the loans comprised in the mortgage portfolio as at the immediately preceding calculation date. These are annualised using the formula:

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

where M is the monthly CDR expressed as a percentage.

Quarterly CDR on any calculation date means the total new repossessions during the period of 3 months ending on that calculation date divided by the aggregate current balance of the loans comprised in the mortgage portfolio as at the start of the Collection Period. These are annualised using the formula:

$$1 - ((1 - M)^4)$$

where M is the quarterly CDR expressed as a percentage.

Month	Monthly CDR	Quarterly CDR
September 2023	1.07%	1.27%
August 2023	2.02%	1.04%
July 2023	0.84%	0.76%
June 2023	0.24%	0.68%
May 2023	1.19%	0.64%
April 2023	0.60%	0.52%
March 2023	0.12%	0.76%
February 2023	0.72%	0.68%
January 2023	1.31%	0.52%
December 2022	0.00%	0.32%
November 2022	0.24%	0.40%
October 2022	0.72%	0.92%
September 2022	0.36%	1.08%
August 2022	1.79%	1.15%
July 2022	1.19%	0.76%
June 2022	0.48%	0.60%
May 2022	0.60%	0.72%
April 2022	0.72%	0.68%
March 2022	0.96%	0.44%
February 2022	0.48%	0.36%
January 2022	0.00%	0.32%
December 2021	0.60%	0.56%
November 2021	0.36%	0.56%
October 2021	0.72%	0.56%
September 2021	0.60%	0.28%
August 2021	0.24%	0.24%
July 2021	0.00%	0.28%
June 2021	0.48%	0.36%
May 2021	0.36%	0.20%
April 2021	0.24%	0.08%
March 2021	0.00%	0.08%
February 2021	0.00%	0.16%
January 2021	0.24%	0.32%
December 2020	0.24%	0.36%
November 2020	0.48%	0.80%
October 2020	0.36%	0.64%
September 2020	1.67%	0.56%
August 2020	0.00%	0.00%

July 2020	0.00%	0.00%
June 2020	0.00%	0.00%
May 2020	0.00%	0.00%
April 2020	0.00%	0.28%
March 2020	0.00%	No Data
February 2020	0.00%	No Data
January 2020	0.84%	No Data

Source: Towd Point Mortgage Funding 2019-Vantage2 plc - Monthly Investor Reports

Loss Severity

The table below sets out on loss severity (“**Loss Severity**”) for the Mortgage Loans that were securitised in the Towd Point Mortgage Funding 2019-Vantage2 plc securitisation. Loss Severity is calculated, for any mortgage loan relating to a repossessed property, as the ratio of losses in the relevant month to the balance of the loan after repossession and prior to sale.

Month	Weighted Average Loss Severity	Number of Sales in the period
January-2020	20.77%	8
February-2020	32.95%	4
March-2020	0.00%	2
April-2020	0.00%	1
May-2020	9.21%	1
June-2020	0.00%	2
July-2020	11.93%	1
September-2020	45.49%	1
October-2020	16.47%	4
December-2020	0.00%	1
March-2021	8.34%	1
April-2021	0.00%	1
June-2021	4.49%	4
July-2021	11.24%	1
August-2021	8.59%	3
September-2021	33.12%	2
October-2021	21.76%	1
November-2021	23.17%	1
December-2021	25.84%	3
January-2022	0.00%	2
February-2022	0.00%	1
March-2022	0.00%	1
April-2022	11.48%	1
June-2022	0.00%	1
July-2022	0.00%	1
August-2022	21.70%	3

September-2022	0.00%	1
October 2022	24.74%	2
November 2022	13.37%	2
December-2022	0.00%	1
January-2023	0.00%	2
February-2023	4.52%	4
March-2023	0.33%	6
April-2023	0.00%	2
May-2023	0.00%	1
June-2023	15.03%	3
July-2023	0.00%	1
August-2023	25.91%	3
<hr/> Total	<hr/> 12.13%*	<hr/> 80

**Weighted average by balance at time the repossessed property was sold.*

Source: Capital Home Loans Limited

Months in Arrears

The table below sets out the mortgage loans securitised in the Towd Point Mortgage Funding 2019-Vantage2 plc securitisation by number of months in arrears.

Month	1 Month in Arrears (%)	1-2 Months in Arrears (%)	2-3 Months in Arrears (%)	More than 3 Months in Arrears (%)
January 2020	3.53%	8.33%	6.64%	22.19%
February 2020	3.76%	7.71%	6.74%	23.44%
March 2020	6.40%	8.42%	5.80%	25.48%
April 2020	2.13%	8.34%	6.98%	26.52%
May 2020	1.86%	7.77%	5.96%	26.43%
June 2020	3.13%	7.45%	5.35%	26.83%
July 2020	3.34%	6.97%	5.44%	27.13%
August 2020	3.01%	7.07%	5.42%	27.40%
September 2020	3.70%	7.03%	4.97%	27.84%
October 2020	3.72%	6.60%	5.31%	28.34%
November 2020	3.20%	6.91%	4.81%	28.79%
December 2020	3.26%	6.54%	5.28%	29.12%
January 2021	3.76%	6.27%	4.82%	29.91%
February 2021	4.28%	6.36%	4.58%	30.25%
March 2021	3.37%	5.44%	4.65%	30.19%
April 2021	3.62%	5.60%	4.49%	30.29%
May 2021	2.93%	5.34%	4.61%	30.43%
June 2021	2.51%	5.50%	4.21%	30.29%
July 2021	2.40%	5.27%	4.15%	30.76%
August 2021	2.05%	5.29%	4.20%	30.54%
September 2021	2.34%	5.15%	4.12%	30.56%
October 2021	2.69%	5.21%	3.61%	30.72%
November 2021	2.75%	5.14%	3.78%	30.84%
December 2021	2.57%	5.03%	3.77%	31.07%
January 2022	2.30%	5.35%	3.42%	31.23%
February 2022	1.74%	5.27%	3.86%	31.14%
March 2022	1.39%	5.21%	4.02%	31.02%
April 2022	1.79%	5.41%	3.89%	31.18%
May 2022	1.34%	5.27%	4.42%	30.33%
June 2022	1.76%	5.51%	4.05%	30.59%

July 2022	1.16%	6.15%	4.08%	30.45%
August 2022	1.53%	6.28%	4.07%	30.26%
September 2022	1.57%	6.50%	3.99%	30.55%
October 2022	2.00%	6.47%	4.55%	29.98%
November 2022	1.58%	6.91%	5.10%	29.85%
December 2022	1.76%	7.01%	4.94%	31.44%
January 2023	1.75%	7.75%	5.26%	30.92%
February 2023	2.11%	7.21%	6.31%	31.08%
March 2023	2.16%	7.45%	5.53%	32.20%
April 2023	1.98%	7.95%	5.63%	32.86%
May 2023	2.02%	7.21%	6.00%	33.53%
June 2023	2.40%	7.16%	5.99%	34.41%
July 2023	1.71%	7.18%	5.45%	35.48%
August 2023	1.70%	7.47%	5.45%	36.00%

Source: Towd Point Mortgage Funding 2019-Vantage2 plc – Monthly Investor Reports

Collection Rates

The table below sets out collection rate (“**Collection Rate**”) ratios for the mortgage loans securitised in the Towd Point Mortgage Funding 2019-Vantage2 plc securitisation. The ratio is calculated by summing all the monthly payments received in the period and dividing that by the payments due in the period. If the payment due in the period is 0, then the Collection Rate for that period would be 0%. Please note that the payments received exclude the redemption amounts but include partial prepayments.

Month	Monthly Collection Rate	Quarterly Collection Rate	Annual Collection Rate
January 2020	89%	No Data	No Data
February 2020	86%	No Data	No Data
March 2020	80%	85%	No Data
April 2020	69%	78%	No Data
May 2020	64%	71%	No Data
June 2020	67%	67%	No Data
July 2020	75%	69%	No Data
August 2020	74%	72%	No Data
September 2020	83%	77%	No Data
October 2020	84%	80%	No Data
November 2020	83%	84%	No Data
December 2020	81%	83%	78%
January 2021	81%	82%	77%
February 2021	83%	82%	77%
March 2021	91%	85%	78%

April 2021	87%	87%	79%
May 2021	86%	88%	81%
June 2021	93%	89%	83%
July 2021	90%	89%	85%
August 2021	92%	91%	86%
September 2021	91%	91%	87%
October 2021	91%	91%	87%
November 2021	93%	92%	88%
December 2021	88%	91%	89%
January 2022	91%	91%	90%
February 2022	90%	90%	90%
March 2022	98%	93%	91%
April 2022	88%	92%	91%
May 2022	96%	94%	92%
June 2022	93%	92%	92%
July 2022	91%	93%	92%
August 2022	92%	92%	92%
September 2022	92%	92%	92%
October 2022	91%	92%	92%
November 2022	88%	90%	91%
December 2022	85%	88%	91%
January 2023	88%	87%	91%
February 2023	85%	86%	90%
March 2023	93%	89%	90%
April 2023	83%	87%	90%
May 2023	88%	88%	89%
June 2023	86%	86%	88%
July 2023	86%	87%	88%
August 2023	84%	85%	87%
September 2023	84%	85%	87%

Source: Capital Home Loans Limited

ANNEX C

CHARACTERISTICS OF THE UNITED KINGDOM RESIDENTIAL MORTGAGE MARKET

The United Kingdom 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. No assurance can be given that the Mortgage Loans in the Mortgage Portfolio are or will be representative of the performance of the UK housing market. For information relating to the loans contained in the Provisional Mortgage Portfolio (from which the Mortgage Portfolio will be selected), see further the section entitled “Annex A - *Statistical Information on the Provisional Mortgage Portfolio*”.

22 Arrears and Repossession Rates for UK owner-occupied mortgages

The table below sets out the repossession and arrears rates of residential owner-occupied properties in the United Kingdom since 2007.

Year	Number of owner-occupied Mortgages outstanding (at end of period)	> 3 months arrears at end of period	> 3 months arrears rate at end of period	Possession Rate
2007	10,826,500	120,000	1.11%	0.22%
2008	10,498,200	192,000	1.83%	0.35%
2009	10,257,100	250,700	2.44%	0.43%
2010	10,168,600	225,600	2.22%	0.33%
2011	9,996,200	206,600	2.07%	0.31%
2012	9,835,000	199,200	2.03%	0.27%
2013	9,657,800	174,200	1.80%	0.24%
2014	9,491,100	133,170	1.40%	0.17%
2015	9,329,700	113,900	1.22%	0.08%
2016	9,214,100	103,600	1.12%	0.06%
2017	9,110,200	92,010	1.01%	0.05%
2018	9,020,900	85,480	0.95%	0.05%
2019	9,023,000	77,680	0.86%	0.06%
2020	8,981,100	87,980	0.98%	0.02%
2021	8,956,400	82,280	0.92%	0.01%
2022	8,885,400	69,250	0.78%	0.03%

Source: UK Finance

23 Quarterly Retail Price Index and House Price Index

Date	Retail Price Index		Nationwide House Price Index	
	Index	% annual change	Index	% annual change
1988 Q1	103.7		89.95099	
1988 Q2	106.2		97.6136	
1988 Q3	107.7		108.4253	
1988 Q4	109.9		114.1973	

Date	Retail Price Index		Nationwide House Price Index	
	Index	% annual change	Index	% annual change
1989 Q1	111.7	7.71%	118.7638	32.03%
1989 Q2	114.9	8.19%	124.1687	27.20%
1989 Q3	116	7.71%	125.2418	15.51%
1989 Q4	118.3	7.64%	122.6756	7.42%
1990 Q1	120.4	7.79%	118.8679	0.09%
1990 Q2	126	9.66%	117.6624	-5.24%
1990 Q3	128.1	10.43%	114.1973	-8.82%
1990 Q4	130.1	9.97%	109.557	-10.69%
1991 Q1	130.8	8.64%	108.8151	-8.46%
1991 Q2	133.6	6.03%	110.5531	-6.04%
1991 Q3	134.2	4.76%	109.5253	-4.09%
1991 Q4	135.5	4.15%	106.9955	-2.34%
1992 Q1	136.2	4.13%	104.1059	-4.33%
1992 Q2	139.1	4.12%	105.0563	-4.97%
1992 Q3	139	3.58%	104.2185	-4.85%
1992 Q4	139.6	3.03%	100.0792	-6.46%
1993 Q1	138.7	1.84%	100	-3.94%
1993 Q2	140.9	1.29%	103.5703	-1.41%
1993 Q3	141.3	1.65%	103.2275	-0.95%
1993 Q4	141.8	1.58%	101.8383	1.76%
1994 Q1	142	2.38%	102.3905	2.39%
1994 Q2	144.5	2.56%	102.4607	-1.07%
1994 Q3	144.6	2.34%	103.1972	-0.03%
1994 Q4	145.5	2.61%	103.9601	2.08%
1995 Q1	146.8	3.38%	101.9064	-0.47%
1995 Q2	149.5	3.46%	103.0016	0.53%
1995 Q3	149.9	3.67%	102.4052	-0.77%
1995 Q4	150.1	3.16%	101.599	-2.27%
1996 Q1	150.9	2.79%	102.4714	0.55%
1996 Q2	152.8	2.21%	105.7914	2.71%
1996 Q3	153.1	2.13%	107.7384	5.21%
1996 Q4	154	2.60%	110.0562	8.32%
1997 Q1	154.9	2.65%	111.3348	8.65%
1997 Q2	156.9	2.68%	116.5062	10.13%
1997 Q3	158.4	3.46%	121.1961	12.49%
1997 Q4	159.7	3.70%	123.3425	12.07%
1998 Q1	160.2	3.42%	125.4848	12.71%
1998 Q2	163.2	4.02%	130.1084	11.68%
1998 Q3	163.7	3.35%	132.393	9.24%
1998 Q4	164.4	2.94%	132.286	7.25%
1999 Q1	163.7	2.18%	134.6095	7.27%

Date	Retail Price Index		Nationwide House Price Index	
	Index	% annual change	Index	% annual change
1999 Q2	165.5	1.41%	139.6612	7.34%
1999 Q3	165.6	1.16%	144.3537	9.03%
1999 Q4	166.8	1.46%	148.8929	12.55%
2000 Q1	167.5	2.32%	154.9974	15.15%
2000 Q2	170.6	3.08%	161.9874	15.99%
2000 Q3	170.9	3.20%	161.4563	11.85%
2000 Q4	172	3.12%	162.838	9.37%
2001 Q1	171.8	2.57%	167.5224	8.08%
2001 Q2	173.9	1.93%	174.8267	7.93%
2001 Q3	174	1.81%	181.6312	12.50%
2001 Q4	173.8	1.05%	184.5918	13.36%
2002 Q1	173.9	1.22%	190.2237	13.55%
2002 Q2	176	1.21%	206.472	18.10%
2002 Q3	176.6	1.49%	221.0924	21.73%
2002 Q4	178.2	2.53%	231.2867	25.30%
2003 Q1	179.2	3.05%	239.2616	25.78%
2003 Q2	181.3	3.01%	250.1216	21.14%
2003 Q3	181.8	2.94%	258.857	17.08%
2003 Q4	182.9	2.64%	267.1196	15.49%
2004 Q1	183.8	2.57%	277.3411	15.92%
2004 Q2	186.3	2.76%	296.1639	18.41%
2004 Q3	187.4	3.08%	306.1776	18.28%
2004 Q4	189.2	3.44%	304.1479	13.86%
2005 Q1	189.7	3.21%	304.7978	9.90%
2005 Q2	191.9	3.01%	314.1813	6.08%
2005 Q3	192.6	2.77%	314.447	2.70%
2005 Q4	193.7	2.38%	313.9682	3.23%
2006 Q1	194.2	2.37%	319.8167	4.93%
2006 Q2	197.6	2.97%	329.2245	4.79%
2006 Q3	199.3	3.48%	336.0569	6.87%
2006 Q4	201.4	3.98%	343.2478	9.33%
2007 Q1	203	4.53%	350.2089	9.50%
2007 Q2	206.3	4.40%	362.6896	10.16%
2007 Q3	207.1	3.91%	367.3186	9.30%
2007 Q4	209.8	4.17%	366.9755	6.91%
2008 Q1	211.1	3.99%	357.8074	2.17%
2008 Q2	215.3	4.36%	348.1351	-4.01%
2008 Q3	217.4	4.97%	329.5308	-10.29%
2008 Q4	215.5	2.72%	312.8519	-14.75%
2009 Q1	210.9	-0.09%	298.6514	-16.53%
2009 Q2	212.6	-1.25%	307.3429	-11.72%

Date	Retail Price Index		Nationwide House Price Index	
	Index	% annual change	Index	% annual change
2009 Q3	214.4	-1.38%	319.497	-3.04%
2009 Q4	216.9	0.65%	323.4018	3.37%
2010 Q1	219.3	3.98%	324.9396	8.80%
2010 Q2	223.5	5.13%	336.574	9.51%
2010 Q3	224.5	4.71%	333.8508	4.49%
2010 Q4	227	4.66%	325.1078	0.53%
2011 Q1	230.9	5.29%	323.926	-0.31%
2011 Q2	234.9	5.10%	332.6733	-1.16%
2011 Q3	236.2	5.21%	332.3402	-0.45%
2011 Q4	238.6	5.11%	328.7254	1.11%
2012 Q1	239.6	3.77%	324.6103	0.21%
2012 Q2	242.2	3.11%	329.0647	-1.08%
2012 Q3	243.1	2.92%	326.9811	-1.61%
2012 Q4	246	3.10%	325.0135	-1.13%
2013 Q1	247.4	3.26%	325.2762	0.21%
2013 Q2	249.7	3.10%	333.7318	1.42%
2013 Q3	250.9	3.21%	340.9601	4.28%
2013 Q4	252.5	2.64%	347.9953	7.07%
2014 Q1	253.9	2.63%	355.3365	9.24%
2014 Q2	256	2.52%	372.1332	11.51%
2014 Q3	256.9	2.39%	376.6534	10.47%
2014 Q4	257.4	1.94%	377.035	8.34%
2015 Q1	256.4	0.98%	376.1652	5.86%
2015 Q2	258.5	0.98%	387.5211	4.14%
2015 Q3	259.3	0.93%	390.4625	3.67%
2015 Q4	260	1.01%	393.0786	4.26%
2016 Q1	260	1.40%	396.1117	5.30%
2016 Q2	262.2	1.43%	407.43	5.14%
2016 Q3	264.2	1.89%	411.6348	5.42%
2016 Q4	265.8	2.23%	410.819	4.51%
2017 Q1	267.7	2.96%	412.2724	4.08%
2017 Q2	271.5	3.55%	418.8669	2.81%
2017 Q3	274.2	3.79%	422.2591	2.58%
2017 Q4	276.4	3.99%	421.7824	2.67%
2018 Q1	277.5	3.66%	422.4996	2.48%
2018 Q2	280.6	3.35%	428.0577	2.19%
2018 Q3	283.3	3.32%	431.0981	2.09%
2018 Q4	284.9	3.08%	427.2595	1.30%
2019 Q1	284.4	2.49%	424.2983	0.43%
2019 Q2	289	2.99%	430.7131	0.62%
2019 Q3	290.7	2.61%	432.5001	0.33%

Date	Retail Price Index		Nationwide House Price Index	
	Index	% annual change	Index	% annual change
2019 Q4	291.1	2.18%	430.7435	0.82%
2020 Q1	291.7	2.57%	434.7051	2.45%
2020 Q2	292.5	1.21%	439.1381	1.96%
2020 Q3	293.9	1.10%	447.524	3.47%
2020 Q4	294.4	1.13%	458.4602	6.43%
2021 Q1	295.8	1.41%	462.1015	6.30%
2021 Q2	302.3	3.35%	484.1744	10.26%
2021 Q3	307.2	4.53%	493.802	10.34%
2021 Q4	314.7	6.90%	504.9289	10.14%
2022 Q1	320.5	8.35%	520.2063	12.57%
2022 Q2	337.2	11.54%	539.5182	11.43%
2022 Q3	345.3	12.40%	544.8712	10.34%
2022 Q4	358.3	13.85%	529.0321	4.77%
2023 Q1	364	13.57%	514.9085	-1.02%
2023 Q2	374.8	11.15%	522.6478	-3.13%
2023 Q3	376.4	9.01%	519.0299	-4.74%

Source: Office for National Statistics, Nationwide Building Society

The percentage change in the table above is calculated in accordance with the following formula:

$(X/Y)-1$, where X is equal to the reference quarter's index value and Y is equal to the index value of the previous year's corresponding quarter.

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Printed by:

Linklaters Business Services

One Silk Street

London

EC2Y 8HQ