

## IMPORTANT NOTICE

**NOT FOR DISTRIBUTION TO ANY U.S. PERSON OR TO ANY PERSON (AS DEFINED IN REGULATION S UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED) OR ADDRESS IN THE U.S.**

**IMPORTANT:** You must read the following before continuing. The following applies to the prospectus attached to this electronic transmission (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.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES OF THE ISSUER FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION 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) EXCEPT PURSUANT TO AN EXEMPTION FROM SUCH REGISTRATION REQUIREMENTS. THE FOLLOWING PROSPECTUS MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER, AND IN PARTICULAR, MAY NOT BE FORWARDED TO ANY U.S. PERSON. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS PROSPECTUS IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

EXCEPT WITH THE PRIOR WRITTEN CONSENT OF DILOSK DAC ("**DILOSK**") AND WHERE SUCH SALE FALLS WITHIN THE EXEMPTION PROVIDED BY SECTION 20 OF THE FINAL RULES PROMULGATED UNDER SECTION 15G 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 "U.S. PERSON" AS DEFINED IN THE U.S. RISK RETENTION RULES ("**RISK RETENTION U.S. PERSONS**"). PROSPECTIVE INVESTORS SHOULD NOTE THAT THE DEFINITION OF "U.S. PERSON" IN THE U.S. RISK RETENTION RULES IS 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. EACH PURCHASER OF NOTES, INCLUDING BENEFICIAL INTERESTS THEREIN, WILL BE DEEMED TO HAVE MADE CERTAIN REPRESENTATIONS AND AGREEMENTS, INCLUDING THAT IT (1) IS NOT A RISK RETENTION U.S. PERSON (UNLESS IT HAS OBTAINED THE PRIOR WRITTEN CONSENT OF DILOSK DAC), (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.

You are reminded that 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.

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.

By accessing the Prospectus, you shall be deemed to have confirmed and represented to us that (a) you have understood and agree to the terms set out herein, (b) you consent to delivery of the Prospectus by electronic transmission, (c) you are not a U.S. person (within the meaning of Regulation S under the

Securities Act) or acting for the account or benefit of a U.S. person and the electronic mail address that you have given to us and to which this 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 (i) is an investment professional within the meaning of Article 19 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**FPO**") or (ii) is a high net worth entity falling within Article 49(2)(a) to (d) of the FPO.

This 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, NatWest Markets Plc and Citigroup Global Markets Limited.

## DILOSK RMBS NO.3 DAC

(incorporated as a designated activity company in Ireland under number 642839)

Note Class	Initial Principal Amount	Issue Price	Interest Rate / Reference Rate	Margin/ Step-Up Margin	Step-Up Date	Pre-enforcement Redemption Profile	Final Maturity Date	Ratings (DBRS/S&P)
A	EUR 167,552,000	100%	3-month EURIBOR	0.75% p.a./ 1.50% p.a.	The Interest Payment Date falling in April 2022	Pass through amortisation	October 2057	AAA(sf)/ AAA (sf)
B	EUR 13,613,000	100%	3-month EURIBOR	1.20% p.a./ 1.80% p.a.	The Interest Payment Date falling in April 2022	Pass through amortisation	October 2057	AA(high)(sf)/ AA (sf)
C	EUR 12,042,000	100%	3-month EURIBOR	1.60% p.a./ 2.40% p.a.	The Interest Payment Date falling in April 2022	Pass through amortisation	October 2057	A(high)(sf)/ AA- (sf)
D	EUR 10,995,000	100%	3-month EURIBOR	2.00% p.a./ 3.00% p.a.	The Interest Payment Date falling in April 2022	Pass through amortisation	October 2057	BBB(sf)/ A (sf)
X1	EUR 10,472,000	100%	3-month EURIBOR	3.65% p.a./ 3.65% p.a.	The Interest Payment Date falling in April 2022	Redeemed through the Pre-Enforcement Revenue Priority of Payments and pass through amortisation	October 2057	Not rated/ CCC (sf)
X2	EUR 16,755,000	40%	3-month EURIBOR	7.00% p.a./ 0% p.a.	The Interest Payment Date falling in April 2022	Redeemed through the Pre-Enforcement Revenue Priority of Payments	October 2057	N/A
Z1	EUR 5,239,000	100%	Fixed Rate	8.00% p.a./ 0% p.a.	The Interest Payment Date falling in April 2022	Pass through amortisation	October 2057	N/A
Z2	EUR 5,237,000	100%	Fixed Rate	8.00% p.a./ 0% p.a.	The Interest Payment Date falling in April 2022	Pass through amortisation	October 2057	N/A
R	EUR 3,000,000	N/A	Class R Note Interest Amount	N/A	N/A	Pass through amortisation	October 2057	N/A

<b>Issue Date</b>	The Issuer will issue the Notes in the Classes set out above on the Closing Date.
<b>Standalone/programme issuance</b>	Standalone issuance.
<b>Underlying Assets</b>	<p>The Issuer will make payments on the Notes from, <i>inter alia</i>, payments of principal and revenue on a portfolio comprising mortgage loans originated by Dilosk DAC ("the <b>"Seller"</b> and the <b>"Originator"</b>) and secured over residential properties located in Ireland (the <b>"Closing Mortgage Portfolio"</b>) and which will be purchased by the Issuer on the Closing Date. The Issuer may purchase Additional Mortgage Loans on any Business Day during the Pre-Funding Availability Period.</p> <p>Please refer to the section entitled "<i>The Mortgage Portfolio</i>" for further information.</p>
<b>Credit Enhancement</b>	<ul style="list-style-type: none"> <li>● Subordination of junior ranking Notes;</li> <li>● General Reserve Fund; and</li> <li>● Excess Available Revenue Receipts.</li> </ul> <p>Please refer to sections entitled "<i>Key Structural Features</i>" and "<i>Cashflows and Cash Management</i>" for further information.</p>
<b>Liquidity Support</b>	<ul style="list-style-type: none"> <li>● General Reserve Fund;</li> <li>● Available Principal Receipts applied to make up any Remaining Revenue Shortfall; and</li> <li>● Liquidity Reserve Fund.</li> </ul> <p>Please refer to the section entitled "<i>Key Structural Features</i>" for further information.</p>
<b>Redemption Provisions on the Notes</b>	Information on any optional and mandatory redemption of the Notes is summarised in the section entitled (" <i>Transaction Overview – Overview of the Terms and Conditions of the Notes</i> ") and is set out in full in Condition 9 ( <i>Final Redemption, Mandatory Redemption in part, Optional Redemption and Cancellation</i> ).
<b>Credit Rating Agencies</b>	<p>DBRS Ratings Limited ("<b>DBRS</b>") and Standard &amp; Poor's Credit Market Services Europe Limited ("<b>S&amp;P</b>" and, together with DBRS, the "<b>Rating Agencies</b>").</p> <p>As of the date hereof, each of DBRS and S&amp;P is established in the European Union and registered under Regulation (EC) No 1060/2009, as amended, of the European Parliament and of the Council of 16 September 2009 on credit rating agencies (the "<b>CRA Regulation</b>").</p> <p>As such, each of the Rating Agencies is included in the list of credit rating agencies published by the European Securities and Markets Authority ("<b>ESMA</b>") on its website (at <a href="http://www.esma.europa.eu/page/list-registered-and-certified-CRAs">www.esma.europa.eu/page/list-registered-and-certified-CRAs</a>) in accordance with the CRA Regulations. Please refer to the section entitled "<i>Certain Regulatory Disclosures – Credit Rating Agency Regulation</i>" for further information.</p> <p>In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union and registered under the CRA Regulation unless the rating is provided by a credit rating agency operating in the European Union before 7 June 2010 which has submitted an application for registration in accordance with the CRA Regulation and such registration is not refused.</p>
<b>Credit Ratings</b>	<p>Ratings are expected to be assigned to the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class X1 Notes (the "<b>Rated Notes</b>") as set out above on or before the Closing Date. The Class X2 Notes, the Class Z1 Notes, the Class Z2 Notes and the Class R Notes will not be rated.</p> <p>The ratings reflect the views of the Rating Agencies and are based on the Mortgage Loans, the Related Security and the Properties and the structural features of the transaction.</p> <p>The ratings assigned by DBRS address the likelihood of: (a) timely payment of interest due to the Noteholders in relation to the Class A Notes on each Interest Payment Date and ultimate payment of interest due to the Noteholders in relation to the Class B Notes, the Class C Notes and the Class D Notes by the Final Maturity Date and (b) full payment of principal due to the holders of the Rated Notes (other than the Class X1 Notes) by a date that is not later than the Final Maturity Date.</p> <p>The ratings assigned by S&amp;P address the likelihood of: (a) timely payment of interest due to the Noteholders in relation to the Class A Notes on each Interest Payment Date and ultimate payment of interest due to the Noteholders in relation to the Class B Notes, the Class C Notes, the Class D Notes and the Class X1 Notes by the Final Maturity Date and (b) full payment of principal due to the holders of the Rated Notes by a date that is not later than the Final Maturity Date.</p>

	<p>DBRS was engaged to provide a rating in respect of all of the Rated Notes but, as at the Closing Date, declined to provide a rating in respect of the Class X1 Notes. The Class X1 Notes are therefore "Not Rated" by DBRS as at the Closing Date. Prospective investors should carefully consider, prior to making any investment decision, the fact that the Rating Agencies made different and competing assessments of the Class X1 Notes and that only S&amp;P was able to provide a rating for the Class X1 Notes.</p> <p>The assignment of ratings to the Notes is not a recommendation to invest in the Notes. Any credit rating assigned to the Notes may be revised, suspended or withdrawn at any time.</p>
<b>Listings</b>	<p>This document comprises a prospectus for the purpose of Directive 2003/71/EU, as amended or superseded, to the extent that such amendments have been implemented in the relevant member state of the European Economic Area (the "<b>Prospectus Directive</b>"). The Central Bank of Ireland (the "<b>Central Bank</b>") has approved this Prospectus as competent authority under the Prospectus Directive. The Central Bank only approves this Prospectus as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive.</p> <p>The Notes are to be admitted to trading on a regulated market for the purposes of Directive 2014/65/EU (as amended, "<b>MIFID II</b>") and/or which are to be offered to the public in any Member State of the European Economic Area. Application has been made to The Irish Stock Exchange Plc trading as Euronext Dublin ("<b>Euronext Dublin</b>") for the Notes to be admitted to the official list (the "<b>Official List</b>") and trading on its regulated market. Euronext Dublin is a regulated market for the purposes of MIFID II.</p> <p>References in this Prospectus to Notes being listed (and all related references) shall mean that such Notes have been admitted to the Official List and to trading on Euronext Dublin's regulated market.</p>
<b>Benchmarks</b>	<p>Interest payable under the Notes may be calculated by reference to EURIBOR, provided by ICE Benchmark Administration Limited. At the date of this Prospectus, ICE Benchmark Administration Limited appears on the public register of administrators and benchmarks established and maintained by the European Securities and Markets Authority ("<b>ESMA</b>") in accordance with Article 36 of the Regulation (EU) 2016/1011 (the "<b>Benchmarks Regulation</b>").</p> <p>As far as the Issuer is aware, the transitional provisions in Article 51 of the Benchmarks Regulation apply, such that ICE Benchmark Administration Limited is not currently required to obtain authorisation or registration (or, if located outside the European Union, recognition, endorsement or equivalence).</p>
<b>Obligations</b>	<p>The Notes will be obligations of the Issuer alone and will not be guaranteed by, or be the responsibility of, any other entity. The Notes will not be obligations of any Transaction Party other than the Issuer.</p>
<b>Retention Undertaking</b>	<p>On the Closing Date and until all the Notes have been redeemed in full, Dilosk as originator (the "<b>Retention Holder</b>") will retain a material net economic interest of not less than 5 per cent. in the securitisation as required by Article 6 of Regulation (EU) 2017/2402 (the "<b>Securitisation Regulation</b>") together with any technical standards (which does not take into account any relevant national measures) (the "<b>Retention</b>"). As at the Closing Date, the Retention will be satisfied by the Retention Holder subscribing for and thereafter holding an interest in the first loss tranche, represented in this case by the retention by the Retention Holder of the Class Z1 Notes and the Class Z2 Notes, as required by Article 6(3)(d) of the Securitisation Regulation. The aggregate Principal Amount Outstanding of the Class Z1 Notes and the Class Z2 Notes as at the Closing Date is equal to at least 5 per cent. of the nominal value of the securitised exposures. The Retention Holder will undertake to retain the material net economic interest and will give further undertakings with respect to the Retention (as to which, see the section entitled "<i>Certain Regulatory Disclosures</i>"). Any change in the manner in which the interest is held will be notified to the Noteholders. Please refer to the sections entitled "<i>Certain Regulatory Disclosures</i>" and "<i>Subscription and Sale</i>" for further information.</p> <p>The transaction is not intended to involve the retention by a sponsor of at least 5 per cent. of the credit risk of the securitized assets for purposes of compliance with the final rules promulgated under Section 15G of the Securities Exchange Act of 1934, as amended (the "<b>U.S. Risk Retention Rules</b>"), 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.</p> <p>See the risk factor entitled "<i>Risk Factors - Certain Regulatory Considerations – U.S. Retention Requirements</i>" for further details.</p>
<b>Volcker Rule</b>	<p>The Issuer is of the view that it is not now, and immediately following the issuance of the Notes and the application of the proceeds thereof it will not be, a "covered fund" as defined in the regulations adopted under Section 13 of the Bank Holding Company Act of 1956, as amended, commonly known as the "Volcker Rule". Although other exclusions may be available to the Issuer, this conclusion is based on the exemption from the definition of "investment company" in the Investment Company Act provided by</p>

	Section 3(c)(5)(C) thereunder.
<b>Language</b>	The language of the Prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.
<b>Significant Investor</b>	The Seller will, on the Closing Date, subscribe for 100 per cent. of the Class X2 Notes, the Class Z1 Notes, the Class Z2 Notes and the Class R Notes. Please refer to the section entitled " <i>Subscription and Sale</i> " for further information.

**A "RISK FACTORS" SECTION BEGINNING ON PAGE 35 OF THIS PROSPECTUS CONTAINS DETAILS OF CERTAIN RISKS AND OTHER FACTORS THAT SHOULD BE GIVEN PARTICULAR CONSIDERATION BEFORE INVESTING IN THE NOTES. PROSPECTIVE INVESTORS SHOULD BE AWARE OF THE ISSUES SUMMARISED WITHIN THAT SECTION.**

Arranger  
**NatWest Markets**

Joint Lead Managers  
**NatWest Markets and Citigroup Global Markets Limited**

The date of this Prospectus is 18 April 2019.

## IMPORTANT NOTICES

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

The Seller has provided and accepts responsibility for the information set out in the sections headed "*Dilosk DAC*", "*Certain Regulatory Disclosure*", "*The Mortgage Portfolio*" and "*Statistical Information on the Provisional Mortgage Portfolio*". To the best of the knowledge and belief of the Seller (having taken all reasonable care to ensure that such is the case), 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 the Seller 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.

Link ASI Limited, trading as Link Asset Services ("**Link**") accepts responsibility for the information set out in the section headed "*Link Asset Services*". To the best of the knowledge and belief of Link (having taken all reasonable care to ensure that such is the case), 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 Link 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.

Wilmington Trust SP Services (Dublin) Limited (the "**Back-Up Servicer Facilitator**") has provided and accepts responsibility for the information set out in the section headed "*The Back-Up Servicer Facilitator*". To the best of the knowledge and belief of the Back-Up Servicer Facilitator (having taken all reasonable care to ensure that such is the case), 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 the Back-Up Servicer Facilitator 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.

The Bank of New York Mellon, London Branch (the "**Account Bank**") accepts responsibility for the information set out in the section headed "*The Account Bank and the Account Bank Agreement*". To the best of the knowledge and belief of the Account Bank (having taken all reasonable care to ensure that such is the case), 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 the Account Bank as to the accuracy or completeness of any information contained in this Prospectus (other than in the section referred to above) or any other information supplied in connection with the Notes or their distribution.

The Arranger and each Joint Lead Manager do not accept any responsibility for compliance of the Issuer, the Retention Holder, the Seller, the Servicer or the Cash Manager with the requirements of the Securitisation Regulation.

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 Directive by the Central Bank, 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.

SOLELY FOR THE PURPOSES OF THE MANUFACTURER'S PRODUCT APPROVAL PROCESS, THE TARGET MARKET ASSESSMENT IN RESPECT OF THE NOTES HAS LED TO THE CONCLUSION THAT: (I) THE TARGET MARKET FOR THE NOTES IS ELIGIBLE COUNTERPARTIES AND PROFESSIONAL CLIENTS ONLY, EACH AS DEFINED IN DIRECTIVE 2014/65/EU (AS AMENDED, "**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 MANUFACTURER'S TARGET MARKET ASSESSMENT. HOWEVER, A DISTRIBUTOR SUBJECT TO MIFID II IS RESPONSIBLE FOR UNDERTAKING ITS OWN TARGET MARKET ASSESSMENT IN RESPECT OF THE NOTES (BY EITHER ADOPTING OR REFINING THE MANUFACTURER'S TARGET MARKET ASSESSMENT) AND DETERMINING APPROPRIATE DISTRIBUTION CHANNELS.

Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published, in any jurisdiction, except under circumstances that will result in compliance with all applicable laws and regulations. Persons into whose possession this Prospectus comes are required by the Issuer, NatWest Markets Plc, as a "**Joint Lead Manager**" and the "**Arranger**", and Citigroup Global Markets Limited, as a "**Joint Lead Manager**" to inform themselves about and to observe any such restriction. For a further description of certain restrictions on offers and sales of the Notes and distribution of this Prospectus (or any part hereof), see the section entitled "*Subscription and Sale*" below.

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 Arranger, the Joint Lead Managers, the Agents or the Trustee makes any representation, warranty or undertaking, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Prospectus or part thereof or any other information provided by the Issuer in connection with the Notes. None of the Arranger or the Joint Lead Managers 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 Documents, or any other agreement or document relating to the Notes or the Transaction Document, or for the execution, legality, effectiveness, adequacy, genuineness, validity, enforceability or admissibility in evidence thereof.

None of the Arranger, the Joint Lead Managers, the Agents or the Trustee accepts any liability in relation to the information contained in this Prospectus 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 Arranger, the Joint Lead Managers, 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 Arranger, the Joint Lead Managers, the Agents or the Trustee.

THE NOTES DESCRIBED IN THIS PROSPECTUS (TOGETHER WITH ANY OFFERING OR MARKETING DOCUMENT OR INFORMATION PREPARED IN CONNECTION THEREWITH) ARE NOT AND WILL NOT BE OBLIGATIONS OF, OR THE RESPONSIBILITY OF, OR GUARANTEED BY ANY PERSON OTHER THAN THE ISSUER. IN PARTICULAR, THE NOTES WILL NOT BE OBLIGATIONS OF, OR THE RESPONSIBILITY OF, OR GUARANTEED BY, THE SELLER OR ANY COMPANY IN THE SAME GROUP OF COMPANIES AS THE SELLER (INCLUDING ITS RESPECTIVE AFFILIATES (TOGETHER, THE "**RELEVANT PARTIES**")). NO LIABILITY WHATSOEVER IN RESPECT OF ANY FAILURE BY THE ISSUER TO PAY ANY AMOUNT DUE UNDER THE NOTES SHALL BE ACCEPTED BY THE RELEVANT PARTIES OR BY ANY PERSON OTHER THAN THE ISSUER.

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OR ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES SECURITIES LAWS AND THEREFORE MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT PURSUANT TO AN EXEMPTION FROM, SUCH REGISTRATION REQUIREMENTS. THE NOTES ARE NOT



TRANSFERABLE EXCEPT IN ACCORDANCE WITH THE RESTRICTIONS DESCRIBED HEREIN UNDER THE GLOBAL NOTES. FOR A DESCRIPTION OF CERTAIN RESTRICTIONS ON REALES OR TRANSFERS, SEE "*DESCRIPTION OF NOTES IN GLOBAL FORM – U.S. TRANSFER RESTRICTIONS*".

EXCEPT WITH THE PRIOR WRITTEN CONSENT OF DILOSK AND WHERE SUCH SALE FALLS WITHIN THE EXEMPTION PROVIDED BY SECTION 20 OF THE FINAL RULES PROMULGATED UNDER SECTION 15 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 ("**RISK RETENTION U.S. PERSONS**"). PROSPECTIVE INVESTORS SHOULD NOTE THAT THE DEFINITION OF "U.S. PERSON" IN THE U.S. RISK RETENTION RULES IS SUBSTANTIALLY SIMILAR TO, BUT NOT IDENTICAL TO, THE DEFINITION OF "U.S. PERSON" IN REGULATION S. EACH PURCHASER OF NOTES, INCLUDING BENEFICIAL INTERESTS THEREIN, WILL BE DEEMED TO HAVE MADE CERTAIN REPRESENTATIONS AND AGREEMENTS, INCLUDING THAT IT (1) IS NOT A RISK RETENTION U.S. PERSON (UNLESS IT HAS OBTAINED THE PRIOR WRITTEN CONSENT OF DILOSK), (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.

**PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – THE NOTES ARE NOT INTENDED TO BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE AND SHOULD NOT BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO ANY RETAIL INVESTORS IN THE EUROPEAN ECONOMIC AREA ("**EEA**"). FOR THESE PURPOSES, A RETAIL INVESTOR MEANS A PERSON WHO IS ONE (OR MORE) OF: (I) A RETAIL CLIENT AS DEFINED IN POINT (11) OF ARTICLE 4(1) OF MIFID II; (II) A CUSTOMER WITHIN THE MEANING OF DIRECTIVE 2016/97/EU ("**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 DIRECTIVE 2003/71/EC (AS AMENDED OR SUPERSEDED, THE "**PROSPECTUS DIRECTIVE**"). CONSEQUENTLY, NO KEY INFORMATION DOCUMENT REQUIRED BY REGULATION (EU) NO. 1286/2014 (AS AMENDED, THE "**PRIIPS REGULATION**") FOR OFFERING OR SELLING THE NOTES OR OTHERWISE MAKING THEM AVAILABLE TO RETAIL INVESTORS IN THE EEA HAS BEEN PREPARED AND THEREFORE OFFERING OR SELLING THE NOTES OR OTHERWISE MAKING THEM AVAILABLE TO ANY RETAIL INVESTOR IN THE EEA MAY BE UNLAWFUL UNDER THE PRIIPS REGULATION.

THIS PROSPECTUS IS BEING SENT AT YOUR REQUEST AND BY ACCESSING THE PROSPECTUS, YOU SHALL BE DEEMED TO HAVE CONFIRMED AND REPRESENTED TO US THAT (I) YOU HAVE UNDERSTOOD AND AGREE TO THE TERMS SET OUT HEREIN, (II) YOU CONSENT TO DELIVERY OF THE PROSPECTUS BY ELECTRONIC TRANSMISSION, AND (III) YOU ARE NOT, AND ARE NOT ACTING FOR THE ACCOUNT OR BENEFIT OF, A U.S. PERSON (AS DEFINED IN REGULATION S) AND THE ELECTRONIC MAIL ADDRESS THAT YOU HAVE GIVEN TO US AND TO WHICH THIS E-MAIL HAS BEEN DELIVERED IS NOT LOCATED IN THE UNITED STATES, ITS TERRITORIES AND POSSESSIONS OR THE DISTRICT OF COLUMBIA.

THE JOINT LEAD MANAGERS, THE SELLER, THE RETENTION HOLDER AND EACH SUBSEQUENT PURCHASER OF THE NOTES WILL BE DEEMED BY ITS ACCEPTANCE OF SUCH NOTES TO HAVE MADE CERTAIN ACKNOWLEDGEMENTS, REPRESENTATIONS AND AGREEMENTS INTENDED TO RESTRICT THE RESALE OR OTHER TRANSFER OF THE NOTES AS DESCRIBED IN THIS PROSPECTUS AND (IN RESPECT OF THE JOINT LEAD MANAGERS, THE SELLER AND THE RETENTION HOLDER) AS SET OUT IN THE SUBSCRIPTION AGREEMENT AND, IN CONNECTION THEREWITH, MAY BE REQUIRED TO PROVIDE CONFIRMATION OF ITS COMPLIANCE WITH SUCH RESALE AND OTHER TRANSFER RESTRICTIONS IN CERTAIN CASES. SEE "*TRANSFERS AND TRANSFER RESTRICTIONS*".

None of the Issuer, the Joint Lead Managers, the Trustee, the Agents or the Arranger 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 Joint Lead Managers or the Arranger.

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 Joint Lead Managers or the Arranger other than as set out in the paragraph headed "*Listings*" on page (iii) 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 and Ireland), except in circumstances that will result in compliance with applicable laws, orders, rules and regulations.

The Notes will be represented by Global Notes which are expected to be deposited with a common safekeeper (the "**Common Safekeeper**") for Euroclear Bank S.A./N.V. ("**Euroclear**") and Clearstream Banking *société anonyme* ("**Clearstream, Luxembourg**") and, together with Euroclear, the "**ICSDs**") and registered in the name of a nominee of the Common Safekeeper on the Closing Date.

The Global Notes are intended to be held in a manner which will allow Eurosystem eligibility. This simply means that the Global Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and registered in the name of a nominee of one of the ICSDs acting as common safekeeper, and 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 ECB being satisfied that Eurosystem eligibility criteria have been met.

References in this Prospectus to "**euro**", "**€**" or "**EUR**" are to the lawful currency of the Member States of the European Union that have adopted a single currency in accordance with the Treaty establishing the European Communities, as amended by the Treaty of European Union. References in this Prospectus to Ireland mean Ireland (excluding Northern Ireland).

### **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 judgments 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 Ireland. 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 Arranger, the Joint Lead Managers, or the Seller has attempted to verify any forward-looking statements

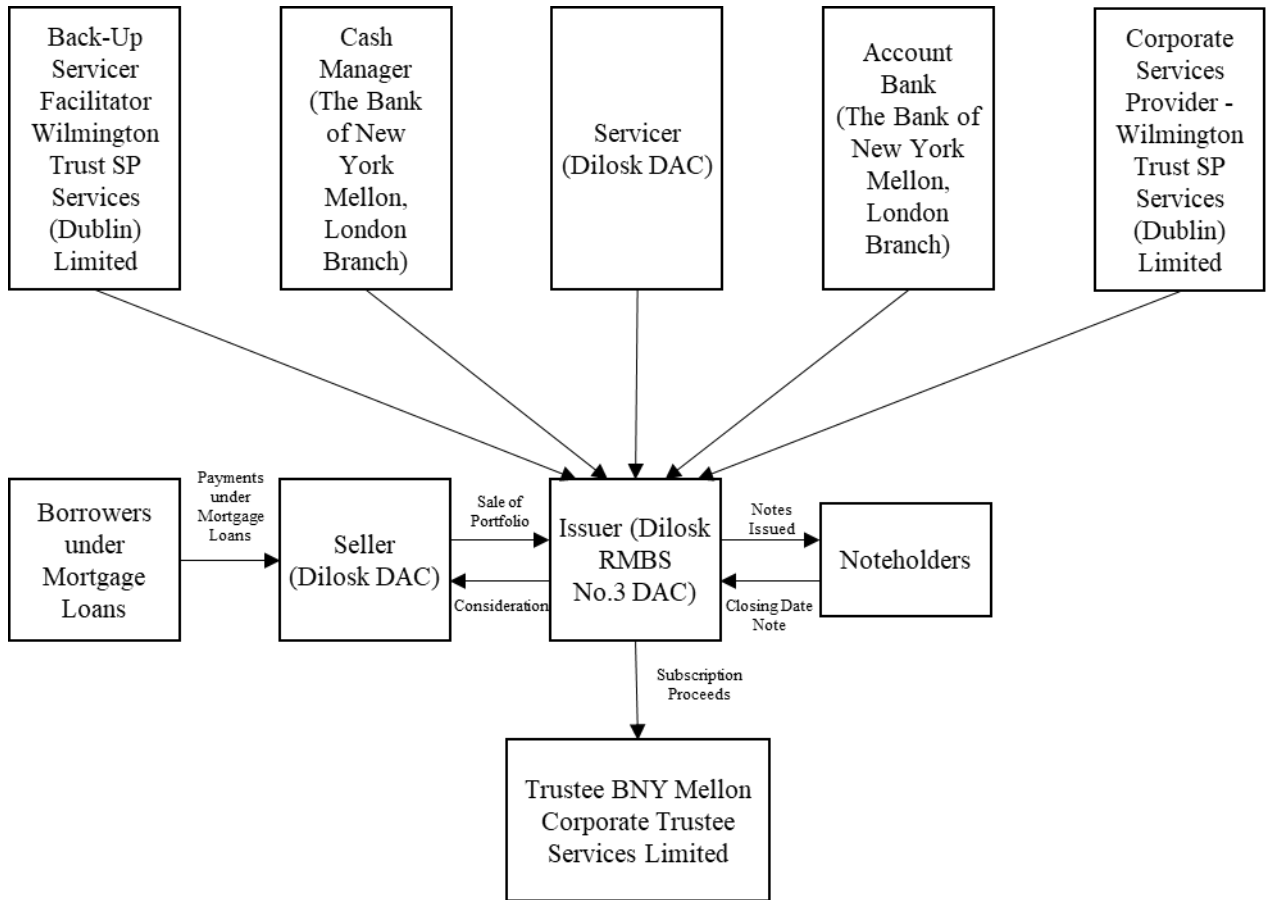
or Statistical Information, nor does it make any representations, express or implied, with respect thereto. Prospective purchasers should therefore not place undue reliance on any of these forward-looking statements or Statistical Information. None of the Issuer, the Arranger, the Joint Lead Managers or the Seller 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.

Any investment in the Notes does not have the status of a bank deposit and is not within the scope of the deposit protection scheme operated by the Central Bank. The Issuer is not regulated by the Central Bank by virtue of the issue of the Notes.

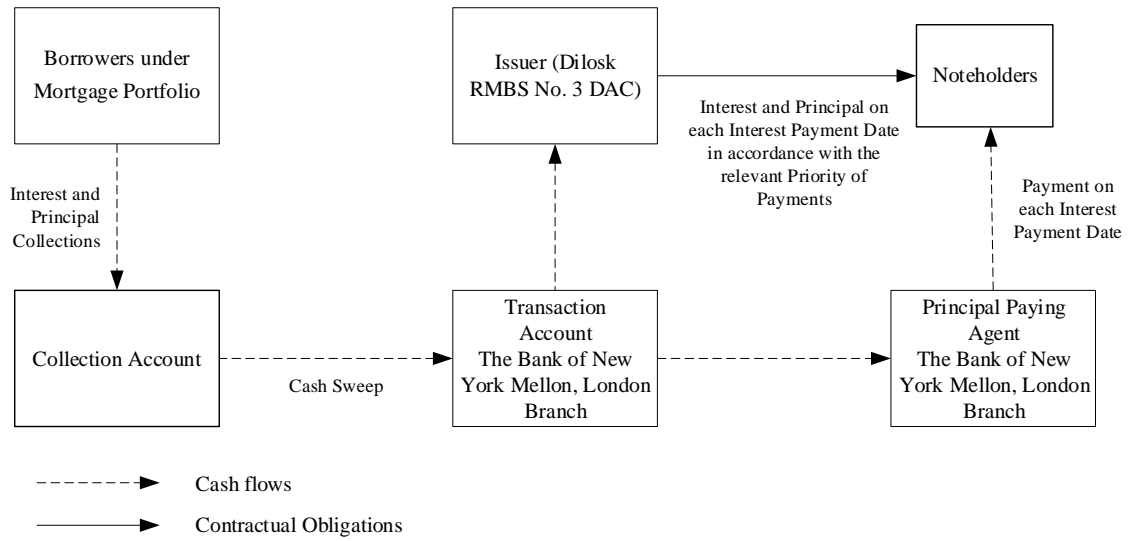
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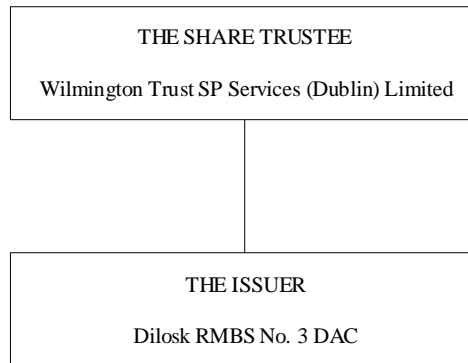
**DIAGRAMMATIC OVERVIEW OF TRANSACTION**



## DIAGRAMMATIC OVERVIEW OF ON-GOING CASHFLOWS



## DIAGRAMMATIC OVERVIEW OF OWNERSHIP STRUCTURE



The entire issued share capital of the Issuer is legally owned by Wilmington Trust SP Services (Dublin) Limited (the "**Share Trustee**") on discretionary trust, the benefit of which is expressed to be for charitable purposes.

## 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.*

### TRANSACTION PARTIES ON THE CLOSING DATE

<b>Party</b>	<b>Name</b>	<b>Address</b>	<b>Document under which appointed / Further Information</b>
<b>Issuer:</b>	Dilosk RMBS No.3 DAC	Fourth Floor, 3 George's Dock IFSC Dublin 1	N/A  See the section entitled " <i>The Issuer</i> " for further information
<b>Originator/Seller /Retention Holder:</b>	Dilosk DAC	16 Hume Street Dublin 2 Ireland	See the section entitled " <i>Dilosk DAC</i> " for further information
<b>Servicer:</b>	Dilosk DAC	16 Hume Street Dublin 2 Ireland	Servicing Agreement  See the section entitled " <i>The Servicer and the Servicing Agreement</i> " for further information
<b>Delegate Servicer:</b>	Link ASI Limited, trading as Link Asset Services	Block C, Second Floor, Maynooth Business Campus, Maynooth, Co. Kildare	Servicing Agreement
<b>Back-Up Servicer Facilitator:</b>	Wilmington Trust SP Services (Dublin) Limited	Fourth Floor, 3 George's Dock IFSC Dublin 1	Servicing Agreement  See the sections entitled " <i>The Servicer and the Servicing Agreement</i> " for further information
<b>Cash Manager:</b>	The Bank of New York Mellon, London Branch	One Canada Square, Canary Wharf, London E14 5AL	Cash Management Agreement  See the section entitled " <i>Cashflows and Cash Management</i> " for further information
<b>Trustee:</b>	BNY Mellon Corporate Trustee Services Limited	One Canada Square, Canary Wharf, London E14 5AL	Trust Deed, Irish Deed of Charge and English Deed of Charge  See the section entitled " <i>Terms and Conditions of the Notes</i> " for further information
<b>Principal Paying Agent:</b>	The Bank of New York Mellon, London Branch	One Canada Square, Canary Wharf, London E14 5AL	Agency Agreement  See the section entitled " <i>Terms and Conditions of the Notes</i> " for further information



<b>Party</b>	<b>Name</b>	<b>Address</b>	<b>Document under which appointed / Further Information</b>
<b>Agent Bank:</b>	The Bank of New York Mellon, London Branch	One Canada Square, Canary Wharf, London E14 5AL	Agency Agreement  See the section entitled " <i>Terms and Conditions of the Notes</i> " for further information
<b>Registrar:</b>	The Bank of New York Mellon SA/NV, Luxembourg Branch	-4 Rue Eugène Ruppert, 2453 Luxembourg	Agency Agreement
<b>Account Bank:</b>	The Bank of New York Mellon, London Branch	One Canada Square, Canary Wharf, London E14 5AL	Account Bank Agreement  See the section entitled " <i>Cashflows and Cash Management</i> " for further information
<b>Collection Account Bank:</b>	BNP Paribas, Dublin Branch	5 George's Dock, IFSC, Dublin 1, Ireland	N/A
<b>Corporate Services Provider:</b>	Wilmington Trust SP Services (Dublin) Limited	Fourth Floor, 3 George's Dock, International Financial Services Centre, Dublin 1	Corporate Services Agreement  See the section entitled " <i>The Issuer</i> " for further information
<b>Arranger:</b>	NatWest Markets Plc	250 Bishopsgate London EC2M 4AA	N/A
<b>Joint Lead Manager:</b>	NatWest Markets Plc	250 Bishopsgate London EC2M 4AA	Subscription Agreement  See the section entitled " <i>Subscription and Sale</i> " for further information
<b>Joint Lead Manager:</b>	Citigroup Global Markets Limited	Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, United Kingdom	Subscription Agreement  See the section entitled " <i>Subscription and Sale</i> " for further information
<b>Share Trustee:</b>	Wilmington Trust SP Services (Dublin) Limited	Fourth Floor, 3 George's Dock, International Financial Services Centre, Dublin 1	N/A
<b>Auditors of the Issuer:</b>	KPMG	1 Stokes Place, St Stephen's Green, Dublin 2, Ireland	N/A
<b>Irish Listing Agent:</b>	A&L Listing Limited	25/28 North Wall Quay, Dublin 1 Ireland	N/A

## OVERVIEW OF THE TERMS AND CONDITIONS OF THE NOTES

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

### FULL CAPITAL STRUCTURE OF THE NOTES

	<u>Class A Notes</u>	<u>Class B Notes</u>	<u>Class C Notes</u>	<u>Class D Notes</u>	<u>Class X1 Notes</u>	<u>Class X2 Notes</u>	<u>Class Z1 Notes</u>	<u>Class Z2 Notes</u>	<u>Class R Notes</u>
<b>Currency:</b>	€	€	€	€	€	€	€	€	€
<b>Principal Amount:</b>	€167,552,000	€13,613,000	€12,042,000	€10,995,000	€10,472,000	€16,755,000	€5,239,000	€5,237,000	€3,000,000
<b>Credit Enhancement:</b>	Overcollateralisation of the Class B Notes, the Class C Notes, the Class D Notes, the Class Z1 Notes and the Class Z2 Notes, excess Revenue Receipts and the Liquidity Reserve Fund	Overcollateralisation of the Class C Notes, the Class D Notes, the Class Z1 Notes and the Class Z2 Notes and excess Revenue Receipts	Overcollateralisation of the Class D Notes, the Class Z1 Notes and the Class Z2 Notes and excess Revenue Receipts	Overcollateralisation of the Class Z1 Notes and the Class Z2 Notes and excess Revenue Receipts	Excess Revenue Receipts	Excess Revenue Receipts	Overcollateralisation of the Class Z2 Notes and excess Revenue Receipts	Excess Revenue Receipts	N/A
<b>Liquidity Support:</b>	Subordination in payment of the Notes (other than the A Notes), General Reserve Fund, Liquidity Reserve Fund and Available Principal Receipts to make up a Shortfall or Remaining Revenue Shortfall	Subordination in payment of the Notes (other than the Class A Notes and the Class B Notes); General Reserve Fund and Available Principal Receipts to make up Shortfall or Remaining Revenue Shortfall	Subordination in payment of the Notes (other than the Class A Notes, the Class B Notes and the Class C Notes); General Reserve Fund and Available Principal Receipts to make up Shortfall or Remaining Revenue Shortfall	Subordination in payment of the Notes (other than the Class A Notes, the Class B Notes, the Class C Notes and Class D Notes); General Reserve Fund and Available Principal Receipts to make up Shortfall or Remaining Revenue Shortfall	Subordination in payment of the Class X2 Notes, Class Z1 Notes, the Class Z2 Notes and the Class R Notes	Subordination in payment of the Class Z1 Notes, the Class Z2 Notes and the Class R Notes	Subordination in payment of the Class Z2 Notes and the Class R Notes	Subordination in payment of the Class R Notes	N/A
<b>Issue Price:</b>	100%	100%	100%	100%	100%	40%	100%	100%	N/A
<b>Interest Reference Rate on Floating</b>	3 Month EURIBOR	3 Month EURIBOR	3 Month EURIBOR	3 Month EURIBOR	3 Month EURIBOR	3 Month EURIBOR	N/A	N/A	Class R Note Interest Amount

	<u>Class A Notes</u>	<u>Class B Notes</u>	<u>Class C Notes</u>	<u>Class D Notes</u>	<u>Class X1 Notes</u>	<u>Class X2 Notes</u>	<u>Class Z1 Notes</u>	<u>Class Z2 Notes</u>	<u>Class R Notes</u>
<b>Rate Notes:</b>									
<b>Relevant Margin prior to Step-Up Date:</b>	0.75% p.a.	1.20% p.a.	1.60% p.a.	2.00% p.a.	3.65% p.a.	7.00% p.a.	N/A	N/A	N/A
<b>Relevant Margin on and following Step-Up Date:</b>	1.50% p.a.	1.80% p.a.	2.40% p.a.	3.00% p.a.	3.65% p.a.	0% p.a.	N/A	N/A	N/A
<b>Rate of Interest for Fixed Rate Notes prior to Step-Up Date:</b>	N/A	N/A	N/A	N/A	N/A	N/A	8.00% p.a.	8.00% p.a.	N/A
<b>Relevant Fixed Rate on and following Step-Up Date:</b>	N/A	N/A	N/A	N/A	N/A	N/A	0% p.a.	0% p.a.	N/A
<b>Step-Up Date:</b>				Interest Payment Date falling in April 2022					N/A
<b>Interest Accrual Method:</b>					Actual/360				
<b>Interest Payment Dates:</b>	Interest will be payable in respect of the Notes quarterly in arrears on 20 January, 20 April, 20 July and 20 October in each year or, if such day is not a Business Day, the next following Business Day								
<b>Business Day Convention:</b>					Modified Following				
<b>First Interest Payment Date:</b>					Interest Payment Date falling in October 2019				
<b>Pre-Enforcement Redemption Profile:</b>	Sequential pass through redemption. Please refer to Condition 5 ( <i>Status and Ranking</i> ), with the Class X1 Notes redeemed through the Pre-Enforcement Revenue Priority of Payments and the Pre-Enforcement Principal Priority of Payments and the Class X2 Notes redeemed through the Pre-Enforcement Revenue Priority of Payments. On the first Interest Payment Date: (i) the Class A Notes, the Class B Notes, Class C Notes, Class D Notes and Class Z1 Notes will be partially redeemed on a <i>pro rata</i> basis in an amount equal to the funds standing to the credit of the Pre-Funding Principal Reserve and (ii) the Class Z2 Notes will be partially redeemed in an amount equal to the General Reserve Excess Amount.								N/A

	<u>Class A Notes</u>	<u>Class B Notes</u>	<u>Class C Notes</u>	<u>Class D Notes</u>	<u>Class X1 Notes</u>	<u>Class X2 Notes</u>	<u>Class Z1 Notes</u>	<u>Class Z2 Notes</u>	<u>Class R Notes</u>
<b>Post-Enforcement Redemption Profile:</b>	Pass-through redemption in accordance with the Post-Enforcement Priority of Payments. Please refer to Condition 5.3 ( <i>Status and Ranking</i> )								N/A
<b>Clean Up Call:</b>	Applicable								
<b>Other Early Redemption in Full Events</b>	Tax or illegality. Please refer to Condition 9.4 ( <i>Optional Redemption in whole for taxation or other reasons</i> )								
<b>Final Maturity Date:</b>	The Interest Payment Date falling in October 2057								
<b>Form of the Notes:</b>	Registered Global Notes								
<b>Application for Exchange Listing:</b>	Euronext Dublin								
<b>Reg S ISIN:</b>	XS1968465226	XS1968465655	XS1968465812	XS1968466034	XS1968468246	XS1968466463	XS1968468832	XS1968468915	XS1968468592
<b>Reg S Common Code:</b>	196846522	196846565	196846581	196846603	196846824	196846646	196846883	196846891	196846859
<b>Clearance/Settlement:</b>	Euroclear/Clearstream Luxembourg								
<b>Minimum Denomination:</b>	€100,000 and integral multiples of €1,000 in excess thereof								
<b>Retained Amount:</b>	A holding of exposure to the Class Z1 Notes and Class Z2 Notes in an amount such that the total nominal value of exposure to the Class Z1 Notes and the Class Z2 Notes held by it is at least equal to 5 per cent. of the nominal value of the Mortgage Portfolio as at the Issue Date so as to hold exposure to securitised exposures at not less than the retention requirement								

## OVERVIEW OF TERMS AND CONDITIONS OF THE NOTES

Please refer to the section entitled "Terms and Conditions of the Notes" for further detail in respect of the terms of the Notes.

### **Ranking of Payments of Interest:**

Payments of interest on the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class X1 Notes, the Class X2 Notes, the Class Z1 Notes and the Class Z2 Notes will be paid in Sequential Order. Payments of interest on the Class B Notes, the Class C Notes, the Class D Notes, the Class X1 Notes, the Class X2 Notes, the Class Z1 Notes and the Class Z2 Notes rank behind certain payments made to the Liquidity Reserve Fund. Payments of interest on the Class X1 Notes, the Class X2 Notes, the Class Z1 Notes and the Class Z2 Notes rank behind certain payments made to the General Reserve Fund.

The Notes within each individual Class will rank *pro rata* and *pari passu* and rateably among themselves at all times in respect of payments of interest to be made to such individual Class.

Any reference to a "Class" of Noteholders shall be a reference to the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class X1 Notes, the Class X2 Notes, the Class Z1 Notes, the Class Z2 Notes and the Class R Notes, as the case may be, or to the respective holders thereof.

### **Ranking of Payments of Principal:**

Payments of principal on the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class X1 Notes, the Class Z1 Notes and the Class Z2 Notes will be paid in Sequential Order.

In addition to payments of principal in accordance with the Pre-Enforcement Principal Priority of Payments, payments of principal on the Class X1 Notes will also be made in accordance with the Pre-Enforcement Revenue Priority of Payments, up to a maximum of the Class X1 Redemption Amount on each Interest Payment Date.

Payments of principal on the Class X2 Notes will be made in accordance with the Pre-Enforcement Revenue Priority of Payments.

The Notes within each Class will rank *pro rata* and *pari passu* and rateably among themselves at all times in respect of payments of principal to be made to such Class.

For a more detailed summary of the Priorities of Payments, please refer to the section entitled "Cashflows and Cash Management".

### **Sequential Order:**

In respect of payments of interest and principal to be made to the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class X1 Notes, the Class X2 Notes, the Class Z1 Notes and the Class Z2 Notes and the Class R Notes in accordance with the relevant Priority of Payments.

### **Most Senior Class:**

The Class A Notes whilst they remain outstanding and, thereafter, the Class B Notes whilst they remain outstanding and, thereafter, the Class C Notes whilst they remain outstanding and, thereafter, the Class D Notes whilst they remain outstanding and, thereafter, the Class X1 Notes whilst they remain outstanding and, thereafter, the Class X2 Notes whilst they remain outstanding and, thereafter, the Class Z1 Notes whilst they remain outstanding and, thereafter, the Class Z2 Notes whilst they remain outstanding and, thereafter,

the Class R Notes whilst they remain outstanding (the "**Most Senior Class**").

**Most Senior Class of Rated Notes:**

The Class A Notes whilst they remain outstanding and, thereafter, the Class B Notes whilst they remain outstanding and, thereafter, the Class C Notes whilst they remain outstanding and, thereafter, the Class D Notes whilst they remain outstanding (the "**Most Senior Class of Rated Notes**").

**Security:**

The Issuer's obligations in respect of the Notes are secured and will share the same Security together with the other secured obligations of the Issuer in accordance with the Irish Deed of Charge and the English Deed of Charge as described in further detail in "*Certain Other Transaction Documents – Irish Deed of Charge*" and "*Certain Other Transaction Documents – English Deed of Charge*". The security granted by the Issuer includes:

- (a) a first fixed charge over the benefit of the Issuer's interest in the Mortgage Loans and the Related Security (which, until notice is served on the Borrowers and, in respect of mortgages of property comprising of registered land, until registration is effected, will take effect as an equitable assignment);
- (b) first fixed charges over the Transaction Account and other bank accounts of the Issuer established on or after the Closing Date (other than the Issuer Profit Account) and all monies (including interest) from time to time standing to the credit of such accounts and the debts represented thereby, in accordance with the Account Bank Agreement or the other Transaction Documents;
- (c) an assignment by way of security of the Issuer's interests in the Buildings Policies and a first fixed charge over the Issuer's interests in life policies relating to the Mortgage Loans and any other insurance policies relating to the Mortgage Loans;
- (d) an assignment by way of security of the benefit under each relevant Transaction Document (other than the Trust Documents and the Corporate Services Agreement); and
- (e) a first floating charge over the whole of its undertaking and all its property, assets, rights and revenues (other than the Excluded Assets (as defined below)) whatsoever and wheresoever present and future including its uncalled capital (including assets expected to be subject to a fixed charge or assignment by way of security or absolute assignment as described above) and extending over all of its property, assets, rights or revenues as are situated in Ireland or governed by Irish law (whether or not the subject of the fixed charges or assignments described above).

The Issuer Profit Account (including all monies held therein) and interests in the Trust Documents and the Corporate Services Agreement (the "**Excluded Assets**") will not form part of the security.

"**Issuer Profit Account**" means the account in the name of the Issuer in which the Issuer's share capital and any Issuer Profit

Amount will be held.

Certain other Secured Amounts rank senior to the Issuer's obligations under the Notes 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 interest rates applicable to each Class of Notes are described in the sections "*Full Capital Structure of the Notes*" and "*Terms and Conditions of the Notes*".

**Interest Deferral:** Interest due and payable on the Most Senior Class of Notes will not be deferred. Interest due and payable on a Class of Notes (other than the Most Senior Class of Notes) may be deferred in accordance with Condition 8.12 (*Interest Accrual*).

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

- (a) mandatory redemption in whole on the Final Maturity Date, as fully set out in Condition 9.1 (*Final Redemption*);
- (b) mandatory redemption in part on any Interest Payment Date prior to the delivery of an Enforcement Notice subject to availability of Available Principal Receipts, as fully set out in Condition 9.2(a) (*Mandatory Redemption in part*);
- (c) on the first Interest Payment Date, mandatory redemption of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class Z1 Notes on a *pro rata* basis, in an amount equal to the funds then standing to the credit of the Pre-Funding Principal Reserve Ledger, as fully set out in Condition 9.2(b) (*Mandatory Redemption in part*);
- (d) mandatory redemption of all Notes in each Class (other than the Class X2 Notes) by the Issuer upon receipt of notice from the then Seller that it intends to exercise its option under the Mortgage Sale Agreement in respect of the purchase of the remaining Mortgage Loans in the Mortgage Portfolio from the Issuer on any Interest Payment Date on or after the Step-Up Date as fully set out in Condition 9.3(a) (*Mandatory Redemption*);
- (e) mandatory redemption of all Notes in each Class (other than the Class X2 Notes) by the Issuer upon receipt of notice from the Seller that it intends to exercise its option under the Mortgage Sale Agreement in respect of the purchase of the remaining Mortgage Loans in the Mortgage Portfolio from the Issuer 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, as fully set out in Condition 9.3(b) (*Mandatory Redemption*); and

- (f) optional redemption exercisable by the Issuer in whole for tax or other reasons, as fully set out in Condition 9.4 (*Optional Redemption in whole for taxation or other reasons*).

Subject to the Issuer having sufficient funds available for this purpose, each Note redeemed will be redeemed in an amount equal to the Principal Amount Outstanding of the relevant Note together with accrued (and unpaid) interest on the Principal Amount Outstanding of the relevant Note up to (but excluding) the date of redemption.

In addition, and in the event that the Pre-Funding Principal Reserve is not applied in full in purchasing Additional Mortgage Loans during the Pre-Funding Availability Period on the first Interest Payment Date:

- the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class Z1 Notes shall be partially redeemed on a *pro rata* basis, in an amount equal to the funds then standing to the credit of the Pre-Funding Principal Reserve; and
- the Class Z2 Notes shall be partially redeemed in an amount equal to, the General Reserve Excess Amount (if any).

**Events of Default:**

As fully set out in Condition 13 (*Events of Default*), which broadly includes:

- non-payment by the Issuer of principal in respect of the Most Senior Class of Notes within seven days following the due date or non-payment by the Issuer of interest within 14 days following the due date (**provided that**, for the avoidance of doubt, a deferral of interest in respect of a Class of Notes other than the Most Senior Class of Notes in accordance with Condition 8.12 (*Interest Accrual*) shall not constitute a default in the payment of such interest);
- defaults in the performance or observance of any of the Issuer's other obligations under or in respect of the Most Senior Class of Notes or any of the Transaction Documents which are incapable of remedy or which are, if capable of remedy, not remedied within 30 days after the Trustee has given written notice of such default to the Issuer;
- Insolvency Event in respect of the Issuer; or
- it is unlawful for the Issuer to perform or comply with its obligations.

**Risk Retention Undertaking:**

On the Closing Date and until all the Notes have been redeemed in full, Dilosk DAC, as originator (the "**Retention Holder**") will retain a material net economic interest of not less than 5 per cent. in the securitisation as required by Article 6 of Regulation (EU) 2017/2402 (the "**Securitisation Regulation**") together with any technical standards (which does not take into account any relevant national measures) (the "**Retention**"). As at the Closing Date, the Retention will be satisfied by the Retention Holder subscribing for and thereafter holding the exposure in the first loss tranche,



represented in this case by the retention by the Retention Holder of the exposure to the Class Z1 Notes and the Class Z2 Notes, as required by Article 6(3)(d) of the Securitisation Regulation. The aggregate Principal Amount Outstanding of the Class Z1 Notes and the Class Z2 Notes as at the Closing Date is equal to at least 5 per cent. of the nominal value of the securitised exposures. The Retention Holder will undertake to retain the material net economic interest and will give further undertakings with respect to the Retention (as to which, see the section entitled "*Certain Regulatory Disclosures*"). Any change in the manner in which the interest is held will be notified to the Noteholders. Please refer to the sections entitled "*Certain Regulatory Disclosures*" and "*Subscription and Sale*" for further information.

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

See the risk factor entitled "*Risk Factors – Certain Regulatory Considerations - U.S. Risk Retention Requirements*" for further details.

**Limited Recourse and Non-Petition:**

All of the Notes are ultimately limited recourse obligations of the Issuer and, if the Issuer has insufficient funds to pay amounts due in respect of the Notes in full, following the distribution of all available funds, any amounts outstanding under the Notes will cease to be due and payable as described in more detail in Condition 10 (*Limited Recourse*).

In accordance with Condition 15 (*No action by Noteholders or any other Secured Creditor*), no Noteholder or other Secured Creditor shall be entitled to proceed directly against the Issuer to enforce the Security, unless the Trustee, having become bound to so proceed, fails to do so within a reasonable period of time and such failure is continuing.

**Governing Law:**

The Notes, the Cash Management Agreement, the Trust Deed, the Agency Agreement, the Incorporated Terms Memorandum, the Account Bank Agreement, the Subscription Agreement and the English Deed of Charge will be governed by English law.

The Mortgage Sale Agreement, the Servicing Agreement, the Irish Deed of Charge, the Collection Account Declaration of Trust, the Seller Security Power of Attorney and the Corporate Services Agreement will be governed by Irish law.

## OVERVIEW OF RIGHTS OF NOTEHOLDERS AND RELATIONSHIP WITH OTHER SECURED CREDITORS

*Please refer to the section entitled "Terms and Conditions of the Notes" for further details in respect of the rights of Noteholders, 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 (subject to being indemnified and/or secured and/or prefunded to its satisfaction) 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.

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 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 (subject to the Trustee being indemnified and/or secured and/or prefunded to its satisfaction) 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.

**Noteholders Meeting provisions:** **Notice period:** 21 clear days for the initial meeting      14 clear days for the adjourned meeting

**Quorum:** One or more persons holding or representing in aggregate a majority of the Principal Amount Outstanding of the relevant Class or Classes of Notes outstanding for the initial meeting (other than in respect of a Reserved Matter (which must be proposed separately to each Class of Noteholders), which requires one or more persons holding or representing not less than 75 per cent. in aggregate of the Principal Amount Outstanding of the relevant Class or

At an adjourned meeting one or more persons being or representing Noteholders of that Class or those Classes, whatever the Principal Amount Outstanding of the Notes then outstanding held or represented by them (other than in respect of a Reserved Matter (which must be proposed separately to each Class of Noteholders), which requires one or more persons holding or representing not less than 25 per cent. in aggregate of the Principal Amount

	Classes of Notes then outstanding).	Outstanding of the relevant Class or Classes of Notes then outstanding).
<b>Required majority for Extraordinary Resolution:</b>	Not less than 75 per cent. of votes cast.	Not less than 75 per cent. of votes cast.
<b>Written Resolution:</b>	100 per cent. of the Principal Amount Outstanding of the relevant Class of Notes outstanding. A Written Resolution has the same effect as an Extraordinary Resolution.	
<b>Electronic Consents:</b>	Noteholders may also pass an Extraordinary Resolution by way of electronic consents communicated through the electronic communications systems of the clearing system(s) to the Principal Paying Agent or another specified agent and/or the Trustee in accordance with the operating rules and procedures of the relevant clearing system(s) (" <b>Electronic Consents</b> "). 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 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:

- except in accordance with Condition 18 (*Modification and Waiver in relation to the Screen Rate*) and clause 12.5 (*Modification and Waiver in relation to the Screen Rate*) of the Trust Deed, changes to payments (timing and method of calculation, reduction in amounts due);
- to effect the exchange, conversion or substitution of the Notes;
- changes to the currency in which amounts due in respect of the Notes are payable;
- changes to the Priorities of Payments;
- changes to quorum and majority requirements and amendments to the definition of Reserved Matter;
- any waiver of any proposal or actual breach of any of the covenants (including any Event of Default or Potential Event of Default) or provisions contained in or arising pursuant to the Conditions or any Transaction Documents by any party thereto, which would have the effect of any of the foregoing; and
- any amendments to the definition of Reserved Matters.

**Relationship between Classes of Noteholders:**

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

Subject to the provision in respect of a Reserved Matter, an Extraordinary Resolution of holders of the Most Senior Class of Notes shall be binding on all other Classes and would override any resolutions to the contrary of the Classes ranking behind such Class.

A Reserved Matter requires an Extraordinary Resolution of each Class of Notes then outstanding.

**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 affiliate of the Seller, any holding company of the Seller or any subsidiary of such holding company in each case as beneficial owner, shall (unless and until ceasing to be so held) be deemed not to remain outstanding, **provided that** if all the Notes of a particular Class are held by the Seller, any affiliate of the Seller, any holding company of the Seller or any subsidiary of such holding company (the "**Relevant Class**") (and no other Classes of Notes exist that rank junior or *pari passu* to the Relevant Class, in respect of which the Notes are held by persons other than the Seller, any affiliate of the Seller, any holding company of the Seller or any subsidiary of such holding company), Notes of the Relevant Class 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 is in accordance with the applicable Priority of Payments.

**Modifications:**

Notwithstanding the provisions of Condition 17.1 (*Modification*), the Trustee shall be obliged, without the consent or sanction of the Noteholders 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 for the purpose of complying with, implementing or reflecting any change in the criteria of one or more of the Rating Agencies as further set out at Condition 17.2 (*Additional Right of Modification*).

**Provision of Information to the Noteholders:**

The Issuer is the designated entity for the purposes of Article 7 of the Securitisation Regulation. As further described in the Cash Management Agreement and Servicing Agreement, the Issuer has instructed the Cash Manager and the Servicer respectively to assist the Issuer in performing the Issuer's obligations under Article 7 of the Securitisation Regulations. The Issuer will procure that, from the date of this Prospectus:

- (a) the Cash Manager will publish a quarterly investor report in respect of each Calculation Period, as the Issuer determines is required by and is in accordance with Article 7(1)(e) of the Securitisation Regulation (the "**SR Investor**

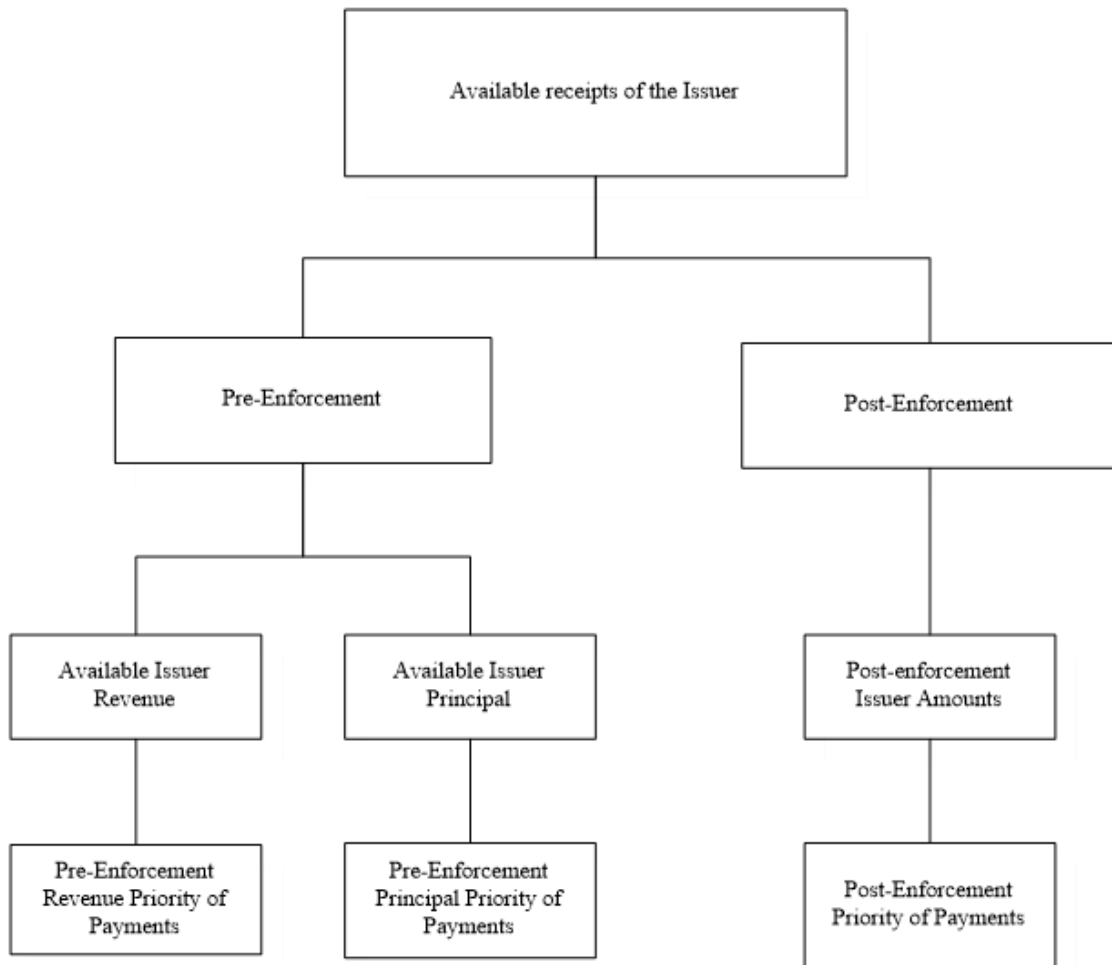
**Report**"); and

- (b) the Servicer will publish on a quarterly basis certain loan-by-loan information in relation to the Mortgage Portfolio in respect of each Calculation Period as then required by and in accordance with Article 7(1)(a) of the Securitisation Regulation (the "**SR Data Tape**"),

in each case, in the form prescribed as at such time under the Securitisation Regulation.

## OVERVIEW OF CREDIT STRUCTURE AND CASHFLOW

Please refer to the sections entitled "**Key Structural Features**" and "**Cashflows and Cash Management**" for further detail in respect of the credit structure and cash flow of the transaction.



## OVERVIEW OF CREDIT STRUCTURE AND CASHFLOWS

Please refer to the sections entitled "Key Structural Features – Credit Enhancement and Liquidity Support" and "Cashflows and Cash Management" for further detail in respect of the credit structure and cash flow of the transaction.

### **Available Revenue Receipts and Available Principal Receipts of 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.

"**Available Revenue Receipts**" will (without double counting), broadly, include the following:

- (a) an amount equal to the Revenue Receipts received by the Issuer during the immediately preceding Calculation Period which have been designated as Available Revenue Receipts by the Cash Manager in accordance with the Cash Management Agreement or, if the immediately preceding Calculation Period is a Determination Period, Calculated Revenue Receipts (excluding in each case an amount to be applied as Revenue Receipts in accordance with Condition 8.13(c)(ii) (*Determinations and Reconciliation*) on the relevant Interest Payment Date);
- (b) interest payable to the Issuer on the Transaction Account received during the immediately preceding Calculation Period;
- (c) any Principal Deficiency Excess Revenue Amounts determined on the Determination Date for the immediately preceding Interest Payment Date;
- (d) any amounts withdrawn from the General Reserve Fund to remedy a Shortfall;
- (e) any amounts withdrawn from the Liquidity Reserve Fund in order to remedy a Revenue Shortfall;
- (f) any Available Principal Receipts applied in order to remedy a Remaining Revenue Shortfall;
- (g) any amount applied as Available Revenue Receipts in accordance with Condition 8.13(c)(ii) (*Determinations and Reconciliation*);
- (h) any Principal Receipts applied as Available Revenue Receipts pursuant to item (j) of the Pre-Enforcement Principal Priority of Payments; and
- (i) other net income of the Issuer received during the immediately preceding Calculation Period (other than any Principal Receipts or any Issuer Profit Amount),

less any Reconciliation Amounts applied in accordance with Condition 8.13(c)(i).

See "*Key Structural Features – Credit Enhancement and Liquidity Support*" below.

"**Available Principal Receipts**" will (without double counting), broadly, include the following:

- (a) an amount equal to the Principal Receipts received by the Issuer, during the immediately preceding Calculation Period which have been designated as Available Principal Receipts by the Cash Manager in accordance with the Cash Management Agreement or, if the immediately preceding Calculation Period is a Determination Period, Calculated Principal Receipts (excluding in each case an amount to be applied as Principal Receipts in accordance with Condition 8.13(c)(i) (*Determinations and Reconciliation*) on the relevant Interest Payment Date);
- (b) any Liquidity Reserve Fund Excess Amounts;
- (c) the amounts (if any) to be credited to the Principal Deficiency Ledger pursuant to items (f), (h), (j), (l) and/or (n) of the Pre-Enforcement Revenue Priority of Payments on such Interest Payment Date;
- (d) from and including, the Step-Up Date, and until the Notes have been redeemed in full, any Available Revenue Receipts applied as Available Principal Receipts in accordance with item (r) of the Pre-Enforcement Revenue Priority of Payments;
- (e) any amount to be applied as Available Principal Receipts in accordance with Condition 8.13(c)(i) (*Determinations and Reconciliation*);
- (f) any amounts released from the Liquidity Reserve Fund when the Liquidity Reserve Fund Required Amount is reduced to zero (on redemption of the Class A Notes in full); and
- (g) any amounts released from the General Reserve Fund when the General Reserve Fund Required Amount is reduced to zero (after all the Rated Notes (other than the Class XI Notes) have been redeemed in full),

less:

- (h) the amount of Principal Receipts used during the immediately preceding Calculation Period to purchase any Further Advances;
- (i) any Principal Deficiency Excess Revenue Amounts; and
- (j) any Reconciliation Amounts applied in accordance with Condition 8.13(c)(ii).

**Overview of Priorities of Payments:**

Below is a summary of the Priorities of Payments. Please refer to the section entitled "*Cashflows and Cash Management*" for further information. In addition, please refer to "*Limited Recourse*" in the section entitled "*Overview of the Terms and Conditions of the Notes*".



<b>Pre-Enforcement Revenue Priority of Payments</b>	<b>Pre-Enforcement Principal Priority of Payments</b>	<b>Post-Enforcement Priority of Payments</b>
(a) Fees, costs and expenses of the Trustee and any Appointee;	(a) Prior to the Liquidity Reserve Initial Funding Date, to fund the Liquidity Reserve Fund up to the Liquidity Reserve Fund Required Amount;	(a) Fees, costs and expenses of the Trustee and any Appointee (and any Receiver appointed by the Trustee);
(b) the Issuer Profit Amount, the Senior Servicing Fee, fees, costs and expenses of the Agents, Account Bank, Cash Manager, Collection Account Bank, Back-Up Servicer Facilitator and Corporate Services Provider;	(b) to meet any Remaining Revenue Shortfall;	(b) fees, costs and expenses of the Agents, Account Bank, Collection Account Bank, Back-Up Servicer Facilitator, Corporate Services Provider and Cash Manager and the Senior Servicing Fee;
(c) any costs, expenses and fees of any third parties, 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 any Transfer Costs which the Servicer has failed to pay;	(c) to redeem the Class A Notes in full;	(c) Class A interest;
(d) interest due and payable on the Class A Notes;	(d) to redeem the Class B Notes in full;	(d) Class A principal;
(e) (1) after the Liquidity Reserve Initial Funding Date, to fund the Liquidity Reserve Fund up to the Liquidity Reserve Fund Required Amount; and  (2) after a prior drawing under the Liquidity Reserve Fund, to credit amounts to the Liquidity Reserve Deficiency Ledger until the balance of the Liquidity Reserve Deficiency Ledger has been reduced to zero;	(e) to redeem the Class C Notes in full;	(e) Class B interest;
(f) an amount sufficient to eliminate any debit on the Class A Principal Deficiency Sub-	(f) to redeem the Class D Notes in full;	(f) Class B principal;
	(g) to redeem the Class X1 Notes in full;	(g) Class C interest;
	(h) to redeem the Class Z1 Notes in full;	(h) Class C principal;
	(i) to redeem the Class Z2 Notes in full; and	(i) Class D interest;
	(j) any remaining amounts to constitute Available Revenue Receipts and to be applied in accordance with the Pre-Enforcement Revenue Priority of Payments.	(j) Class D principal;
		(k) Class X1 interest;
		(l) Class X1 principal;
		(m) the Junior Servicing Fee, any costs, expenses and fees of any third parties, 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 Transfer Costs which the Servicer has failed to pay;
		(n) Class X2 interest;
		(o) Class X2 principal;
		(p) Class Z1 interest;
		(q) Class Z1 principal;
		(r) Class Z2 interest;

- Ledger;
- (g) interest due and payable on the Class B Notes;
- (h) an amount sufficient to eliminate any debit on the Class B Principal Deficiency Sub-Ledger;
- (i) interest due and payable on the Class C Notes;
- (j) an amount sufficient to eliminate any debit on the Class C Principal Deficiency Sub-Ledger;
- (k) interest due and payable on the Class D Notes;
- (l) an amount sufficient to eliminate any debit on the Class D Principal Deficiency Sub-Ledger;
- (m) to credit the General Reserve Ledger up to the General Reserve Fund Required Amount;
- (n) an amount sufficient to eliminate any debit on the Class Z1 Principal Deficiency Sub-Ledger;
- (o) the Junior Servicing Fee;
- (p) interest due and payable on the Class X1 Notes;
- (q) in or towards redemption of the Class X1 Notes, up to a maximum of the Class X1 Redemption Amount on each Interest Payment Date, until the Class X1 Notes have been fully redeemed;
- (s) Class Z2 principal;
- (t) the Issuer Profit Amount; and
- (u) the Class R Note Interest Amount.

- (r) from and including the Step-Up Date, until the Notes have been repaid in full, the remaining Available Revenue Receipts, if any, shall constitute Available Principal Receipts and to be applied in accordance with the Pre-Enforcement Principal Priority of Payments;
- (s) interest due and payable on the Class X2 Notes;
- (t) to redeem the Class X2 Notes in full;
- (u) interest due and payable on the Class Z1 Notes;
- (v) interest due and payable on the Class Z2 Notes; and
- (w) the Class R Note Interest Amount.

**Key Structural Features:**

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

- availability of the General Reserve Fund, initially funded by the proceeds of the Class Z2 Notes on the Closing Date up to the "**General Reserve Fund Required Amount**" (being (i) prior to the earlier of (a) the first Interest Payment Date and (b) the redemption of the Rated Notes (other than the Class X1 Notes) in full, an amount equal to 2.5 per cent. of the aggregate Principal Outstanding Amount of the Principal Backed Notes as at the Closing Date; (ii) on and following the first Interest Payment Date but prior to the redemption of the Rated Notes (other than the Class X1 Notes) in full, an amount equal to (a) 2.5 per cent. of the aggregate Principal Outstanding Amount of the Principal Backed Notes as at the Closing Date, less (b) the General Reserve Excess Amount; and (iii) on the Interest Payment Date on which the Rated Notes (other than the Class X1 Notes) are to be redeemed in full, zero) and replenished on each Interest Payment Date up to the General Reserve Fund Required Amount from Available Revenue Receipts in accordance with the Pre-Enforcement Revenue Priority of Payments. The General Reserve Fund will be credited to the Transaction Account. Moneys standing to the credit of the General Reserve Fund will be applied to make up any Shortfall.

In the event that the Pre-Funding Principal Reserve is not applied in full in purchasing Additional Mortgage Loans during the Pre-Funding Availability Period, the General

Reserve Fund shall be reduced by an amount equal to the General Reserve Excess Amount, and shall be applied in partial redemption of the Class Z2 Notes on the first Interest Payment Date. Any amount credited to the General Reserve Fund after the Rated Notes (other than the Class X1 Notes) have been repaid in full shall be applied as Available Principal Receipts. See the section entitled "*Key Structural Features – Credit Enhancement and Liquidity Support – Liquidity support provided by use of General Reserve Fund to fund Revenue Shortfall*";

- on the Closing Date, the balance of the Liquidity Reserve Fund will be zero. Prior to the Liquidity Reserve Initial Funding Date, the Liquidity Reserve Fund will be replenished up to the greater of (i) 1.5 per cent. of the Principal Amount Outstanding of the Class A Notes then outstanding (such amount to be determined on the immediately preceding Calculation Date); and (ii) 0.75 per cent. of the Principal Amount Outstanding of the Class A Notes as at the Closing Date (being the "**Liquidity Reserve Fund Required Amount**") from Available Principal Receipts in accordance with the Pre-Enforcement Principal Priority of Payments. After the Liquidity Reserve Initial Funding Date, the Liquidity Reserve Fund will be replenished up to the Liquidity Reserve Fund Required Amount from Available Revenue Receipts in accordance with the Pre-Enforcement Revenue Priority of Payments. The Liquidity Reserve Fund will be credited to the Transaction Account. Moneys standing to the credit of the Liquidity Reserve Fund will be applied to make up any Revenue Shortfall. See the section entitled "*Key Structural Features – Credit Enhancement and Liquidity Support – Use of Liquidity Reserve Fund to fund Remaining Revenue Shortfall*" below for limitations on availability of the use of the Liquidity Reserve Fund;
- availability of Available Principal Receipts to make up any Remaining Revenue Shortfall. See the section entitled "*Key Structural Features – Credit Enhancement and Liquidity Support – Use of Available Principal Receipts to fund a Remaining Revenue Shortfall*" below for limitations on the use of Principal Receipts for this purpose;
- payments of interest on the Notes will be made *first*, to the Class A Notes, *second*, to the Class B Notes, *third*, to the Class C Notes, *fourth*, to the Class D Notes, *fifth*, to the Class X1 Notes, *sixth*, to the Class X2 Notes, *seventh*, to the Class Z1 Notes, *eighth*, to the Class Z2 Notes and *ninth*, to the Class R Notes, in accordance with the relevant Priority of Payments;
- payments of principal on the Notes (other than the Class X2 Notes) will be made *first*, to the Class A Notes, *second*, to the Class B Notes, *third*, to the Class C Notes, *fourth*, to the Class D Notes, *fifth*, to the Class X1 Notes, *sixth*, to the Class Z1 Notes and *seventh*, to the Class Z2 Notes, in accordance with the relevant Priority of Payments;
- payments of principal on the Class X1 Notes will also be made in accordance with the Pre-Enforcement Revenue

Priority of Payments up to a maximum of the Class X1 Redemption Amount on each Interest Payment Date;

- payments of principal on the Class X2 Notes will be made in accordance with the Pre-Enforcement Revenue Priority of Payments or in accordance with the Post-Enforcement Priority of Payments (as applicable); and
- availability of the Pre-Funding Principal Reserve to fund the purchase of Additional Mortgage Loans by the Issuer on an Additional Purchase Date.

See the section entitled "*Key Structural Features*" for further information on this.

**Shortfall:**

On each Determination Date, the Cash Manager will determine whether Available Revenue Receipts are sufficient to pay or provide for payment of senior expenses, interest amounts on certain Notes and the elimination of debit balances on certain Principal Deficiency Ledgers, that is, items (a) to (l) inclusive of the Pre-Enforcement Revenue Priority of Payments. To the extent that Available Revenue Receipts (other than items (d), (e) and (f) of Available Revenue Receipts) are insufficient to pay items (a) to (l) inclusive of the Pre-Enforcement Revenue Priority of Payments in full (the amount of any deficit being a "**Shortfall**"), the Cash Manager will, on the relevant Interest Payment Date and on behalf of the Issuer, pay or provide for such Shortfall by applying amounts standing to the credit of the General Reserve Fund.

**Revenue Shortfall:**

On each Determination Date, the Cash Manager will determine whether Available Revenue Receipts, including the application of amounts standing to the General Reserve Fund, are sufficient to pay or provide for payment of senior expenses and interest amounts on the Class A Notes, that is, items (a) to (d) inclusive of the Pre-Enforcement Revenue Priority of Payments in full (the amount of any deficit being a "**Revenue Shortfall**"), the Cash Manager will, on the relevant Interest Payment Date and on behalf of the Issuer, pay or provide for such Revenue Shortfall by applying amounts standing to the credit of the Liquidity Reserve Fund.

**Remaining Revenue Shortfall:**

If, following application of Available Revenue Receipts, including the application of amounts standing to the General Reserve Fund and the Liquidity Reserve Fund, the Cash Manager determines that there would be a remaining shortfall in amounts available on such Interest Payment Date to pay senior expenses and interest amounts on the Class A Notes and (if the Class A Notes have been redeemed in full) any interest payment due on the Most Senior Class of Rated Notes in full (the amount of any such remaining deficit being a "**Remaining Revenue Shortfall**"), the Cash Manager will on the relevant Interest Payment Date and on behalf of the Issuer, pay or provide for such Remaining Revenue Shortfall by applying Available Principal Receipts.

The application of any Available Principal Receipts to meet any Remaining Revenue Shortfall will be recorded as set out below in the section entitled "*Key Structural Features – Credit Enhancement and Liquidity Support – The Principal Deficiency Ledger*".

**Liquidity Reserve Deficiency Ledger:**

The Liquidity Reserve Deficiency Ledger will record as a debit to the ledger any amounts used to pay or provide for a Revenue Shortfall

and, as a credit any amounts paid pursuant to item (e)(i) and (e)(ii) of the Pre-Enforcement Revenue Priority of Payments.

**Principal Deficiency Ledger:**

The Principal Deficiency Ledger of the Issuer will record as a debit to the ledger the following items:

- (i) any Losses on the Mortgage Loans in the Mortgage Portfolio;
- (ii) in the case of any Mortgage Loan in respect of which the aggregate of the amounts due and unpaid in accordance with the scheduled interest and principal instalments for such Mortgage Loan exceed an amount equal to 180 days or more of scheduled interest and principal instalments for such Mortgage Loan and in respect of which amounts have not been recorded in (i) above, an amount equal to the Loss Provision Amount;
- (iii) the application of any Available Principal Receipts to meet any Remaining Revenue Shortfall pursuant to item (b) of the Pre-Enforcement Principal Priority of Payments; and
- (iv) the Principal Deficiency Excess Revenue Amount.

**"Loss Provision Amount"** means, on each Calculation Date, an amount equal to the greater of: (a) zero and (b) the difference between the Arrears Deficiency Provision Amount on that Calculation Date and the Arrears Deficiency Provision Amount on the preceding Calculation Date.

On each Determination Date, the Cash Manager will calculate the then current balance of the Principal Deficiency Ledger and will apply Available Revenue Receipts to cure any debit entries on the immediately following Interest Payment Date.

In the event that it is determined that the debit balance of the Principal Deficiency Ledger is lower than was previously found to be the case (as a result of (i) Mortgage Loans in arrears being subsequently found to have been fully or partially cured, including there being a **"Principal Deficiency Excess Reduction Amount"** (such Principal Deficiency Excess Reduction Amount being "X"), or (ii) in respect of any Loss realised following the repossession or sale of any Property that is found to be lower than as reflected on the Principal Deficiency Ledger calculated on any previous Determination Date the absolute difference between these two calculated Losses (such amounts being "Y")), it may be the case that, on any Interest Payment Date, the Available Revenue Receipts that were applied to cure a debit entry on the Principal Deficiency Ledger were excessive for such purpose. In such circumstances, the Cash Manager shall on the Determination Date, record as a credit to the Principal Deficiency Ledger an amount equal to X plus Y (the **"Principal Deficiency Excess"**).

On each Interest Payment Date following the calculation of the Loss Provision Amount and the Principal Deficiency Excess, if the balance of the Principal Deficiency Ledger is a credit balance, an amount equal thereto shall be subtracted from Available Principal Receipts and shall form part of the Available Revenue Receipts, such amounts being **"Principal Deficiency Excess Revenue Amounts"**.

**"Principal Deficiency Excess Reduction Amount"** means an

amount equal to the greater of:

- (a) zero; and
- (b) the difference between the Arrears Deficiency Provision Amount on the preceding Calculation Date and the Arrears Deficiency Provision Amount on that Calculation Date.

**"Arrears Deficiency Provision Amount"** means, for each Deficient Mortgage Loan, the sum of the product of (a) the Current Balance of such Deficient Mortgage Loan and (b) the then current Arrears Percentage of that Mortgage Loan.

The Principal Deficiency Ledger will be divided into five sub-ledgers which will correspond to the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class Z1 Notes. The sub-ledger for each Class of Notes will show separate entries for each Class of Notes.

Debits will be recorded as follows:

- (i) *first*, on the Class Z1 Principal Deficiency Sub-Ledger until the debit balance of that sub-ledger is equal to the then aggregate Principal Amount Outstanding of the Class Z1 Notes;
- (ii) *second*, on the Class D Principal Deficiency Sub-Ledger until the debit balance of that sub-ledger is equal to the then aggregate Principal Amount Outstanding of the Class D Notes;
- (iii) *third*, on the Class C Principal Deficiency Sub-Ledger until the debit balance of that sub-ledger is equal to the then aggregate Principal Amount Outstanding of the Class C Notes;
- (iv) *fourth*, on the Class B Principal Deficiency Sub-Ledger until the debit balance of that sub-ledger is equal to the then aggregate Principal Amount Outstanding of the Class B Notes; and
- (v) *fifth*, on the Class A Principal Deficiency Sub-Ledger until the debit balance of that sub-ledger is equal to the then aggregate Principal Amount Outstanding of the Class A Notes.

On each Interest Payment Date, the Issuer shall apply any Available Revenue Receipts, in accordance with the Pre-Enforcement Revenue Priority of Payments, to extinguish or reduce any balance on the Principal Deficiency Ledger. Such Available Revenue Receipts will be applied on an Interest Payment Date as follows:

- (i) *first, provided that* interest due on the Class A Notes has been paid in full, in or towards satisfaction of the amounts necessary to reduce to zero the debit balance on the Class A Principal Deficiency Sub-Ledger;
- (ii) *second, provided that* interest due on the Class B Notes has been paid in full, in or towards satisfaction of the amounts necessary to reduce to zero the debit balance on the Class B

Principal Deficiency Sub-Ledger;

- (iii) *third, provided that* interest due on the Class C Notes has been paid in full, in or towards satisfaction of the amounts necessary to reduce to zero the debit balance on the Class C Principal Deficiency Sub-Ledger;
- (iv) *fourth, provided that* interest due on the Class D Notes has been paid in full, in or towards satisfaction of the amounts necessary to reduce to zero the debit balance on the Class D Principal Deficiency Sub-Ledger; and
- (v) *fifth,* in or towards satisfaction of the amounts necessary to reduce to zero the debit balance on the Class Z1 Principal Deficiency Sub-Ledger prior to payment of interest due on Class Z1 Notes.

On each Interest Payment Date, the Issuer shall also apply any amount standing to the credit of the General Reserve Fund to extinguish or reduce any balance on the Principal Deficiency Ledger (other than on the Class Z1 Principal Deficiency Sub-Ledger) (see "*Summary of Credit Structure and Cashflows – Revenue Shortfall*" above).

Please refer to the section entitled "*Key Structural Features*" for further information on this.

**Transaction Account and  
Cash Management:**

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

- (i) during the period from (and including) the Closing Date to (but excluding) the First Interest Payment Date, by no later than the 20th of each following calendar month; and
- (ii) with respect to the period after (and including) the First Interest Payment Date, on a daily basis,

(each such aggregate daily amount, a "**Mortgage Loan Amount**") and the Servicer will transfer an amount equal to the Mortgage Loan Amount from the Collection Account into the Transaction Account on the next Business Day after that Mortgage Loan Amount is identified as received in the Collection Account. On each Interest Payment Date amounts standing to the credit of the Transaction Account will be applied by the Cash Manager on behalf of the Issuer in accordance with the relevant Priority of Payments.



## OVERVIEW OF THE MORTGAGE PORTFOLIO AND SERVICING

Please refer to the section entitled "*The Mortgage Portfolio - The Mortgage Loans*", "*The Mortgage Portfolio*" and "*Statistical Information on the Provisional Mortgage Portfolio*" and "*The Servicer and the Servicing Agreement*" 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 and on any date during the Pre-Funding Availability Period pursuant to the Mortgage Sale Agreement. The Seller will also sell the benefit of all collections received (i) in respect of the Closing Mortgage Portfolio, for the period from the Cut-Off Date to the Closing Date and (ii) in respect of the Additional Mortgage Loans, for the period from the relevant Additional Mortgage Loan Cut-Off Date to the relevant Additional Purchase Date.

The Mortgage Loans and their Related Security and any non-contractual obligations arising out of or in connection with them are governed by the laws of Ireland.

The Mortgage Loans in the Closing Mortgage Portfolio and the Additional Mortgage Loans to be purchased by the Issuer on the relevant Additional Purchase Date in accordance with the terms of the Mortgage Sale Agreement have been originated by the Seller directly.

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

### Features of Mortgage Loans:

Certain features of the Mortgage Loans as at 28 February 2019 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 "*The Mortgage Portfolio*" and "*Statistical Information on the Provisional Mortgage Portfolio*". The Mortgage Loans comprise loans to prime Borrowers and are secured by first priority charges over freehold and leasehold properties in Ireland.

<b>Type of Borrower</b> .....	Prime																			
<b>Type of mortgage</b> .....	Repayment, flexi and interest only																			
<b>Number of Mortgage Loans (including Further Advances)</b> .....	916																			
	<table border="0" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: left; border-bottom: 1px solid black; padding: 0 10px;">Weighted average</th> <th style="text-align: left; border-bottom: 1px solid black; padding: 0 10px;">Minimum</th> <th style="text-align: left; border-bottom: 1px solid black; padding: 0 10px;">Maximum</th> </tr> </thead> <tbody> <tr> <td style="padding-bottom: 5px;"><b>Current Balance (€)*</b>.....</td> <td style="text-align: right; padding-bottom: 5px;">192,759</td> <td style="text-align: right; padding-bottom: 5px;">14,765</td> <td style="text-align: right; padding-bottom: 5px;">€1,072,935</td> </tr> <tr> <td style="padding-bottom: 5px;"><b>Current LTV Ratio (%)</b><sup>1</sup>.....</td> <td style="text-align: right; padding-bottom: 5px;">56.28%</td> <td style="text-align: right; padding-bottom: 5px;">5.64%</td> <td style="text-align: right; padding-bottom: 5px;">70.30%</td> </tr> <tr> <td style="padding-bottom: 5px;"><b>Seasoning (months)</b>.....</td> <td style="text-align: right; padding-bottom: 5px;">10.35</td> <td style="text-align: right; padding-bottom: 5px;">0</td> <td style="text-align: right; padding-bottom: 5px;">25.55</td> </tr> <tr> <td style="padding-bottom: 5px;"><b>Remaining Term (years)</b>.....</td> <td style="text-align: right; padding-bottom: 5px;">13.06</td> <td style="text-align: right; padding-bottom: 5px;">3.25</td> <td style="text-align: right; padding-bottom: 5px;">35.00</td> </tr> </tbody> </table>	Weighted average	Minimum	Maximum	<b>Current Balance (€)*</b> .....	192,759	14,765	€1,072,935	<b>Current LTV Ratio (%)</b> <sup>1</sup> .....	56.28%	5.64%	70.30%	<b>Seasoning (months)</b> .....	10.35	0	25.55	<b>Remaining Term (years)</b> .....	13.06	3.25	35.00
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<b>Remaining Term (years)</b> .....	13.06	3.25	35.00																	

\* Current balance calculated as a simple average

**Consideration:** The consideration from the Issuer to the Seller in respect of the sale of the Mortgage Portfolio together with its Related Security shall be: (i) in respect of the Closing Mortgage Portfolio: (a) the initial purchase price of €174,533,958.61, being an amount equal to the aggregate Current

<sup>1</sup> Non-indexed figures used.

Balance of the Mortgage Loans of the Seller comprising the Closing Mortgage Portfolio on the Cut-Off Date, which is due and payable on the Closing Date; (b) an amount equal to the Further Cash Consideration Amount; and (c) issuance and delivery of the Class R Notes for the benefit of the Seller; and (ii) in respect of the Additional Mortgage Loans, the additional purchase amount being an amount equal to the aggregate Current Balance of the Additional Mortgage Loans on the relevant Additional Mortgage Loan Cut-Off Date, which is due and payable on an Additional Purchase Date, in each case, payable in accordance with the Mortgage Sale Agreement to the Seller.

The Seller will also sell the benefit of all collections received (i) in respect of the Closing Mortgage Portfolio, for the period from the Cut-Off Date to the Closing Date and (ii) in respect of the Additional Mortgage Loans, for the period from the relevant Additional Mortgage Loan Cut-Off Date to the relevant Additional Purchase Date.

The "**Closing Mortgage Portfolio**" means the portfolio of Mortgage Loans that is sold by the Seller to the Issuer on the Closing Date (excluding any Mortgage Loans in the Provisional Mortgage Portfolio 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 any Mortgage Loans in the Provisional Mortgage Portfolio which have been redeemed in full in the period from the Provisional Cut-Off Date to the Cut-Off Date).

Any reference to the "**Current Balance**" of any Mortgage Loan means, on any date, the aggregate balance of the amounts charged to the Borrower's account in respect of a Mortgage Loan at such date (but avoiding double counting) including:

- (a) the original principal amount advanced to the Borrower (including any fees and expenses added to such principal amount); *plus*
- (b) any advance of further moneys (including any Further Advance) to the Borrower thereof prior to the given date on the security of or securable on the relevant Mortgage Loan and any amount added to the principal balance of the relevant Mortgage Loan prior to the given date on the terms of the relevant mortgage deed after the date of completion of such Mortgage Loan which remains outstanding as at such date (including fees and expenses, Accrued Interest, any Arrears of Interest and any unpaid expenses, including, without limitation, insurance premiums); *plus*
- (c) all Accrued Interest but not yet due and Arrears of Interest which in each case has not been added to the principal amount,

as at the end of the Business Day immediately preceding that given date, *minus* any repayment or payment (including, if permitted, by way of set-off, withholding or counterclaim) of any of the foregoing made on or before the end of the Business Day immediately preceding that given date and excluding any Further Advances committed to be made but not made by the end of the Business Day immediately preceding that given date.

The consideration from the Issuer to the Seller in respect of the sale of Further Advances to the Issuer shall be the Further Advance Purchase Price which will be met through Principal Receipts and paid to the

Seller on (or as soon as practicable after) the date on which the Further Advance is made.

See the section entitled "*The Mortgage Portfolio*" for further information.

**Pre-Funding Principal Reserve:**

On the Closing Date, it is expected that the Issuer will credit an amount equal to EUR 34,906,791.72 to the Pre-Funding Principal Reserve Ledger of the Transaction Account (the "**Pre-Funding Principal Reserve**"). The Issuer will only be entitled to apply amounts (if any) standing to the credit of the Pre-Funding Principal Reserve Ledger in purchasing Additional Mortgage Loans on an Additional Purchase Date provided certain conditions are met.

Any outstanding balance standing to the credit of the Pre-Funding Principal Reserve Ledger as at the first Calculation Date (taking into account any debits made on that ledger on such date) will be applied to repay the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class Z1 Notes on a *pro rata* basis.

See the section entitled "*The Mortgage Portfolio*" for further information.

**Conditions for Acquisition of Additional Mortgage Loans:**

The Issuer will be entitled to apply amounts (if any) standing to the credit of the Pre-Funding Principal Reserve in purchasing Additional Mortgage Loans at any time during the Pre-Funding Availability Period if and to the extent that the Issuer is permitted to do so by, and in accordance with, the Mortgage Sale Agreement and the Servicing Agreement. In particular, any such purchase of Additional Mortgage Loans, where applicable, by the Issuer will be subject to certain conditions including (the "**Additional Mortgage Loan Conditions**") (amongst other things):

- (a) the provision, by each of the Issuer and the Seller, of solvency certificates dated the date of such purchase, signed by an authorised officer of the relevant company;
- (b) no Enforcement Notice having been served;
- (c) the following tests being satisfied on the Additional Purchase Date in respect of the Closing Mortgage Loans together with each Additional Mortgage Loan to be purchased, and that has already been purchased prior to, such Additional Purchase Date (the "**Cumulative Mortgage Portfolio**"):
  - (i) the weighted average original loan to value of the Cumulative Mortgage Portfolio is less than or equal to 57.50 per cent.;
  - (ii) the weighted average interest rate of the Cumulative Mortgage Portfolio is greater than or equal to 5.15 per cent.;
  - (iii) the weighted average Interest Coverage Ratio of the Cumulative Mortgage Portfolio is greater than or equal to 215 per cent.;
  - (iv) the aggregate Current Balance of each Mortgage Loan in the Cumulative Mortgage Portfolio:
    - (A) with a Current Balance of greater than €500,000 is less than or equal to 19.00 per

cent.

- (B) where the relevant Property has a value, according to the most recent Valuation Report, of greater than €500,000 is less than or equal to 45.00 per cent.,
- (C) that is an Interest Only Mortgage Loan is less than or equal to 80.00 per cent.
- (D) that is a Flexi Mortgage Loan is less than or equal to 8.00 per cent.
- (E) the purpose of which is a re-mortgage is less than or equal to 52.50 per cent.;
- (F) where the Borrower is self-employed is less than or equal to 38.00 per cent.
- (G) where the relevant Property is located in Dublin is less than or equal to 80 per cent.;
- (H) where the relevant Property is located in the South West Region is less than or equal to 11.50 per cent.;
- (I) where the Borrower is a Pensions Trustee or a Unit Trust is less than or equal to 10.50 per cent.;
- (J) where the Borrower is a company is less than or equal to 20.00 per cent.; and
- (K) where the relevant Property is a Multi-Unit Property is less than or equal to 16.00 per cent.,

in each case, of the aggregate Current Balance of the Cumulative Mortgage Portfolio; and

- (d) each Additional Mortgage Loan meets the ICS Mortgages Lending Criteria and complies with the terms of the Mortgage Sale Agreement.

**"South West Region"** means a Nomenclature of Territorial Units for Statistics (NUTS) classification code of IE025 as per the European Central Bank RMBS taxonomy.

**"Multi-Unit Property"** means a large period house that has been converted into self-contained apartments.

**Representations and Warranties:**

The Seller will make certain representations and warranties to the Issuer on (i) the Closing Date in respect of the Mortgage Portfolio; (ii) each Advance Date in respect of the relevant Further Advance; (iii) each Additional Purchase Date in respect of the relevant Additional Mortgage Loan; and (iv) each Variation Date in respect of a Term Variation.

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

- (a) First ranking mortgage;
- (b) No right of set-off;
- (a) Each Mortgage Loan has a Current Balance of no less than €9,902.42 after taking into account Further Advances;
- (b) At least one payment of principal and/or interest has fallen due and been paid; and
- (c) Final Mortgage Loan repayment date not falling beyond two years prior to the Final Maturity Date.

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

**Repurchase of Mortgage Loans or Indemnity:**

The Seller shall repurchase the Mortgage Loans and their Related Security or, may instead (in respect of items (a) and (b)(ii) only) indemnify and keep indemnified the Issuer for crystallised Liabilities in the following circumstances:

- (a) upon material breach of any of the representations or warranties given by the Seller in respect of the Mortgage Portfolio on the Closing Date;
- (b) upon material breach of any of the representations or warranties given by the Seller (i) in respect of a Further Advance on the relevant Advance Date; (ii) in respect of an Additional Mortgage Loan, on the relevant Additional Purchase Date; or (iii) in respect of a Term Variation, on the relevant Variation Date (where such breach in respect of either (i), (ii) or (iii) above has been subsequently determined and which is not capable of remedy or is not remedied within 30 Business Days of being notified by the Issuer);
- (c) where there are insufficient Principal Receipts for the Issuer to purchase any Further Advance;
- (d) in certain circumstances upon making a Term Variation or Further Advance where the Servicer has notified the Issuer that certain conditions have not been or were not in fact met; and
- (e) where the Servicer intends to grant a Product Switch.

See "*Sale of the Mortgage Portfolio under the Mortgage Sale Agreement – Warranties, Repurchase and Indemnification*".

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

**Consideration for Repurchase or Indemnity:**

An amount equal to the Current Balance of the Mortgage Loans to be repurchased plus accrued and unpaid interest of the Mortgage Loans to be repurchased as of the date of completion of the repurchase plus relevant expenses in accordance with the Mortgage Sale Agreement. Such consideration shall be satisfied by a cash payment by the Seller. 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.

See the section entitled "*Sale of the Mortgage Portfolio under the Mortgage Sale Agreement – Warranties, Repurchase and Indemnification*" for further information.

**Perfection Trigger Events:** See "*Perfection Trigger Events*" in the section entitled "*Transaction Overview*" and "*Triggers Table – 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 "*Title of the Issuer*" in the section entitled "*Risk Factors*".

**Servicing of the Mortgage Portfolio:** The Servicer agrees to service on behalf of the Issuer the Mortgage Loans and their Related Security. The appointment of the Servicer may be terminated by the Issuer or (following the delivery of an Enforcement Notice) the Trustee (subject to the terms of the Servicing Agreement) upon the occurrence of a Servicer Termination Event (see "*Servicer Termination Event*" in the "*Non-Rating Triggers Table*").

The Servicer may also resign by giving not less than 12 months' notice to the Issuer and the Trustee and subject to, *inter alia*, a replacement servicer having been appointed.

**Delegation:** The Servicer may, in certain circumstances, delegate or sub-contract some or all of its responsibilities and obligations under the Servicing Agreement. However, the Servicer remains liable at all times for servicing the Mortgage Loans and for the acts or omissions of any delegate or sub-contractor. On the Closing Date, the Servicer will delegate certain functions including primary and special servicing to Link. See the section entitled "*The Servicer and the Servicing Agreement*" for further information.

**Back-Up Servicer Facilitator:** The Back-Up Servicer Facilitator will be appointed on the Closing Date pursuant to the Servicing Agreement and, upon termination of the appointment of the Servicer in accordance with the provisions of the Servicing Agreement, the Back-Up Servicer Facilitator shall use its reasonable endeavours (on behalf of the Issuer and the Seller) to identify a replacement servicer to be appointed by the Issuer and the Trustee.

## **RISK FACTORS**

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

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

*The Issuer believes that the risks described below are the material risks inherent in the transaction for Noteholders, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons and the Issuer does not represent that the statements below regarding the risks relating to the Notes are exhaustive. Additional risks or uncertainties not presently known to the Issuer or that the Issuer currently considers immaterial may also have an adverse effect on the Issuer's ability to pay interest, principal or other amounts in respect of the Notes. Prospective Noteholders should 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. Prospective Noteholders should read the sections of this Prospectus entitled "Transaction Overview" to "Triggers Tables" (inclusive) before reading and considering the risks described below.*

### **Credit Structure**

#### *Notes obligations of Issuer only*

The Notes 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 will not be obligations of, and will not be guaranteed by, the Arranger, the Joint Lead Managers, the Servicer, the Seller 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.

#### *Limited source of funds*

The ability of the Issuer to meet its obligations to pay principal and interest on the Notes and its operating and administrative expenses will be dependent solely on Revenue Receipts and Principal Receipts in respect of the Mortgage Loans in the Mortgage Portfolio, interest earned on the Transaction Account and amounts standing to the credit of the General Reserve Fund and the Liquidity Reserve Fund. Other than the foregoing, the Issuer is not expected to have any other funds available to it to meet its obligations under the Notes and/or any other payment obligation ranking in priority to, or *pari passu* with, the Notes under the applicable Priority of Payments. If such funds are insufficient, any such insufficiency will be borne by the Noteholders and the other Secured Creditors, subject to the applicable Priority of Payments. Following enforcement of the Security, there is no guarantee that the Issuer will have sufficient funds to redeem the Notes in full. 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*").

#### *Limited recourse and non-petition*

The Notes 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) 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 Class of Notes, then the amount remaining to be paid (after such application in full of the amounts first referred to in (b) above) under such Class of Notes (and any Class of Notes junior to that Class of Notes) shall, on the day following such application in full of the amounts referred to in (b) above, cease to be due and payable by the Issuer. The Issuer will not be obliged to pay any amounts representing a shortfall and any claims in respect of such shortfall shall be extinguished. "**Realisation**" is defined in Condition 10 (*Limited Recourse*).

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 or the other Transaction Documents, save for lodging a claim in the liquidation of the Issuer which is initiated by any other party.

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 Irish Deed of Charge and the English 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 Irish Deed of Charge and the English Deed of Charge, as applicable, shall be received and held by it as trustee (except in the case of the Agents and the 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, or to the order of, the Trustee immediately upon receipt so that such amount can be applied in accordance with the provisions of the Irish Deed of Charge and the English Deed of Charge.

#### *Deferral of interest payments on the 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) payable in respect of any Class of Notes, (other than the Most Senior Class of Notes), after having paid or provided for items of higher priority in the Pre-Enforcement Revenue Priority of Payments, then that amount shall not be due and payable and the Issuer will be entitled under Condition 8.12 (*Interest Accrual*) 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 such Class of Notes becomes immediately due and repayable in accordance with the Conditions and it shall not constitute an Event of Default. To the extent that there are insufficient funds on the following Interest Payment Date or such earlier date as interest in respect of such Class of Notes is scheduled to be paid in accordance with the Conditions, the deferral of interest shall continue until the Final Maturity Date.

#### *Credit risk*

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. This risk may adversely affect the Issuer's ability to make payments on the Notes but is mitigated to some extent by certain credit enhancement features which are described in the section entitled "*Key Structural Features– Credit Enhancement and Liquidity Support*". However, no assurance can be made as to the effectiveness of such credit enhancement features or that such alternative sources of liquidity will protect the Noteholders from all risk of loss.

#### *Liquidity risk*

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 after the end of the relevant Calculation Period. This risk may adversely affect the Issuer's ability to make payments on the Notes but is mitigated to some extent by the provision of liquidity from alternative sources as described in the section entitled "*Key Structural Features – Credit Enhancement and Liquidity Support*". However, no assurance can be made as to the effectiveness of such alternative sources of liquidity, or that such alternative sources of liquidity will protect the Noteholders from all risk of loss.



*Payment of principal and interest in respect of the Classes of Notes is sequential.*

Payments of principal on the Class A Notes will be made in priority to payments of principal on the Class B Notes; payments of principal on the Class B Notes will be made in priority to payments of principal on the Class C Notes; payments of principal on the Class C Notes will be made in priority to payments of principal on the Class D Notes; payments of principal on the Class D Notes will be made in priority to payments of principal on the Class X1 Notes; payments of principal on the Class X1 Notes will be made in priority to payments of principal on the Class Z1 Notes; and payments of principal on the Class Z1 Notes will be made in priority to payments of principal on the Class Z2 Notes.

Payments of principal on the Class X1 Notes will be made in accordance with: (a) the Pre-Enforcement Revenue Priority of Payments and the Pre-Enforcement Principal Priority of Payments; or (b) the Post-Enforcement Priority of Payments (as applicable).

Payments of principal on the Class X2 Notes will be made in accordance with the Pre-Enforcement Revenue Priority of Payments or the Post-Enforcement Priority of Payments (as applicable).

Payments of interest on the Class A Notes will be made in priority to payments of interest on the Class B Notes; payments of interest on the Class B Notes will be made in priority to payments of interest on the Class C Notes; payments of interest on the Class C Notes will be made in priority to payments of interest on the Class D Notes; payments of interest on the Class D Notes will be made in priority to payments of principal and interest on the Class X1 Notes; payments of principal and interest on the Class X1 Notes will be made in priority to payments of principal and interest on the Class X2 Notes; payments of principal and interest on the Class X2 Notes will be made in priority to payments of interest on the Class Z1 Notes; payments of interest on the Class Z1 Notes will be made in priority to payments of interest on the Class Z2 Notes and payments of interest on the Class Z2 Notes will be made in priority to payments of residual amounts on the Class R Notes.

There can be no assurance that these subordination provisions will protect the then current Most Senior Class of Notes from all risks of loss.

In addition to the above, payments on the Notes are subordinate to payments of certain fees, costs and expenses payable to the other Secured Creditors (including, amongst others, the Trustee, the Account Bank, the Servicer, the Back-Up Servicer Facilitator, the Corporate Services Provider, the Cash Manager, the Paying Agents and the Registrar) and certain third parties. For further information on the likely costs payable to such Secured Creditors, please see "*Fees*" below.

#### *Mandatory Redemption of the Notes*

Following receipt by the Issuer of a notice from the Seller that it intends to exercise its option under the Mortgage Sale Agreement to purchase or arrange for the purchase, of the remaining Mortgage Loans in the Mortgage Portfolio from the Issuer, the Issuer shall be obliged to redeem all the Notes in each Class (other than the Class X2 Notes) in accordance with Condition 9.3 (*Mandatory Redemption*). The Issuer is under no obligation to redeem the Class X2 Notes at the time that it exercises such mandatory redemption and following redemption of all Notes in each Class (other than the Class X2 Notes), the Issuer shall be deemed to be discharged from making any further payments in respect of the Class X2 Notes and any further payments rights under and pursuant to, the Class X2 Notes shall be extinguished.

#### *Basis risk*

The Issuer is subject to:

- the risk of a mismatch between interest on the Variable Rate Mortgage Loans being determined on different bases than that on which the interest rate payable on the Notes is determined; and
- the risk that any cash held by or on behalf of the Issuer may earn a rate of return below the rate of interest payable on the Notes. This risk is mitigated by the availability of excess Available Revenue Receipts which is available to meet payments of interest due under the Notes and other expenses of the Issuer. This is further mitigated to some extent by the covenant provided by the Servicer under the Servicing Agreement to the effect that it will not set the interest on the Variable Rate Mortgage Loans below the Interest Rate Floor Level and failure to comply with such obligation would result in the occurrence of a Perfection Trigger Event, provided that the

Servicer is only required to comply with such covenant if compliance would not be reasonably likely to result in a breach of the applicable Mortgage Conditions or to be contrary to applicable laws and regulations. Application of the Interest Rate Floor Level will be undertaken in accordance with the standards of a Prudent Mortgage Lender.

The Issuer is not entering into any hedging agreements to mitigate or hedge such risk.

#### *Yield and prepayment considerations*

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 prepayments, sale proceeds arising on enforcement of a Mortgage Loan and repurchases of (or, where applicable, payments of an indemnity amount in lieu of the Seller repurchasing, including any accrued interest) 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. Furthermore, if an Additional Mortgage Loan is purchased, a Term Variation is granted or a request for a Further Advance is granted by the Seller and the conditions for such Mortgage Loan being retained in the Mortgage Portfolio are not met, then the Seller will be obliged to repurchase such Mortgage Loan, which may result in Principal Receipts in the form of repurchase proceeds payable by the Seller instead being used to prematurely repay the Notes. See also "*Risk Factors –Further Advances, Product Switches and Term Variations*".

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. Subject to the terms and conditions of the Mortgage Loans (which may require in some cases notification to the Seller and in other cases the consent of the Seller), 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. See also the sections entitled "*The Mortgage Portfolio*" and "*Sale of the Mortgage Portfolio under the Mortgage Sale Agreement*".

Generally, when market interest rates increase, Borrowers are less likely to prepay their Loans, while conversely, when market interest rates decrease, Borrowers are generally more likely to prepay their 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 Mortgage Loan and its Related Security because, for example, one of the 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 Mortgage Loans.

#### *Impact of step-up date and no additional sources of funds after the Step-Up Date*

From the Step-Up Date the Relevant Margin with respect of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class X1 Notes will increase.

There will, however, be no additional receipts or other sources of funds available to the Issuer at such time, nor is it expected that any of the sources of income available to the Issuer prior to the Step-Up Date will be increased. In such circumstances the Issuer may not have sufficient funds to pay all amounts of interest and/or principal (as applicable) under the Notes (including any increase in the Relevant Margin payable on the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class X1 Notes).

#### *Ratings of the Notes*

A rating is not a recommendation to buy, sell or hold securities and there is no assurance that any such ratings will continue for any period of time or that they will not be reviewed, revised, suspended or withdrawn entirely by any one or more of the Rating Agencies as a result of changes in or unavailability of information or if, in the judgement of the Rating Agencies, circumstances so warrant. At any time, a Rating Agency may revise its relevant rating methodology, with the result that any rating assigned to the Notes may be lowered or withdrawn. A qualification, downgrade or withdrawal of any of the ratings

mentioned above may impact upon the value of the Notes. The Class X2 Notes, the Class Z1 Notes, Class Z2 Notes and the Class R Notes will not be rated by the Rating Agencies.

DBRS was engaged to provide a rating in respect of all of the Rated Notes but, as at the Closing Date, declined to provide a rating in respect of the Class X1 Notes. The Class X1 Notes are therefore "Not Rated" by DBRS as at the Closing Date. Prospective investors should carefully consider, prior to making any investment decision, the fact that the Rating Agencies made different and competing assessments of the Class X1 Notes and that only S&P was able to provide a rating for the Class X1 Notes.

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

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

As highlighted above, the ratings assigned to the Rated Notes by each Rating Agency are based on, among other things, the short-term and/or long-term unsecured, unguaranteed and unsubordinated debt ratings of the Account Bank or the Collection Account Bank. In the event one or more of these transaction parties were downgraded below the requisite ratings trigger, such transaction parties would be subject to a replacement obligation in accordance with the terms of the relevant Transaction Documents. There can, however, be no assurance that a replacement of such counterparty which has at least the minimum ratings required to maintain the then current ratings of the Rated Notes will be found. If a replacement counterparty with at least the requisite ratings cannot be found, this could have an adverse impact on the ratings of the Rated Notes and, as a consequence, the resale price of the Rated Notes in the market.

#### *Ratings confirmation in relation to the Notes in respect of certain actions*

The terms of certain Transaction Documents require the Rating Agencies to be notified in relation to certain actions proposed to be taken by the Issuer and the Trustee and such actions will only be effective to the extent there has been no reduction, qualification or withdrawal by the Rating Agencies of the then current rating of the Rated Notes.

A Ratings Confirmation that any action proposed to be taken by the Issuer or the Trustee will not have an adverse effect on the then current rating of the 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 prejudicial to, Noteholders. While entitled to have regard to the fact that the Rating Agencies have confirmed that the then current rating of the relevant Class of 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 Noteholders), the Issuer, the Seller, the Originator, the Arranger, the Joint Lead Managers, the Trustee or any other person or create any legal relationship between the Rating Agencies and the Secured Creditors (including the Noteholders), the Issuer, the Seller, the Originator, the Arranger, the Joint Lead Managers, the Trustee or any other person whether by way of contract or otherwise.

Any such Ratings Confirmation may or may not be given at the sole discretion of each Rating Agency. It should be noted that, depending on the timing of delivery of the request and any information needed to be provided as part of any such request, it may be the case that a Rating Agency cannot provide a Ratings Confirmation in the time available or at all, and the Rating Agency is likely to state that it is not responsible for the consequences thereof. A Ratings Confirmation, 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 Ratings Confirmation 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.

Certain Rating Agencies have indicated that they will no longer provide Ratings Confirmations as a matter of policy. To the extent that a Ratings Confirmation cannot be obtained, whether or not a proposed action will ultimately take place will be determined in accordance with the provisions of the relevant Transaction Documents and specifically the relevant modification and waiver provisions.

In respect of each Rating Agency, if a Ratings Confirmation is a condition to any action, step or matter under any Transaction Document and a written request for such Ratings Confirmation is delivered to that Rating Agency by or on behalf of the Issuer (copied to the Trustee) and:

- (a) (A) that Rating Agency indicates that it does not consider a Ratings Confirmation necessary in the circumstances or otherwise declines to review the matter for which the Ratings Confirmation is sought (including as a result of the policy or practice of that Rating Agency) or (B) within 30 days of delivery of such request, that Rating Agency has not responded to the request for the Ratings Confirmation; and
- (b) the Issuer has otherwise received no notice from that Rating Agency that its then current ratings of the Rated Notes would be reduced, qualified, withdrawn or put on negative watch as a result of such action, step or matter,

then (i) there shall be no requirement for the Ratings Confirmation from the Rating Agency if the Issuer certifies to the Trustee that one of the events in paragraph (a) has occurred and the condition in paragraph (b) is fulfilled; and (ii) neither the Issuer nor the Trustee shall be liable for any loss that Noteholders may suffer as a result.

The mechanism as described above shall for the purposes of the Conditions and the Transaction be construed as a "**Ratings Confirmation**".

#### *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 provide Noteholders with liquidity of investment for the life of the Notes or that such market will subsequently continue to exist. Any investor in the Notes must be prepared to hold its Notes for an indefinite period of time or until the Final Maturity Date or alternatively such investor may only be able to sell its Notes at a discount to the original purchase price of those Notes.

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

Whilst central bank schemes such as the European Central Bank liquidity scheme provide an important source of liquidity in respect of eligible securities, such as mortgage-backed securities, the eligibility criteria have become and are expected to continue to become more restrictive, which is likely to 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.

In addition, potential investors should be aware that global markets have recently been negatively impacted by the then prevailing global credit market conditions and reduced growth expectations for the Organisation for Economic Co-operation and Development economies, which could affect any secondary market for instruments similar to the Notes. In particular, at the date of this Prospectus, as well as the current challenges facing the Irish macro-economic environment, certain European governments are in discussions with other countries in the Eurozone, the International Monetary Fund and other creditors and are in the process of establishing or have already established and are implementing an austerity

programme. It is unclear what the effect of these discussions will be on the Eurozone or the Irish economy. This uncertainty may have implications for the liquidity of the Notes in the secondary market.

#### *Economic conditions in the Eurozone*

Concerns relating to credit risk (including that of sovereigns and of those entities which have exposure to sovereigns) have recently intensified. In particular, concerns have been raised with respect to current economic, monetary and political conditions in the Eurozone. If such concerns persist and/or such conditions further deteriorate (including as may be demonstrated by any relevant credit rating agency action, any default or restructuring of indebtedness by one or more Member States or institutions and/or any changes to, including any break up of, the Eurozone), then these matters may cause further severe stress in the financial system generally and/or may adversely affect the Issuer, one or more of the other parties to the Transaction Documents (including the Seller, the Servicer and the Back-Up Servicer Facilitator) and/or any Borrower in respect of the Mortgage Loans. Given the current uncertainty and the range of possible outcomes, no assurance can be given as to the impact of any of the matters described above and, in particular, no assurance can be given that such matters would not adversely affect the rights of the Noteholders, the market value of the Notes and/or the ability of the Issuer to satisfy its obligations under the Notes.

#### *Changes or uncertainty in respect of EURIBOR may affect the value or payment of interest under the Notes*

The Euro Interbank Offered Rate ("**EURIBOR**") which is set by the European Money Markets Institute (the "**EMMI**") has been subject to review and various investigations to analyse how increasing loss of confidence in interbank offered rates, including EURIBOR, could be improved. Whilst no changes to the EURIBOR methodology are expected in the short term, the EMMI has stated that it remains committed to reforming the EURIBOR quote based methodology to anchor it in transactions and adapt it to the evolving market circumstances. Investors should be aware that actions by the EMMI, regulators or law enforcement agencies may affect EURIBOR (and/or the determination or availability thereof) in unknown ways which could affect the determination of the rate of interest on the Floating Rate Notes and the value of the Floating Rate Notes. Furthermore, uncertainty with respect to EURIBOR may affect the liquidity of such Floating Rate Notes.

"**Floating Rate Notes**" means the Class A Notes, Class B Notes, the Class C Notes, the Class D Notes, the Class X1 Notes and the Class X2 Notes.

#### *Reference Banks*

If the Screen Rate is not available (as described in "*Market Disruption*" below) there can be no guarantee that the Issuer or, the Servicer on its behalf (in each case, with the approval of the Trustee) shall be able to appoint one or more Reference Banks to provide quotations, in order to determine the Reserve Reference Rate in respect of the Notes. Certain financial institutions that have historically acted as Reference Banks, have indicated that they will not currently provide EURIBOR quotations and there can be no assurance that they will agree to do so in the future.

If the Screen Rate is not available and the Issuer or, the Servicer on its behalf (in each case, with the approval of the Trustee) is unable to appoint one or more Reference Banks to provide quotations or otherwise obtain quotations, the Reserve Reference Rate in respect of such Interest Payment Date shall be determined, pursuant to Condition 8.5 (*Determination of Note Rate, Interest Amount and Interest Payment Date*), to be the Reserve Reference Rate. To the extent interest amounts in respect of the Notes are determined by reference to a previously calculated rate, Noteholders may be adversely affected. In such circumstances, neither the Principal Paying Agent nor the Trustee shall have any obligation to determine the rate of interest on any other basis.

#### *Market Disruption*

The rate of interest in respect of the Notes for each Interest Period is determined in accordance with Condition 8.5 (*Determination of Note Rate, Interest Amount and Interest Payment Date*). Condition 8.5 contains provisions for the calculation of such underlying rates, in respect of the Notes, based on rates given by various market information sources and Condition 8.5 contains an alternative method of calculating the underlying rate should any of those market information sources, including the Screen

Rate, be unavailable. The market information sources might become unavailable for various reasons, including suspensions or limitations on trading, events which affect or impair the ability of market participants in general, or early closure of market institutions. These could be caused by physical threats to the publishers of the market information sources, market institutions or market participants in general, or unusual trading, or matters such as currency changes.

#### *Eurosystem Eligibility*

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 ICSDs as common safekeeper and registered in the name of a nominee of one of the ICSDs acting as common safekeeper, and 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 ECB being satisfied that Eurosystem eligibility criteria have been met. Any potential investor in the Notes should make their own conclusions and seek their own advice with respect to whether or not the Notes constitute Eurosystem eligible collateral.

#### **Rights of Noteholders and Secured Creditors**

##### *Conflict between Noteholders*

The Trust Deed, the Irish Deed of Charge and the English Deed of Charge contain provisions requiring the Trustee to have regard to the interests of the Class A Noteholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders, the Class X1 Noteholders, the Class X2 Noteholders, the Class Z1 Noteholders, the Class Z2 Noteholders and the Class R Noteholders equally as regards all powers, trusts, rights, authorities, duties and discretions of the Trustee (except where expressly provided otherwise).

If, in the opinion of the Trustee, there is a conflict between the interests of holders of different classes of Notes, the Trustee will have regard only to the interests of the holders of the Most Senior Class of Notes then outstanding.

##### *Conflict 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 Post-Enforcement Priority of Payments.

On the Closing Date, the Seller will purchase 100 per cent. of the Class X2 Notes, Class Z1 Notes and Class Z2 Notes and will receive as consideration for the sale of the Closing Mortgage Portfolio, the Class R Notes (see "*Subscription and Sale*" below). However, pursuant to the terms of the Trust Deed, the Notes held or controlled for or by any of the Seller, any affiliate of the Seller or the Issuer, any holding company of the Seller or the Issuer or any subsidiary of such holding company, will not be taken into account by the Trustee for the purposes of: (i) the right to attend and vote at any meeting of the Noteholders of any Class or any written resolution, (ii) the determination of how many and which Notes are outstanding for the purposes of action, proceedings and indemnification by the Trustee, meetings of the Noteholders, Events of Default and enforcement, (iii) any right, discretion, power or authority which the Trustee is required to exercise by reference to the interests of the Noteholders of any Class and (iv) the determination by the Trustee of whether something is materially prejudicial to the interests of the Noteholders or any Class thereof except, in the case where the Seller, any affiliate of the Seller, any holding company of the Seller or any affiliate or subsidiary of such holding company holds all of the relevant Class of Notes and there are no *pari passu* or junior Classes of Notes which they do not also hold in their entirety.

Dilosk DAC acts in various capacities in the Transaction including as the Servicer and the Seller. Actual or potential conflicts may arise between the interests of such entities and the interests of the Issuer and the Noteholders.

## **Rights of the Trustee**

Upon the occurrence of an Event of Default, the Trustee in its absolute discretion may, and if so directed in writing by the holders of not less than 25 per cent. in aggregate Principal Amount Outstanding of the Most Senior Class of Notes then outstanding or if so directed by an Extraordinary Resolution of the holders of the Most Senior Class of Notes then outstanding shall (subject, in each case, to being indemnified and/or prefunded and/or secured to its satisfaction), deliver 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 interest as provided in a trust deed between the Issuer, and the Trustee.

The Trustee may, at any time, at their discretion and without notice, take such proceedings, actions or steps against the Issuer or any other party to any of the Transaction Documents as it may think fit to enforce the provisions of the Notes, the Trust Deed (including the Conditions), the English Deed of Charge, the Irish Deed of Charge or the other Transaction Documents to which it is a party or in respect of which it holds security. In respect of and at any time after the service of an Enforcement Notice, the Trustee may, at its discretion and without notice, take such steps as it may think fit to enforce the Security. However, the Trustee shall be bound to take any such proceedings or steps (including, but not limited to, the giving of an Enforcement Notice in accordance with Condition 13 (*Events of Default*)) unless it shall have been directed to do so by the holders of not less than 25 per cent. in aggregate Principal Amount Outstanding of the Most Senior Class of Notes or if so directed by an Extraordinary Resolution of the holders of the Most Senior Class of Notes then outstanding and it shall have been indemnified and/or secured and/or prefunded to its satisfaction.

See further "*Terms and Conditions of the Notes – Condition 14 (Enforcement)*" below.

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

In relation to the undertakings to be given by the Retention Holder in, *inter alia*, the Mortgage Sale Agreement in accordance with the Securitisation Regulation regarding the material net economic interest to be retained by the Retention Holder in the securitisation and certain requirements as to providing investor information in connection therewith, the Trustee will not be under any obligation to monitor the compliance by the Retention Holder with such undertakings and will not be under any obligation to take any action in relation to non-compliance with such undertakings unless and until the Trustee has received actual written notice of the same from any party to any Transaction Document (a "**Transaction Party**"), in which event the only obligation of the Trustee shall be to notify the Issuer (who shall notify the Noteholders and the other Secured Creditors of the same) and, subject to the Trustee being indemnified and/or secured and/or prefunded to its satisfaction, to take such further action as it is directed to take in connection with such non-compliance by an Extraordinary Resolution of the holders of the Most Senior Class of Notes.

## **The Mortgage Loans**

### *Title of the Issuer*

The sale of the Mortgage Loans and their Related Security will take effect in equity only. Save in the limited circumstances described below under "*Sale of the Mortgage Portfolio under the Mortgage Sale Agreement*" (such as, *inter alia*, where an Enforcement Notice (as defined in "*Terms and Conditions of the Notes*" below) has been given), the Issuer will not obtain legal title to the Mortgage Loans and their Related Security by effecting any registration of their interests in the Mortgage Loans and Related Security and by giving notice of assignment to the Borrowers.

Prior to the Issuer obtaining legal title to the Mortgage Loans and their Related Security (as described above), the rights of the Issuer may be or may become subject to equities (e.g. rights of set-off between the Borrowers or insurance companies and the Seller (as discussed below)) and to the interests of third parties who perfect a legal interest, namely, a *bona fide* purchaser from the Seller for value of any such Mortgage Loan without notice of any interest of the Issuer, who may obtain a good title to the Mortgage Loans and Related Security free of any such interests. Such equities and third party rights may diminish or negate the value of the Issuer's interest in the Mortgage Loans and their Related Security and could acquire priority over the interests of the Issuer. 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.

Borrowers will also have the right to redeem their Mortgages by repaying the Mortgage Loan directly to the Seller. However, the Seller will undertake, pursuant to the Mortgage Sale Agreement, to hold any money repaid to it in respect of Mortgage Loans to the order of the Issuer.

Also, for so long as the Issuer has not obtained legal title, it must join the Seller as a party to any legal proceedings which it may wish to take against any Borrower to enforce its rights under the relevant Mortgage Loan and its Related Security. In this respect, the Seller will, pursuant to the Mortgage Sale Agreement, undertake for the benefit of the Issuer that it will lend its name to, and take such 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.

#### *Variation of terms of Mortgage Loans*

As between the Seller and the Issuer, under the Servicing Agreement, the Seller 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 Seller 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 Seller for breach of contract or breach of trust.

#### *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 will be given effect by an assignment. As a result, legal title to the Mortgage Loans and their Related Security sold by the Seller to the Issuer will remain with the Seller until the occurrence of certain trigger events under the terms of the Mortgage Sale Agreement.

Therefore, the rights of the Issuer and the Trustee may be or may become subject to the direct rights of the Borrowers against the Seller. Such rights may include rights of set-off existing prior to notification to the Borrowers of the sale of the Mortgage Loans and their Related Security, which arise in relation to transactions made between certain Borrowers and the Seller and the rights of Borrowers to redeem their mortgages by repaying the relevant Mortgage Loan directly to the Seller. These rights may result in the Issuer receiving a lesser amount than anticipated from the Mortgage Loans and their Related Security.

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 notification and will continue to exist. By way of example, set-off rights relating to transaction set-off may arise if the Seller fails to advance to a Borrower a Further Advance when the Borrower is entitled to such Further Advance.

Further, there is a risk that the service of a notice of sale to a Borrower would not terminate his rights of set-off, as Section 40 of the Consumer Credit Act 1995 provides that where a creditor's or owner's rights under an agreement are assigned to a third person, the consumer is entitled to plead against the third person any defence which was available to him against the original creditor, including set-off.

#### *Income and Principal Deficiency*

If, on any Interest Payment Date, as a result of shortfalls in Available Revenue Receipts relative to interest due on each of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, amounts ranking in priority to the payment of interest on such Notes and amounts necessary to eliminate any debit balances on certain Principal Deficiency Ledgers, there is a Shortfall, then subject to certain conditions set out in "*Key Structural Features*", the Issuer may apply amounts standing to the credit of the General Reserve Fund to meet such Shortfall.

If following application of amounts standing to the credit of the General Reserve Fund, as a result of shortfalls in Available Revenue Receipts relative to interest due on the Class A Notes and amounts ranking in priority to the payment of interest on the Class A Notes, there is a Revenue Shortfall, then subject to certain conditions set out in "*Key Structural Features*", the Issuer may apply amounts standing to the credit of the Liquidity Reserve Fund to meet such Revenue Shortfall.



If following application of amounts standing to the credit of the General Reserve Fund and the Liquidity Reserve Fund, as a result of shortfalls in Available Revenue Receipts relative to interest due on the Most Senior Class of Rated Notes and amounts ranking in priority to the payment of interest on the Class A Notes, there is a Remaining Revenue Shortfall, the Issuer may apply Principal Receipts to meet such Remaining Revenue Shortfall. In this event, the consequences set out in the following paragraph may result.

Application, as described above, of any Available Principal Receipts to meet any Remaining Revenue Shortfall (in addition to any Losses and other amounts to be recorded as debit entries on the Principal Deficiency Ledger as described in "*Key Structural Features – The Principal Deficiency Ledger*") will be recorded first, on the Class Z1 Principal Deficiency Sub-Ledger until the debit balance of that Class Z1 Principal Deficiency Sub-Ledger is equal to the aggregate Principal Amount Outstanding of the Class Z1 Notes then outstanding; second, on the Class D Principal Deficiency Sub-Ledger until the balance of the Class D Principal Deficiency Sub-Ledger is equal to the aggregate Principal Amount Outstanding of the Class D Notes then outstanding; third, on the Class C Principal Deficiency Sub-Ledger until the balance of the Class C Principal Deficiency Sub-Ledger is equal to the aggregate Principal Amount Outstanding of the Class C Notes then outstanding; fourth, on the Class B Principal Deficiency Sub-Ledger until the balance of the Class B Principal Deficiency Sub-Ledger is equal to the aggregate Principal Amount Outstanding of the Class B Notes then outstanding; and then on the Class A Principal Deficiency Ledger until the balance of the Class A Principal Deficiency Sub-Ledger is equal to the aggregate Principal Amount Outstanding of the Class A Notes then outstanding

It is expected that during the course of the life of the Notes, principal deficiencies will be recouped from Available Revenue Receipts and amounts standing to the credit of the General Reserve Fund. Available Revenue Receipts will be applied, after meeting prior ranking obligations as set out under the Pre-Enforcement Revenue Priority of Payments, to credit, first, the Class A Principal Deficiency Sub-Ledger, second, the Class B Principal Deficiency Sub-Ledger, third, the Class C Principal Deficiency Sub-Ledger, fourth, the Class D Principal Deficiency Sub-Ledger and, fifth, the Class Z1 Principal Deficiency Sub-Ledger. Amounts standing to the credit of the General Reserve Fund will be applied, after meeting prior ranking obligations as further described in "*Key Structural Features*", to credit the Principal Deficiency Ledger.

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

#### *Further Advances, Product Switches and Term Variations*

A Mortgage Loan and its Related Security may be repurchased where a Further Advance or a Term Variation is made, or, the Servicer intends to grant a Product Switch in the circumstances and for the consideration set out in "*Sale of the Mortgage Portfolio under the Mortgage Sale Agreement*". There can be no assurance that the Seller will have the financial resources to honour its repurchase obligations under the Mortgage Sale Agreement. The yield to maturity of the Notes may be affected by the repurchase of Mortgage Loans subject to Further Advances, Product Switches and Term Variations.

The number of Further Advance, Product Switch and Term Variation requests received or granted, as applicable, by the Servicer will affect the timing of principal amounts received by the Issuer and hence payments of principal and (in the event of a shortfall) interest on the Notes. As Principal Receipts will be used to pay amounts to the Seller in respect of consideration for any Further Advance, requests for Further Advances will also affect the amount of Available Principal Receipts to meet timely payments of principal and (in the event of a Remaining Revenue Shortfall) interest on the Notes.

### *Selection of the Mortgage Portfolio*

The information in the section headed "*Statistical Information on the Provisional Mortgage Portfolio*" has been extracted from the systems of the Seller as at the Provisional Cut-Off Date. The pool of Mortgage Loans from which the Closing Mortgage Portfolio will be selected (the "**Provisional Mortgage Portfolio**") comprises of 916 Mortgage Loans (including Further Advances) with a Current Balance of €176,567,238. The characteristics of the Mortgage Portfolio as at the Closing Date will vary from those set out in the tables in this Prospectus as a result of, *inter alia*, Mortgage Loans from the Provisional Mortgage Portfolio being excluded from the Closing Mortgage Portfolio as a result of: (i) repayments and redemptions of Mortgage Loans prior to the Closing Date and (ii) any Mortgage Loans that, at any time prior to the Closing Date, are found not to comply with the representations and warranties to be given with respect to the Mortgage Loans on the Closing Date.

In addition, further Mortgage Loans may be purchased by the Issuer following the Closing Date as Additional Mortgage Loans. Additional Mortgage Loans may not have formed part of the Provisional Mortgage Portfolio. See section "*The Mortgage Portfolio and the Mortgage Loans*" for more detail.

### **Servicing and Third Party Risk**

#### *Issuer reliance on other third parties*

The Issuer is also party to contracts with a number of other third parties who have agreed to perform services in relation to the Notes. In particular, but without limitation, the Corporate Services Provider has agreed to provide certain corporate services to the Issuer, the Account Bank has agreed to provide the Transaction Account to the Issuer, the Servicer has agreed to service the Mortgage Portfolio, the Back-Up Servicer Facilitator has agreed to facilitate the replacement of the Servicer following the termination of the Servicer's appointment as Servicer, the Cash Manager has agreed to provide cash management services to the Issuer and the Paying Agents and the Registrar have agreed to provide certain agency services to the Issuer in connection with the Notes. In the event that any of the above parties were to fail to perform their obligations under the respective agreements to which they are a party, payments on the Notes may be adversely affected.

Investors should also be aware that third parties on which the Issuer relies may be adversely impacted by the general economic climate. At the date of this Prospectus, global markets have recently been negatively impacted by the then prevailing global credit market conditions as further described above in "*Absence of secondary market for the Notes*". If such conditions were to return, these factors affecting transaction parties specifically, as well as market conditions generally, could adversely affect the performance of the Notes. In addition, there can be no assurance that governmental or other actions would improve market conditions in the future should conditions deteriorate.

The only remedies of the Issuer in respect of a material breach of one or more of the Warranties, shall be the requirement that the Seller (i) repurchases or procures the repurchase of any Mortgage Loan which is the subject of any such breach or, (ii) instead to, where applicable, indemnify and keep indemnified the Issuer against all crystallised Liabilities relating to the breach of the representation and warranty in relation to such Mortgage Loan the relevant Loan and its Related Security. This shall not limit any other remedies available to the Issuer if the Seller fails to indemnify and keep indemnified the Issuer or repurchase or procure the repurchase of a Mortgage Loan when obliged to do so.

There can be no assurance that the Seller will have the financial resources to honour its obligations to repurchase any Mortgage Loans or to pay the amount payable by the Seller pursuant to an indemnity in respect of which such a breach of warranty arises.

The Seller may not financially or otherwise be in the position to honour the obligation to repurchase the Mortgage Loans under the Mortgage Sale Agreement or to pay the amount payable by the Seller pursuant to an indemnity where there is a breach of the Warranties. Further, even if the Seller is financially in the position to repurchase such Mortgage Loans or pay the relevant indemnity amount, there can be no assurance that the Seller will honour such obligations to repurchase or make such payment.

#### *The Servicer*

The Servicer will be appointed by the Issuer to service the Mortgage Loans. In case the appointment of the Servicer as servicer is terminated in accordance with the provisions of the Servicing Agreement, a

replacement servicer will be required to be appointed to perform the Services. In this event, the Back-Up Servicer Facilitator shall use its reasonable endeavours (on behalf of the Issuer and the Seller) to identify a replacement servicer in its place to be appointed by the Issuer and the Trustee.

If the appointment of the Servicer is terminated, 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 a replacement 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 affect the payments of interest and principal on the Notes. Such risk is mitigated by the provisions of the Servicing Agreement, pursuant to which, the Back-Up Servicer Facilitator, in certain circumstances, will assist the Issuer in appointing a replacement servicer.

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

#### *Risk inherent in the Servicer's business*

The Servicer does not have the relevant systems requirements to fully service the Mortgage Portfolio and has therefore delegated certain servicing functions to Link from the Closing Date. In the event that Link fails to perform its delegated obligations or is unable to perform such obligations, the Servicer will be required to appoint a replacement delegate servicer.

The Servicer's and Link's business depends on the ability of the Servicer or Link, as applicable, to process a large number of transactions efficiently and accurately. Losses can result from inadequate or failed internal control processes, and systems, human error, fraud or from external events that interrupt normal business operations. In the event that the Servicer (or Link as the Servicer's delegate) fails to perform or observe all or any of its material obligations under the Servicing Agreement to the extent which, taken in the aggregate with all other such failures, is materially prejudicial in the context of the transaction contemplated by the Transaction Documents, the Issuer may be required to appoint a replacement Servicer. Depending on market circumstances, it may be difficult to appoint a replacement Servicer in such circumstances and the fees charged by any replacement Servicer will be payable in priority to all other parties, with the exception of the Trustee, the Agents, the Account Bank, the Cash Manager, the Corporate Services Provider and certain administrative costs of the Issuer.

#### *Delegation under the Servicing Agreement*

As at the Closing Date, Dilosk DAC will be appointed as the Servicer under the Servicing Agreement. It may, pursuant to the terms of the Servicing Agreement, delegate the provision of certain of the Services to be provided under the Servicing Agreement to one or more third parties. Such a delegation is in effect as of the Closing Date. The identity of the party or parties to which such services are delegated by the Servicer may change while the Notes are outstanding and the current delegation arrangements may change such that one or more additional or replacement third parties provides the delegated services under the Servicing Agreement. In relation to the delegation in effect as of the Closing Date, the Servicer remains responsible for the performance of all of the obligations under the Servicing Agreement and it is a term of any subsequent delegation that the Servicer remains responsible for the performance of all of the obligations under the Servicing Agreement. Any breach in the performance of the Servicer's obligations under the Servicing Agreement caused by a delegate shall be treated as a breach of the Servicing Agreement by the Servicer.

Any change in the identity of any delegate to the Servicer carries certain risks, including in relation to the compatibility of IT systems and the physical moving of loan files if such matters are required to be completed in the scope of the relevant delegation. There can therefore be no assurance that there will be no disruption in the collection of amounts from Borrowers as a result of the transfer of any change in delegation arrangements. Any disruption to the servicing of the Mortgage Loans, in particular any delay in collecting payments from Borrowers, whether by way of direct debit or otherwise, or in the receipt of any proceeds recovered as a result of any enforcement in relation to any of the Mortgage Loans, may have an adverse effect on the ability of the Issuer to make payments under the Notes. However, as stated above, notwithstanding any changes to any delegation arrangements in relation to the servicing of the Mortgage Portfolio, the Servicer remains responsible for the provision of Services under the Servicing Agreement.

Furthermore, a delegate servicer may be required to be authorised as a credit servicing firm. This requirement may limit the number of potential delegate servicers and may make it more difficult or costly to find a replacement delegate servicer if the appointment of the delegate in place as of the Closing Date were terminated, which could adversely affect the timing or the amount of payments on the Notes.

#### *Certain material interests*

The Arranger and 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, the Seller. The Bank of New York Mellon, London Branch is acting as the Cash Manager, the Principal Paying Agent and the Agent Bank.

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, 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.

#### *Change of counterparties*

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

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

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

### **The Mortgage Portfolio**

#### *Collectability of Mortgages*

The collectability and value of amounts due under the Mortgage Loans is subject to credit, liquidity and interest rate risks and will generally fluctuate in response to, among other things, market interest rates, general economic conditions, 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. Loss of earnings, redundancy, illness, divorce 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. The level of protections afforded to Borrowers under the Arrears Code and the Consumer Protection Code (as defined below) may result in a reduction in the

amounts collected under the Mortgage Loans. As at the Closing Date, approximately zero per cent. by value of the Mortgage Loans in the Provisional Mortgage Portfolio are in arrears greater than one month.

In addition, the ability of the Borrower or, as the case may be, the Issuer or the Trustee to dispose of a Property given as security for a Mortgage Loan at a price sufficient to repay the amounts outstanding under the relevant Mortgage Loan will depend upon a number of factors including the availability of buyers for the Property, the value of the Property and property values in general at the time.

If a Borrower fails to repay their 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.

In order to enforce a power of sale in respect of a Property, the relevant mortgagee (which may be the Seller, the Issuer or the Trustee) must first obtain possession of the Property unless the Property is vacant. Possession is usually obtained by way of a court order although this can be a lengthy process and the mortgagee must assume certain risks if it goes into possession of a Property. Obtaining possession of a Property could be a costly and lengthy process and the ability of the Issuer to make payments on the Notes may be reduced as a result.

The Trustee is entitled to be indemnified and/or secured and/or prefunded to its satisfaction against personal liabilities which it could incur if it were to become a mortgagee in possession before it is obliged to seek possession, **provided that** the Trustee is never obliged to enter into possession of the Property.

#### *Risk associated with CSO indexed valuations*

Prospective Noteholders should note that in assessing the indexed value of the relevant mortgage property, the indexed value has been obtained by way of reference to the CSO Index (for the period 2017 to 2018). Note, however, that the Issuer has not participated in the preparation of the information contained in the CSO Index, nor made an enquiry with respect to that information. None of the Issuer, the Joint Lead Managers, the Trustee, the Arranger nor the Seller makes any representation as to the accuracy of the information or has any liability whatsoever to you in connection with that information. Anyone relying on the information does so at their own risk.

#### *Risks Associated with Rising Mortgage Rates*

The Mortgage Loans comprising the Mortgage Portfolio are subject to variable rates of interest set by the Seller (the "**Variable Interest Rates**") from time to time. The Variable Interest Rates are subject to fluctuation and consequently the Issuer could be subject to a higher risk of default in payment by a Borrower under such Mortgage Loans as a result of an increase in the Variable Interest Rates.

Borrowers with a Mortgage Loan subject to a Variable Interest Rate 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. This potential increase in Borrowers' monthly payments 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 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 mortgage 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.

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

#### *Declining property values*

The value of the Related Security in respect of the Mortgage Loans may be affected by, among other things, a decline in the residential property values in Ireland. If the residential property market in Ireland should experience an overall decline in property values, such a decline could result in the value of the Related Security being significantly reduced and, in the event that the Related Security is required to be enforced, may result in an adverse effect on payments on the Notes.

The Issuer cannot guarantee that the value of a Property will remain at the same level as on the date of origination of the related Mortgage Loan. The residential property market in Ireland experienced a severe decline in property values between 2007 and March 2013 from which residential property prices are still recovering. If the residential property market in Ireland should experience another decline in property values, such a decline could result in the value of the Related Security being significantly reduced and, in the event that the Related Security is required to be enforced, may result in the net recovery proceeds being insufficient to redeem the outstanding Mortgage Loans. This may ultimately result in losses to Noteholders if the resulting proceeds are insufficient to make payments on all Notes.

#### *Challenging Economic Environment*

The Irish economy has recovered from the severe recession it experienced in the period 2008 to 2010 and the subsequent fiscal adjustment. GDP has increased each year from 2014 to 2018, with growth of 8.8 per cent. in 2014; 25.1 per cent. in 2015; 5.0 per cent. in 2016 and 7.2 per cent. in 2017; and preliminary estimates indicate an increase, by 6.7 per cent. in 2018 and it is expected to grow by 4.1 per cent. in 2019 (Source: Central Statistics Office ("CSO") Quarterly National Accounts Q4 2018 and European Commission Winter 2019 Economic Forecast).

The Irish residential property market suffered a very significant downturn during the period 2007 to 2013, with property prices falling by 55.2 per cent. from their peak. Property prices have since recovered, increasing by 17.9 per cent. in 2014, 7.1 per cent. in 2015, 9.0 per cent. in 2016, 12.3 per cent. in 2017 and by 7.1 per cent. in the twelve months to November 2018 (Source: CSO Residential Property Price Index: Annual Change December to December).

The number of mortgage accounts for buy-to-lets in arrears continues to fall. In Q4 2018, 14.0 per cent. of total buy-to-let accounts were in arrears, down from 15.1 per cent. in Q3 2017 (Central Bank of Ireland Statistical Releases 14 December 2017 and 14 March 2019).

There can be no assurance that the current relatively favourable economic conditions in Ireland will continue. Ireland has an open economy which could be adversely affected by deterioration in external economic conditions or an external economic shock. For example, the exit of the United Kingdom from the European Union could, in certain circumstances, have a disproportionately negative effect on the Irish economy. No assurance can be given that any such external deterioration or shock would not adversely affect the Irish economy, the ability of Borrowers to make payments on their Mortgage Loans, residential property values in Ireland and/or the Issuer's ability to make payments on the Notes.

Please also see the section entitled "*Economic conditions in the Eurozone and UK Referendum on membership of the EU*".

#### *Risk of losses associated with Interest Only Mortgage Loans*

Approximately 75.68 per cent. by value of the Mortgage Loans in the Provisional Mortgage Portfolio constitute Interest Only Mortgage Loans (as defined in the section entitled "*The Mortgage Portfolio*"). Interest Only Mortgage Loans are originated with a requirement that the Borrower pay scheduled interest payments only. There is no scheduled amortisation of principal. Consequently, upon the maturity of an Interest Only Mortgage Loan, the relevant Borrower will be required to make a "bullet" payment that will represent the entirety of the principal amount outstanding. The ability of such a Borrower to repay an Interest Only Mortgage Loan at maturity frequently may depend on such Borrower's ability to sell the Property, refinance the Property or obtain funds from another source such as savings accounts, a pension policy, personal equity plans or an endowment policy. None of the Issuer, the Trustee, the Seller or the Servicer has verified that the Borrower has any such other source of funds and none of them has obtained security over the Borrower's right in respect of any such other source of funds. The ability of a Borrower to sell or refinance the Property will be affected by a number of factors, including the value of the Property, the Borrower's equity in the Property, the financial condition of the Borrower, tax laws and general economic conditions at the time. 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 repayment of principal of Interest Only Mortgage Loans than on Repayment Mortgage Loans. Moreover, the Mortgage Conditions in respect of Interest Only Mortgage Loans do not require a Borrower to put in place alternative funding arrangements.

Borrowers may have insufficient equity to refinance their Mortgage Loans with lenders other than Dilosk and may 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.

*Risk of losses associated with Flexi Mortgage Loans*

Approximately 5.68 per cent. by value of the Mortgage Loans in the Provisional Mortgage Portfolio constitute Flexi Mortgage Loans (as defined in the section entitled "*The Mortgage Portfolio*"). Flexi Mortgage Loans are originated with a requirement that the Borrower pay scheduled monthly instalments which cover, in respect of (i) a period of up to the first 10 years of the term of the Mortgage Loan, interest only; and (ii) the period thereafter, both interest and principal, which are payable until the mortgage loan is fully repaid at its maturity. Consequently, upon expiry of the relevant initial period, the Borrower's monthly's instalments will increase to cover both interest and principal payments. The ability of a Borrower to make such payments will be affected by a number of factors, including the financial condition of the Borrower, tax laws and general economic conditions at the time.

As a result of the risk relating to Borrower financial stability, a significant downturn in the economy could lead to a greater increase in defaults or payment of monthly instalments on Flexi Mortgage Loans than on Repayment Mortgage Loans or Interest Only Mortgage Loans. Moreover, the Mortgage Conditions in respect of Flexi Mortgage Loans do not require a Borrower to put in place alternative funding arrangements.

*Risk of losses associated with Buy-to-Let Mortgage Loans*

The Mortgage Loans in the Provisional Mortgage Portfolio constitute buy-to-let mortgage loans where the relevant Properties (in respect of the mortgages forming part of the collateral Security for such Buy-to-Let Mortgages) are not owner-occupied ("**Buy-to-Let Mortgage Loans**"). The Borrower's ability to service 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. This dependency on leasing income increases the likelihood, during difficult market conditions, that the rate of delinquencies and losses on Mortgage Loans secured by such non-owner-occupied properties will be higher than for Mortgage Loans secured on the primary residence of a Borrower.

Consequently, the Security for the Notes may be affected by the condition of the private residential rental market in Ireland. 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. However, the obligations of a Borrower to make payment under the Mortgage Loan are unconditional without regard to whether the Property is let or the amount of rent received by the Borrower from the relevant tenant.

Upon enforcement of a Mortgage Loan in respect of a Property which is the subject of an existing tenancy, the Servicer may not be able to obtain vacant possession of that Property until the end of the tenancy. If the Servicer enforces while the tenancy is continuing and sells the Property as an investment property with one or more tenants *in situ*, it may affect the amount which may be realised in the sale although the existence of any such tenant paying rent in full on a timely basis may not have an adverse effect on the amount of such realisation. This may affect (i) the amount that the Servicer could realise upon enforcement of the Mortgage Loan and a sale of the relevant Property and (ii) the speed at which such a sale can be achieved. Additionally, enforcement procedures in relation to such Mortgage Loans include the ability to appoint a receiver of rent in which case such a receiver would collect any rents payable in respect of such Property and apply them in payment of any arrears of principal and interest under the Mortgage Loan.

The Buy-to-Let Mortgages should have been underwritten in accordance with the standards described in "*The Mortgage Portfolio*". These underwriting standards consider, among other things, the loan to total lend ratio of all properties owned by the relevant Borrower subject to a first-ranking all monies charge in favour of the Seller, the maximum threshold for which is lower than the LTV applicable to owner-

occupiers, and valuations of the monthly rental income achievable. There can be no assurance that the ICS Mortgages Lending Criteria were applied in all cases.

A Borrower may occupy a Property that is secured by a Buy-to-Let Mortgage Loan, thereby potentially converting the Property into a private dwelling home, which may afford the Borrower with all of the protections available to borrowers occupying private dwelling homes (including without limitation the Arrears Code, the 2009 Act and other recent regulatory proposals in respect of enforcement of mortgages over private dwelling homes). Furthermore, the Arrears Code will also apply where the Property is the only residential property in Ireland owned by the Borrower.

#### *Geographic Concentration Risks*

Mortgage Loans in the Mortgage Portfolio may also be subject to geographic concentration risks within certain regions of Ireland. To the extent that specific geographic regions within Ireland have experienced or may experience in the future weaker regional economic conditions and housing markets than other regions in Ireland, a concentration of the Mortgage Loans in such a region may be expected to exacerbate the risks relating to the Mortgage Loans described in this section. Certain geographic regions within Ireland rely on different types of industries. Any downturn in a local economy or particular industry may adversely affect the regional employment levels and consequently the repayment ability of the Borrowers in that region or the region that relies most heavily on that industry. Any natural disasters in a particular region may reduce the value of affected Properties. This may result in a loss being incurred upon sale of the Property. These circumstances could affect receipts on the Mortgage Loans and ultimately result in losses on the Notes. For an overview of the geographical distribution of the Mortgage Loans as at the Cut-Off Date, see "*Statistical Information on the Provisional Mortgage Portfolio — Geographical Distribution of Property*".

#### *Additional Mortgage Loans*

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

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

There can be no certainty that, following the acquisition of any Additional Mortgage Loans by the Issuer on the relevant Additional Purchase Date, the Mortgage Portfolio will have similar proportions or similar concentration characteristics as set out in the tables in the section entitled "*Statistical Information on the Provisional Completion Mortgage Portfolio*" below in relation to the Mortgage Loans constituting the Provisional Mortgage Portfolio (although certain mitigants in this regard are contained in the criteria relating to the sale of the Additional Mortgage Loans, as more fully set out in the "*Sale of Mortgage Portfolio under the Mortgage Sale Agreement*" section below). The ratings assigned to the Rated Notes by each Rating Agency have been provided on the basis that some or all of the funds standing to the credit of the Pre-Funding Principal Reserve Ledger will be utilised to purchase Additional Mortgage Loans similar to those included in the Provisional Mortgage Portfolio on or after the Closing Date. If on the first Interest Payment Date the aggregate amounts applied by the Issuer to purchase additional mortgage loans during the Pre-Funding Availability Period is less than the amount of the Pre-Funding Principal Reserve on such date, the amount remaining standing to the credit of the Pre-Funding Principal Reserve Ledger will be applied to repay the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class Z1 Notes on a pro-rata basis.

#### *Buildings insurance*

The practice of the Seller in relation to buildings insurance is described under the section entitled "*The Mortgage Portfolio — The Mortgage Loans — Insurance Policies*" below. 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. This could adversely affect the Issuer's ability to redeem the Notes.



### *Warranties*

The Seller will give certain warranties to the Issuer regarding the Mortgage Loans and their Related Security to be sold to the Issuer on the Closing Date. See "*Sale of the Mortgage Portfolio under the Mortgage Sale Agreement – Warranties, Repurchase and Indemnification*" below for a summary of these.

The Issuer, the Trustee, the Joint Lead Managers and the Arranger 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, it will rely instead on the warranties given by the Seller in the Mortgage Sale Agreement (the "**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.

The sole remedy of the Issuer in respect of a material breach of one or more of the Warranties, shall be the requirement that the Seller either (i) repurchases or procures the repurchase of any Mortgage Loan which is the subject of any such breach or, (ii) if, in respect of a material breach of the Warranties given by the Seller in respect of (A) the Mortgage Portfolio on the Closing Date or (B) an Additional Mortgage Loan on the relevant Additional Purchase Date, indemnifies and keeps indemnified the Issuer in respect of Liabilities in respect of breach of Warranties in relation to the relevant Mortgage Loan and its Related Security. This shall not limit any other remedies available to the Issuer if the Seller, fails to repurchase or procure the repurchase of a Mortgage Loan when obliged to do so.

The Seller will be required to repurchase a Mortgage Loan that is subject to a Further Advance or Term Variation if the relevant Further Advance Conditions or Term Variation Conditions (as applicable) are not satisfied as at the relevant Advance Date or Variation Date or if any such Mortgage Loan is subsequently discovered not to have complied with such conditions or the representations and warranties and such breach is not remedied within 30 Business Days of receipt by the Seller of a notice from the Issuer of the same. There can be no assurance that the Seller will have the financial resources to honour its obligations to repurchase any Mortgage Loans under any of these circumstances.

If the Seller chooses to indemnify and keep indemnified the Issuer against all crystallised Liabilities relating to the breach of a 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 as of the applicable repurchase date. There can be no assurance that the Seller (taking into account, amongst other things, the performance of its other business at the time) will honour, or have the financial resources to honour, its obligation to repurchase or indemnify in respect of any Mortgage Loans under any of these circumstances. 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.

In addition, as the amount of any Liabilities 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 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. Depending upon the scenario at the time which leads the Issuer to suffer a loss on the applicable Mortgage Loan it may in addition be difficult to accurately assess and determine the level and amount of Liabilities which the resulting breach of the relevant 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 indemnity payment required to be made by the Seller in respect of any breach of Warranty may be uncertain as to appropriate quantum and also significantly delayed, both of which may impact the ability of the Issuer to meet its payment obligations under the Notes.

### *Underwriting standards*

The Mortgage Loans have been underwritten generally in accordance with underwriting standards described in "*The Mortgage Portfolio – ICS Mortgages Lending Criteria*" below. These underwriting standards consider, among other things, credit searches and income requirements, as well as the value of the property.

There can be no assurance that these underwriting standards will not be varied or that loans originated under different criteria may not become part of the Mortgage Portfolio. For a description of the underwriting standards, see " *The Mortgage Portfolio – ICS Mortgages Lending Criteria* " below.

For a detailed analysis of the Mortgage Loans constituting the Mortgage Portfolio on the Issue Date, see " *Statistical Information on the Provisional Mortgage Portfolio* " below.

### **Risks relating to the Issuer**

#### *Preferred Creditors under Irish Law*

Under Irish law, upon an insolvency of an Irish company such as the Issuer, when applying the proceeds of assets subject to fixed security which may have been realised in the course of a liquidation or receivership, the claims of a limited category of preferential creditors will take priority over the claims of creditors holding the relevant fixed security. These preferred claims include the remuneration, costs and expenses properly incurred by any examiner of the company (which may include any borrowings made by an examiner to fund the company's requirements for the duration of his appointment) which have been approved by the Irish courts. See " *Examinership* " below.

The holder of a fixed security over the book debts of an Irish incorporated company (which would include the Issuer) may be required by the Irish Revenue Commissioners, by notice in writing from the Irish Revenue Commissioners, to pay to them sums equivalent to those which the holder received in payment of debts due to it by the company. Where the holder of the security has given notice to the Irish Revenue Commissioners of the creation of the security within 21 days of its creation, the holder's liability is limited to the amount of certain outstanding Irish tax liabilities of the company (including liabilities in respect of value added tax) arising after the issuance of the Irish Revenue Commissioners' notice to the holder of fixed security.

The Irish Revenue Commissioners may also attach any debt due to an Irish tax resident company (or any person who is liable to pay, remit or account for tax to the Irish Revenue Commissioners) by another person in order to discharge any liabilities of the company in respect of outstanding tax (whether Irish, EU, or pursuant to a treaty or mutual assistance agreement) whether the liabilities are due on its own account or as an agent or trustee. The scope of this right of the Irish Revenue Commissioners has not yet been considered by the Irish courts and it may override the rights of holders of security (whether fixed or floating) over the debt in question.

In relation to the disposal of assets of any Irish tax resident company which are subject to security, a person entitled to the benefit of the security may be liable out of the proceeds of such disposal for tax in relation to any capital gains made by the company on a disposal of those assets on exercise of the security.

In relation to the disposal of assets of an Irish tax resident individual which are subject to security, such as the disposal of a property on which the borrower has secured a Mortgage Loan, a person entitled to the benefit of the security may be liable for tax in relation to any capital gains made by the individual on a disposal of those assets on exercise of the security. Capital gains tax will arise on the gain at a rate which is currently 33 per cent. Tax is calculated by reference to the excess of the net disposal proceeds over the allowable acquisition costs (including enhancement expenditure) and is calculated without reference to the amounts outstanding on a Mortgage Loan. There is an exemption from Irish capital gains tax on gains arising on the disposal by an individual of his principal private residence, which broadly covers gains arising on the disposal of the dwelling house which has been occupied by the individual as his only or main residence since he acquired the property.

This principal private residence exception is unlikely to be available in respect of the disposal of Properties which secure Buy-to-Let Mortgages. Therefore, if enforcement proceedings are taken in respect of a Buy-to-Let Mortgage and the related Property is disposed of as part of such proceedings, any capital gains tax arising from such disposal will have to be paid out of the net disposal proceeds and in priority to the payments of amounts due under the related Mortgage Loan. This priority ranking of a capital gains tax liability could result in there being insufficient funds to repay all amounts due under the related Mortgage Loan even in circumstances where the net disposal proceeds are greater than such due amounts (a " **shortfall risk** ") and in turn may adversely affect the funds available to the Issuer to meet its obligations under the Notes.

However, this shortfall risk will only occur where, as part of enforcement proceedings, a capital gain is realised on the disposal of a Property. In addition, this shortfall risk is most likely to arise in circumstances where (i) a Borrower originally acquires a Property with finance provided by a third party and subsequently refinances such acquisition with a Mortgage Loan (a "**Refinancing Loan**") or (ii) the Seller has provided a further advance to an existing Mortgage Loan, in each case in circumstances where the value of the Property has increased from the date of its original acquisition.

#### *Examinership*

Examinership is a court procedure available under the Companies Act 2014, as amended (the "**Companies Act**") to facilitate the survival of Irish companies in financial difficulties.

The Issuer, the directors of the Issuer, a contingent, prospective or actual creditor of the Issuer, or shareholders of the Issuer holding, at the date of presentation of the petition, not less than one-tenth of the voting share capital of the Issuer are each entitled to petition the court for the appointment of an examiner. The examiner, once appointed, has the power to set aside contracts and arrangements entered into by the company after this appointment and, in certain circumstances, can avoid a negative pledge given by the company prior to this appointment. Furthermore, the examiner may sell assets, the subject of a fixed charge. However, if such power is exercised the examiner must account to the holders of the fixed charge for the amount realised and discharge the amount due to the holders of the fixed charge out of the proceeds of the sale.

During the period of protection, the examiner will compile proposals for a compromise or scheme of arrangement to assist in the survival of the company or the whole or any part of its undertaking as a going concern. A scheme of arrangement may be approved by either the Irish Circuit Court or the Irish High Court (as applicable, and each, a "**relevant Irish Court**") when at least one class of creditors whose interests or claims would be impaired by the implementation of the proposals has voted in favour of the proposals and the relevant Irish Court is satisfied that such proposals are fair and equitable in relation to any class of members or creditors who have not accepted the proposals and whose interests would be impaired by implementation of the scheme of arrangement and the proposals are not unduly prejudicial to the interests of any interested party.

In considering proposals by the examiner, it is likely that secured and unsecured creditors would form separate classes of creditors. In the case of the Issuer, if the Trustee represented the majority in number and value of claims within the secured creditor class (which would be likely given the restrictions agreed to by the Issuer in the Conditions), the Trustee would be in a position to reject any proposal not in favour of the Noteholders. The Trustee would also be entitled to argue at the relevant Irish Court hearing at which the proposed scheme of arrangement is considered that the proposals are unfair and inequitable in relation to the Noteholders, especially if such proposals included a writing down to the value of amounts due by the Issuer to the Noteholders or resulted in Noteholders receiving less than they would have if the Issuer was wound up. The primary risks to the holders of the Notes if an examiner were appointed to the Issuer are as follows:

- (a) the Trustee may not be able to enforce rights against the Issuer during the period of examinership;
- (b) the potential for a scheme of arrangement being approved involving the writing down of the debt due by the Issuer to the Noteholders as secured pursuant to the Irish Deed of Charge and the English Deed of Charge;
- (c) the potential for the examiner to seek to set aside any negative pledge in the Notes prohibiting the creation of security or the incurring of borrowings by the Issuer to enable the examiner to borrow to fund the Issuer during the protection period; and
- (d) in the event that a scheme of arrangement is not approved and the Issuer subsequently goes into liquidation, the examiner's remuneration and expenses (including certain borrowings incurred by the examiner on behalf of the Issuer and approved by the relevant Irish Court) will take priority over the amounts secured by the charges held for the benefit of the Noteholders and the other Secured Creditors under the Irish Deed of Charge and the English Deed of Charge.

### *Fixed Charges may take effect as Floating Charges*

It is the essence of a fixed charge that the person creating the charge does not have liberty to deal with the assets which are the subject matter of the security. Dealing with the assets includes disposing of such assets or expending or appropriating the moneys or claims constituting such assets. Accordingly, if and to the extent that such liberty is given to the Issuer, any such fixed charge may instead operate as a floating charge.

In particular, the Irish courts have held that in order to create a fixed charge on receivables it is necessary to oblige the chargor to pay the proceeds of collection of the receivables into a designated bank account and to prohibit the chargor from withdrawing or otherwise dealing with the monies standing to the credit of such account without the consent of the chargee.

Floating charges have certain weaknesses, including the following:

- (a) they have weak priority against purchasers (who are not on notice of any negative pledge contained in the floating charge) and chargees of the assets concerned and against lien holders, execution creditors and creditors with rights of set-off;
- (b) as discussed above, they rank after certain preferential creditors, such as claims of employees and certain taxes on winding-up;
- (c) they rank after certain insolvency remuneration expenses and liabilities;
- (d) the examiner of a company has certain rights to deal with the property covered by the floating charge; and
- (e) they rank after fixed charges.

### *Centre of Main Interest ("COMI")*

The Issuer has its registered office in Ireland. Under Regulation (EU) No. 2015/848 of the European Parliament and of the Council of 20 May 2015 on insolvency proceedings (recast) (the "**Recast EU Insolvency Regulation**"), the Issuer's centre of main interest ("**COMI**") is presumed to be the place of its registered office (i.e. Ireland) in the absence of proof to the contrary and **provided that** the Issuer did not move its registered office within the 3 months prior to a request to open insolvency proceedings.

As the Issuer's COMI is presumed to be Ireland, any main insolvency proceedings in respect of the Issuer would fall within the jurisdiction of the courts of Ireland. As to what might constitute "*proof to the contrary*" regarding the location of a company's COMI, the key decision is that in *Re Eurofood IFSC Ltd* ([2004] 4 IR 370 (Irish High Court); [2006] IESC 41 (Irish Supreme Court); [2006] Ch 508; ECJ Case C-341/04 (European Court of Justice)), given in respect of the equivalent provision in the previous EU Insolvency Regulation (being Regulation (EC) No. 1346/2000). In that case, on a reference from the Irish Supreme Court, the European Court of Justice concluded that "*factors which are both objective and ascertainable by third parties*" would be needed to demonstrate that a company's actual situation is different from that which the location of its registered office is deemed to reflect.

As the Issuer has its registered office in Ireland, has Irish directors, is registered for tax in Ireland and has retained an Irish corporate services provider, the Issuer does not believe that factors exist that would rebut the presumption that its COMI is located in Ireland, although this would ultimately be a matter for the relevant court to decide based on the circumstances existing at the time when it was asked to make that decision. If the Issuer's COMI was found to be in another EU jurisdiction and not in Ireland, main insolvency proceedings would be opened in that jurisdiction instead.

### **Certain Regulatory Considerations**

#### *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.

#### *Enforcement in respect of the Mortgage Loans*

Even assuming that the Properties provide adequate security for the Mortgage Loans, delays could be encountered in connection with enforcement of and recovery under the Mortgage Loans, resulting in corresponding delays in the receipt of related proceeds by the Issuer.

The Mortgage Portfolio is comprised of residential buy-to-let properties. Generally, there are three options for enforcing against residential buy-to-let properties. The most common method is by the appointment of a receiver and the exercise of a power of sale. The second method is by obtaining possession as mortgagee in possession and exercising the power of sale in such capacity. The third is by applying for, obtaining and enforcing a court order for possession.

#### *Appointment of a Receiver*

The terms of the security over a residential buy-to-let property may afford the mortgagee a power to appoint a receiver over the property. Such a receiver will normally be granted a number of powers pursuant to the mortgage deed, including the power to let the property, to collect any rents payable in respect of the property and a power of sale in respect of the property. Once appointed, the key functions of a receiver under a mortgage are generally to ensure that: (a) the rent or other income from the property is collected as agent for the mortgagor and, after the discharge of any expenses (such as service charges, taxes and the receiver's fees etc.) applied against the debt owing to the mortgagee; (b) the property is adequately insured and serviced; (c) the property is in good condition and ready to be put on the market; and (d) ultimately, that the property is placed on the market for sale in due course. Depending on the amount of properties over which the receiver has been appointed, it is not unusual for a receiver under a buy-to-let mortgage to retain the services of a real estate agent to assist with the management and ultimately the sale of the property.

#### *Mortgagee in Possession*

If there is no express receiver power of sale in a mortgage (or if there are subsequent burdens registered against the property which need to be cleared off title or "over-reached") then the relevant mortgagee will need to obtain possession of such property to sell the property as mortgagee in possession. There are two means of obtaining possession under Irish law: (i) by taking physical possession without a court order (seldom done in practice) or (ii) by applying for, obtaining and enforcing a court order for possession.

It may be possible for a mortgagee to obtain possession of residential buy-to-let properties without a court order where: (a) the relevant mortgages post-date the Land and Conveyancing Law Reform Act 2009 (as amended) (the "**2009 Act**") but do not fall within the definition of a housing loan mortgage set out below; or (b) where the relevant mortgages pre-date the 2009 Act. In these cases, a mortgagee may take possession of a buy-to-let property where the mortgagee is entitled to possession under the terms of the mortgage, the property is vacant and the mortgagee is able to effect peaceful entry. However, where there are obstacles to obtaining vacant possession of a buy-to-let property, including where the occupants are not willing to peacefully vacate the premises or the enforcement of the mortgage in respect of the buy-to-let property is contested, it may still be necessary to make an application to the Irish courts to seek an order for possession (discussed below) or some other relief such as injunctive relief restraining interference with the mortgagee's right to possession of the secured property.

In addition, if the property is tenanted, any termination of a valid lease by the mortgagee would have to be carried out in accordance with the terms of the relevant lease and the applicable minimum notice requirements under the Residential Tenancies Act 2004 (as amended). If vacant possession of the property cannot be obtained because of an existing tenancy, the mortgagee will only be able to sell the property as an investment property with one or more sitting tenants. This may affect the amount which the mortgagee could realise upon enforcement of the mortgage and the sale of the property. In such a situation, amounts received in rent may not be sufficient to cover all amounts due in respect of the mortgage loan.

## *Court Orders and Enforcement*

Section 97 of the 2009 Act (which applies to mortgages created after 1 December 2009) provides that a mortgagee (the lender) is required to either obtain a court order for possession or obtain the written consent of the mortgagor (in the case of each Mortgage Loan, the Borrower) to the taking of possession of housing loan mortgages. For the purposes of the 2009 Act, a housing loan mortgage comes into existence where a person borrows money (for whatever reason) and provides, by way of security, a mortgage on that person's principal residence or the principal residence of that person's dependants. A housing loan mortgage also comes into existence where monies are advanced to a consumer and security is provided over a residential property (which may be the case in respect of some buy-to-let properties). In this regard, a consumer is defined as a natural person acting out of his/her business which includes trade or profession.

In considering an application for a possession order, an Irish court has a very wide discretion, and may adopt a sympathetic attitude towards a borrower at risk of eviction. For example, an Irish court has certain powers to adjourn possession proceedings, to stay any possession order and to postpone the date for delivery of possession. In general, an Irish court would be likely to exercise such powers in favour of a Borrower where it appears to the court that such Borrower is likely to be able, within a reasonable period, to pay any sums due under his Mortgage Loan or to remedy any default consisting of a breach of any other obligation arising under or by virtue of such Mortgage Loan.

It should also be noted that a practice direction issued by the Irish Circuit Court pursuant to the Circuit Court Rules entitled '*Actions for Possession*' provides that no order for possession shall be made on the return date (i.e. the first hearing date) but rather the proceedings shall be adjourned to such later date as the County Registrar considers just in the circumstances. This has the effect of an automatic delay on possession proceedings. In practice, County Registrars are often more amenable to giving possession orders on vacant properties the subject of a buy-to-let Mortgage than they are to giving possession orders in respect of mortgages relating to a principal private residence.

Where an order for possession is granted by a court, a sheriff will arrange for such orders to be effected. This can result in a delay of a number of months between the granting of the order and its execution. Once possession of a property has been obtained, the mortgagee has a duty to the mortgagor to take reasonable care to obtain a proper price for such property. Any failure to do so will put such mortgagee at risk of an action for breach of duty by the mortgagor, although it is for the mortgagor to prove breach of duty. There is also a risk that a mortgagor may take court action to force the mortgagee to sell the relevant property within a reasonable time. Under the 2009 Act, a mortgagee in possession is obliged by law to sell the relevant property, at the best price reasonably obtainable, within a reasonable time, or if it would be inappropriate to sell such property, to lease it within a reasonable time.

If a mortgagee takes possession of a property it may, as mortgagee in possession and depending on the terms of the relevant mortgage, take on certain liabilities in respect of the property arising during its period of possession which, depending on the nature of the property, could be significant, for example the mortgagee: (a) may have an obligation to account to the mortgagor for the income obtained from such property, (b) may be required to maintain the property and take reasonable care of it and be liable for any damage to such property, (c) may have a limited liability to repair such property, and, in certain circumstances, may be obliged to make improvements or may incur certain financial liabilities in respect of such property, (d) can incur liability under environmental and occupiers liability legislation and (e) can be liable to comply with title and lease covenants.

On 24 July 2013 the Land and Conveyancing Law Reform Act 2013 was signed into law (the "**2013 Act**"). The 2013 Act also proposes the adjournment of possession actions in certain cases relating to the principal private residence ("**PPR**") of the Borrower where it is considered by the court that the matter could be resolved by recourse to a personal insolvency arrangement under the Personal Insolvency Act. The 2013 Act provides that the court, where it considers it appropriate or on application by the borrower, in proceedings for possession of a PPR, may in certain circumstances adjourn the proceedings to enable the parties to consider whether a personal insolvency arrangement under the Personal Insolvency Act would be a more appropriate course of action than the seeking by the lender of an order for possession (see "*Personal Insolvency Act*" below). In the event that a lender does not implement a proposal put forward by a personal insolvency practitioner, a court could use its discretionary powers to delay granting an order for possession. As the Mortgage Portfolio is comprised of buy-to-let Mortgage Loans, it is unlikely that the Properties will constitute PPRs for the purposes of the 2013 Act, however, a Borrower

may occupy a Property that is secured by a buy-to-let Mortgage Loan, thereby converting the Property into a PPR.

If a Borrower occupies a Property with the effect of converting such Property into a PPR, this will afford the Borrower with all of the protections available in respect of a mortgage loan over a PPR. This includes the protections outlined above in respect of the 2009 Act and the 2013 Act, and the protections afforded by the Arrears Code. The Arrears Code sets out what the lender must do when managing mortgage arrears and pre-arrears cases and provides for, amongst other things, the actions a lender is required to take to address mortgage arrears before resorting to repossession of the relevant property. Please see the section below entitled "*Code of Conduct on Mortgage Arrears and Consumer Protection Code and Consumer Protection Code*" for further information.

If the enforcement process in respect of a Property is subjected to any of the above legislative regimes or codes this could significantly delay enforcement and, as a consequence, have a negative impact on the ability of the Issuer to recover amounts due under the Mortgage Loans and on its ability to pay amounts due under the Notes.

#### *Code of Conduct on Mortgage Arrears and Consumer Protection Code*

The Code of Conduct on Mortgage Arrears (the "**Arrears Code**") came in to force on 1 July 2013 replacing the previous code which came into force in January 2011 (the "**Previous Code**") and which applies to arrears cases existing both as at 1 July 2013 and those that arise thereafter. The Arrears Code is a legally binding code published by the Central Bank on the handling of mortgage arrears and pre-arrears. A pre-arrears case arises where a borrower contacts the relevant lender to inform them that he/she is in danger of going into financial difficulties and/or is concerned about going into mortgage arrears or when the relevant lender itself identifies that this is likely to occur.

The Arrears Code applies to the mortgage lending activities of regulated lenders (such as the Seller) to borrowers in respect of mortgages that are secured upon their primary residence or in respect of the only residential property in Ireland owned by the borrower and accordingly will apply to the activities of the Seller and the Servicer. It should be noted that the Arrears Code applies to borrowers in respect of their primary residence or where it is the only residential property owned by them in Ireland. As such, the protections afforded by the Arrears Code are unlikely to apply to Buy-to-Let Mortgage Loans unless secured on the only residential property of the borrower in Ireland or unless a borrower occupies a Property as their primary residence.

The Seller, as a regulated entity, is obliged to comply with the Arrears Code. Furthermore, the Servicer as an authorised retail credit firm is required by law to administer the Mortgage Loans in accordance with the Arrears Code (in the event that the Buy-to-Let Mortgage Loans are secured on the only residential property of the borrower in Ireland or a borrower occupies a Property as their primary residence).

The Arrears Code sets out what the lender must do when managing mortgage arrears and pre-arrears cases and provides for, amongst other things, the actions a lender is required to take to address mortgage arrears before resorting to repossession of the relevant property. In particular, the Arrears Code provides that a lender:

- (a) must put in place a mortgage arrears resolution process ("**MARP**") which complies with the Arrears Code;
- (b) must explore, and if appropriate, offer the borrower alternative repayment arrangements which may include full or partial interest only repayment for a specified period, full or partial deferral of the instalment repayment for a specified period, extension of the term, capitalising arrears and interest and any voluntary repayment scheme to which the lender has signed up under the Arrears Code;
- (c) in recognition of the serious impact of being classified as 'not cooperating', a lender must provide a warning letter giving at least 20 business days' notice to the borrower, outlining the implications of being classified as not cooperating and providing specific information on how to avoid this classification;
- (d) must have a board-approved communications policy that will protect borrowers against unnecessarily frequent contact and harassment, while ensuring that the lender can make the

necessary contact to progress resolution of arrears cases. This replaces the limit of three successful, unsolicited communications per month which was set out in the Previous Code and allows for an approach to lender and borrower communication that is suited to individual needs and circumstances;

- (e) must provide the standard financial statement ("**SFS**") to the borrower at the earliest opportunity, and to offer assistance to borrowers with completing the SFS and inform the borrower that the borrower may wish to seek independent advice to assist with completing the SFS. In addition, lenders can now agree with the borrower to put a temporary arrangement in place to prevent arrears from worsening while the full SFS is being completed and assessed;
- (f) where there is no other sustainable option available, the lender can offer an arrangement to distressed mortgage holders which provides for the removal of a tracker rate, but only as a last resort, where the only alternative option is repossession of the home. Lenders must be able to demonstrate that there is no other sustainable option that would allow the borrower to keep the tracker rate, and the arrangement offered must be a long term sustainable solution that is affordable for the borrower;
- (g) must provide cooperating borrowers with at least 8 months' notice from the date arrears first arise before legal action can commence and at the end of the MARP process, lenders will be required to provide a 3 month notice period to allow cooperating borrowers time to consider their options such as voluntary surrender or an arrangement under the Personal Insolvency Act (before legal action can start). In effect this means that legal proceedings may commence 3 months from the date the letter is issued to borrower or 8 months from the date the arrears first arose, whichever is the later; and
- (h) must not apply to the courts to seek repossession of a borrower's primary residence until every reasonable effort has been made to agree an alternative repayment schedule with the relevant borrower in accordance with the MARP.

However, under the Arrears Code, a lender is permitted to seek repossession where it is clear that such borrower is deliberately not engaging with the lender, or where other circumstances reasonably so justify. In addition, a lender may enforce a mortgage in circumstances where application of the Arrears Code is not appropriate, such as, but not limited to, in the case of fraud or breach of contract other than the existence of arrears.

The revised Consumer Protection Code (the "**Consumer Protection Code**") came in to force on 1 January 2012. Amendments were made to the Consumer Protection Code by way of addendum in July 2015, July 2016, August 2017, December 2017, May 2018 and June 2018. The Consumer Protection Code sets out how lending institutions (such as the Seller) must deal with personal customers under the Consumer Protection Code, who are defined as natural persons acting outside his/her business, trade or profession. The arrears handling provisions (in addition to certain other provisions) in the Consumer Protection Code do not apply to a mortgage loan to which the Arrears Code applies, but it could apply to a mortgage not in respect of a primary residence, including a Buy-to-Let Mortgage Loan. The Servicer (as an authorised retail credit firm) is required by law to administer the Mortgage Loans in accordance with Code.

The putting in place of any arrangement entered into with a Borrower as part of an arrears management, debt rehabilitation or Enforcement Procedure (for example if a Mortgage Loan is in arrears and a fixed rate payment schedule is agreed with a Borrower to enable arrears to be cleared or the term of the Mortgage Loan is extended to assist a Borrower in financial difficulties), and whether required to do so by law or regulation or acting as a Prudent Mortgage Lender, will not constitute a product switch as described in "*Sale of the Mortgage Portfolio under the Mortgage Sale Agreement – Term Variations*" below.

The Central Bank has requested banks to put in place longer term mortgage arrears resolution strategies ("**MARS**") to deal with borrowers in or facing arrears or in pre-arrears. It is likely that lenders' actions in dealing with borrowers who are in financial difficulty or whose mortgages are, or may become, in arrears will be subject to additional regulation in future. Any such additional regulation may have a negative impact on the ability of the Issuer to recover amounts due under the Mortgage Loans and on its ability to pay amounts due under the Notes.



*Central Bank (Supervision and Enforcement) Act 2013 (Section 48) (Lending to Small and Medium-Sized Enterprises) Regulations 2015*

The Central Bank (Supervision and Enforcement) Act 2013 (Section 48) (Lending to Small and Medium-Sized Enterprises) Regulations 2015 (the "**SME Regulations**") came into force on the 1 July 2016 and replaced the Code of Conduct on Lending to Small and Medium Enterprises (the "**SME Code**"). The SME Regulations apply to finance provided to micro, small and medium enterprises which can include natural persons acting within the course of a business, trade or profession. To the extent a borrower, in respect of a Buy-to-Let Mortgage Loan, falls within this category, the provisions of the SME Regulations could apply. These include, provisions relating to communications with the borrower, information to be provided to the borrower, and dealing with borrowers in financial difficulties.

The Servicer (as an authorised retail credit firm) is required by law to administer the Mortgage Loans in accordance with the SME Regulations to the extent that they are applicable to any of the Mortgage Loans.

*Credit Servicing Legislation - Ireland*

The Consumer Protection (Regulation of Credit Servicing Firms) Act 2018 (the "**CSA 2018**") became law in Ireland on 21 January 2019. The CSA 2018 amends the definition of "credit servicing" in Part V of the Central Bank Act 1997 (as amended) (the "**CBA 1997**") so that certain activities (which did not previously fall within the definition of 'credit servicing' under the legislation) now constitute 'credit servicing'. These activities include:

- (a) holding legal title to credit (which would include the Mortgage Loans);
- (b) determining the overall strategy for the management and administration of a portfolio of credit agreements; and
- (c) maintaining control over key decisions relating to such portfolio of credit agreements.

Subject to limited exceptions, an entity cannot perform "credit servicing" in respect of Irish credit agreements without holding an appropriate authorisation from the Central Bank. The CSA 2018 provides for an exemption from the requirement to be authorised (the "**securitisation exemption**") in the case of a securitisation special purpose entity ("**SSPE**") which satisfies certain conditions.

The securitisation exemption may be availed of by an SSPE to which any part of the interest of the owner of credit in the credit concerned is directly or indirectly assigned or otherwise disposed of, as part of a securitisation, where:

- (a) the securitisation special purpose entity was established by or on behalf of the owner of credit as part of the securitisation arranged by or on behalf of that owner of credit;
- (b) the owner of credit retains the legal title to the credit so assigned or otherwise disposed of; and
- (c) the originator, sponsor or original lender is required to retain on an ongoing basis a material net economic interest in the securitisation of not less than 5 per cent.

For these purposes, "owner of credit" means

- (a) a person who is authorised, or taken to be authorised (by virtue of being authorised under the preceding regime), to carry on the business of a credit servicing firm; or
- (b) a regulated financial services provider authorised, by the Central Bank or an authority that performs functions in an EEA country that are comparable to the functions performed by the Central Bank, to provide credit in the State.

As the Originator (i) has established the Issuer for the purposes of securitising the Mortgage Loans, (ii) will retain legal title to the Mortgage Loans and transfer the beneficial title to the Mortgage Loans to the Issuer or its nominee, (iii) will act as the Retention Holder and hold the Retention and (iv) is a retail credit firm authorised by the Central Bank and the "owner of credit" for the purposes of the CBA 1997, the Issuer expects that it will come within the securitisation exemption described above and will not be required to be authorised as a credit servicing firm.

The Transaction Documents have been prepared on the basis that, to the extent possible, no parties to the Transaction Documents (other than the Servicer and any delegate of either entity) conduct any activities which would be considered to be "credit servicing" activities and would require such parties to be authorised as a credit servicing firm. The Servicer and any delegate of either entity are (or will be as the case may be) appropriately authorised to discharge credit servicing activities in connection with the Mortgage Portfolio.

However, the amendments to the CBA 1997 introduced by the CSA 2018 are relatively new and are broadly drafted and, as at the date of this Prospectus, there is no guidance from the Central Bank as to how the scope of activities within the ambit of the "credit servicing" or the securitisation exemption should be interpreted. If the Issuer (or any other party to the Transaction Documents) were determined to be undertaking credit servicing activities of a nature that require it to be authorised, the Issuer or such party could either seek the appropriate authorisations, or seek to amend the Transaction Documents accordingly. No assurance can be given that such authorisation would be forthcoming or that it would be possible to amend the Transaction Documents. Furthermore, the Issuer may be subject to sanctions by the Central Bank and, potentially, would be in breach of law and the Transaction Documents. Any of the foregoing circumstances could adversely affect the value of the Notes.

#### *Personal Insolvency Act*

The Personal Insolvency Act 2012, as amended (the "**Personal Insolvency Act**") provides a framework for personal insolvency and for the settlement of debt, including residential mortgage debt. In particular, it provides for three Court approved debt resolution options for Borrowers deemed under the provisions of the Personal Insolvency Act to have unsustainable indebtedness levels. These three debt resolution options are alternatives to bankruptcy.

In summary, the key aspects of the Personal Insolvency Act are as follows:

- (a) the establishment of three new non-judicial settlement systems:
  - (i) a Debt Relief Notice ("**DRN**") which provides for the write-off of qualifying unsecured debt (including for example credit card debt and overdrafts) up to €35,000 following a three-year moratorium period, with a possibility of an extension (during which the debtor's circumstances must not have improved);
  - (ii) a Debt Settlement Arrangement ("**DSA**") which provides for an agreed settlement of unsecured debt without a limit on the amount of debt over a period of five years, with a possible agreed extension to six years. A DSA must have the support of creditors representing at least 65 per cent. of a debtor's total debt. A debtor can go through a DSA once in their lifetime;
  - (iii) a Personal Insolvency Arrangement ("**PIA**") which provides for the agreed settlement of both secured and unsecured debt of (secured is subject to a cap of €3,000,000 unless the cap is waived by an agreement of all secured creditors), including residential mortgage debt. A PIA will be approved if it is supported by both secured and unsecured creditors representing at least 65 per cent. of a debtor's total debt. In addition, over 50 per cent. of secured creditors and over 50 per cent. of unsecured creditors must vote in favour of the PIA. The Personal Insolvency Act provides that a borrower who has entered a mortgage restructure is not excluded from applying for a PIA, should the restructure not succeed in returning the borrower to solvency;
- (b) the period for discharge of bankrupts was reduced to one year (subject to limited exceptions) and the amount which must be owing before bankruptcy proceedings can be brought was increased from the euro equivalent of €1,900 to over €20,000; and
- (c) the establishment of a new state-funded independent body to be known as the Insolvency Service which will oversee, and give determinations on, the non-judicial settlement procedures referred to above and which will also maintain a new Personal Insolvency Register which will hold details of debtors subject to the new procedures.

DRNs and DSAs both deal with unsecured debt. However, the Personal Insolvency Act regime may result in the restructuring of the principal amount outstanding of the secured debt (which would include

mortgage debt) of a borrower who completes a PIA and could also affect the enforcement of mortgages over residential property, and accordingly may have an adverse effect on the ability of the Issuer to fully recover amounts due under the Mortgages, which in turn may adversely affect the Issuer's ability to make payments under the Notes.

A PIA will not, however, involve an automatic writing down of negative equity and to be eligible, a debtor will have to show positive engagement with his/her secured creditors in the period leading up to the application for an arrangement.

#### *Consumer Credit Act and Mortgage Credit Regulations*

The making of housing loans in Ireland is regulated by the Consumer Credit Act 1995 (as amended) of Ireland (the "CCA") and the European (Consumer Mortgage Credit Agreements) Regulations 2016 (the "**Mortgage Credit Regulations**"), which imposes a range of obligations and restrictions on mortgage lenders and mortgage intermediaries.

A mortgage lender is an entity the business of which consists of or includes the making of housing loans. A housing loan is a loan that is secured by a mortgage on a house and which is, *inter alia*, made to a consumer for the purchase of the house to which the mortgage relates, or otherwise made to a person for the purchase or improvement of that person's principal residence. It is not anticipated that the Issuer will be a mortgage lender for the purposes of the CCA.

A mortgage intermediary is a person (other than a mortgage lender or credit institution) who, in return for commission or some other form of consideration arranges, or offers to arrange, for a mortgage lender to provide a consumer with a housing loan, or introduces a consumer to an intermediary who arranges, or offers to arrange, for a mortgage lender to provide the consumer with such a loan. A mortgage intermediary requires an authorisation from the Central Bank in order to conduct its business. In the event that an unauthorised mortgage intermediary operates in Ireland, it is subject to penalties and sanctions that are discussed below. It is not anticipated that the Issuer will be a mortgage intermediary for the purposes of the CCA.

Relevant obligations imposed by the CCA include rules regulating advertising for housing loans; a requirement to furnish the borrower with a valuation report concerning the property; a requirement that specified warnings regarding the potential loss of the person's home be included in all key documentation relating to a housing loan and that key, prescribed information be displayed on the front page of a housing loan; and obligations to provide prescribed documents and information to a borrower. Restrictions include prohibitions on the imposition of a redemption fee in the case of many types of housing loan; compelling a borrower to pay the lender's legal costs of investigating title; and the linking of certain products.

A breach of any of these obligations or restrictions is a criminal offence by the mortgage lender or intermediary. The financial penalties may range from a maximum fine of €3,000 for most offences, to a maximum fine of €100,000 for the unlawful linking of certain services. A person (including a company) that is convicted of an offence under the CCA will normally be ordered to pay the costs of the prosecution. In respect of a regulated financial service provider (but not an entity that is a mortgage lender only), the Central Bank may, instead of a prosecution, impose a monetary penalty for breach of any of these obligations and restrictions; that penalty may be appealed to the Financial Services Appeals Tribunal. The maximum financial penalty is €10,000,000 in the case of a body corporate.

The Mortgage Credit Regulations came into force on 21 March 2016 and transpose Directive 2014/17/EU on credit agreements for consumers relating to residential immovable property into Irish law. The Mortgage Credit Regulations apply to credit provided to a consumer under: (a) credit agreements secured by a mortgage or comparable security commonly used in a member state on residential immovable property, or secured by a right relating to residential immovable property; and (b) credit agreements the purpose of which is to acquire or retain rights in land or in an existing or proposed residential building.

The Mortgage Credit Regulations requires (among other things): standard information in advertising; standard pre-contractual information; adequate explanations to the consumer on the proposed credit agreement and any ancillary service; calculation of the annual percentage rate of charge in accordance with a prescribed formula; assessment of creditworthiness of the consumer; a right of the consumer to make early repayment of the credit agreement; notifications to consumers concerning changes in the

borrowing rates; and certain obligations in respect of arrears and repossessions. The Mortgage Credit Regulations also imposes prudential and supervisory requirements including the establishment and supervision of credit intermediaries, appointed representatives and non-credit institutions.

#### *Unfair Terms in Consumer Contracts Regulations*

The European Communities (Unfair Terms in Consumer Contracts) Regulations 1995 and the European Communities (Unfair Terms in Consumer Contracts) (Amendment) Regulations 2000, 2013 and 2014 (together, the "**UTCC Regulations**") apply in relation to the Mortgage Loans. A Borrower may challenge a term in an agreement on the basis that it is "unfair" within the meaning of the UTCC Regulations and therefore not binding on the Borrower. In addition, the Competition and Consumer Protection Commission (the "**CCPC**"), the Central Bank or a consumer organisation collectively defined as authorised bodies may apply to the Circuit Court or the High Court for a declaration that a term drawn up for general use in contracts concluded by sellers or suppliers is unfair. At the discretion of the court, an order banning the use of such a term can be subsequently granted. The Director of Consumer Affairs or a consumer organisation may also seek an injunction preventing the use of specific terms that are unfair.

This will not generally affect "core terms" which set out the main subject matter of the contract, such as the Borrower's obligation to repay principal, but may affect terms deemed to be ancillary terms, which may include terms the application of which are in the Servicer's discretion (such as a term permitting the Servicer to vary the interest rate).

If a term of a Mortgage Loan is found to be unfair that term may not be enforceable. For example if a term permitting the lender to vary the interest rate is found to be unfair, the Borrower will not be liable to pay the increased rate or, to the extent that the Borrower has paid it, will be able, as against the Seller, 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 Mortgage Loan. Any such non-recovery, claim or set-off may adversely affect the realisable value of the Mortgage Loans in the Mortgage Portfolio and accordingly the ability of the Issuer to meet its obligations in respect of the Notes.

No assurance can be given that the UTCC Regulations, or any changes thereto, will not have an adverse effect on the Mortgage Loans, the Seller, the Servicer or the Issuer and their respective businesses and operations. This may adversely affect the ability of the Issuer to dispose of the Mortgage Portfolio, or any part thereof, in a timely manner and/or the realisable value of the Mortgage Portfolio, or any part thereof, and accordingly affect the ability of the Issuer to meet its obligations under the Notes when due.

#### *Tracker Mortgage Examination*

In October 2015 the Central Bank commenced an industry wide review of tracker mortgage related issues including the transparency of communication with borrowers and contractual rights of borrowers with tracker mortgages (the "**Tracker Mortgage Examination**"). The industry wide examination arose following an investigation of practices adopted by certain lenders where tracker mortgage borrowers were switched to variable rate mortgages. The principal issue related to a failure by lenders to inform borrowers of the impact of switching mortgage products, in particular that borrowers would lose their contractual right to a tracker mortgage.

A tracker mortgage is a loan secured on a private dwelling house or buy to let property where the interest rate is expressed to track a defined benchmark (the "**Tracker-Mortgage Loan**") – usually the ECB main refinancing operations rate, or similar benchmark – or which has an option to convert to such.

The Central Bank requires lenders to provide redress to impacted customers. That redress may include moving customers on to an appropriate rate of interest and/or paying compensation. If the Central Bank, as part of the Tracker Mortgage Examination process, determines that the relevant lender did not comply with applicable contractual obligations and consumer protection regulations, it may require the relevant lender to provide redress to impacted customers, which may include modifying an impacted mortgage loan to reflect an appropriate rate of interest and/or to reflect any compensation.

Dilosk is currently not subject to the Tracker Mortgage Examination. However, it may be subject to the Tracker Mortgage Examination or a similar regulatory examination in future. The Provisional Mortgage Portfolio does not contain any Tracker Mortgage Loans as at the date of this Prospectus and the Mortgage

Portfolio should not be impacted by the Tracker Mortgage Examination. However, there can be no assurance that this issue will not be applicable to the Mortgage Portfolio in future.

As part of the Tracker Mortgage Examination, the Central Bank required that lenders "stop the harm", including putting in place measures to ensure that steps in the legal process are not taken against potentially impacted customers. As a result, no enforcement action, except in certain limited circumstances, is being taken in respect of loans identified to be in scope and which have not yet been remediated. Although no such loans have been identified in the Mortgage Portfolio as at the date of this Prospectus, the same suspension of enforcement action arising out of the "stop the harm" requirement may apply to any Tracker Mortgage Loans identified as being so impacted in the future.

#### *Automatic Capitalisation of Arrears*

In October 2016, the Financial Conduct Authority in the UK (the "FCA") issued a consultation relating to issues arising from automatic capitalisation, in particular cases where lenders both add arrears to an account balance and keeps a separate record of the borrower's arrears and seeks separate (and additional) payment of those. In the consultation, the FCA state that they expect FCA authorised firms to ensure this practice ceases and to carry out remediation. The FCA has proposed a framework for remediation upon which they are consulting.

There is a risk that Irish lenders have also engaged in these practices and the issue may be subject to a Central Bank investigation, either targeted at specific lenders or industry wide. At the date of this prospectus, the Central Bank has individually posed certain queries to some (if not all) retail credit firms (including the Seller) on this issue but it has not publicly announced any such investigations or examinations.

#### *European Directive on Unfair Commercial Practices*

On 11 May 2005, the European Council and European Parliament signed Directive 2005/29/EC (the "**Unfair Commercial Practices Directive**"). The Unfair Commercial Practices Directive affects all consumer contracts and thus will have some impact in relation to the residential mortgage market.

Under the Unfair Commercial Practices Directive, a commercial practice is to be regarded as unfair if it is (a) contrary to the requirements of professional diligence; and (b) materially distorts or is likely to materially distort the economic behaviour of the average consumer whom the practice reaches or to whom it is addressed or the average member of a group where a practice is directed at a particular group of consumers.

In addition to the general prohibition on unfair commercial practices, the Unfair Commercial Practices Directive contains provisions aimed at aggressive and misleading practices (including, but not limited to; (i) pressure selling; (ii) misleading marketing (whether by action or omission); and (iii) falsely claiming to be a signatory to a code of contact) and a list of practices which will in all cases and in all Member States be considered unfair. The Unfair Commercial Practices Directive also contains provisions aimed at preventing the exploitation of consumers whose characteristics make them particularly vulnerable to unfair commercial practices (which may include non-status, credit impaired or sub-prime Borrowers).

The Consumer Protection Act 2007 (as amended) (the "**CPA**") came into force on 1 May 2007 which implements the Unfair Commercial Practices Directive in Ireland. Under the CPA there are four principal heads of offences; (i) Unfair Commercial Practices, (ii) Misleading Commercial Practices, (iii) Aggressive Commercial Practices and (iv) Prohibited Commercial Practices.

In respect of most offences (other than, for example, pyramid selling schemes), the CPA contains a defence of "due diligence". This defence is available where the accused proves (i) the commission of the offence was due to a mistake or the reliance on information supplied to the accused or to the act or default of another person, an accident of some other cause beyond the accused's control and (ii) that the accused exercised due diligence and took all reasonable precautions to avoid the commission of the offence. Where due diligence means the standard of special skill and care which a trader may reasonably be expected to exercise towards consumers, commensurate with honest market practice and/or the general principle of good faith in trader's field of activity.

Under the CPA both civil proceedings and criminal proceedings may be brought against a trader engaging in an unfair act or practice albeit this should not impact on the enforceability of the underlying contract itself.

Any affected person, including consumers, other traders, and the CCPC may bring civil proceedings under the CPA for a prohibition order against a trader engaging in an unfair act or practice. The CCPC may also serve a compliance notice on a trader whom it considers to have engaged in an unfair commercial practice. A consumer aggrieved by an Unfair Commercial Practice also has a right of action for damages.

The CCPC is also empowered to institute summary proceedings for breaches of the CPA relating to misleading, aggressive and prohibited practices. A trader found guilty of an offence on summary conviction will be liable to a fine not exceeding €3,000 and/or six months imprisonment for a first offence and a fine of €5,000 and/or twelve months imprisonment for subsequent offences. Proceedings on indictment will be taken by the Director of Public Prosecutions (the "**DPP**"). On a first conviction on indictment an offending trader may be fined up to €60,000 and/or eighteen months imprisonment and subsequent convictions carry a fine of up to €100,000 and/or 24 months imprisonment.

The Unfair Commercial Practices Directive is stated to be without prejudice to contract law and the rules of the validity, formation or effect of a contract. There is, as yet, no reported case law on the CPA.

#### *The proposed financial transactions tax ("**FTT**")*

On 14 February 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**Participating Member States**"). However, Estonia has since stated that it will not participate.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances.

Under the Commission's Proposal the proposed FTT could apply to certain dealings in the Notes. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

#### *Withholding Tax under the Notes*

In the event that withholding taxes are imposed in respect of payments to Noteholders of amounts due pursuant to the Notes, neither the Issuer nor any Paying Agent nor any other person is obliged to gross up or otherwise compensate Noteholders for the lesser amounts the Noteholders will receive as a result of the imposition of withholding taxes. The imposition of such withholding taxes would entitle (but not oblige) the Issuer to redeem the Notes at their Principal Amount Outstanding plus accrued interest. Please see the section entitled "*Taxation – Ireland Taxation*" in relation to Irish withholding tax.

#### *Irish Tax Treatment of the Issuer*

The Irish Finance Acts, 2016 and 2017 introduced provisions amending the tax treatment of a "qualifying company" within the meaning of Section 110 of the 1997 Act (a "**Qualifying Company**"). These amendments deny a tax deduction for (1) profit dependent interest, or (2) interest to the extent it exceeds a reasonable commercial return (the "**Affected Interest**") where such Affected Interest is attributable to a "specified property business" carried on by the Qualifying Company. A "specified property business" means, subject to a number of exceptions, a business of holding "specified mortgages", units in an IREF

(being a specified form of investment undertaking within the meaning of Chapter 1B of Part 27 of the 1997 Act) or shares that derive their value or greater part of their value directly or indirectly from Irish land. A "**specified mortgage**" for this purpose is (a) a loan which is secured on, and which derives its value from, or the greater part of its value from, directly or indirectly, Irish land; (b) a "specified agreement" (effectively a profit dependent derivative) which derives all of its value from, or the greater part of its value from, directly or indirectly Irish land or a loan to which (a) applies; or (c) the portion of a specified security (essentially a security in respect of which if the Finance Act 2016 and Finance Act 2017 rules did not apply to it, payments on that security would be deductible under section 110 of the 1997 Act) attributable to the specified property business in accordance with the rules. The legislation treats the holding of such assets as a separate business to the rest of the Qualifying Company's activities.

Where Affected Interest arises, and an exemption is not available, it is treated as a distribution which is not deductible for tax purposes and will thus form part of the taxable profits of the Issuer and will also be subject to dividend withholding tax (subject to any available exemptions).

However, exemption from these rules is available in the case of a "CMBS/RMBS transaction" as defined in Section 110(5A) of the TCA. Broadly, a "CMBS/RMBS transaction" refers to a securitisation transaction within the meaning of Article 2(1) of the EU Securitisation Regulations (formerly Article 4(1)(61) of Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 (the "**CRR**")) which is entered into by a Qualifying Company where the originator, within the meaning of Article 2(3)(a) of the EU Securitisation Regulations (formerly Article 4(1)(13) of CRR, retains a net economic interest in the credit risk of the securitisation position in accordance with Article 405 of the CRR (now replaced by Article 6 of Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017) and, in the case of an entity that is an originator because it purchases a third party's exposures for its own account and then securitises them, is a regulated financial institution or credit institution within the meaning of the CRR.

On the basis of disclosures elsewhere in this Prospectus the Seller is a qualifying originator for the purposes of Section 110(5A) of the 1997 Act and will retain in accordance with Article 405 of the CRR (as replaced by Article 6 of Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017) a net economic interest for the purposes of the securitisation. Accordingly, the transaction should be a "CMBS/RMBS transaction" and therefore exempt from the documented deductibility restrictions pursuant to Finance Acts 2016 and 2017.

#### *FATCA withholding may affect payments on the Notes*

In certain circumstances payments made on or with respect to the Notes after 31 December 2016 may be subject to withholding under Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 (commonly referred to as "**FATCA**").

While the Notes are in global form and held within the Clearing Systems, in all but the most remote circumstances, it is not expected that FATCA will affect the amount of any payment received by the clearing systems (see the section entitled "*Taxation – U.S. Foreign Account Tax Compliance Withholding*" below). However, FATCA may affect payments made to custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. It also may affect payment to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding. Investors should choose the custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA) and provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding. The Issuer's obligations under the Notes are discharged once the Principal Paying Agent has paid the Common Safekeeper and the Issuer has therefore no responsibility for any amount thereafter transmitted through the hands of the clearing systems and custodians or intermediaries. Potential investors should be aware that no additional amounts will be payable if any payments in relation to the Notes are subject to withholding or deduction under FATCA. Investors should consult their own tax adviser to obtain a more detailed explanation of FATCA and how FATCA may affect them.

### *Common Reporting Standard*

Ireland has implemented the "Standard for Automatic Exchange of Financial Account Information", also known as the Common Reporting Standard ("**CRS**"), into Irish law.

The CRS is a single global standard on Automatic Exchange of Information ("**AEOI**") which was approved by the Council of the Organisation for Economic Cooperation and Development ("**OECD**") in July 2014. It draws on earlier work of the OECD and the EU, global anti-money laundering standards and, in particular, the Model FATCA Intergovernmental Agreement. The CRS sets out details of the financial information to be exchanged, the financial institutions required to report, together with common due diligence standards to be followed by financial institutions.

Under the CRS, participating jurisdictions are required to exchange certain information held by financial institutions regarding their non-resident customers. To comply with its obligations under the CRS (or similar information sharing arrangements), the Issuer may require additional information and documentation from Noteholders. The Issuer may disclose the information, certifications or other documentation that they receive from or in relation to Noteholder to the Irish Revenue Commissioners who may in turn exchange this information with tax authorities in other territories.

By subscribing for Securities, each Noteholder is agreeing to provide such information upon request from the Issuer or its delegate. Noteholders refusing to provide the requisite information to the Issuer may be reported to the Irish Revenue Commissioners or other parties as necessary to comply with the CRS.

The above description is based in part on regulations, guidance from the OECD and the CRS, all of which are subject to change. Each prospective investor should consult their own tax adviser on the requirements applicable to their own situation under these arrangements.

### *Action Plan on Base Erosion and Profit Shifting*

At a meeting in Paris on 29 May 2013, the Organisation for Economic Co-operation and Development ("**OECD**") Council at Ministerial Level adopted a declaration on base erosion and profit shifting urging the OECD's Committee on Fiscal Affairs to develop an action plan to address base erosion and profit shifting in a comprehensive manner. In July 2013, the OECD launched an Action Plan on Base Erosion and Profit Shifting ("**BEPS**"), identifying fifteen specific actions to achieve this. Subsequently, the OECD published discussion papers and held public consultations in relation to those actions, also publishing interim reports, analyses and sets of recommendations in September 2014 for seven of the actions. On 5 October 2015, the OECD published final reports, analyses and sets of recommendations for all of the fifteen actions it identified as part of its Action Plan, which G20 finance ministers then endorsed during a meeting on 8 October 2015 in Lima, Peru (the "**Final Report**"). The Final Report was endorsed by G20 Leaders during their annual summit on 15-16 November 2015 in Antalya, Turkey.

#### *Action 4*

In the Final Report relating to Action 4, the OECD recommends as a best practice that countries introduce a general limitation on tax deductions for net interest and economically equivalent payments under which, broadly speaking, a company would be denied those deductions to the extent they exceeded a particular percentage of the company's EBITDA ranging from 10 to 30 per cent.

The OECD recommends that, as a minimum, countries would apply this restriction to companies that form part of domestic and multinational groups only, or to companies that form part of multinational groups. However, the OECD acknowledges that countries may also apply such restriction more broadly to include companies in a domestic group and standalone companies which are not part of a domestic group.

#### *Action 6*

The focus of one of the actions (Action 6) is the prevention of treaty abuse by developing model treaty provisions to prevent the granting of treaty benefits in inappropriate circumstances. The Final Report recommends, as a minimum, that countries should include in their tax treaties: (i) an express statement that the common intention of each contracting state which is party to such treaties is to eliminate double taxation without creating opportunities for non-taxation or reduced taxation through tax evasion or



avoidance; and one, or both, of (ii) a "limitation-on-benefits" ("**LOB**") rule; and (iii) a "principal purposes test" ("**PPT**") rule.

The PPT rule could deny a treaty benefit (such as a reduced rate of withholding tax) if it is reasonable to conclude, having regard to all facts and circumstances, that obtaining that benefit was one of the principal purposes of any arrangement or transaction that resulted directly or indirectly in that benefit, unless it is established that granting that benefit in those circumstances would be in accordance with the object and purpose of the relevant provisions of the treaty. It is unclear how a PPT, if adopted, would be applied by the tax authorities of those jurisdictions from which payments are made to the Issuer.

In contrast, the LOB rule has a more objective focus. More particularly, the OECD has included both a detailed and simplified version of the LOB rule in its Final Report relating to Action 6, albeit recommending in the related commentary to the LOB rule that the simplified version of the LOB rule should be included in a double tax treaty in combination with a PPT rule. The more detailed version of the LOB provision would limit the benefits of treaties, in the case of companies and in broad terms, to: (i) certain publicly listed companies and their affiliates; (ii) certain not-for-profit organisations and companies which carry on a pensions business; (iii) companies owned by a majority of persons who would be eligible for treaty benefits **provided that** the majority of the company's gross income is not paid to a third country in a tax deductible form; (iv) companies engaged in the active conduct of a trade or business (other than of making or managing investments); (v) companies which were not established in a particular jurisdiction with a principal purpose of obtaining treaty benefits; and (vi) certain collective investment vehicles ("**CIVs**"). The simplified version of the LOB provision would limit these benefits to companies in similar but, generally speaking, less prescriptive circumstances. The ability to claim treaty benefits under (v) above, however, would be included in both versions, albeit that it would require a company to apply to the tax authorities of the other contracting state for the granting of that benefit.

Whilst the Final Report makes provision for the inclusion of a CIV as a "qualified person" for the purposes of the LOB rule, the Final Report does not include specific provision for non-CIVs, such as the Issuer. In the Final Report, the OECD acknowledges the economic importance of non-CIV funds and the need to grant such vehicles treaty benefits where appropriate. Further work on the treaty benefits to be afforded to non-CIV funds has continued to be undertaken including the publication on 24 March 2016 by the OECD of a public discussion draft document on the entitlement of non-CIV funds to treaty benefits and the publication on 6 January 2017 of a further discussion document detailing examples of transactions featuring non-CIVs.

The Multilateral Instrument (see further below) presents the PPT rule as the default option for countries wishing to modify their tax treaties to comply with the minimum standard of Action 6, while also permitting countries to supplement the PPT rule by choosing to apply a simplified LOB rule. The Multilateral Instrument does not include a detailed LOB rule but rather allows relevant countries who wish to incorporate a detailed LOB rule to opt out of the PPT rule and instead agree to endeavour to reach a bilateral agreement on such a detailed LOB rule. The Multilateral Instrument does not, however, address non-CIV funds and their access to treaty benefits in the context of a LOB rule.

#### *Action 7*

The focus of another action point (Action 7) was to develop changes to the treaty definition of a permanent establishment and the scope of the exemption for an "agent of independent status" to prevent the artificial avoidance of having a permanent establishment in a particular jurisdiction. The Final Report on Action 7 sets out the changes that will be made to the definition of a "permanent establishment" in Article 5 of the OECD Model Convention and the OECD Model Commentary. Among other recommendations, the Final Report on Action 7 recommended two specific changes to the OECD Model Convention: (i) the expansion of the circumstances in which a "permanent establishment" is created to include the negotiation of contracts where certain conditions are satisfied; and (ii) narrowing the exemption for agents of independent status where contracts are concluded by an "independent agent" and that agent is connected to the foreign enterprise on behalf of which it is acting.

#### *Implementation of the recommendations in the Final Report*

The OECD Action Plan noted the need for a swift implementation of any measures which are finally decided upon and suggested that Actions 6 and 7, among others, could be implemented by way of multilateral instrument, rather than by way of negotiation and amendment of individual tax treaties.

Subsequently, therefore, on 24 November 2016, the OECD published the text and explanatory statement of the "Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting", developed by an *ad hoc* group of 99 countries which included Ireland (the "**Multilateral Instrument**"). The effect of the Multilateral Instrument is to transpose certain proposals emanating from the BEPS project into existing tax treaties. The Multilateral Instrument is to be applied alongside existing tax treaties (rather than amending them directly), modifying the application of those existing treaties in order to implement BEPS measures.

The Multilateral Instrument has been signed by over 75 jurisdictions (including Ireland). Following Slovenia's ratification, the Multilateral Instrument entered into force on 1 July 2018 for signatories who deposited their instrument of ratification, acceptance or approval with the OECD on or before 22 March 2018 (which did not include Ireland). For signatories who deposit their instrument of ratification, acceptance or approval with the OECD after 22 March 2018, the Multilateral Instrument comes into force at the start of the month which is three entire calendar months after such instrument of ratification, acceptance or approval is deposited with the OECD. Ireland deposited its instrument of ratification with the OECD on 29 January 2019 and therefore the Multilateral Instrument will come into force in respect of Ireland on 1 May 2019.

The date from which provisions of the Multilateral Instrument have effect in relation to a double tax treaty depends on several factors including the type of tax which the relevant treaty article relates to. Upon initial signing of the Multilateral Instrument, Ireland indicated those of its double tax treaties which are to be designated as Covered Tax Agreements ("CTA"), being tax treaties that are to be modified by the Multilateral Instrument. Upon ratifying the MLI, Ireland submitted its preliminary list of reservations and notifications under the Multilateral Instrument, in which it elected not to adopt a simplified LOB in its treaties (but rather just a PPT rule). The OECD's Frequently Asked Questions on the Multilateral Instrument dated June 2017 indicates that the PPT is expected to apply to all treaties covered by the Multilateral Instrument.

Accordingly, at least some of the recommendations of the Final Reports on Actions 6 and 7 may be applied to existing tax treaties in a relatively short time. However, the Multilateral Instrument generally allows participating countries to opt in or out of various measures which are not a BEPS "minimum standard". It remains to be seen, therefore, precisely which options participating countries will choose and, as the Final Report on Action 6 observed, there are various reasons why countries may not implement the proposed amendments in an identical manner and/or to the same extent.

A change in the application or interpretation of double tax treaties (as a result of the adoption of the recommendations of the Final Report by way of the Multilateral Instrument or otherwise) might result in the Issuer being treated as having a taxable permanent establishment outside of Ireland, in denying the Issuer the benefit of Ireland's network of double tax treaties or in other tax consequences for the Issuer. In each case, this could have a material adverse effect on the Issuer's business, tax and financial position.

#### *EU Anti-Tax Avoidance Directive and EU Anti-Tax Avoidance Directive 2*

As part of its anti-tax avoidance package, and to provide a framework for a harmonised implementation of the BEPS conclusions across the EU, the EU Council adopted Council Directive (EU) 2016/1164 (the "**Anti-Tax Avoidance Directive**") on 12 July 2016.

The EU Council adopted Council Directive (EU) 2017/952 (the "**Anti-Tax Avoidance Directive 2**") on 29 May 2017, amending the Anti-Tax Avoidance Directive, to provide for minimum standards for counteracting hybrid mismatches involving EU member states and third countries.

EU member states had until 31 December 2018 to implement the Anti-Tax Avoidance Directive (subject to derogations for EU member states which have equivalent measures in their domestic law) and until 31 December 2019 to implement the Anti-Tax Avoidance Directive 2 (except for measures relating to reverse hybrid mismatches, which must be implemented by 31 December 2021).

The Directives contain various measures that could, depending on their implementation in Ireland, potentially result in certain payments made by the Issuer ceasing to be fully deductible. This could increase the Issuer's liability to tax.

There are two measures of particular relevance.

Firstly, the Anti-Tax Avoidance Directive provides for an "interest limitation rule" which restricts the deductible interest of an entity to 30 per cent. of its earnings before interest, tax, depreciation and amortisation. However, the interest limitation only applies to the net borrowing costs of an entity (being the amount by which its borrowing costs exceed its taxable interest revenues and other economically equivalent taxable revenues).

Secondly, the Anti-Tax Avoidance Directive (as amended by the Anti-Tax Avoidance Directive 2) provides for hybrid mismatch rules. These rules are designed to neutralise arrangements where amounts are deductible from the income of one entity but are not taxable for another, or the same amounts are deductible for two entities. These rules could potentially apply to the Issuer where: (i) the interest that it pays under the Notes, and claims deductions, from its taxable income for, is not brought into account as taxable income by the relevant Noteholder, either because of the characterisation of the Notes, or the payments made under them, or because of the nature of the Noteholder itself; and (ii) the mismatch arises between associated enterprises, between the Irish Issuer and an associated enterprise or under a structured arrangement.

The exact scope of these two measures, and impact on the Issuer's tax position, will depend on the implementation of the measures in Ireland.

#### *Book-Entry Interests*

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

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

Except as noted in the previous paragraph, payments of principal and interest on, and other amounts due in respect of, the Global Notes will be made by the Principal Paying Agent to a nominee of the Common Safekeeper for Euroclear and Clearstream, Luxembourg. Upon receipt of any payment from the Principal Paying Agent, Euroclear and Clearstream, Luxembourg, as applicable, will promptly credit participants' accounts with payment in amounts proportionate to their respective ownership of Book-Entry Interests as shown on their records. The Issuer expects that payments by participants or indirect payments to owners of Book-Entry Interests held through such participants or indirect participants will be governed by standing customer instructions and customary practices, as is now the case with the securities held for the accounts of customers registered in "street name", and will be the responsibility of such participants or indirect participants. None of the Issuer, the Trustee, any Paying Agent or the Registrar will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, the Book-Entry Interests or for maintaining, supervising or reviewing any records relating to such Book-Entry Interests.

Unlike Noteholders, holders of the Book-Entry Interests will not have the right under the Trust Deed to act upon solicitations by or on behalf of the Issuer for consents or requests by or on behalf of the Issuer for waivers or other actions from Noteholders. Instead, a holder of Book-Entry Interests will be permitted to act only to the extent it has received appropriate proxies to do so from Euroclear or Clearstream, Luxembourg (as the case may be) and, if applicable, their participants. There can be no assurance that procedures implemented for the granting of such proxies will be sufficient to enable holders of Book-Entry Interests to vote on any requested actions on a timely basis. Similarly, upon the occurrence of an Event of Default under the Notes, holders of Book-Entry Interests will be restricted to acting through Euroclear and Clearstream, Luxembourg unless and until Definitive Certificates are issued in accordance with the relevant provisions described herein under "*Terms and Conditions of the Notes*" below. There can be no assurance that the procedures to be implemented by Euroclear and Clearstream, Luxembourg under such circumstances will be adequate to ensure the timely exercise of remedies under the Trust Deed.

Although Euroclear and Clearstream, Luxembourg have agreed to certain procedures to facilitate transfers of Book-Entry Interests among account holders of Euroclear and Clearstream, Luxembourg, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, the Trustee, any Paying Agent, the Registrar or any of their agents will have any responsibility for the performance by Euroclear or Clearstream, Luxembourg or their respective participants or account holders of their respective obligations under the rules and procedures governing their operations.

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

Certain transfers of Notes or interests therein may only be effected in accordance with, and subject to, certain transfer restrictions and certification requirements and in accordance with the rules and regulations of any applicable clearing system. In order for a Noteholder to effect a transfer of Notes to a potential purchaser, the Noteholder and the potential purchaser will need to comply with the applicable transfer restrictions (see "*Description of the Notes in Global Form - Transfers and Transfer Restrictions*"). To the extent such transfer restrictions cannot be complied with, a Noteholder should be prepared to hold its Notes until the Final Maturity Date or until it can effect a transfer to a potential purchaser that complies with the requirements of the applicable transfer restrictions. In order to comply with any applicable laws and regulations in respect of such transfer, potential purchasers of Notes are advised to consult legal counsel prior to making any offer, resale, pledge or transfer of such securities offered.

#### *Meetings of Noteholders, modification and waiver*

The Conditions contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The Trust Deed provides that, without the consent or sanction of the Noteholders or any of the other Secured Creditors, the Trustee may:

- (a) concur with the Issuer and/or any other person, in making any modification to the Conditions or the Transaction Documents:
  - (i) which, in the opinion of the Trustee, is of a formal, minor or technical nature, or is to correct a manifest error; or
  - (ii) (other than a Reserved Matter) which, in the opinion of the Trustee, will not be materially prejudicial to the interests of the holders of the then Most Senior Class then outstanding;
- (b) authorise or waive, on such terms and conditions (if any) as it may decide, any proposed breach or breach of any Transaction Document, if in the Trustee's opinion, the interests of the holders of the then Most Senior Class then outstanding will not be materially prejudiced thereby; and
- (c) determine that any Event of Default or Potential Event of Default shall not be treated as such, if in the Trustee's opinion, the interests of the holders of the Most Senior Class then outstanding will not be materially prejudiced thereby,

provided always that the Trustee shall not exercise any powers under paragraphs (b) or (c) in contravention of any express direction given by an Extraordinary Resolution of the holders of the Most Senior Class or a request or direction in writing made by the holders of not less than 25 per cent. in aggregate of the Principal Amount Outstanding of the Most Senior Class (but no such direction or request (a) shall affect any authorisation, waiver or determination previously given or made; or (b) shall require or authorise the Trustee to exercise its discretion to authorise or waive any proposed breach or breach relating to a Reserved Matter unless each class of Notes has, by Extraordinary Resolution, so authorised its exercise).

In addition, the Trust Deed provides that the Trustee shall be obliged, without any consent or sanction of the Noteholders, or, subject to the receipt of consent from any of the Secured Creditors party to the Transaction Document being modified, 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 and/or any other Transaction Document to which it is a party or in relation to which it holds security or enter into any new, supplemental or additional documents that the Issuer considers necessary:

- (a) in order to comply with, or implement or reflect, any change in the criteria of one or more of the Rating Agencies which may be applicable from time to time;
- (b) for the purpose of complying with any changes to the Securitisation Regulations after the Closing Date;
- (c) for the purpose of enabling the Notes to remain listed on Euronext Dublin;
- (d) for the purpose of enabling the Issuer or any of the other Transaction Parties to comply with FATCA and/or CRS;
- (e) for the purpose of complying with any changes to the requirements of the CRA Regulation after the Closing Date; or
- (f) in order to effect a Benchmark Rate Modification,

provided that, amongst other things: (i) at least 30 calendar days' notice has been given to the Noteholders of any such proposed modification; (ii) the Trustee has not been contacted in writing (or otherwise in accordance with the then current practice of any applicable clearing system through which such Notes may be held) by Noteholders representing at least 10 per cent. of the aggregate Principal Amount Outstanding of the Most Senior Class of Notes then outstanding within such notification period notifying the Trustee that such Noteholders do not consent to the modification, and (iii) the Issuer either (A) obtains from each of the Rating Agencies written confirmation that such modification would not result in (x) a downgrade, withdrawal or suspension of the then current ratings assigned to any of the Rated Notes by such Rating Agency or (y) such Rating Agency placing any of the Rated Notes on rating watch negative (or equivalent) or (B) certifies 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 of the Rated Notes by such Rating Agency or (y) such Rating Agency placing any of the Rated Notes on rating watch negative (or equivalent) and provided that 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 and or (ii) increasing the obligations or duties or decreasing the rights or protections of the Trustee under the Transaction Documents and/or the Conditions.

The Trustee may also, without the consent of any of the Noteholders 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.

The Trust Deed provides that the Trustee shall, as regards the powers, trusts, authorities, duties and discretions vested in it by the Transaction Documents, except where expressly provided otherwise, solely have regard to the interests of the Noteholders and not to the interests of the other Secured Creditors its only obligation to such other Secured Creditors being to pay to them any monies received by it and available for them in accordance with the applicable Priorities of Payments.

See also the section entitled "*Overview of Rights of Noteholders*" and Conditions 16 (*Meetings of Noteholders*) and 17 (*Modification and Waiver*).

The exercise of the Trustee's powers at its own discretion or at the direction of the Noteholders may affect the interests of a Noteholder and there is no guarantee that any changes made to the Transaction Documents and/or the Conditions pursuant to the obligations imposed on the Trustee, as described above, would not be prejudicial to the Noteholders.

### *Change of law*

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 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 February 2019, the Land and Conveyancing Law Reform (Amendment) Bill 2019 (the "**Land and Conveyancing Bill**") was presented to the Irish cabinet and received sufficient support to move to the "second stage" of the legislative approval process. The Land and Conveyancing Bill (which incorporates elements of the "Keeping People in their Homes Bill 2017") would, if enacted, further limit the ability of a lender to obtain orders for possession in respect of defaulted mortgage loans. The draft Land and Conveyancing Bill aims to reform the factors taken into consideration by the Irish Courts when determining applications for mortgagee possession under the Land and Conveyancing Law Reform Act 2013. The draft Land and Conveyancing Bill provides, amongst other things, that a court will have to take into account (i) the proportionality of making an order for possession; (ii) the circumstances of those resident in the property; and (iii) the conduct of parties in attempting to find a resolution regarding the payment of arrears.

The Irish Competition and Consumer Protection Commission recently conducted a study on the mortgage market in Ireland. A report was published in June 2017 outlining options for the government in relation to the market structure, legislation and regulation to lower the cost of secured mortgage lending and improve competition and consumer protection.

It is unclear whether any legislation in respect of the foregoing (either in the current draft form or a different form) will be enacted or whether further legislative initiatives to regulate the Irish mortgage market will be introduced. If enacted, any further legislation could potentially impact the ability of the Issuer to make recoveries in respect of the Mortgage Loans and, accordingly, its ability to make payments under the Notes.

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 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.

### *No Consent, No Sale Bill 2019*

As at the date of this Prospectus, the Irish Parliament is considering a bill entitled "No Consent, No Sale Bill 2019" (the "**No Consent, No Sale Bill**"). The No Consent, No Sale Bill has completed the second stage in the legislative process and has moved to committee stage, however, it is not currently supported by the Irish Government or the Central Bank. It is not possible to say definitively if the No Consent, No Sale Bill will come into force. In addition, the No Consent, No Sale Bill is in draft form and subject to amendment.

Under the No Consent, No Sale Bill, it is currently proposed, amongst other matters, that a loan secured by a mortgage over a residential property shall not be transferred without the written consent of the borrower. In seeking consent, the lender must provide a statement to the borrower containing sufficient information to allow the borrower to make an informed decision. Where it is intended that the original lender will service the relevant mortgage as agent of the transferee, the lender is required to confirm that the transferee's policy on the handling of arrears and the setting of mortgage interest rates will be the same as the original lender. If the lender will no longer have control in determining the conduct of relations with borrowers whose mortgage payments are seriously in arrears and/or in the setting of interest rates, the lender must seek the borrower's consent.

If the No Consent, No Sale Bill is enacted as proposed, the transfer of loans secured by a mortgage over residential property (which would include the Mortgage Loans) would require the written consent of the borrower. The No Consent, No Sale Bill as currently drafted provides for limited exemptions, however an exemption for the transfer of mortgages in the context of a securitisation transaction is not included. If the No Consent, No Sale Bill were to be enacted in its current form, no assurance can be given that borrowers would provide their consent to any transfer of their Mortgage Loans after the enactment including, for instance, if the Issuer or the Trustee (as applicable) sought to perfect the transfer of the Mortgage Loans on the occurrence of a Perfection Trigger Event.

#### *Impact of regulatory initiatives on certain investors*

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

#### *CRA Regulation*

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

Credit ratings included or referred to in this Prospectus have been or, as applicable, may be issued by DBRS and S&P, each of which, as at the date of this Prospectus, is a credit rating agency established in the European Community and registered under the CRA Regulation.

#### *European Securitisation Regulations*

On 1 January 2019, Regulation (EU) 2017/2402 (the "**Securitisation Regulation**") and the associated Regulation (EU) 2017/2401 (the "**CRR Amending Regulation**", and together with the Securitisation Regulation, the "**Securitisation Regulations**") began to apply to any securitisations issued from that date, subject to various transitional provisions. The Securitisation Regulations implement the revised securitisation framework developed by the Basel Committee, as well as revised risk retention and transparency requirements (now imposed variously on the issuer, originator, sponsor and/or original lender of a securitisation) and new due diligence requirements imposed on certain institutional investors in a securitisation. It also introduced a ban on the securitisation of residential mortgage loans made after 20 March 2014 and marketed and underwritten on the premise that the loan applicant or, where applicable, intermediaries were made aware that the information provided by the loan applicant might not be verified by the lender. In general, the requirements imposed under the Securitisation Regulations are more onerous and have a wider scope than those imposed under the previous legislation.

The EU risk retention and due diligence requirements described above apply in respect of the Notes. Investors should therefore make themselves aware of such requirements (and any corresponding implementing rules made at the national level), where applicable to them, in addition to any other regulatory requirements applicable to them with respect to their investment in the notes. With respect to the commitment of the Seller to retain a material net economic interest in the securitisation and with respect to the information to be made available by the Issuer (or by the Servicer or the Cash Manager on the Issuer's behalf), please see the statements set out in "*Regulatory initiatives may have an adverse impact on the regulatory treatment of the Notes*". Relevant investors are required to independently assess

and determine the sufficiency of the information described above for the purposes of complying with any relevant requirements and none of the Issuer, the Arranger, any Joint Lead Manager, the Seller or any of the other transaction parties makes any representation that the information described above is sufficient in all circumstances for such purposes.

Various parties to the Transaction are subject to the requirements of the Securitisation Regulation. Although the Issuer believes that the Transaction is in compliance with the requirements of the Securitisation Regulation, as discussed below there is at present some uncertainty in relation to some of these requirements, including in particular with regard to the transparency obligations imposed under Article 7 of the Securitisation Regulation.

With regard to the transparency requirements set out in Article 7 of the Securitisation Regulation, the relevant regulatory technical standards, including the standardised templates to be developed by ESMA to fulfil these requirements (the "**ESMA Disclosure Templates**") have not as yet been adopted. As a result, the Securitisation Regulation transitional provisions will apply, which require that the disclosure templates prescribed under the Delegated Regulation (EU) No 2015/3 (the "**CRA3**") are to be used until the new regulatory technical standards have been published and the ESMA Disclosure Templates begin to apply.

Furthermore, in a statement issued on 30 November 2018, the Joint Committee of the European Supervisory Authorities noted the operational difficulties of compliance with the Securitisation Regulation disclosure obligations using the CRA3 templates for some entities and indicated that national competent authorities should generally apply their supervisory powers in their day-to-day supervision and enforcement of applicable legislation in a proportionate and risk-based manner.

Notwithstanding the above, the Issuer has adopted the CRA3 templates and believes, based on advice that it has received, that as at the date hereof it has taken reasonable steps to comply with the requirements of Article 7 of the Securitisation Regulation. However, it also notes the general market uncertainty on this point and also the uncertainty with respect to the contents and timing of the obligations to be imposed by regulatory technical standards containing the ESMA Disclosure Templates when they eventually begin to apply, and the further uncertainty as to the existence and (if they are made) contents of any further transitional provisions to be included in the RTS. Furthermore, it is not yet clear how the FCA (as the competent authority in the UK) and the Central Bank (as the competent authority in Ireland) intend to monitor and enforce compliance. The Issuer will continue to monitor any further statements by the European Supervisory Authorities and/or the FCA and the Central Bank in this regard.

#### *Transparency Requirements*

The Issuer has been appointed as the designated entity under Article 7(2) of the Securitisation Regulation. The Issuer has instructed the Cash Manager and the Servicer to assist the Issuer in performing the Issuer's obligations under Article 7 of the Securitisation Regulation.

As to the information made available to prospective investors by the Issuer, reference is made to the information set out herein and forming part of this Prospectus and to the SR Investor Reports and SR Data Tapes that are prepared pursuant to the Cash Management Agreement and Servicing Agreement respectively.

Each prospective investor is required to independently assess and determine the sufficiency of the information described above and in the Prospectus generally for the purposes of complying with Article 5 of the Securitisation Regulation and any corresponding national measures which may be relevant to investors and none of the Issuer, the Arranger, any Joint Lead Manager, the Originator 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.

Please refer to the section entitled "*European Securitisation Regulations*" for further information on the implications of the EU risk retention requirements and the Securitisation Regulation.

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

The U.S. Risk Retention Rules came into effect with respect to residential mortgage backed securities on 24 December 2015 and generally require the "sponsor" of a "securitization transaction" to retain at least 5 per cent. of the "credit risk" of "securitized assets", as such terms are defined for purposes of that



statute, and generally prohibit a sponsor from directly or indirectly eliminating or reducing its credit exposure by hedging or otherwise transferring the credit risk that the sponsor 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 the Originator 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 U.S. persons (in each case, as defined in the U.S. Risk Retention Rules) or for the account or benefit of U.S. persons (as defined in the U.S. Risk Retention Rules and referred to in this Prospectus as "**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.

Prior to any Notes which are offered and sold by the Issuer being purchased by, or for the account or benefit of, any Risk Retention U.S. Person, the purchaser of such Notes must first disclose to the Joint Lead Managers that it is a Risk Retention U.S. Person and obtain the written consent of the Seller, which will be monitoring the level of Notes purchased by, or for the account or benefit of, 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 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 consequence of non-compliance with the U.S. Risk Retention Rules are unclear, but investors should note that the liquidity and/or value of the Notes could be adversely affected by any such non-compliance.

#### *Financing of the risk retention piece*

Any financing of the Retention may require a grant or a security interest over the Retention and result in the financing counterparty having enforcement rights in case of an event of default, which may include the right to appropriate or sell the Retention. In carrying out such appropriations or sale, the financing counterparty would not be required to have regard for the provisions of the Securitisation Regulations, and any such sale could cause the Retention Holder to be out of compliance with such rules.

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

The Issuer is relying on an exclusion or exemption under the Investment Company Act other than the exclusions contained in Section 3(c)(1) and Section 3(c)(7). The Issuer is structured so as not to constitute a "covered fund" for purposes of the regulations adopted to implement Section 619 of the Dodd-Frank Act (such statutory provision together with such implementing regulations, the "**Volcker Rule**"). The Volcker Rule generally prohibits "banking entities" (which is broadly defined to include U.S. banks and bank holding companies and many non-U.S. banking entities, together with their respective subsidiaries and other affiliates) from (i) engaging in proprietary trading, (ii) acquiring or retaining an ownership interest in or sponsoring a "covered fund" and (iii) entering into certain relationships with such funds. The Volcker Rule became effective on 1 April 2014, but was subject to a conformance period for certain funds which concluded on 21 July 2015. Under the Volcker Rule, unless otherwise jointly determined by specified federal regulators, a "covered fund" does not include an issuer that may rely on an exclusion or exemption from the definition of "investment company" under the Investment Company Act other than the exclusions contained in Section 3(c)(1) and Section 3(c)(7) of the Investment Company Act. The general effects of the Volcker Rule remain uncertain. Any prospective investor in the Notes, including a U.S. or foreign bank or a subsidiary or other affiliate thereof, should consult its own legal advisers regarding such matters and other effects of the Volcker Rule.

#### *Implementation of and/or changes to the Basel Framework*

The Basel Committee on Banking Supervision (the "**Basel Committee**") approved significant changes to Basel II (being the revised international capital framework of the Basel Committee, published in 2004) regulatory capital and liquidity framework in 2011 (such changes being commonly referred to as "**Basel**

III"). In particular, Basel III provides for a substantial strengthening of existing prudential rules, including requirements intended to reinforce capital standards (with heightened requirements for global systemically important banks) and to establish a leverage ratio "backstop" for financial institutions and certain minimum liquidity standards (referred to as the "**Liquidity Coverage Ratio**" and the "**Net Stable Funding Ratio**").

The Basel III reforms are being implemented in the European Economic Area ("**EEA**") through the Capital Requirements Regulation and the Capital Requirements Directive (together "**CRD IV**"). CRD IV became effective in the UK and other EU member states on 1 January 2014. The regulation establishes a single set of harmonised prudential rules which apply directly to all credit institutions and investment firms in the EEA, with the directive containing less prescriptive provisions which are required to be transposed into national law. Basel Committee member countries agreed to implement the initial phase of Basel III reforms from 1 January 2013 and the second phase from 1 January 2022, subject to transitional and phase-in arrangements for certain requirements.

Implementation of Basel III requires national legislation and therefore, the final rules and the timetable for their implementation in each jurisdiction may be subject to national variation. The Basel Committee has also published certain proposed revisions to the securitisation framework, including changes to the approaches to calculating risk weights and a new risk weight floor of 10 per cent.

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

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

*Potential effects of any additional regulatory changes*

No assurance can be given that further changes will not be made to the regulatory regime and developments described above in respect of the mortgage market or securitisation market in the United Kingdom and Europe generally, the buy-to-let mortgage loan market or specifically in relation to the Seller. Any such action or developments, in particular, but not limited to, the cost of compliance, may have a material adverse effect on the Seller, the Issuer and/or the Servicer and their respective businesses and operations. This may adversely affect the Issuer's ability to make payments on the Notes.

*Certain conflicts of interest involving or relating to the Arranger, the Joint Lead Managers and their affiliates*

NatWest Markets Plc and their affiliates ("**NatWest Markets Parties**") and Citigroup Global Markets Limited ("**Citigroup Markets Parties**") will play various roles in relation to the offering of the Rated Notes, as described below.

The NatWest Markets Parties and Citigroup Markets Parties may assist clients and counterparties in transactions related to the Rated Notes (including assisting clients in future purchases and sales of the Rated Notes and hedging transactions) and such NatWest Markets Parties and Citigroup Markets Parties would expect to earn fees and other revenues from these transactions.

The NatWest Markets Parties and the Citigroup Markets Parties 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, without limitation, 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 NatWest Markets Parties and the Citigroup Markets Parties and/or their clients may have positions in or may have arranged financing in respect of the Notes or the Mortgage Loans in the Mortgage Portfolio prior to their transfer to the Issuer and may have provided or may be providing investment banking services and other services to the other transaction parties or the Originator.

The NatWest Markets Parties and the Citigroup Markets Parties may act as lead manager, arranger, placement agent and/or initial purchaser or investment manager in other transactions involving issues of residential mortgage backed securities or other investment funds with assets similar to those of the Issuer, which may have an adverse effect on the price or value of the Notes. The NatWest Markets Parties and the Citigroup Markets Parties do not disclose specific trading positions or their hedging strategies, including whether they are in long or short positions in any Notes or obligations referred to in this Prospectus except where required in accordance with applicable law.

In the ordinary course of business, the NatWest Markets Parties and the Citigroup Markets Parties and employees or customers of the NatWest Markets Parties and the Citigroup Markets Parties may actively trade in and/or otherwise hold long or short positions in the Notes or enter into transactions similar to or referencing the Notes for their own accounts and for the accounts of their customers. If any of the NatWest Markets Parties and the Citigroup Markets Parties becomes an owner of any of the Notes, through market-making activity or otherwise, any actions that it takes in its capacity as owner, including voting, providing consents or otherwise will not necessarily be aligned with the interests of other owners of the Notes. To the extent any of the NatWest Markets Parties and the Citigroup Markets Parties makes a market in the Notes (which it is under no obligation to do), it would expect to receive income from the spreads between its bid and offer prices for the Notes. In connection with any such activity, it will have no obligation to take, refrain from taking or cease taking any action with respect to these transactions and activities based on the potential effect on an investor in the Notes. The price at which any of the NatWest Markets Parties and the Citigroup Markets Parties may be willing to purchase Notes, if it makes a market, will depend on market conditions and other relevant factors and may be significantly lower than the issue price for the Notes and significantly lower than the price at which it may be willing to sell the Notes.

Prospective investors should note that certain NatWest Markets Parties has provided financing indirectly to Dilosk through a warehousing issuer. As such, the proceeds of the issuance of the Notes will be used on or about the Closing Date to refinance such financing by Dilosk using a portion of the initial purchase price in respect of the Mortgage Portfolio and their Related Security to purchase the relevant Mortgage Loans from the warehousing issuer before on-selling such part of the Mortgage Portfolio to the Issuer. The warehousing issuer will ultimately use such funds to repay certain NatWest Markets Parties. Other than where required in accordance with applicable law, the NatWest Markets Parties have no obligation to act in any particular manner as a result of their prior, indirect involvement with the Mortgage Portfolio and any information in relation thereto. With respect to the refinancing, the NatWest Markets Parties will act in their own commercial interest.

#### **Economic conditions in the Eurozone and UK Referendum on membership of the EU**

Concerns have been raised with respect to current economic, monetary and political conditions in the Eurozone, including as a result of the United Kingdom's referendum vote to leave the European Union on 23 June 2016 and the subsequent formal notice given by the United Kingdom on 29 March 2017 under Article 50 of the Treaty on the European Union of its intention to leave the European Union ("**Brexit**"). If such concerns persist and/or such conditions further deteriorate (including as may be evidenced by any relevant credit rating agency action, or any default or restructuring of indebtedness by one or more states of the European Union (each a "**Member State**") or institutions and/or any changes to, including any break up of, the Eurozone), then these matters may cause further severe stress in the financial system generally and/or may adversely affect the Issuer, one or more of the other parties to the Transaction Documents and/or any Borrower in respect of the Mortgage Loans.

Furthermore, there is currently no certainty on the conditions under which the United Kingdom will exit the European Union or on the terms that will govern the economic and trading relationships between the United Kingdom and the European Union (including Ireland) following that exit (including during any transitional exit period). Accordingly, there can be no assurance that the United Kingdom's exit from the European Union will not have an adverse effect on or on the ability of the Issuer to make payments under the Notes.

Given the current uncertainty and the range of possible outcomes, no assurance can be given as to the impact of any of the matters described above and, in particular, no assurance can be given that such matters would not adversely affect the rights of the Noteholders, the market value of the Notes and/or Irish economic conditions and the ability of the Issuer to satisfy its obligations under the Notes.

## RATING TRIGGERS TABLE

<u>Transaction Party</u>	<u>Required Ratings on the Closing Date</u>	<u>Possible effects of Ratings Trigger being breached include the following</u>
<b>Account Bank:</b>	<ul style="list-style-type: none"> <li>(i) in the case of DBRS, the higher of (A) if a long-term critical obligations rating ("<b>COR</b>") is currently maintained in respect of the Account Bank, a rating one notch below the Account Bank's COR, being a rating of "A" from DBRS, and (B) a long-term senior unsecured debt rating or deposit rating of at least "A" from DBRS or (C) if none of (A) or (B) above are currently maintained in respect of the Account Bank, a DBRS Equivalent Rating at least equal to "A";</li> <li>(ii) in the case of S&amp;P, a long-term unsecured, unsubordinated and unguaranteed debt obligation must be rated at least A by S&amp;P; or</li> <li>(iii) alternatively to each of the above, such other ratings that are consistent with the then published criteria of the relevant Rating Agency as being the minimum ratings that are required to support the then rating of the Most Senior Class.</li> </ul>	<p>The consequences of breach may include the transfer of amounts standing to the credit of the Transaction Account to a bank account of the Issuer held with a replacement account bank which has the required rating within 30 calendar days from the date of such breach. See the section entitled "<i>The Account Bank and the Account Bank Agreement</i>".</p>
<b>Collection Account Bank:</b>	<ul style="list-style-type: none"> <li>(i) in the case of DBRS, a long-term unguaranteed unsecured and unsubordinated debt rating of at least "BBB(low)" by DBRS, <b>provided that</b> if the Collection Account Bank is not rated by DBRS, a DBRS Equivalent Rating at least equal to "BBB(low)" by DBRS;</li> <li>(ii) in the case of S&amp;P, a long-term deposit rating of at least BBB by S&amp;P; or</li> <li>(iii) alternatively to each of the above, such other ratings that are consistent with the then published criteria of the relevant Rating Agency as being the minimum ratings that are required to support the then rating of the Most Senior Class.</li> </ul>	<p>The consequences of breach include (i) the transfer of amounts standing to the credit of the Collection Account to a bank account held with a replacement account bank which has the required rating, (ii) such replacement account bank entering into a deed on terms substantially similar to those in the Collection Account Declaration of Trust and (iii) the transfer of all amounts held on trust for the Issuer standing to the credit of the Collection Account being transferred to the replacement bank account.</p>

## NON-RATING TRIGGERS TABLE

Nature of Trigger	Description of Trigger	Possible consequence of Trigger being breached include the following
<p><b>Servicer Termination Event</b></p> <p>See the section entitled "<i>The Servicer &amp; the Servicing Agreement</i>" for further information on this.</p>	<ul style="list-style-type: none"> <li>(i) Servicer payment default;</li> <li>(ii) Failure of the Servicer to comply with any of its other covenants or obligations; or</li> <li>(iii) Insolvency Event in relation to the Servicer.</li> </ul>	<p>The Back-Up Servicer Facilitator will assist the Issuer in appointing a replacement servicer in accordance with the terms of the Servicing Agreement.</p>
<p><b>Perfection Trigger Events</b></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"> <li>(i) Requirement of law;</li> <li>(ii) delivery of an Enforcement Notice;</li> <li>(iii) Insolvency Event in relation to the Seller;</li> <li>(iv) Failure of the Servicer to set a Variable Interest Rate above the Interest Rate Floor Level, provided that the Servicer is only required to comply with that covenant if compliance would not be reasonably likely to result in a breach of the applicable Mortgage Conditions or to be contrary to applicable laws and regulations;</li> <li>(v) the termination or resignation of the Servicer and the failure of any replacement servicer to assume the duties of the Servicer; or</li> <li>(vi) the Trustee notifying the Issuer in writing that the Security or any material part of the Security is in jeopardy.</li> </ul>	<p>The legal transfer by the Seller to the Issuer of all the Mortgage Loans and their Related Security as soon as reasonably practicable.</p>
<p><b>Cash Manager Termination Event</b></p>	<ul style="list-style-type: none"> <li>(i) Cash Manager payment default;</li> <li>(ii) Failure of the Cash Manager to comply with any other of its material covenants or obligations;</li> <li>(iii) Unlawfulness; or</li> <li>(iv) Insolvency Event in relation to the Cash Manager.</li> </ul>	<p>Successor Cash Manager to be appointed.</p>

## FEES

The following table sets out the estimated on-going annual fees to be paid by the Issuer to the specified Transaction Parties.

<u>Type of Fee</u>	<u>Amount of Fee</u>	<u>Priority in Cashflow</u>	<u>Frequency</u>
Servicing Fees	0.25 per cent. per annum (inclusive of VAT) of the aggregate Current Balance of the Mortgage Portfolio at the opening of business on the preceding Calculation Period (the " <b>Senior Servicing Fee</b> ").	Ahead of all outstanding Notes	Quarterly in arrear on each Interest Payment Date
	0.2 per cent. per annum (inclusive of VAT) of the aggregate Current Balance of the Mortgage Portfolio at the opening of business on the preceding Calculation Period (the " <b>Junior Servicing Fee</b> ") and, together with the Senior Servicing Fee, the " <b>Servicing Fees</b> ").		
Back-Up Servicer Facilitator Fees	Initial fee of €750 Fee of €350 per hour (exclusive of VAT), chargeable should the need arise to appoint a successor servicer	Ahead of all outstanding Notes	Quarterly in arrear on each Interest Payment Date
Other fees and expenses of the Issuer	Estimated at €109,000 each year (exclusive of VAT)	Ahead of all outstanding Notes	Quarterly in arrear on each Interest Payment Date
Expenses related to the admission to trading of the Notes	Estimated at €10,000 (exclusive of any applicable VAT)	N/A (funded by Class X1 Notes and the Class X2 Notes)	On or about the Closing Date

## CERTAIN REGULATORY DISCLOSURES

### Compliance with Securitisation Regulations

#### *Risk Retention*

On the Closing Date, the Seller (the "**Retention Holder**"), as an originator for the purposes of the Securitisation Regulation, will retain a material net economic interest of not less than 5 per cent. of the nominal value of the securitised exposures in the securitisation as required by Article 6 of the Securitisation Regulation (which does not take into account any relevant national measures). As at the Closing Date, such interest will be satisfied by the Retention Holder subscribing for and thereafter holding an interest in the first loss tranche, represented in this case by the retention by the Seller of exposure to the Class Z1 Notes and the Class Z2 Notes, as required by Article 6(3)(d) of the Securitisation Regulation. The aggregate Principal Amount Outstanding of the Class Z1 Notes and the Class Z2 Notes as at the Closing Date is equal to at least 5 per cent. of the nominal value of the securitised exposures.

The Retention Holder will undertake to the Issuer and the Trustee in the Mortgage Sale Agreement, to:

- (a) retain on an on-going basis a material net economic interest of not less than 5 per cent. of the nominal value of the securitised exposures by holding the first loss tranche in the securitisation in accordance with paragraph (d) of Article 6(3) of the Securitisation Regulation (the "**Minimum Required Interest**"), represented by the Retention Holder holding the Class Z1 Notes and the Class Z2 Notes on the Closing Date;
- (b) not to change the manner or form in which it retains the Minimum Required Interest, except as permitted under the Securitisation Regulation;
- (c) not to transfer, sell or hedge any of the Class Z1 Notes and the Class Z2 Notes and not to take any action which would reduce its exposure to the economic risk of the Class Z1 Notes and the Class Z2 Notes in such a way that it ceases to hold the Minimum Required Interest except as permitted under the Securitisation Regulation;
- (d) at all times confirm, promptly upon the written request of the Issuer or the Trustee, the continued compliance with paragraphs (a), (b) and (c) above;
- (e) immediately notify the Issuer or the Trustee if for any reason it (i) ceases to hold the Minimum Required Interest in accordance with the requirements of the Mortgage Sale Agreement or (ii) fails to comply with the covenants set out in the Mortgage Sale Agreement in respect of the Minimum Required Interest; and
- (f) to comply with the disclosures and obligations described in Article 7(1)(e)(iii) of the Securitisation Regulation including by confirming the Retention Holder's risk retention as contemplated by Article 6(1) of the Securitisation Regulation through the timely provision of the information in the prospectus for the securitisation, disclosure in the SR Investor Report (as prepared by the Cash Manager) and procuring provision to the Joint Lead Managers and the Issuer access to any reasonable and relevant additional data reasonably available to the Retention Holder and information referred to in Article 7(1)(e)(iii) of the Securitisation Regulation (subject to all applicable laws), **provided that** the Retention Holder will not be in breach of this paragraph (f) if it fails to so comply due to events, actions or circumstances beyond its control,

(such undertaking, the "**Risk Retention Undertaking**").

Each prospective investor is required to independently assess and determine the sufficiency of the information described above and in this Prospectus generally for the purposes of complying with Article 5 of the Securitisation Regulation and any relevant national measures which may be relevant and none of the Issuer, the Retention Holder, the Seller, the Cash Manager, the Servicer, the Trustee, the Arranger or the Joint Lead Managers (i) makes any representation that the information described above or in this Prospectus is sufficient in all circumstances for such purposes, (ii) should have any liability to any prospective investor or any other person for any insufficiency of such information or any failure of the transactions contemplated herein to comply with or otherwise satisfy the requirements of the Securitisation Regulation or any other applicable legal, regulatory or other requirements, or (iii) shall have any obligation (other than the obligations in respect of Article 6 of the Securitisation Regulation

undertaken by the Retention Holder in the Mortgage Sale Agreement) to enable compliance with the requirements of Article 6 of the Securitisation Regulation or any other applicable legal, regulatory or other requirements.

For further information please refer to the Risk Factor entitled "*Regulatory initiatives may have an adverse impact on the regulatory treatment of the Notes*" and section entitled "*Securitisation Regulation*".

#### ***Transparency requirements – Investor Reporting***

The Issuer and the Originator within the meaning of the Securitisation Regulation, have agreed that the Issuer is the designated entity for the purposes of the Article 7(2) of the Securitisation Regulation. The Issuer has instructed the Cash Manager and the Servicer to assist the Issuer in performing the Issuer's obligations under the Article 7 of the Securitisation Regulation under the Cash Management Agreement and Servicing Agreement respectively. The Cash Manager on behalf of the Issuer will publish the SR Investor Report as required by and in accordance with Article 7(1)(e) of the Securitisation Regulation. The Servicer on behalf of the Issuer will publish the SR Data Tape as required by and in accordance with Article 7(1)(a) of the Securitisation Regulation.

The Issuer shall procure that the SR Investor Reports and SR Data Tapes in each case will be published (i) initially in the form set out in the regulatory technical standards published in accordance with the CRA Regulation and (ii) following the date specified for compliance in the finalised regulatory technical standards read together with the applicable implementing technical standards (the "**SR Technical Standards**"), as published in accordance with Article 7(3) and 7(4) of the Securitisation Regulation (such date, the "**RTS Effective Date**"), respectively, in the form prescribed by the technical standard published under the Securitisation Regulations.

Such SR Investor Reports and SR Data Tapes referred to above will be published or made otherwise available:

- (i) in respect of the SR Investor Reports and SR Data Tapes, once there is a securitisation repository registered under Article 10 of the Securitisation Regulation and appointed by the Issuer for the Transaction (the "**SR Repository**"), the SR Repository; or
- (ii) while no SR Repository has been registered:
  - (a) in respect of the SR Investor Report, the Cash Manager website (the "**Cash Manager Website**") at <https://gctinvestorreporting.bnymellon.com>;
  - (b) in respect of the SR Data Tapes, the European Data Warehouse website at <https://eurodw.eu/> (the "**EDW Website**"), together with the Cash Manager Website, the "**SR Websites**";

or, in each case, such other website as may be notified by the Cash Manager or the Servicer, as applicable, to the Issuer, being a website that conforms to the requirement set out in Article 7(2) of the Securitisation Regulation.

The Issuer (or Servicer acting on its behalf) shall notify the Rating Agencies, the Central Bank and the Noteholders of any changes to any of the SR Websites.

The information referred to above will through the SR Website or the SR Repository, as applicable, be available to the Noteholders, relevant competent authorities (as determined by the Issuer) and, upon request, to potential investors in the Notes. In determining whether a person is a Noteholder or potential investor in the Notes, the Cash Manager is entitled to rely, without liability, on the certification by such person that they are a Noteholder or a potential investor in the Notes.

Following the RTS Effective Date, the Issuer and/or the Servicer shall (i) consult in good faith regarding the reporting contemplated under Article 7 of the Securitisation Regulation and may agree in writing any changes to the form, content, method of distribution and frequency of the SR Investor Reports and SR Data Tapes in order to ensure compliance with requirements of Article 7 of the Securitisation Regulation read together with the applicable SR Technical Standards and notifying such changes to the Cash Manager. If any changes are agreed, the Issuer, the Servicer and/or the Cash Manager, (amongst others)



may enter into any amendment agreement to the Servicing Agreement and/or the Cash Management Agreement (as applicable) to give effect to such changes (as the case may be).

***Information regarding the policies and procedures of the Seller***

As required by Article 9(1) of the Securitisation Regulation, the Seller has 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:

- (a) the Seller applied the same the same clearly established processes for approving and, where relevant, amending, renewing and refinancing for the Mortgage Loans as it has applied to equivalent mortgage loans that are not part of the Mortgage Portfolio;
- (b) the Seller had in place effective systems in place to apply those criteria and processes in order to ensure that credit-granting is based on a thorough assessment of the obligor's creditworthiness taking appropriate account of factors relevant to verifying the prospect of the obligor meeting his obligations under the relevant mortgage loan agreement.

Please see "*The Seller*" and "*The Servicer and the Servicing Agreement*" for further information.

**Credit Rating Agency Regulation**

Each of DBRS and S&P is a credit rating agency established and operating in the European Community and registered under the CRA Regulation.

For further information please refer to the Risk Factor entitled "*Regulatory initiatives may result in increased regulatory capital requirements for certain investors and/or decreased liquidity in respect of the Notes*".

## WEIGHTED AVERAGE LIFE OF THE NOTES

The 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 average lives of the Notes can be made based on certain assumptions. For example, based on the assumptions that:

- (a) as of the Cut-Off Date, the amortisation schedule for each Mortgage Loan in the Mortgage Portfolio mirrors the amortisation schedule calculated for each Mortgage Loan as at the end of Provisional Cut-Off Date;
- (b) subject to paragraph (r), the amortisation of any Repayment Mortgage Loan is calculated as an annuity loan;
- (c) the Issuer exercises its option to redeem the Notes on the Step-Up Date, in the first scenario, or the Issuer does not exercise its option to redeem the Notes on or after the Step-Up Date in the second scenario;
- (d) the Mortgage Loans are subject to a constant annual rate of prepayment of between 0 and 15 per cent. per annum applied at the beginning of the period portfolio principal balance as shown on the table below;
- (e) the assets of the Issuer are not sold except as may be necessary to enable the Issuer to realise sufficient funds to exercise its option to redeem the Rated Notes;
- (f) the characteristics of the Mortgage Loans in the Mortgage Portfolio will be identical to those of the Mortgage Loans in the Provisional Mortgage Portfolio and the Current Balance of the Mortgage Loans will be identical to the Current Balance of the Provisional Mortgage Portfolio;
- (g) no Enforcement Notice has been served on the Issuer and no Event of Default has occurred;
- (h) no Borrowers are offered and accept different mortgage products by the Seller and the Seller is not required to repurchase any Mortgage Loan or pay an indemnity amount in accordance with the Mortgage Sale Agreement;
- (i) no Mortgage Loan is the subject to any Further Advance or Term Variation;
- (j) the Security is not enforced;
- (k) the Mortgages continue to be fully performing;
- (l) as at the Closing Date the ratio of the Principal Amount Outstanding of:
  - (i) the Class A Notes to the Principal Amount Outstanding of the Notes as at the Closing Date is 80.00 per cent.;
  - (ii) the Class B Notes to the Principal Amount Outstanding of the Notes as at the Closing Date is 6.50 per cent.;
  - (iii) the Class C Notes to the Principal Amount Outstanding of the Notes as at the Closing Date is 5.75 per cent.;
  - (iv) the Class D Notes to the Principal Amount Outstanding of the Notes as at the Closing Date is 5.25 per cent.; and
  - (v) the Class X1 Notes to the Principal Amount Outstanding of the Notes as at the Closing Date is 5.00 per cent.;
- (m) the balance of the Pre-Funding Principal Reserve Ledger, if any, is equal to zero;
- (n) three-month EURIBOR remains at a rate of -0.31 per cent. for so long as any Notes are outstanding;

- (o) the Notes are issued on or about 18 April 2019;
- (p) subject to paragraph (t), the fees in respect of the Mortgage Portfolio are equal to the sum of:
- (i) variable fees equal to 0.45 per cent. per annum of the aggregate Current Balance of the Mortgage Loans at the beginning of each collection period (of which 0.25 per cent. is the Senior Servicing Fees and 0.20 per cent. is the Junior Servicing Fees);
  - (ii) fixed fees of €115,000 per annum (inclusive of VAT) (distributed equally through time, except for the first Interest Payment Date, where it is calculated on the basis of the actual number of days in the period and a year of 360 days); and
  - (iii) an Issuer Profit Amount equal to €1,000 per annum (distributed equally through time);
- (q) subject to paragraph (r), all amounts payable, including but not limited to interest on the Notes, are calculated based on the actual number of days in the period and a year of 360 days provided that in the case of (i) and (ii) below such amounts are calculated based on a month of 30 days and a year of 360 days, and in the case of (iii) below such amounts are calculate on an equal quarterly basis thereafter for each IPD:
- (i) amortisation of the Mortgage Loans calculated pursuant to paragraph (b) above;
  - (ii) accrual of interest on the Mortgage Loans;
  - (iii) fixed Senior Expenses of the Issuer; and
  - (iv) Issuer Profit Amount;
- (r) each Interest Payment Date falls on 20 January, 20 April, 20 July or 20 October in each year;
- (s) amounts credited to the Transaction Account have a yield of 0 per cent.; and
- (t) the rates of interest payable on the Notes include certain assumptions regarding the Relevant Margins referable thereto.

Constant Annual Rate of Prepayment of the loans	(Assuming Issuer call on the Step-Up Date) Possible Average Life (in years) of:				
	Class A Notes	Class B Notes	Class C Notes	Class D Notes	Class X1 Notes
0% .....	3.00	3.01	3.01	3.01	1.39
1% .....	2.96	3.01	3.01	3.01	1.39
2% .....	2.91	3.01	3.01	3.01	1.39
3% .....	2.86	3.01	3.01	3.01	1.39
5% .....	2.76	3.01	3.01	3.01	1.39
7.5% .....	2.64	3.01	3.01	3.01	1.39
10% .....	2.53	3.01	3.01	3.01	1.39
15% .....	2.30	3.01	3.01	3.01	1.39

Constant Annual Rate of Prepayment of the loans	(Assuming no Issuer call on the Step-Up Date) Possible Average Life (in years) of:				
	Class A Notes	Class B Notes	Class C Notes	Class D Notes	Class X1 Notes
0% .....	8.00	12.52	13.69	14.06	1.39
1% .....	7.50	11.59	13.26	13.92	1.39
2% .....	7.06	10.74	12.58	13.73	1.39
3% .....	6.66	10.17	11.86	13.40	1.39
5% .....	5.92	9.75	10.61	12.38	1.39
7.5% .....	5.13	9.35	9.85	11.14	1.39
10% .....	4.46	8.97	9.51	10.24	1.39
15% .....	3.39	8.26	8.84	9.49	1.39

The actual characteristics and performance of the Mortgage Loans are likely to differ from the assumptions used in constructing the tables set out above, which are hypothetical in nature and are provided only to give a general sense of how the principal cash flows might behave under varying prepayment scenarios. For example, it is not expected that the Mortgage Loans will prepay at a constant rate until maturity, that all of the Mortgage Loans will prepay at the same rate or that there will be no defaults or delinquencies of the aggregate principal balance of the Mortgage Loans under the collections on the Mortgage Loans. Moreover, the diverse remaining terms to maturity of the Mortgage Loans could

produce slower or faster principal distributions than indicated in the tables at the various percentages of constant annual rate of prepayment specified, even if the weighted average remaining term to maturity of the Mortgage Loans is assumed.

Any difference between such assumptions and the actual characteristics and performance of the Mortgage Loans will cause the weighted average lives of the Notes to differ (which difference could be material) from the corresponding information in the tables for each indicated percentage of constant annual rate of prepayment.

The weighted average lives of the Notes must therefore be viewed with considerable caution. For more information in relation to the risks involved in the use of the average lives estimated above, see "*Risk Factors – Credit Structure – Yield and prepayment considerations*".

## **USE OF PROCEEDS**

The gross proceeds of the issue of the Notes are expected to amount to approximately €231,852,000. The gross proceeds of:

- (a) the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class Z1 Notes will be applied in the purchase by the Issuer from the Seller of the Closing Mortgage Portfolio;
- (b) the Class Z2 Notes will be used to fund the General Reserve Fund up to the General Reserve Fund Required Amount on the Closing Date; and
- (c) the Class X1 Notes and the Class X2 Notes will be used to fund the payment of the Issuer Costs and Expenses, which include the Further Cash Consideration.

## THE ISSUER

### Introduction

The Issuer was incorporated and registered in Ireland (under company registration number 642839) as designated activity company limited by shares under the Companies Act on 4 February 2019. The registered office of the Issuer is at Fourth Floor, 3 George's Dock, IFSC, Dublin 1, Ireland. The entire issued share capital of the Issuer (1 ordinary share of €1) is held by the Share Trustee under the terms of a trust established under Irish law by a declaration of trust dated 14 March 2019 and made by the Share Trustee on discretionary trust for charitable purposes. 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.

The telephone number of the Issuer is +353 1 612 5555.

Wilmington Trust SP Services (Dublin) Limited (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 to be entered into on 18 April 2019 between the Issuer and the Corporate Services Provider (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 either incapable of remedy or 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 Fourth Floor, 3 George's Dock, International Financial Services Centre, Dublin 1.

The principal objects of the Issuer are set out in Clause 3 of its Constitution and amongst other things are to carry on the business of financing and/or refinancing whether asset backed or not, including without limitation financing or refinancing of financial assets by way of securitisation and to raise or borrow money and to grant security over its assets for such purposes.

Neither the Seller nor any associated body of the Seller owns directly or indirectly any of the share capital of the Share Trustee 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, authorisation and issue of the Notes, 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. As at the date of this Prospectus, the Issuer has prepared no financial statements.

### Directors

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

<u>Name</u>	<u>Address</u>	<u>Principal Activities</u>
Rhys Owens	Fourth Floor, 3 George's Dock, IFSC, Dublin 1, Ireland	Company Director
Cliona O'Faolain	Fourth Floor, 3 George's Dock, IFSC, Dublin 1, Ireland	Company Director

The Secretary of the Issuer is Wilmington Trust SP Services (Dublin) Limited.

**Activities**

On the Closing Date and on each Additional Purchase Date, the Issuer will acquire from the Seller the beneficial interest in a portfolio of residential mortgages originated by the Seller. 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, the Irish Deed of Charge, the English Deed of Charge and other Transaction Documents and will be limited to the issue of the Notes, 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.

## DILOSK DAC

### Introduction

Dilosk DAC ("**Dilosk**" or "**Seller**") was incorporated in Ireland (under company registration number 531010) as a designated activity company limited by shares under the Companies Acts, 1963 to 2013 on 2 August 2013. The registered office of Dilosk is at 16 Hume Street, Dublin 2, Ireland. Of the issued share capital of Dilosk, 46 per cent. is owned by institutional investors and 54 per cent. is owned by private shareholders.

Dilosk was established as a new and alternative residential mortgage lender in the Irish market and trades under the ICS Mortgages brand. Dilosk acquired the ICS brand, the ICS mortgage distribution platform and a pool of performing mortgages for €223 million from The Governor and Company of the Bank of Ireland in September 2014. The ICS acquisition was part of the Bank of Ireland's EU restructuring plan and was mandated by the European Commission to ensure increased competition within the Irish mortgage market.

In May 2015 Dilosk DAC completed the Dilosk RMBS No.1 DAC securitisation transaction which included the mortgages that were acquired from Bank of Ireland.

The primary business of Dilosk is the origination and funding of residential mortgage loans in Ireland with a particular focus on Buy-To-Let ("**BTL**") mortgages. Dilosk commenced new BTL lending origination in early 2017 and origination is conducted through a direct channel and a nationwide intermediary network.

In November 2018 Dilosk DAC completed the Dilosk RMBS No.2 DAC securitisation transaction which included the mortgages that were acquired from Windmill Funding DAC and Leeds Building Society.

Dilosk is regulated by the Central Bank and is authorised to operate as a retail credit firm under Section 31 of the Central Bank Act 1997. Dilosk holds the legal title to all mortgages to be sold to and purchased by Dilosk RMBS No.3 DAC.

In its capacity as the Retention Holder, Dilosk has also given certain undertakings in relation to the holding of the Minimum Required Interest which are set out in the section headed "*Certain Regulatory Disclosures – Compliance with Securitisation Regulation – Risk Retention*".

For the purposes of Article 5 of the Securitisation Regulation, Dilosk (as Retention Holder and Originator) have made available the following information (or have procured that such information is made available):

- (a) confirmation that the Retention Holder was not a credit institution as defined in point (1) of Article 4(1) of Regulation (EU) No. 575/2013 at the time of origination of the Mortgage Loans in the Mortgage Portfolio;
- (b) confirmation that the Retention Holder (as originator) will retain on an ongoing basis a material economic interest in accordance with Article 6 of the Securitisation Regulation and that the risk retention will be disclosed to investors in accordance with Article 7 of the Securitisation Regulations (see "*Certain Regulatory Disclosures*"); and
- (c) confirmation that the Issuer will use best efforts to make available the information required by Article 7 of the Securitisation Regulation in accordance with the frequency and modalities provided for in such article.

### Directors

The Directors of Dilosk and their respective business addresses and principal activities are:

<b>Name</b>	<b>Address</b>	<b>Principal Activities</b>
Fergal McGrath	16 Hume Street, Dublin 2, Ireland	CEO and Executive Director



<b>Name</b>	<b>Address</b>	<b>Principal Activities</b>
Dr Oran McGrath	16 Hume Street, Dublin 2, Ireland	COO, Executive Director and Secretary
Kevin Cooney	16 Hume Street, Dublin 2, Ireland	Non-Executive Director
Ray McMahan	16 Hume Street, Dublin 2, Ireland	Non-Executive Director
Tony McPoland	16 Hume Street, Dublin 2, Ireland	Non-Executive Director

The Secretary of Dilosk is Dr Oran McGrath. The financial year end for the company is 31 December.

## THE MORTGAGE PORTFOLIO

### THE MORTGAGE LOANS

#### Introduction

Each of the Mortgage Loans in the Mortgage Portfolio was originated by the Seller.

The Provisional Mortgage Portfolio was drawn up as at 28 February 2019. The Closing Mortgage Portfolio will be selected from the Provisional Mortgage Portfolio after excluding mortgage loans, *inter alia*, which have been redeemed in full in the period from 28 February 2019 to the Closing Date, 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. The Current Balance of any Mortgage Loan in the Mortgage Portfolio will not exceed €1,073,029.

Additional Mortgage Loans may be sold to the Issuer on any Business Day falling in the Pre-Funding Availability Period. Additional Mortgage Loans do not form part of the Provisional Mortgage Portfolio.

As of the Closing Date, the Seller holds the legal and beneficial title to the Closing Mortgage Loans and their Related Security. The Seller will transfer the beneficial title of the Closing Mortgage Portfolio to the Issuer pursuant to and subject to the terms of the Mortgage Sale Agreement on the Closing Date. The Seller will transfer the beneficial title of each Additional Mortgage Loan to the Issuer pursuant to and subject to the terms of the Mortgage Sale Agreement on the relevant Additional Purchase Date. Following the Closing Date or an Additional Purchase Date, as applicable, the Seller will continue to hold the legal title to such loans.

#### Characteristics of the Mortgage Loans

##### *Mortgage Product Types*

The Mortgage Portfolio (as defined below) will consist of Mortgage Loans originated by the Seller which are intended for borrowers ("**Borrowers**") who are individuals, corporate entities or pension unit trusts who wish to use the Mortgage Loan as a means to purchase or refinance a residential property situated in Ireland to be used as the Borrower's buy-to-let property. The Seller has full recourse to Borrowers who are individuals or corporate entities (to the corporate entity). In respect of pension unit trusts, recourse is limited to the relevant buy-to-let property.

##### *Identity of Borrower*

In accordance with Section 25(1) of the Criminal Justice (Money and Laundering and Terrorist Financing) Act 2010 (the Act), the Seller is obliged to comply with the Act and any additional AML legislation enacted post implementation of the Act.

The identity of the Borrowers will be verified by Customer Due Diligence (CDD) performed on all borrower types who have provided the following satisfactory evidence to the Seller:

- (a) a Passport, Driver's Licence or National Identity Card (i.e. one piece of photographic evidence); and
- (b) a utility bill or bank statement (each no more than 6 months old).

##### *Types of Interest Rate Terms*

The interest rate terms for each Mortgage will comprise of a variable rate of interest set by the Seller from time to time ("**Variable Rate Mortgage Loans**").

### *Types of Repayment Terms*

The type of repayment terms contained within each Mortgage Loan will comprise any of the following types (including possible combinations thereof):

- (a) Mortgage Loans in relation to which monthly instalments normally cover both interest and principal, which are payable until the mortgage loan is fully repaid at its maturity ("**Repayment Mortgage Loans**");
- (b) Mortgage Loans in relation to which monthly instalments normally cover, in respect of (i) a period of up to the first 10 years of the term of the Mortgage Loan, interest only; and (ii) the period thereafter, both interest and principal, which are payable until the mortgage loan is fully repaid at its maturity ("**Flexi Mortgage Loans**"); and
- (c) Mortgage Loans in relation to which monthly payments cover interest only ("**Interest Only Mortgage Loans**").

### **Underwriting**

The underwriting approach adopted by ICS Mortgages (the trading name of Dilosk DAC) with respect to the mortgage loans which may form part of the Mortgage Portfolio has changed over time.

The decision to offer a Mortgage Loan to a potential Borrower was made by an ICS Mortgages underwriter. ICS Mortgages requires each underwriter to have a minimum level of prior underwriting experience before being given the authority to approve mortgage loans. ICS Mortgages has various levels of authority for its underwriters which reflected, amongst other things, the degree of risk that the underwriter is permitted to approve. Underwriting decisions were monitored regularly for compliance with underwriting authority and conformity with the ICS Mortgages Lending Criteria.

To obtain a Mortgage Loan, the prospective Borrowers completed an application which included information about the applicants' income, current employment details, bank account information, current mortgage information (if any) and certain other personal information. A team of underwriters, exclusive to ICS Mortgages, reviewed the application, telephoned employer references (in certain cases) and performed a credit bureau search against each applicant at their current address in Ireland and, if necessary, former addresses in Ireland. This search provided details regarding the applicant's mortgage and loan repayment history and may have revealed information regarding possible undisclosed loans and revoked credit cards.

ICS Mortgages periodically reviews the way in which it conducts its origination business and changes its origination processes from time to time. ICS Mortgages retains exclusive control over the underwriting policies and ICS Mortgages Lending Criteria that are applied to the origination of Mortgage Loans.

### **ICS Mortgages Lending Criteria**

The following lending criteria (the "**ICS Mortgages Lending Criteria**") were applied in respect of the Mortgage Loans comprising the Mortgage Portfolio save that they may have been varied in the manner described in "*Changes to ICS Mortgages Lending Criteria*" below.

On origination of each Mortgage Loan from time to time comprised in the Mortgage Portfolio, the ICS Mortgages Lending Criteria would have been applied with certain minor variations reflecting the specific ICS Mortgages policy in force at the time the mortgage application was underwritten.

#### *Key Features of ICS Mortgages Lending Criteria*

The ICS Mortgages Lending Criteria applicable to the initial advance under each Mortgage Loan in the Mortgage Portfolio include, but are not limited to, the following:

- (a) all Mortgage Loans must pass a credit and judgement search;
- (b) all Mortgage Loans must be secured by a first legal mortgage on one or more leasehold or freehold properties. If the property is leasehold, the lease must have a minimum unexpired term of 70 years and be at a nominal/peppercorn rent;

- (c) the customers must be at least 18 years old at the time of advance; and
- (d) prior to making an initial advance, the relevant property was valued by an independent qualified valuer approved by ICS Mortgages.

*Key Features of the ICS Mortgages Lending Criteria relating to Security*

The ICS Mortgages Lending Criteria applicable to the Mortgage Portfolio had, *inter alia*, the following key features:

- (a) Each Mortgage Loan must be secured by a first legal mortgage on a leasehold or freehold property in Ireland.
- (b) Only Property of acceptable construction intended for use wholly or partly as a place of residence situated in Ireland is acceptable.
- (c) New properties must have the benefit of (i) a Home Bond Guarantee Certificate which is a guarantee provided by the National House Building Guarantee Company Limited or (ii) a Premier Guarantee of Ireland Guarantee Certificate;
- (d) The guarantees referred to at (i) & (ii) of paragraph (c) above, cover the property against major structural defects for 10 years. Alternatively, the Borrower will have a certificate from an architect to confirm that they supervised the construction and that the property is built in accordance with good building practice.
- (e) The Borrower's solicitor must furnish an undertaking to ICS Mortgages to enable the Borrower to draw down the loan. The solicitor must undertake to:
  - (i) furnish ICS Mortgages with a good and marketable title;
  - (ii) register the mortgage loan in the appropriate registry, so as to ensure that ICS Mortgages obtains a first registered legal mortgage/charge on the property;
  - (iii) lodge the title deeds, including the mortgage loan with ICS Mortgages on completion of registration; and
  - (iv) furnish a certificate of title wherein the Borrower's solicitor certifies that ICS Mortgages has "good marketable title" (as determined by the Law Society of Ireland) to the Property;
- (f) Each Property offered as security must have been valued by a valuer which is a member of ICS Mortgages' approved panel chosen from a panel of valuation firms approved by ICS Mortgages.
- (g) At the time of completion, the relevant property must be insured either under a Buildings Policy (as defined under "*Insurance Policies*" below) in the name of ICS Mortgages, or ICS Mortgages must be jointly insured with the Borrower under, or its interest noted on, a buildings policy in relation to the relevant Property.
- (h) The Borrower in exceptional circumstances may be required to provide life assurance as at the time of drawdown of the loan that at least matches the value of the loan other than as provided in Section 126 of the Consumer Credit Act 1995 (as amended).

There is no assurance that these criteria were applied in all cases.

*Loan amount*

There are pre-set maximum loan amounts for a Mortgage Loans depending on the type of Borrower:

- (a) Mortgage Loans to individuals have a maximum loan size of €1,250,000;
- (b) Mortgage Loans to corporate entities have a maximum loan size of €1,250,000; and
- (c) Mortgage Loans to pension unit trusts have a maximum loan size of €500,000.

To date of this Prospectus no Mortgage Loan within the Mortgage Portfolio exceeds €1,180,000. A minimum mortgage loan amount of €10,000 applies for facilities provided to release equity in relation to an existing property. A minimum mortgage loan amount of €40,000 applies in all other cases.

#### *Loan to value*

- (a) The loan to value ratio is calculated by dividing the initial loan amount advanced at completion of the Mortgage Loan by the valuation of the Property or the contract price of the Property, whichever is the lesser amount.
- (b) The LTV of each Mortgage Loan at the date of the initial advance by ICS Mortgages to the Borrower was normally not more than 70 per cent.

#### *Term*

Each Mortgage Loan must have, according to the ICS Mortgages lending criteria, an initial term of between 5 and 35 years.

#### *Interest on the Mortgage Loans*

Interest on the Mortgage Loans in the Mortgage Portfolio may be paid on any day of the calendar month.

#### *Borrowers*

According to the ICS Mortgages Lending Criteria:

- (a) Borrowers must have a minimum age of 18 and the age at final maturity should not normally extend beyond 75;
- (b) a maximum number of four Borrowers (subject to certain exceptions) were allowed to be parties to any one Mortgage Loan;
- (c) the Borrower's credit and employment history was to have been assessed with the aid of one or more of the following:
  - (i) search supplied by credit reference agency;
  - (ii) salary certificates from current employers;
  - (iii) certificate of pay, tax and pay-related social insurance (P60);
  - (iv) accountant's certificate or audited accounts in the form supplied by ICS Mortgages;
  - (v) loan statements from current lenders; and
  - (vi) bank account statements.

#### *Income*

Income is determined by reference to the application form and supporting documentation, where appropriate, and may consist of the following:

- (a) basic salary;
- (b) income from a second employment if the income is evidenced and the Borrower has had the position for a minimum of 12 months;
- (c) up to 25 per cent. of bonus and commission payments were accepted with certain restrictions;
- (d) overtime payments were accepted with certain restrictions;

- (e) net profits/drawings for self-employed Borrowers (Borrowers are considered self-employed if they hold greater than 25 per cent. of the issued share capital of a company) with certain restrictions;
- (f) pension and rental income with certain restrictions;
- (g) each Borrower had to disclose all material liabilities outstanding, which were assessed by ICS Mortgages; and
- (h) a Borrower's capacity to repay a Mortgage Loan should exceed at the date of the advance a threshold, as determined from time to time by the Issuer, which depends on the Borrower's family status. The capacity to repay is calculated as the gross income minus tax, national insurance, mortgage interest and repayment and other loan repayments. The Borrower's capacity to repay was calculated using a stressed mortgage interest rate which was typically variable rate of interest plus 2 per cent.

*ICS Mortgages Lending Criteria for Buy-to-Let Mortgages*

In addition to the standard underwriting income criteria the following criteria was also applied for Buy-to-Let Mortgage (the property and rent-roll must be viable on a standalone basis:

- (a) projected or actual rent advised was discounted by a minimum of 25 per cent.;
- (b) the minimum values for a property in an urban area was €80,000;
- (c) the maximum term was 35 years;
- (d) the minimum term was five years;
- (e) the minimum loan was for €40,000;
- (f) the maximum age on maturity of the borrower was 75; and
- (g) the ICS Mortgages valuer had to be from a restricted prime valuers list only who also had to comment on the potential sustainable rental income for the property offered as security.

*Exceptions policy*

As part of the ICS Mortgage Lending Criteria, the board of ICS Mortgages has mandated its credit committee to make decisions with regards to any potential advances to Borrowers where such advances would be considered as exceptions to the ICS Mortgages Lending Criteria, subject to certain limits. For example, exceptions lending should not (i) account for more than a pre-determined percentage of the aggregate mortgage loan portfolio at the relevant time and (ii) in any given year, exceed a pre-determined annual aggregate limit. The credit committee is obliged to document and report all decisions made with regards to exceptions lending, including the reasons for granting the exception and the merits of the application considered.

Mortgage loans originated in accordance with the abovementioned exceptions policy may be included in the Mortgage Portfolio, subject to the provisions of the Mortgage Sale Agreement.

Any potential lending that would fall outside of the ICS Mortgages Lending Criteria, including the abovementioned exception lending procedure, would require the approval of the board of ICS Mortgages.

*Further Advances, Product Switches and Term Variations*

The Seller may, in relation to a Mortgage Loan, agree to extend the term of a Repayment Mortgage Loan or an advance of further money after the Closing Date following a request from an existing Borrower. Such Further Advances or Term Variations will be (i) secured on the relevant Property on which the original Mortgage Loan was secured and form part of the Mortgage Portfolio and may be purchased by the Issuer and (ii) subject to the underwriting process and the ICS Mortgages Lending Criteria which will be substantially the same as the criteria used to advance the original loan.

Further, the Seller may, in relation to a Mortgage Loan, grant a Product Switch subject to the Seller repurchasing the relevant Mortgage Loan and Related Security in accordance with the terms of the Mortgage Sale Agreement.

#### *Solicitors*

The firm of solicitors acting on behalf of the Borrowers, on the making of each Mortgage Loan, must have at least one practising solicitor.

#### **Changes to ICS Mortgages Lending Criteria**

Subject to obtaining any relevant consent, ICS Mortgages may have varied the ICS Mortgages Lending Criteria from time to time in the manner of a reasonably prudent mortgage lender lending to borrowers in Ireland where the Mortgage Loan is secured over residential property (a "**Prudent Mortgage Lender**").

#### **Insurance Policies**

The Issuer and the Trustee (pursuant to the Irish Deed of Charge) will have the benefit of buildings insurance or buildings insurance policies relating to any Property effected by the relevant Borrower (the "**Buildings Policies**"). The Issuer and the Trustee (pursuant to the Irish Deed of Charge) will also have the benefit of the charges over any life policies (if required) securing Mortgage Loans comprised in the Mortgage Portfolio and any other insurance policies relating to the Mortgage Loans (together with the Buildings Policies, the "**Insurance Policies**"). Certain warranties will be given by the Seller in relation to the various Insurance Policies as described under "*Warranties, Repurchase and Indemnification*" above.

#### **Information regarding the policies and procedures of the Originator**

The Originator has internal policies and procedures in relation to the granting of credit, administration of credit-risk bearing portfolios and risk mitigation. The policies and procedures of the Originator in this regard broadly include the following:

- (a) criteria for the granting of credit and the process for approving, amending, renewing and re-financing credits, as to which please see the information set out earlier in this section entitled "*The Mortgage Portfolio – The Mortgage Loans – ICS Mortgages Lending Criteria*" and "*The Servicer and the Servicing Agreement*";
- (b) systems in place to administer and monitor the various credit-risk bearing portfolios and exposures, as to which we note that the Mortgage Portfolio will be serviced in line with the usual servicing procedure of the Originator – please see further the section entitled "*The Servicer and the Servicing Agreement*";
- (c) diversification of credit portfolios taking into account the Originator's target market and overall credit strategy, as to which, in relation to the Mortgage Portfolio, please see the section entitled "*The Mortgage Portfolio*"; and
- (d) policies and procedures in relation to risk mitigation techniques, as to which please see further the section entitled "*The Servicer and the Servicing Agreement*" and the section entitled "*The Mortgage Portfolio – The Mortgage Loans – ICS Mortgages Lending Criteria*".

## SALE OF THE MORTGAGE PORTFOLIO UNDER THE MORTGAGE SALE AGREEMENT

### Mortgage Sale Agreement

The following section contains an overview of the material terms of the Mortgage Sale Agreement. The overview does not purport to be complete and is subject to the provisions of the Mortgage Sale Agreement.

#### *Sale of the Mortgage Portfolio*

On the Closing Date, the Seller will hold the legal and the beneficial title to each Mortgage Loan and its Related Security.

On the Closing Date the Issuer will purchase the Mortgage Loans and their Related Security in the Closing Mortgage Portfolio from the Seller pursuant to the Mortgage Sale Agreement. The purchase of the Closing Mortgage Portfolio from the Seller will be financed by a portion of the issue proceeds of the Notes.

The Mortgage Sale Agreement also provides that in the period from the Closing Date to (and including) the first Interest Payment Date, the Seller may (but is not obliged to) sell to the Issuer, and the Issuer shall purchase (using amounts standing to the credit of the Pre-Funding Principal Reserve Ledger), Additional Mortgage Loans and their Related Security subject to the terms of the Mortgage Sale Agreement and the Servicing Agreement. Each date on which Additional Mortgage Loans are sold to the Issuer is an "**Additional Purchase Date**".

Any purchase of Additional Mortgage Loans by the Issuer will be subject to (amongst other things):

- (i) the provision, by each of the Issuer and the Seller, of solvency certificates dated the date of such purchase, signed by an authorised officer of the relevant company;
- (ii) no Enforcement Notice having been served;
- (iii) the following tests being satisfied on the Additional Purchase Date in respect of the Closing Mortgage Loans together with each Additional Mortgage Loan to be purchased, and that has already been purchased prior to, such Additional Purchase Date (the "**Cumulative Mortgage Portfolio**"):
  - (a) the weighted average original loan to value of the Cumulative Mortgage Portfolio is less than or equal to 57.50 per cent.;
  - (b) the weighted average interest rate of the Cumulative Mortgage Portfolio is greater than or equal to 5.15 per cent.;
  - (c) the weighted average Interest Coverage Ratio of the Cumulative Mortgage Portfolio is at least 215 per cent.;
  - (d) the aggregate Current Balance of the Mortgage Loans in the Cumulative Mortgage Portfolio:
    - (1) with a Current Balance of greater than €500,000 is less than or equal to 19.00 per cent.
    - (2) where the relevant Property has a value, according to the most recent Valuation Report, of greater than €500,000 is less than or equal to 45.00 per cent.,
    - (3) that is an Interest Only Mortgage Loan is less than or equal to 80.00 per cent.
    - (4) that is a Flexi Mortgage Loan is less than or equal to 8.00 per cent.
    - (5) the purpose of which is a re-mortgage is less than or equal to 52.50 per cent.;
    - (6) where the Borrower is self-employed is less than or equal to 38.00 per cent.



- (7) where the relevant Property is located in Dublin is less than or equal to 80 per cent.;
- (8) where the relevant Property is located in the South West Region is less than or equal to 11.50 per cent.;
- (9) where the Borrower is a Pensions Trustee or a Unit Trust is less than or equal to 10.50 per cent.;
- (10) where the Borrower is a company is less than or equal to 20.00 per cent.; and
- (11) where the relevant Property is a Multi-Unit Property is less than or equal to 16.00 per cent.,

in each case, of the aggregate Current Balance of the Cumulative Mortgage Portfolio; and

- (iv) each Additional Mortgage Loan meets the ICS Mortgages Lending Criteria and complies with the terms of the Mortgage Sale Agreement.

The Issuer will have the right to all monies derived from each Additional Mortgage Loan and its Related Security including interest from (and including) the relevant Additional Purchase Date. The Closing Mortgage Portfolio and any Additional Mortgage Loans sold following the Closing Date shall be the "**Mortgage Portfolio**".

The Seller will be required to provide an AUP report in respect of the Mortgage Portfolio following the end of the Pre-Funding Availability Period, but before the first Interest Payment Date.

#### *Consideration*

On the Closing Date, the Seller will contract to sell and assign to the Issuer with full title guarantee, the Closing Mortgage Portfolio and Related Security. The Seller may subsequently sell Additional Mortgage Loans (together with their Related Security) to the Issuer during the Pre-Funding Availability Period. The assignment of the Mortgage Loans will initially be an assignment which takes effect in equity only. The transfer of legal title to the Mortgage Loans and their Related Security may not occur or, if it does occur, will not occur until a later date, as described further in the section entitled "*Transfer of legal title to the Issuer or the Trustee*" below.

The consideration payable by the Issuer to the Seller for the Closing Mortgage Portfolio and their Related Security in the Mortgage Portfolio on the Closing Date will consist of: (i) an amount equal to the aggregate Current Balance of the Closing Mortgage Portfolio (as defined below) on the Cut-Off Date; (ii) an amount equal to the Further Cash Consideration Amount; and (iii) issuance and delivery of the Class R Notes for the benefit of the Seller.

The consideration payable by the Issuer to the Seller for the Additional Mortgage Loans and their Related Security in the Mortgage Portfolio on any Additional Purchase Date will consist of an amount equal to the aggregate Current Balance of the Additional Mortgage Loans on the relevant Additional Mortgage Loan Cut-Off Date.

The Seller will also sell the benefit of all collections received (i) in respect of the Closing Mortgage Portfolio, for the period from the Cut-Off Date to the Closing Date and (ii) in respect of the Additional Mortgage Loans, for the period from the relevant Additional Mortgage Loan Cut-Off Date to the relevant Additional Purchase Date.

The "**Current Balance**" for each Mortgage Loan means, at any date, the aggregate balance of the amounts charged to the Borrower's account in respect of a Mortgage Loan at such date (but avoiding double counting) including:

- (i) the original principal amount advanced to the Borrower (including any fees and expenses added to such principal amount); *plus*

- (ii) any advance of further moneys (including any Further Advance) to the Borrower thereof prior to the given date on the security of or securable on the relevant Mortgage Loan and any amount added to the principal balance of the relevant Mortgage Loan prior to the given date on the terms of the relevant mortgage deed after the date of completion of such Mortgage Loan which remains outstanding as at such date (including fees and expenses, Accrued Interest, any Arrears of Interest and any unpaid expenses, including, without limitation, insurance premiums); *plus*
- (iii) all Accrued Interest but not yet due and Arrears of Interest which in each case has not been added to the principal amount,

as at the end of the Business Day immediately preceding that given date, *minus* any repayment or payment (including, if permitted, by way of set-off, withholding or counterclaim) of any of the foregoing made on or before the end of the Business Day immediately preceding that given date and excluding any Further Advances committed to be made but not made by the end of the Business Day immediately preceding that given date.

*Perfection Trigger Event*

Under the Mortgage Sale Agreement, the Irish Deed of Charge and the English Deed of Charge, the Issuer and the Trustee (the Trustee's right arising following delivery of an Enforcement Notice) will each be entitled to effect such registrations and give (or require the Seller to give at the cost of the Seller in such manner as the Issuer or, as applicable, the Trustee may reasonably require) such notices as it considers necessary to protect and perfect its interests in the Mortgage Loans, and to effect a legal assignment or transfer of the Mortgage Loans and the Related Security in favour of the Issuer or its nominee and a legal sub-mortgage over such Mortgage Loans and Related Security in favour of the Trustee, *inter alia*, where:

- (i) the Seller, Issuer or Trustee is obliged to do so by law, by court order or by a mandatory requirement of any regulatory authority;
- (ii) the termination or resignation of the Servicer and the failure of any replacement servicer to assume the duties of the Servicer;
- (iii) an Enforcement Notice has been given;
- (iv) the Trustee notifying the Issuer in writing that the Security or any material part of the Security is in jeopardy;
- (v) any Insolvency Event in relation to the Seller or any other entity in which legal title to any Mortgage Loan is vested; or
- (vi) the Servicer fails to comply with its obligation to set any Variable Interest Rate above the Interest Rate Floor Level in accordance with the Servicing Agreement, provided that the Servicer is only required to comply with that obligation if compliance would not be reasonably likely to result in a breach of the applicable Mortgage Conditions or to be contrary to applicable laws and regulations. Application of the Interest Rate Floor Level will be undertaken in accordance with the standards of a Prudent Mortgage Lender.

Following such legal assignment or transfer and sub-mortgage, the Issuer (with the consent of the Trustee) or 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 Seller Security Power of Attorney) given, *inter alia*, by the Issuer and the Seller in favour of the Trustee.

*Transfer of legal title to the Issuer or the Trustee*

For so long as neither the Issuer nor the Trustee have obtained legal title to the Mortgage Loans, the Seller 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, as applicable, the Trustee in relation to, any legal proceedings in respect of the Mortgage Loans and their

related security. In carrying out such steps, The Seller will act in a manner consistent with the requirements of the Seller's policy from time to time.

The completion of the legal transfer or conveyance of the Mortgage Loans and Related Security (and, where appropriate, their registration) to the Issuer or, as applicable, the Trustee 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 Seller. 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 Seller. The Seller has undertaken that, until perfection of the assignments 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 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 Building Policies (see "*The Mortgage Portfolio -Insurance Policies*" above) to the relevant insurance provider.

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.

**"Insolvency Event"** means, in relation to a company:

- (a) such company is dissolved (other than pursuant to a consolidation, amalgamation or merger);
- (b) such company becomes insolvent, or is unable to pay its debts as and when they fall due within the meaning of Section 509(3) and/or Section 570 of the Companies Act or any other applicable legislation or fails or admits in writing its inability generally to pay its debts as they become due (after taking into account any grace period or permitted deferral) or suspends making payments on any of its debts;
- (c) such company makes or proposes to make or convenes a meeting of one or more of its creditors with a view to making a general assignment, arrangement, moratorium or composition with or for the benefit of one or more of its creditors or with a view to rescheduling any indebtedness of such company (other than in connection with any refinancing in the ordinary course of business) or takes or proposes to take any other corporate action or any proceedings are commenced or proposed to be commenced with a view to any such composition, assignment, arrangement or moratorium being made;
- (d) such company institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or examinership or any other relief under any bankruptcy, examinership or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up, examinership or liquidation by it or such regulator, supervisor or similar official;
- (e) such company has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy, examinership or insolvency law or other similar law affecting creditors' rights, or has a petition presented for its winding-up or liquidation or examinership, and, in the case of any such proceeding or petition instituted or presented

against it, such proceeding or petition is instituted or presented by a person or entity not described in paragraph (d) above and:

- (i) results in a judgment of insolvency or bankruptcy or examinership or the entry of an order for relief or the making of an order for its winding-up or liquidation or examinership; or
  - (ii) is not dismissed, discharged, stayed or restrained in each case within 30 days of the institution or presentation thereof;
- (f) such company has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger);
- (g) such company seeks or becomes subject to the appointment of a liquidator, provisional liquidator, administrator, administrative receiver, receiver, receiver or manager, compulsory or interim manager, nominee, supervisor, conservator, guardian, trustee, custodian, examiner or other similar official in respect of such company or in respect of any arrangement, compromise or composition with any creditors or any equivalent or analogous official under the law of any jurisdiction for the whole or any part of the undertaking or assets of such company;
- (h) such company has a secured party take possession of the whole or any part of the undertaking or assets of such company or has a distress, execution, attachment, sequestration or other legal process levied, enforced or imposed upon or against the whole or any part of the undertaking or assets of such company and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 days thereafter;
- (i) any procedure or step is taken, or any event occurs, analogous to those set out in (a) to (h) above, in any jurisdiction; or
- (j) such company takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts.

#### *Warranties, Repurchase and Indemnification*

The Mortgage Sale Agreement will contain certain representations and warranties given by the Seller to the Issuer in relation to the Mortgage Portfolio transferred or assigned to the Issuer pursuant to the Mortgage Sale Agreement. These representations and warranties will also be given in relation to any Further Advances and Term Variations, as described below (other than warranty (m) set out below).

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

If there is an unremedied material breach of one or more of the Warranties set out in the Mortgage Sale Agreement then the Seller will be obliged either (i) to repurchase the relevant Mortgage Loan and its Related Security for a consideration in cash equal to all sums due or owing thereunder (including Accrued Interest and Arrears of 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), or (ii) if, in respect of a material breach of the Warranties given by the Seller in respect of (A) the Mortgage Portfolio on the Closing Date or (B) an Additional Mortgage Loan on the relevant Additional Purchase Date, it elects to do so, to indemnify and keep indemnified the Issuer against all crystallised Liabilities relating to the breach of the representation and warranty in relation to such Mortgage Loan the relevant Loan and its Related Security. 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 crystallised Liabilities relating to the breach of certain loan warranties, 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. For the avoidance of doubt, the Seller may pay multiple indemnity amounts on a Mortgage Loan, where such Mortgage Loan has been the subject of multiple material breaches of loan warranties, subject to the relevant Liabilities having crystallised.

The Seller has limited cash and other assets from which to pay the repurchase price or indemnity amount, as such, the Seller may not financially or otherwise be in the position to honour the obligation to repurchase the relevant Mortgage Loans or pay the indemnity amount under the Mortgage Sale Agreement. Please see the risk factors "*Warranties*" and "*Limited Recourse and non-petition*."

#### *Representations and Warranties*

The representations and warranties of the Seller referred to above, made on (i) the Closing Date in relation to the Closing Mortgage Portfolio, (ii) the relevant Additional Purchase Date in relation to any Additional Mortgage Loans (iii) each Advance Date in respect of the relevant Further Advance and (iv) each Variation Date in respect of the relevant Term Variation are as follows:

- (a) each Mortgage Loan was made by the Seller on its own account, arose from the ordinary course of the Seller's secured buy-to-let lending activities in Ireland and, as at the date upon which a Mortgage Loan was drawn down in full or in part by a Borrower or the date on which any Further Advance was made (the "**Relevant Date**"), satisfied the ICS Mortgages Lending Criteria in force at such date in all material respects save for such variations as would be granted by a Prudent Mortgage Lender at such Relevant Date;
- (b) particulars of each Mortgage Loan set out in the data tape delivered pursuant to the terms of the Mortgage Sale Agreement are true, complete and accurate in all material respects;
- (c) each Mortgage Loan and related Mortgage has been made upon the terms of the Standard Documentation (as appropriate) without any material variation thereto on or since the Relevant Date and nothing has been done to add to, lessen, modify, waive or otherwise vary the express provisions of any of the same in any material respect (save to the extent as may be required to comply with any applicable law or regulation or to which a Prudent Mortgage Lender and having regard to the ICS Mortgages Lending Criteria in force at the relevant time would have agreed);
- (d) the relevant Property in respect of each Mortgage:
  - (i) was, as at the date of origination, a primarily residential property situated in Ireland which was not the principal dwelling of the Borrower; and
  - (ii) where the Borrower is a natural person, as at the date of origination, the relevant Property was not the sole property of such Borrower;
- (e) at the Relevant Date each relevant Borrower is resident in the European Economic Area;
- (f) in respect of each Mortgage Loan, where the Borrower is a natural person, such Borrower was aged 18 years or over at the date of execution of the relevant Mortgage Loan and Related Security;
- (g) at the Relevant Date, no Borrower is an employee or officer of the Seller or any of its affiliates;
- (h) the amount outstanding under each Mortgage Loan is a valid debt to the Seller from the Borrower and each Mortgage Loan and any Related Security constitutes a legal, valid, binding and enforceable obligation of the relevant Borrower and is non-cancellable (except that enforceability may be limited by bankruptcy, insolvency or similar laws or regulations of general applicability affecting the enforcement of creditors' rights generally and the court's discretion in relation to equitable remedies) and the terms of each related Mortgage provide that such related Mortgage secures the repayment of all advances, interest, costs and expenses payable by the relevant Borrower (other than in relation to any prepayment charges) in respect of the relevant Mortgage Loan;
- (i) subject to completion of any registration of each Mortgage in the Land Registry or Registry of Deeds (as applicable), each Mortgage Loan is secured by a valid and subsisting first legal

mortgage or legal charge over a Property, and there is no caution, notice, inhibition or restrictions which would prevent such registration in due course to take place;

- (j) subject only to registration or recording at the Land Registry or Registry of Deeds or to stamping at the Irish Revenue Commissioners (where applicable), the Seller has good title to, and is the absolute legal and (immediately prior to sale of the relevant Mortgage Loan to the Issuer) beneficial owner of, all property, interests, rights and benefits in relation to the Mortgage Loans and Related Security the beneficial interest in which is agreed to be sold and/or assigned by the Seller to the Issuer pursuant to the Mortgage Sale Agreement free and clear of all Encumbrances (other than those Encumbrances created by operation of law or which form part of the Related Security);
- (k) in relation to each Mortgage Loan, at least one payment of principal and/or interest has fallen due and been paid;
- (l) each Mortgage Loan is repayable by the relevant Borrower in euro;
- (m) each Mortgage Loan has a Current Balance of no less than €9,902.42 after taking into account Further Advances;
- (n) at any time during the term of each Mortgage Loan, such Mortgage Loan has not been two or more payments of principal and/or interest due from any Borrower under such Mortgage Loan in arrear;
- (o) the Seller verified the income of the relevant Borrower in respect of each Mortgage Loan in the manner of a Prudent Mortgage Lender and no Mortgage Loan has been granted on the basis of self-certification of income by the Borrower;
- (p) in the case of each Mortgage Loan, in accordance with the ICS Mortgages Lending Criteria in force at the Relevant Date, the Seller caused to be made on its behalf a Valuation Report by a valuer which either initially or after further investigation disclosed nothing material which would cause the Seller to decline to proceed with the relevant Mortgage Loan on the proposed terms, the Seller having exercised the level of skill and care of a Prudent Mortgage Lender;
- (q) no Mortgage Loan is a life loan or an offset mortgage loan;
- (r) no Mortgage Loan is a tracker mortgage loan and the Mortgage Portfolio is not subject to the Central Bank of Ireland's industry wide tracker mortgage examination;
- (s) so far as the Seller is aware (after due and careful enquiry), at origination, no Borrower was a person with whom transactions are currently prohibited under any United States sanctions administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the United Nations Security Council, the European Union, or Her Majesty's Treasury or other relevant sanctions authority (collectively, "Sanctions") and no Borrower was located in a country or territory which was the subject of any Sanctions at that time;
- (t) in respect of each Mortgage Loan, the Seller received a Certificate of Title (or an undertaking to provide such a Certificate of Title, such undertaking still being valid and enforceable and capable of assignment in favour of the Issuer) to the effect that the Borrower has good marketable title (as the same may be defined in the Law Society of Ireland's then approved form of certificate of title relating to residential mortgage lending or such other definition as the Law Society of Ireland may prescribe) subject to such exceptions and qualifications as a Prudent Mortgage Lender would accept and a declaration pursuant to Family Law Legislation in the Law Society of Ireland recommended format averring, for the benefit of the, that there are no claims pursuant to Family Law Legislation which affect the Property;
- (u) the Seller's right, title and interest in each Mortgage Loan and its Related Security may be validly assigned or transferred to the Issuer without breaching any terms or conditions applying to such Mortgage Loan;

- (v) the Seller has:
  - (i) received in respect of each Mortgage Loan an irrevocable undertaking from the Borrower's solicitor to ensure that the purchase deed and transfer deed relating to the Property and where required, the Mortgage to be duly stamped by the Irish Revenue Commissioners; or
  - (ii) in the case of Mortgage Loans where the Seller's own solicitor was instructed to perfect the Mortgage, such Mortgages have been duly stamped;
- (w) prior to the advance of any money under each of the Mortgage Loans and the execution of the Mortgage by the Borrower, the Seller:
  - (i) obtained from the Borrower's solicitor an irrevocable undertaking to the Seller to obtain all necessary consents required under the Family Home Protection Act 1976; or
  - (ii) the Seller's solicitor obtained all such necessary consents on the Seller's behalf from the Borrower's solicitor;
- (x) interest is charged on each Mortgage Loan at such a rate as may be determined in accordance with the provisions of the relevant Mortgage Conditions;
- (y) the Mortgage Conditions applicable to each Mortgage Loan:
  - (i) provide for a variable interest rate that may be varied up and down by the Seller (or following a transfer or assignment of any Mortgage Loans by the Seller, such transferee or assignee) from time to time; and
  - (ii) provide that interest is chargeable and principal is to be repaid (if applicable) on a monthly basis.
- (z) the Borrower in respect of each Mortgage Loan makes its monthly payments by direct debit;
- (aa) prior to the completion of each Mortgage Loan:
  - (i) the Seller obtained an irrevocable undertaking from the Borrower's solicitor to obtain a Deed of Confirmation from any person who, at the Relevant Date had any estate or interest, beneficial or otherwise, in the Property related to that Mortgage Loan by reason of making a contribution to the purchase price of the Property or otherwise; or
  - (ii) the Seller's solicitor obtained such Deed of Confirmation in such circumstances.
- (bb) the Seller has performed in all material respects all its material obligations under or in connection with each Mortgage Loan and so far as the Seller is aware (after due and careful enquiry), no Borrower has taken any action against the Seller for any failure on the part of the Seller to perform any such obligations;
- (cc) other than with respect to monthly payments, there are no outstanding claims by the Seller against a Borrower in respect of any material breaches of the terms of any Mortgage Loan or Related Security and no lien, counterclaim, right of set-off or right or ability to make any withholding or deduction from any payment exists between that Borrower and the Seller in respect of its Mortgage Loan or its Related Security. The related Mortgage for each Mortgage Loan contains a contractual waiver from the Borrower of any right of set-off the Borrower may have in respect of the secured monies;
- (dd) the Seller has not waived or acquiesced in any breach of any of its rights under or in relation to a Mortgage or Mortgage Loan other than waivers and acquiescence such as a Prudent Mortgage Lender may make;
- (ee) at the Relevant Date, the Seller took such steps as a Prudent Mortgage Lender would have to ensure each relevant Property was insured under a Buildings Policy taken out by the Borrower or another person with an interest in the relevant Property, under which the Seller was either an

insured party or its interest had been noted on the relevant policy by the relevant insurance company, for an amount not less than the full reinstatement value;

- (ff) the Seller has not received written notice of any litigation or claim which may have a material adverse effect on its title to any Mortgage Loan or any Related Security;
- (gg) save for the mortgage deeds relating to the Mortgage Loans held at the Land Registry or the Registry of Deeds (as applicable), all the mortgage deeds, the Mortgage Loan Files and all title deeds relating to each Mortgage Loan and Related Security are held by or to the order of the Seller or its agents;
- (hh) the Seller has since the advance of each Mortgage Loan kept or procured that there has been kept such accounts, books and records as are necessary to show all material transactions, payments, receipts and proceedings relating to that Mortgage Loan and its Related Security and all such accounts, books, and records are in the possession of the Seller or held to its order;
- (ii) to the extent that the European Communities (Unfair Terms in Consumer Contracts) Regulations 1995 to 2014 of Ireland (as amended) (the "**UTCC Regulations**") apply in respect of any Mortgage Loan, no claim has been made to the Seller in respect of the Mortgage Conditions relating to any Mortgage Loan claiming that such Mortgage Conditions (or any of them) are "unfair terms" within the meaning of the UTCC Regulations and no official proceedings have been taken by the Central Bank of Ireland, the CCPC or by any other authorised body as defined in the UTCC Regulations against the Seller pursuant to the UTCC Regulations or otherwise which might prevent or restrict the use in such agreement of any material terms or the enforcement of any such term;
- (jj) to the extent that the Consumer Credit Act (the "**CCA**") applies in respect of a Mortgage Loan, the Mortgage Conditions comply in all respects with the requirements of the CCA and the Seller has complied in all material respects with the requirements of the CCA in respect of the origination and servicing of that Mortgage Loan;
- (kk) the final Mortgage Loan repayment date will not fall beyond two years prior to the Final Maturity Date;
- (ll) no court proceedings have been issued by the Seller to enforce any Mortgage Loan or Related Security;
- (mm) prior to granting a Mortgage Loan the Seller carried out or caused to be carried out on its behalf in accordance with the Law Society of Ireland's Certificate of Title systems for residential and commercial mortgage lending in Ireland in force at the relevant time, the investigations and searches in relation to the Mortgage Loans and the Related Security as a Prudent Mortgage Lender would and the results thereof would, in the circumstances, have been acceptable to a Prudent Mortgage Lender;
- (nn) there is no obligation for the Seller to make a further advance under the Mortgage Loans other than in accordance with the applicable Mortgage Conditions;
- (oo) all Mortgage Loans and the Related Security are governed by the laws of Ireland;
- (pp) the Mortgage Loans were not concluded by means of distance communication, the European Communities (Distance Marketing of Consumer Financial Services) Regulations 2004 (as amended) (the "**DMR 2004**") does not apply in respect of any Mortgage Loan, and to the extent that the DMR 2004 applies to any Mortgage Loan, the Seller has complied with the DMR 2004 in all material respects;
- (qq) so far as the Seller is aware (after due and careful enquiry), no Borrower:
  - (i) has applied under Part 3, Chapter 4 of the Personal Insolvency Act for a Protective Certificate (as defined in the Personal Insolvency Act);
  - (ii) has applied under Part 3, Chapter 4 of the Personal Insolvency Act for a personal insolvency arrangement; or



- (iii) is the subject of a court order under Part 3, Chapter 4 of the Personal Insolvency Act;
- (rr) the Seller has exercised in originating each Mortgage Loan an equivalent level of skill and care that it has exercised in relation to the origination of mortgages whether or not such mortgage is or was intended to be sold to the Issuer pursuant to the Mortgage Sale Agreement;
- (ss) pursuant to the Borrower's solicitor's irrevocable undertaking or the Seller's instructions to its own solicitors, all steps necessary with a view to perfecting the Seller's legal title to each Mortgage were duly taken at the appropriate time or are in the process of being taken without undue delay on its part or on the part of those within its control including for the avoidance of doubt all registration applications to register the Borrower's and Seller's legal title to each Mortgage in the Registry of Deeds and/or the Land Registry as appropriate and all necessary first registration applications in circumstances where an obligation to first register the Borrower's title to the Property has arisen pursuant to the Registration of Title Act 1964 (as amended);
- (tt) the Seller has complied in all material respects with Applicable Regulatory Law in relation to the origination and administration of that Mortgage Loan including in respect to any license or authorisation required from any regulatory authority;
- (uu) at the Relevant Date in respect of a Mortgage Loan, as far as the Seller is aware (after due and careful enquiry), no fraud had been perpetrated in respect of any Mortgage Loan by:
  - (i) any person who prepared a Valuation Report;
  - (ii) any solicitor who acted for the Seller in relation to any Mortgage Loan;
  - (iii) any insurance broker or agent in relation to the issue of any Insurance Policy; or
  - (iv) any Borrower in respect of any Mortgage Loan,
 which would result in any monies owed by the Borrower not being repaid in full under the terms of the Mortgage Loan;
- (vv) to the extent that the European Communities (Consumer Mortgage Credit Agreements) Regulations 2016 (the "**Mortgage Credit Regulations**") apply in respect of any Mortgage Loan, the Seller has complied in all material respects with the Mortgage Credit Regulations;
- (ww) each Mortgage Loan was granted on the basis of sound and well-defined criteria and clearly established processes for approving, amending, renewing and financing those credits and the Seller has effective systems in place to apply those criteria and processes in accordance with Article 9(1) of the Securitisation Regulation;
- (xx) where a Mortgage Loan was originated after entry into force of Directive 2014/17/EU, such Mortgage Loan was not marketed or underwritten on the premise that the loan applicant or, where applicable, intermediaries were made aware that the information provided by the loan applicant might not be verified by the lender; and
- (yy) the Seller is not in material default of its obligations under the Mortgage Conditions.

*Further Advances*

Under the Mortgage Sale Agreement, the Issuer has agreed that the Servicer on behalf of the Seller may, in relation to a Mortgage Loan, make an advance of further money after the Closing Date following a request from an existing Borrower (each, a "**Further Advance**"). If a Borrower requests, or the Seller offers, a Further Advance under a Mortgage Loan, the Seller will be solely responsible for offering, documenting and funding that Further Advance. Any Further Advance made to a Borrower shall (subject to the Further Advance Conditions) be purchased by the Issuer on the date that the Further Advance is made by the Seller to the relevant Borrower (the "**Advance Date**"). In considering whether to grant a request of a Borrower for a Further Advance, or whether to offer a Further Advance to a Borrower, the Seller shall act in accordance with the practices of a prudent residential mortgage lender acting reasonably.

The purchase price for the relevant Further Advance shall be an amount equal to the Current Balance of the Further Advance (the "**Further Advance Purchase Price**"). The Issuer (or the Cash Manager on its behalf) shall fund the payment of the Further Advance Purchase Price to the Seller by applying Principal Receipts standing to the credit of the Transaction Account (if sufficient) on the relevant Advance Date or on any Business Day as soon as practicable thereafter, whereupon completion of the purchase of the Further Advance shall occur.

The Seller must, in relation to the Mortgage Loan which is subject to the Further Advance, give the representations and warranties in respect of Further Advances set out in the Mortgage Sale Agreement on the relevant Advance Date.

The funding of a Further Advance by the Issuer will be subject to the following conditions (the "**Further Advance Conditions**"):

- (a) the Advance Date falls before the Step-Up Date;
- (b) the purchase of the Further Advances will not result in the aggregate principal balance of all Further Advances purchased by the Issuer exceeding €2 million;
- (c) as far as the Servicer is aware, the then current ratings of the Rated Notes then outstanding would not be downgraded, withdrawn or qualified as a result of the Issuer purchasing such Further Advance;
- (d) no Event of Default has occurred and is continuing;
- (e) no Perfection Trigger Event has occurred;
- (f) the Principal Deficiency Ledger of the Rated Notes does not have a debit balance as at the most recent Interest Payment Date after applying all Available Revenue Receipts on that Interest Payment Date; and
- (g) each Mortgage Loan and its Related Security which is the subject of a Further Advance complies with the representations contained in the Mortgage Sale Agreement required to be given on each Advance Date.

Notice (a "**Notice of Non-Satisfaction of Further Advance Conditions**") must be given by the Servicer if the Issuer is unable to fund the purchase of a Further Advance from Principal Receipts or if the Servicer has identified that any of the other Further Advance Conditions are not satisfied as at the relevant Advance Date or, as applicable, would not be satisfied following the making of the Further Advance, whereupon the Seller must repurchase the relevant Mortgage Loan(s) and its Related Security from the Issuer.

Completion of such repurchase shall occur within 30 Business Days of receipt of the Notice of Non-Satisfaction of Further Advance Conditions provided, however, if such Notice of Non-Satisfaction of Further Advance Conditions has been served by the Servicer following the close of business on the 5th Business Day prior to the last day of the calendar month in which the relevant Advance Date occurred, completion of such repurchase shall take place in the following calendar month.

Consideration for a repurchase shall be provided by payment in cash such that the cash payment amount shall be equal to the Current Balance(s) of the Mortgage Loan(s) (excluding any Further Advance not funded due to lack of Principal Receipts) subject to repurchase.

In addition, the Seller has agreed in the Mortgage Sale Agreement that, if it is subsequently determined that:

- (a) any of the representations or warranties made by it on the Advance Date was materially untrue as at such date with respect to the relevant Mortgage Loan; or

- (b) any of the Further Advance Conditions was in fact not satisfied in relation to a Further Advance on the relevant Advance Date:
  - (i) despite no Notice of Non-Satisfaction of Further Advance Conditions having been given by the Servicer no later than one Business Day prior to the last day of the relevant calendar month; or
  - (ii) where a Notice of Non-Satisfaction of Further Advance Conditions was given but was revoked by the Servicer by the Business Day prior to the last day of such calendar month,

and, in either case, this (where capable of remedy) has not been remedied within 30 Business Days of receipt by the Seller of notice from the Issuer in relation thereto, the Seller will, upon receipt of a further notice from the Issuer repurchase the entire Mortgage Loan and its Related Security (including, in the case of a Mortgage Loan subject to a Further Advance, the Further Advance) from the Issuer within five Business Days after receipt of such further notice by the Seller (or such other date as the Issuer may direct in that notice (**provided that** the date so specified by the Issuer shall not be later than 30 days after receipt by the Seller of such further notice)). Consideration for a repurchase shall be provided by payment in cash and the cash payment amount shall be equal to the Current Balance(s) of the Mortgage Loan(s) subject to repurchase.

#### *Term Variations*

Under the Mortgage Sale Agreement, the Issuer has agreed that the Servicer on behalf of the Seller may agree to a request by a Borrower to extend the term of a Repayment Mortgage Loan (a "**Term Variation**"). Any Mortgage Loan which has been subject to a Term Variation will remain in the Mortgage Portfolio unless the Servicer has given notice (a "**Notice of Non-Satisfaction of Term Variation Conditions**") to the Issuer:

- (a) by no later than the 5th Business Day prior to the last calendar day of the month during which the relevant Term Variation is made; or
- (b) where a Term Variation is made in the period between the 5th Business Day prior to the last calendar day of a month and the last calendar day of such month, by no later than the 5th Business Day prior to the last calendar day of the immediately succeeding month,

and such notice has not been revoked prior to such date (the "**Notice of Non-Satisfaction Delivery Date**").

A Notice of Non-Satisfaction of Term Variation Conditions shall be given by the Servicer to the Issuer if the Servicer has identified that any of the following conditions (the "**Term Variation Conditions**") are not satisfied as at the relevant date of the granting of the Term Variation (the "**Variation Date**") or, as applicable, would not be satisfied following the granting of the Term Variation:

- (a) the Variation Date falls before the Step-Up Date;
- (b) the grant of the Term Variation will not result in the aggregate principal balance of all Mortgage Loans that have been the subject of a Term Variation to exceed €2 million;
- (c) the Term Variation will not cause term of the Mortgage Loan the subject of the Term Variation to exceed 20 years from the origination date of that Mortgage Loan;
- (d) as far as the Servicer is aware, the then current ratings of the Rated Notes then outstanding would not be downgraded, withdrawn or qualified as a result of the grant of such Term Variation;
- (e) no Event of Default has occurred and is continuing;
- (f) no Perfection Trigger Event has occurred;
- (g) the Principal Deficiency Ledger of the Rated Notes does not have a debit balance as at the most recent Interest Payment Date after applying all Available Revenue Receipts on that Interest Payment Date; and

- (h) each Mortgage Loan and its Related Security which is the subject of a Term Variation complies with the representations contained in the Mortgage Sale Agreement required to be given on each Variation Date.

If, by the Notice of Non-Satisfaction Delivery Date, no Notice of Non-Satisfaction of Term Variation Conditions has been given by the Servicer to the Issuer or has been so given but subsequently revoked by the Servicer, and the Mortgage Loan which is the subject of a Term Variation remains in the Mortgage Portfolio, the Seller must, in relation to the relevant Mortgage Loan, give the representations and warranties in respect of Term Variation set out in the Mortgage Sale Agreement as at the relevant Variation Date.

If, by the Notice of Non-Satisfaction Delivery Date, a Notice of Non-Satisfaction of Term Variation Conditions has been given by the Servicer to the Issuer with respect to any Mortgage Loan and has not yet been revoked by the Servicer, then the Seller must repurchase each such Mortgage Loan and its Related Security from the Issuer within 5 Business Days of the service of Notice of Non-Satisfaction of Term Variation Conditions.

Consideration for such repurchase shall be provided by payment in cash and such cash payment amount shall be equal to the Current Balance(s) of the Mortgage Loan(s) subject to repurchase.

In addition, the Seller has agreed in the Mortgage Sale Agreement that, if it is subsequently determined that:

- (a) any of the representations or warranties made by it as at the relevant Variation Date was materially untrue as at such date with respect to the relevant Mortgage Loan; or
- (b) any of the Term Variation Conditions was in fact not satisfied on the relevant Variation Date:
  - (i) despite no Notice of Non-Satisfaction of Term Variation Conditions being given by the Servicer; or
  - (ii) where a Notice of Non-Satisfaction of Term Variation Conditions was given but was revoked by the Servicer prior to close of business on the Notice of Non-Satisfaction Delivery Date,

and, in either case, this (where capable of remedy) has not been remedied within 30 Business Days of receipt by the Seller of notice from the Issuer in relation thereto, the Seller will, upon receipt of a further notice from the Issuer, repurchase the relevant Mortgage Loan and its Related Security from the Issuer within five Business Days after receipt of such further notice by the Seller (or such other date as the Issuer may direct in the notice (**provided that** the date so specified by the Issuer shall not be later than 30 days after receipt by the Seller of such further notice)). Consideration for a repurchase shall be provided by payment in cash and such cash payment amount shall be equal to the Current Balance(s) of the Mortgage Loan(s) subject to repurchase.

The Servicer on behalf of the Seller may not agree to a request by a Borrower for any product switch in respect of a Mortgage Loan other than a Term Variation. For the avoidance of doubt, any amendment to the terms of a Mortgage Loan agreed to by the Servicer:

- (a) acting pursuant to any law, regulation or regulatory guidelines of Ireland, or on an instruction of a regulatory authority to which the Servicer is subject; or
- (b) otherwise acting as a Prudent Mortgage Lender for the purpose of managing a Mortgage Loan in, or facing, arrears or in pre-arrears (unless such action decreases permanently the interest rate applicable to the Mortgage Loan without expectation of future recovery of the amounts by which the Borrower underpays relative to the interest rate specified in the terms of the Mortgage Loan prior to such decrease of the interest rate, in which case, this action will be deemed a product switch),

will not constitute a product switch granted in respect of such Mortgage Loan and such Mortgage Loan will remain in the Mortgage Portfolio.

*Repurchase in relation to a Product Switch*

Where the Servicer proposes granting a Product Switch, the Seller shall offer to repurchase the relevant Mortgage Loan and its Related Security from the Issuer within 30 days of the last day of the calendar month in which the Product Switch is granted for a consideration equal to its Current Balance and the Issuer shall accept such offer. The Seller must pay to the Issuer the consideration for the relevant Mortgage Loan and its Related Security which is the subject of a Product Switch within 30 days of the last day of the calendar month in which the Product Switch is granted.

*Governing Law*

The Mortgage Sale Agreement and any non-contractual obligations arising out of or in connection with the Mortgage Sale Agreement, will be governed by Irish law.

## 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 of €176,567,238 as at 28 February 2019 (the "**Provisional Cut-Off Date**"). The Closing Mortgage Portfolio has been selected from the Provisional Mortgage Portfolio. A Mortgage Loan will be removed from the Provisional Mortgage Portfolio if in the period from (and including) the Provisional Cut-Off Date to (but excluding) the Cut-Off Date such Mortgage Loan is repaid in full or if, as at the Closing Date, such Mortgage Loan does not or would not comply with the representations and warranties given by each of the Seller in the Mortgage Sale Agreement on the Closing Date. The Mortgage Portfolio of €176,567,238 as at 28 February 2019 was determined on or prior to such date by the Seller in accordance with the procedures as described in "*Risk Factors - Selection of the Mortgage Portfolio*" above.

The Additional Mortgage Loans do not form part of the Provisional Mortgage Portfolio.

The first SR Investor Report delivered after the Issue Date will reflect the loans in the Closing Mortgage Portfolio.

Each of the Arranger and the Joint Lead Managers are entitled to assume that all information provided to them by the Servicer for the purpose of reporting on the arithmetic or other accuracy is true and correct and is complete and not misleading and are not required to conduct an audit or other similar examination in respect of or otherwise take steps to verify the accuracy or completeness of such information save that the Servicer will be required to advise the Joint Lead Managers if they have not been provided with any of those figures which it is required to provide.

Further information in respect of anonymised individual loan level data may be obtained on the European Data Warehouse website at <https://eurodw.eu/>. For the avoidance of doubt, this website and the contents thereof do not form part of this Prospectus and will not be the website that conforms to the requirements set out in Article 7(2) of the Securitisation Regulation on which the SR Investor Reports and SR Data Tapes will be made available in compliance with Article 7(1) of the Securitisation Regulation from time to time.

The information contained in this section has not been updated to reflect any decrease in the size of the Closing Mortgage Portfolio from that of the Provisional Mortgage Portfolio.

Except as otherwise indicated, these tables have been prepared using the Current Balance as at the Provisional Cut-Off Date. Columns may not add up to the total due to rounding.

As of the Provisional Cut-Off Date, the Provisional Mortgage Portfolio had the following characteristics:

Total Current Balance .....	€176,567,238
Total Original Balance .....	€178,856,242
Average Current Balance .....	€192,759
Maximum Current Balance.....	€1,072,935
Number of Mortgage Loans.....	916
Weighted Average Current LTV (non-indexed) .....	56.28%
Weighted Average Original LTV .....	56.77%
Weighted Average Interest Rate (current) .....	5.27%
Weighted Average Remaining Term.....	13.05 years
Weighted Average Seasoning .....	10.35 months
Interest-Only Mortgage Loans.....	75.68%
Self-employed at application .....	34.77%

### 1. Originator

The following table shows information in relation to the originator of the Mortgage Loans in the Mortgage Portfolio as at the Provisional Cut-Off Date.

<u>Originator</u>	<u>Current Balance</u>	<u>% of Total Current Balance</u>	<u>Number of Loans</u>	<u>% of Total Number of Loans</u>
Dilosk DAC.....	176,567,238.10	100.00%	916	100.00%
<b>Total:</b> .....	<b>176,567,238.10</b>	<b>100.00%</b>	<b>916</b>	<b>100.00%</b>

## 2. Occupancy Type

The following table shows information in relation to the occupancy of the Properties securing the Mortgage Loans in the Provisional Mortgage Portfolio as at the Provisional Cut-Off Date.

<u>Occupancy Type</u>	<u>Current Balance</u>	<u>% of Total Current Balance</u>	<u>Number of Loans</u>	<u>% of Total Number of Loans</u>
Buy-To-Let .....	176,567,238.10	100.00%	916	100.00%
<b>Total:</b> .....	<b>176,567,238.10</b>	<b>100.00%</b>	<b>916</b>	<b>100.00%</b>

## 3. Outstanding Principal Balances

The following table shows the range of original balances of the Mortgage Loans in the Provisional Mortgage Portfolio. For the purposes of the table below, "Original Balance" refers to the amount outstanding on a given Mortgage Loan as at the time of the latest loan advance.

<u>Original Balance (€)</u>	<u>Current Balance</u>	<u>% of Total Current Balance</u>	<u>Number of Loans</u>	<u>% of Total Number of Loans</u>
<= 100,000 .....	16,778,662.04	9.50%	232	25.33%
100,001 to 150,000 .....	28,841,695.87	16.33%	230	25.11%
150,001 to 200,000 .....	26,730,899.38	15.14%	157	17.14%
200,001 to 250,000 .....	24,136,449.56	13.67%	108	11.79%
250,001 to 300,000 .....	14,352,269.99	8.13%	53	5.79%
300,001 to 350,000 .....	10,140,027.37	5.74%	31	3.38%
350,001 to 400,000 .....	7,995,300.74	4.53%	21	2.29%
400,001 to 450,000 .....	9,438,381.69	5.35%	22	2.40%
450,001 to 500,000 .....	10,156,658.38	5.75%	21	2.29%
>= 500,001 .....	27,996,893.08	15.86%	41	4.48%
<b>Total:</b> .....	<b>176,567,238.10</b>	<b>100.00%</b>	<b>916</b>	<b>100.00%</b>

In relation to the Mortgage Loans in the Provisional Mortgage Portfolio, the minimum original balance was €26,275, the maximum original balance was €1,070,000 and the average original balance was €195,258.

The following table shows the range of outstanding Current Balances of Mortgage Loans in the Provisional Mortgage Portfolio as at the Provisional Cut-Off Date.

<u>Current Balance (€)</u>	<u>Current Balance</u>	<u>% of Total Current Balance</u>	<u>Number of Loans</u>	<u>% of Total Number of Loans</u>
<= 100,000 .....	16,608,344.60	9.41%	232	25.33%
100,001 to 150,000 .....	27,413,953.07	15.53%	222	24.24%
150,001 to 200,000 .....	27,261,379.80	15.44%	161	17.58%
200,001 to 250,000 .....	23,958,707.11	13.57%	108	11.79%
250,001 to 300,000 .....	14,288,108.08	8.09%	53	5.79%
300,001 to 350,000 .....	10,048,753.34	5.69%	31	3.38%
350,001 to 400,000 .....	8,973,632.13	5.08%	24	2.62%
400,001 to 450,000 .....	7,155,542.27	4.05%	17	1.86%
450,001 to 500,000 .....	10,358,445.64	5.87%	22	2.40%
>= 500,001 .....	30,500,372.06	17.27%	46	5.02%
<b>Total:</b> .....	<b>176,567,238.10</b>	<b>100.00%</b>	<b>916</b>	<b>100.00%</b>

As at the Provisional Cut-Off Date, in relation to the Mortgage Loans in the Provisional Mortgage Portfolio, the minimum current balance was €14,765, the maximum current balance was €1,072,935 and the average current balance was €192,759.

## 4. Mortgage Loan-to-Value Ratios

The following table shows the range of LTV ratios, which express the original balance of the aggregate of Mortgage Loans (including any Further Advances) in the Provisional Mortgage Portfolio as at the date of origination of the Mortgage Loan divided by the valuation as at the time of the latest mortgage loan advance. The figures in the following table have been calculated on the basis of the Mortgage Loans in the Provisional Mortgage Portfolio.

<u>Original Loan to Value</u>	<u>Current Balance</u>	<u>% of Total Current Balance</u>	<u>Number of Loans</u>	<u>% of Total Number of Loans</u>
<= 40.00% .....	15,293,966.57	8.66%	92	10.04%
40.01% to 45.00% .....	8,414,074.84	4.77%	49	5.35%
45.01% to 50.00% .....	43,538,796.31	24.66%	246	26.86%
50.01% to 55.00% .....	6,096,366.20	3.45%	28	3.06%
55.01% to 60.00% .....	31,076,026.45	17.60%	146	15.94%
60.01% to 65.00% .....	20,662,411.14	11.70%	102	11.14%
65.01% to 70.00% .....	51,485,596.59	29.16%	253	27.62%
<b>Total:</b> .....	<b>176,567,238.10</b>	<b>100.00%</b>	<b>916</b>	<b>100.00%</b>

In relation to the Mortgage Loans in the Provisional Mortgage Portfolio, the minimum original LTV was 10 per cent., the maximum original LTV was 70 per cent. and the weighted average original LTV was 56.77 per cent.

The following table shows the range of LTV ratios, which express the Current Balance of the aggregate of Mortgage Loans in the Provisional Mortgage Portfolio as at the Provisional Cut-Off Date divided by the most recent valuation thereof. The figures in the following table have been calculated on the basis of the Mortgage Loans in the Provisional Mortgage Portfolio.

<u>Current Loan to Value</u>	<u>Current Balance</u>	<u>% of Total Current Balance</u>	<u>Number of Loans</u>	<u>% of Total Number of Loans</u>
<= 40.00% .....	15,737,865.72	8.91%	101	11.03%
40.01% to 45.00% .....	10,935,466.46	6.19%	61	6.66%
45.01% to 50.00% .....	23,463,785.02	13.29%	145	15.83%
50.01% to 55.00% .....	24,106,841.72	13.65%	119	12.99%
55.01% to 60.00% .....	20,647,603.79	11.69%	100	10.92%
60.01% to 65.00% .....	28,642,481.72	16.22%	131	14.30%
65.01% to 70.00% .....	27,959,567.94	15.84%	138	15.07%
>= 70.01% .....	25,073,625.73	14.20%	121	13.21%
<b>Total:</b> .....	<b>176,567,238.10</b>	<b>100.00%</b>	<b>916</b>	<b>100.00%</b>

As at the Provisional Cut-Off Date, in relation to the Mortgage Loans in the Provisional Mortgage Portfolio, the minimum current LTV (non-indexed) was 5.64 per cent., the maximum current LTV (non-indexed) was 70.30 per cent. and the weighted average current LTV (non-indexed) was 56.28 per cent.

The following table shows the range of indexed LTV ratios, which are calculated by dividing the Current Balance of a Mortgage Loan as at the Provisional Cut-Off Date by the indexed original valuation of the Property relating to such Mortgage Loan as at the same date. The figures in the following table have been calculated on the basis of the Mortgage Loans in the Provisional Mortgage Portfolio.

<u>Current Loan to Value (Indexed)</u>	<u>Current Balance</u>	<u>% of Total Current Balance</u>	<u>Number of Loans</u>	<u>% of Total Number of Loans</u>
<= 40.00% .....	21,141,770.52	11.97%	143	15.61%
40.01% to 45.00% .....	19,737,431.55	11.18%	113	12.34%
45.01% to 50.00% .....	28,331,930.66	16.05%	164	17.90%
50.01% to 55.00% .....	19,612,773.70	11.11%	103	11.24%
55.01% to 60.00% .....	27,466,943.66	15.56%	129	14.08%
60.01% to 65.00% .....	27,510,025.43	15.58%	109	11.90%
65.01% to 70.00% .....	24,135,170.09	13.67%	116	12.66%
>= 70.01% .....	8,631,192.49	4.89%	39	4.26%
<b>Total:</b> .....	<b>176,567,238.10</b>	<b>100.00%</b>	<b>916</b>	<b>100.00%</b>

\* Indexed values as at January 2019. Indexed using the CSO Residential Property Price Index (for period 2017 to 2018).

As at the Provisional Cut-Off Date, in relation to the Mortgage Loans in the Provisional Mortgage Portfolio, the minimum current LTV (indexed) was 5.19 per cent., the maximum current LTV (indexed) was 71.72 per cent. and the weighted average current LTV (indexed) was 53.38 per cent.



## 5. Repayment Terms

The following table shows the repayment terms for the Mortgage Loans in the Provisional Mortgage Portfolio as at the Provisional Cut-Off Date. For a description of the various repayment terms the Seller offers, see "*The Mortgage Loans – Characteristics of the Mortgage Loans – Repayment Terms*". The figures in the following table have been calculated on the basis of the Mortgage Loans in the Provisional Mortgage Portfolio (including Further Advances).

<b>Repayment Method</b>	<b>Current Balance</b>	<b>% of Total Current Balance</b>	<b>Number of Loans</b>	<b>% of Total Number of Loans</b>
Interest Only.....	133,630,627.02	75.68%	623	68.01%
Repayment.....	32,907,794.33	18.64%	232	25.33%
Flexi Mortgage.....	10,028,816.75	5.68%	61	6.66%
<b>Total:</b> .....	<b>176,567,238.10</b>	<b>100.00%</b>	<b>916</b>	<b>100.00%</b>

## 6. Property Type

The following table shows the types of Properties securing the Mortgage Loans in the Provisional Mortgage Portfolio as at the Provisional Cut-Off Date.

<b>Property Type</b>	<b>Current Balance</b>	<b>% of Total Current Balance</b>	<b>Number of Loans</b>	<b>% of Total Number of Loans</b>
Flat/Apartment.....	50,150,173.26	28.40%	346	37.77%
Terraced House.....	53,536,118.93	30.32%	254	27.73%
House, detached or semi-detached.....	47,344,859.53	26.81%	242	26.42%
Other.....	25,536,086.38	14.46%	74	8.08%
<b>Total:</b> .....	<b>176,567,238.10</b>	<b>100.00%</b>	<b>916</b>	<b>100.00%</b>

## 7. Geographical Distribution of Properties per county

The following table shows the distribution of Properties securing the Mortgage Loans in the Provisional Mortgage Portfolio throughout Ireland as at the Provisional Cut-Off Date per county. No such properties are situated outside Ireland. The figures in the following table have been calculated on the basis of the Mortgage Loans in the Provisional Mortgage Portfolio.

<b>County Region</b>	<b>Current Balance</b>	<b>% of Total Current Balance</b>	<b>Number of Loans</b>	<b>% of Total Number of Loans</b>
Carlow.....	1,076,326.42	0.61%	11	1.20%
Clare.....	414,398.56	0.23%	4	0.44%
Cork.....	12,074,676.33	6.84%	88	9.61%
Donegal.....	139,445.66	0.08%	2	0.22%
Dublin.....	132,831,789.35	75.23%	546	59.61%
Galway.....	7,083,832.54	4.01%	53	5.79%
Kerry.....	1,446,152.40	0.82%	17	1.86%
Kildare.....	5,110,742.39	2.89%	34	3.71%
Kilkenny.....	256,310.28	0.15%	2	0.22%
Laois.....	654,242.57	0.37%	9	0.98%
Limerick.....	3,276,613.75	1.86%	35	3.82%
Longford.....	54,017.14	0.03%	1	0.11%
Louth.....	2,921,614.26	1.65%	26	2.84%
Mayo.....	74,312.48	0.04%	1	0.11%
Meath.....	3,693,395.37	2.09%	27	2.95%
Offaly.....	375,915.74	0.21%	3	0.33%
Roscommon.....	147,890.02	0.08%	1	0.11%
Sligo.....	297,884.88	0.17%	4	0.44%
Tipperary.....	96,369.83	0.05%	2	0.22%
Waterford.....	966,797.49	0.55%	18	1.97%
Westmeath.....	1,143,759.40	0.65%	15	1.64%
Wexford.....	316,361.67	0.18%	4	0.44%
Wicklow.....	2,114,389.57	1.20%	13	1.42%
<b>Total:</b> .....	<b>176,567,238.10</b>	<b>100.00%</b>	<b>916</b>	<b>100.00%</b>

8. **Geographical Distribution of Properties on the basis of NUTS (defined below)**

The following table shows the distribution of Properties securing the Mortgage Loans in the Provisional Mortgage Portfolio throughout Ireland as at the Provisional Cut-Off Date on the basis of the Nomenclature of Territorial Units for Statistics (NUTS) classification code of IE025 as per the European Central Bank RMBS taxonomy. No such properties are situated outside Ireland. The figures in the following table have been calculated on the basis of the Mortgage Loans in the Provisional Mortgage Portfolio.

<b>Geographical Region</b>	<b>Current Balance</b>	<b>% of Total Current Balance</b>	<b>Number of Loans</b>	<b>% of Total Number of Loans</b>
Dublin .....	132,831,789.35	75.23%	546	59.61%
South-West (IRL) .....	16,797,442.48	9.51%	140	15.28%
Mid-East .....	13,840,141.59	7.84%	100	10.92%
Mid-West .....	7,498,231.10	4.25%	57	6.22%
South-East (IRL) .....	2,615,795.86	1.48%	35	3.82%
Midland .....	2,472,194.70	1.40%	31	3.38%
West .....	372,197.36	0.21%	5	0.55%
Border .....	139,445.66	0.08%	2	0.22%
<b>Total: .....</b>	<b>176,567,238.10</b>	<b>100.00%</b>	<b>916</b>	<b>100.00%</b>

9. **Interest Rate Type**

All Mortgage Loans in the Provisional Mortgage Portfolio as at the Provisional Cut-Off Date are Variable Rate Mortgage Loans.

10. **Seasoning of Mortgage Loans**

The following table shows the number of months since the date of origination of the Initial Advance in respect of a Mortgage Loan in the Provisional Mortgage Portfolio as at the Provisional Cut-Off Date. The figures in the following table have been calculated on the basis of the Mortgage Loans in the Provisional Mortgage Portfolio (including Further Advances).

<b>Seasoning of Mortgages (Months)</b>	<b>Current Balance</b>	<b>% of Total Current Balance</b>	<b>Number of Loans</b>	<b>% of Total Number of Loans</b>
<= 3.00 .....	22,224,060.17	12.59%	148	16.16%
3.01 to 6.00 .....	33,094,250.47	18.74%	167	18.23%
6.01 to 9.00 .....	23,786,162.83	13.47%	139	15.17%
9.01 to 12.00 .....	23,459,141.69	13.29%	123	13.43%
12.01 to 15.00 .....	24,470,585.06	13.86%	120	13.10%
15.01 to 18.00 .....	30,386,552.81	17.21%	134	14.63%
18.01 to 21.00 .....	12,861,609.93	7.28%	64	6.99%
>= 21.01 .....	6,284,875.14	3.56%	21	2.29%
<b>Total: .....</b>	<b>176,567,238.10</b>	<b>100.00%</b>	<b>916</b>	<b>100.00%</b>

In relation to the Mortgage Loans in the Provisional Mortgage Portfolio, the minimum seasoning was zero months, the maximum seasoning was 25.55 months and the weighted average seasoning was 10.35 months.

11. **Years to Maturity**

The following table shows the number of years until the maturity of the Mortgage Loans in the Provisional Mortgage Portfolio. The figures in the following table have been calculated on the basis of the Mortgage Loans in the Provisional Mortgage Portfolio (including Further Advances).

<b>Mortgage Loans by Remaining Maturity (Years)</b>	<b>Current Balance</b>	<b>% of Total Current Balance</b>	<b>Number of Loans</b>	<b>% of Total Number of Loans</b>
<= 5.00 .....	1,502,416.77	0.85%	6	0.66%
5.01 to 10.00 .....	79,981,049.51	45.30%	371	40.50%
10.01 to 15.00 .....	62,677,706.89	35.50%	356	38.86%
15.01 to 20.00 .....	22,505,621.42	12.75%	125	13.65%
20.01 to 25.00 .....	1,772,139.53	1.00%	11	1.20%
25.01 to 30.00 .....	3,053,919.80	1.73%	14	1.53%

<b>Mortgage Loans by Remaining Maturity (Years)</b>	<b>Current Balance</b>	<b>% of Total Current Balance</b>	<b>Number of Loans</b>	<b>% of Total Number of Loans</b>
>= 30.01.....	5,074,384.18	2.87%	33	3.60%
<b>Total:</b> .....	<b>176,567,238.10</b>	<b>100.00%</b>	<b>916</b>	<b>100.00%</b>

In relation to the Mortgage Loans in the Provisional Mortgage Portfolio, the minimum years to maturity was 3.18 years, the maximum years to maturity was 35.02 years and the weighted average years to maturity was 13.05 years.

#### 12. Mortgage Loan Purpose

The following table shows the purpose of the Mortgage Loans in the Provisional Mortgage Portfolio. The figures in the following table have been calculated on the basis of the Mortgage Loans in the Provisional Mortgage Portfolio.

<b>Mortgage Loan Purpose</b>	<b>Current Balance</b>	<b>% of Total Current Balance</b>	<b>Number of Loans</b>	<b>% of Total Number of Loans</b>
Purchase.....	88,789,613.06	50.29%	483	52.73%
Re-mortgage.....	86,342,166.71	48.90%	419	45.74%
Other.....	1,435,458.33	0.81%	14	1.53%
<b>Total:</b> .....	<b>176,567,238.10</b>	<b>100.00%</b>	<b>916</b>	<b>100.00%</b>

#### 13. Current Interest Rate

The following tables show the interest rates in respect of the Mortgage Loans in the Provisional Mortgage Portfolio. The figures in the following table have been calculated on the basis of the Mortgage Loans in the Provisional Mortgage Portfolio (including Further Advances).

<b>Interest Rate</b>	<b>Current Balance</b>	<b>% of Total Current Balance</b>	<b>Number of Loans</b>	<b>% of Total Number of Loans</b>
3.51% to 4.00%.....	2,174,680.47	1.23%	14	1.53%
4.01% to 4.50%.....	9,129,885.68	5.17%	53	5.79%
4.51% to 5.00%.....	40,709,160.28	23.06%	199	21.72%
5.01% to 5.50%.....	85,006,327.29	48.14%	468	51.09%
5.51% to 6.00%.....	39,547,184.38	22.40%	182	19.87%
<b>Total:</b> .....	<b>176,567,238.10</b>	<b>100.00%</b>	<b>916</b>	<b>100.00%</b>

As at the Provisional Cut-Off Date, in relation to the Mortgage Loans in the Provisional Mortgage Portfolio, the minimum current interest rate was 4 per cent., the maximum current interest rate was 5.95 per cent. and the weighted average current interest rate was 5.27 per cent.

#### 14. Interest Coverage Ratio

The following table shows the interest coverage ratio of the Mortgage Loans in the Provisional Mortgage Portfolio. The figures in the following table have been calculated on the basis of the Mortgage Loans in the Provisional Mortgage Portfolio (including Further Advances).

<b>Interest Coverage Ratio</b>	<b>Current Balance</b>	<b>% of Total Current Balance</b>	<b>Number of Loans</b>	<b>% of Total Number of Loans</b>
<= 150.00%.....	5,065,828.12	2.87%	15	1.64%
150.01% to 200.00%.....	64,992,063.54	36.81%	256	27.95%
200.01% to 250.00%.....	37,863,081.76	21.44%	199	21.72%
250.01% to 300.00%.....	26,934,759.04	15.25%	165	18.01%
300.01% to 350.00%.....	16,029,509.76	9.08%	104	11.35%
>= 350.01%.....	25,681,995.88	14.55%	177	19.32%
<b>Total:</b> .....	<b>176,567,238.10</b>	<b>100.00%</b>	<b>916</b>	<b>100.00%</b>

As at the Provisional Cut-Off Date, in relation to the Mortgage Loans in the Provisional Mortgage Portfolio, the maximum interest coverage ratio was 2019.13 per cent., the minimum interest coverage ratio was 101.19 per cent. and the weighted average interest coverage ratio was 255.01 per cent.

15. **Further Advances**

The following table shows information on Further Advances that have been made under the Mortgage Loans in the Provisional Mortgage Portfolio. The figures in the following table have been calculated on the basis of the Mortgage Loans in the Provisional Mortgage Portfolio.

<b>Further Advances</b>	<b>Current Balance</b>	<b>% of Total Current Balance</b>	<b>Number of Loans</b>	<b>% of Total Number of Loans</b>
No.....	175,131,779.77	99.19%	902	98.47%
Yes.....	1,435,458.33	0.81%	14	1.53%
<b>Total:</b> .....	<b>176,567,238.10</b>	<b>100.00%</b>	<b>916</b>	<b>100.00%</b>

16. **Arrears Status**

The following table shows the arrears status in respect of the Mortgage Loans in the Provisional Mortgage Portfolio. The figures in the following tables have been calculated on the basis of the Mortgage Loans in the Provisional Mortgage Portfolio.

<b>Number of Months in Arrears</b>	<b>Current Balance</b>	<b>% of Total Current Balance</b>	<b>Number of Loans</b>	<b>% of Total Number of Loans</b>
0.000.....	176,406,636.00	99.91%	915	99.89%
1.000.....	160,602.10	0.09%	1	0.11%
<b>Total:</b> .....	<b>176,567,238.10</b>	<b>100.00%</b>	<b>916</b>	<b>100.00%</b>

17. **Borrowers**

The following tables show information in relation to the Borrowers in respect of the Mortgage Loans in the Provisional Mortgage Portfolio. The figures in the following table have been calculated on the basis of the Mortgage Loans in the Provisional Mortgage Portfolio.

<b>Borrower Type</b>	<b>Current Balance</b>	<b>% of Total Current Balance</b>	<b>Number of Loans</b>	<b>% of Total Number of Loans</b>
Commercial.....	31,556,196.08	17.87%	136	14.85%
Individual.....	125,935,453.30	71.32%	625	68.23%
Pension Trust.....	19,075,588.72	10.80%	155	16.92%
<b>Total:</b> .....	<b>176,567,238.10</b>	<b>100.00%</b>	<b>916</b>	<b>100.00%</b>

<b>Employment Status</b>	<b>Current Balance</b>	<b>% of Total Current Balance</b>	<b>Number of Loans</b>	<b>% of Total Number of Loans</b>
Employed or full loan is guaranteed.....	55,623,604.21	31.50%	293	31.99%
No employment, borrower is legal entity.....	50,631,784.80	28.68%	291	31.77%
Other.....	824,057.04	0.47%	4	0.44%
Pensioner.....	8,100,479.64	4.59%	32	3.49%
Self-employed.....	61,387,312.41	34.77%	296	32.31%
<b>Total:</b> .....	<b>176,567,238.10</b>	<b>100.00%</b>	<b>916</b>	<b>100.00%</b>

## THE SERVICER AND THE SERVICING AGREEMENT

### Introduction

The parties to the Servicing Agreement to be entered into on or about the Closing Date will be the Issuer, the Trustee, the Seller, the Servicer and the Back-Up Servicer Facilitator.

On the Closing Date, Dilosk DAC (in such capacity, the "**Servicer**") will be appointed by the Issuer under the Servicing Agreement as its agent to service the Mortgage Loans and their Related Security. 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 service the Mortgage Loans and their Related Security in the following manner:

- (a) in accordance with the Servicing Agreement; and
- (b) as if the Mortgage Loans had not been sold to the Issuer but remained with the Seller and in accordance with the Seller's procedures and administration and enforcement policies as they apply to the Mortgage Loans from time to time.

The Servicer's actions in the servicing of the Mortgage Loans in accordance with its procedures and the Servicing Agreement will be binding on the Issuer. The Servicer will also be appointed by the Seller under the Servicing Agreement to be its agent to administer the Mortgage Loans and their Related Security in the making of any Further Advances and/or Term Variations and the sale of any Additional Mortgage Loans. For instance, the Servicer shall, on behalf of the Seller, make offers to Borrowers and accept applications from Borrowers.

The Servicer will have, on or prior to the Closing Date, already delegated certain administration and management services in respect of the Mortgage Loans and their Related Security to Link. 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.

The Trustee will not be obliged or required to undertake any activity that would put it in breach of the Central Bank Act 1997.

### 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) service the relevant Mortgage Loans and their Related Security as if the same had not been sold to the Issuer but had remained on the books of the Seller and in accordance with the Seller's procedures and servicing and enforcement policies as they apply to the Mortgage Loans from time to time;
- (b) 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;

- (c) comply with any proper directions, orders and instructions which the Issuer and/or the Trustee (as applicable) may from time to time give to it in accordance with the provisions of the Servicing Agreement;
- (d) maintain all approvals, authorisations, permissions, consents and licenses 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 licenses required for itself in connection with the performance of its duties under the Servicing Agreement (including, for the avoidance of doubt, any such authorisations, approvals, consents, permissions and/or licences as may be required under the Central Bank Act 1997 (as amended));
- (e) save as otherwise agreed with the Issuer, provide free of charge to the Issuer, and the Seller, office space, facilities, equipment and staff sufficient to fulfil the obligations of the Issuer and the Seller under the Servicing Agreement;
- (f) not knowingly fail to comply with any legal requirements in the performance of its duties under the Servicing Agreement including, without limitation, the Arrears Code (and any other Applicable Regulatory Law);
- (g) manage and administer the Mortgage Loans in accordance with all Applicable Regulatory Law;
- (h) make all payments required to be made by it pursuant to the Servicing Agreement on the due date for payment thereof in Euros (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;
- (i) use reasonable endeavours to procure that the Seller makes payments in respect of the Mortgage Loans into the Transaction Account not later than one Business Day following receipt of the same by the Seller;
- (j) not without the prior written consent of the Trustee amend or terminate any of the Transaction Documents except in accordance with their terms; and
- (k) forthwith upon becoming aware of any event which may reasonably give rise to an obligation of the Seller to repurchase and/or indemnify any Mortgage Loan pursuant to the Mortgage Sale Agreement, notify the Issuer and the Seller in writing of such event.

The registered office of the Servicer is located at 16 Hume Street, Dublin 2, D02 KN66, Ireland.

### **Reporting**

The Issuer has been appointed as the designated entity under Article 7(2) of the Securitisation Regulation. The Issuer has also appointed the Servicer to assist in the Issuer in the performance of certain of its obligations pursuant to Article 7 of the Securitisation Regulation by publishing certain information, as documented in the Servicing Agreement. The Servicer will use all reasonable efforts to provide the information to the Central Bank, to Noteholders and (upon request) to potential investors in the Notes in accordance with the Servicing Agreement.

The Servicer will:

- (a) provide the Issuer, the Cash Manager and the Trustee the Servicer Reports by not later than 10.00 a.m. on the seventh Business Day immediately preceding each Determination Date;
- (b) by not later than 10.00 a.m. on the Quarterly Reporting Date, publish the SR Data Tape in respect of the immediately preceding Calculation Period on the EDW Website and the Servicer will, provided that no SR Repository has been appointed, provide access to such website to the Issuer, the Trustee, the Ratings Agencies, the Noteholders, the Central Bank and, upon request, to potential investors in the Notes in accordance with the Servicing Agreement. Following the appointment by the Issuer of the SR Repository, the SR Data Tape shall be made available by the Servicer through such SR Repository no later than 10.00 a.m. on the Quarterly Reporting Date (in determining whether a person is a Noteholder or potential investor in the Notes, the Servicer

is entitled to rely, without liability, on the certification by such person that they are a Noteholder or a potential investor in the Notes);

- (c) deliver to the Cash Manager, to the extent it becomes aware, any information falling under Article 7(1)(f) or (g) of the Securitisation Regulation; and
- (d) publish on the EDW Website or to the SR Repository (as applicable), the relevant Transaction Documents required to be disclosed pursuant to Article 7 of the Securitisation Regulation and the Prospectus in final form not later than five Business Days following the issuance of the Notes (and provide access to such website to the Issuer, the Trustee, the Rating Agencies, the Noteholders, the Central Bank and, upon request, to potential investors in the Notes) provided that the Servicer is provided with PDF copies of such documents by the Issuer on the date of the issuance of the Notes.

The Servicer will also monitor if ESMA or any relevant regulatory or competent authority publishes or amends any required reporting templates under the Securitisation Regulation and will notify the Issuer and the Cash Manager if any such change occurs. The Servicer will consult with the Cash Manager and the Issuer and will use all reasonable endeavours to amend the format of the SR Data Tape and thereafter include such additional and/or amended information as required.

### **Servicing Procedures**

This section describes the Servicer's servicing procedures based on the Seller's current mortgage servicing policies. The Servicer is required to service 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) holding the legal title to the credit granted under the Mortgage Loans;
- (b) determining the overall strategy for the management and administration of the Mortgage Loans and maintaining control over key decisions relating to the Mortgage Loans;
- (c) setting the interest rates on the Variable Rate Mortgage Loans from time to time;
- (d) collecting payments on the Mortgage Loans and discharging Mortgage Loans and Related Security upon redemption;
- (e) monitoring and, where appropriate, pursuing arrears and enforcing the Related Security;
- (f) 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;
- (g) managing the Issuer's interests in the Insurance Policies and other Related Security related to the Mortgage Loans;
- (h) 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;
- (i) dealing with all types of transactions posting and refunding fees, setting up direct debits, payment date changes and payment holidays;
- (j) dealing with Further Advances and Term Variations; and
- (k) 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, i.e. product, repayment.

Subject to the provisions of the Servicing Agreement, the Issuer will grant the Servicer full right, liberty and authority to determine, in accordance with the Mortgage Conditions, the mortgage rate or mortgage rates and any other discretionary rate or margin applicable to the Variable Rate Mortgage Loans **provided that**, the Servicer shall covenant not to set any Variable Interest Rate below the "**Interest Rate Floor**

**Level**" (being 3 month EURIBOR + 3.25 per cent. subject to such variable interest not being less than zero) (**provided further that** the Servicer is only required to comply with that covenant if compliance would not be reasonably likely to result in a breach of the applicable Mortgage Conditions or to be contrary to applicable laws and regulations). Application of the Interest Rate Floor Level will be undertaken in accordance with the standards of a Prudent Mortgage Lender.

Following the occurrence of a Servicer Termination Event, the successor servicer shall not be entitled to, and the Issuer shall procure that the successor servicer does not, set any Variable Interest Rate at a level lower than the Interest Rate Floor Level (provided that the successor servicer will only be required to comply with that covenant if compliance would not be reasonably likely to result in a breach of the applicable Mortgage Conditions or to be contrary to applicable laws and regulations). Application of the Interest Rate Floor Level will be undertaken in accordance with the standards of a Prudent Mortgage Lender.

The Servicer will be entitled to delegate its functions under the Servicing Agreement subject to certain conditions and from the Closing Date the Servicer will appoint Link ("**Link**") as its delegate in relation to certain functions described below (see "*– Right of Delegation by Servicer*"). The Servicer remains liable to the Issuer for the performance of those functions notwithstanding such delegation.

### **Right of Delegation by 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) written notification has been given to each of the Issuer, the Trustee and the Rating Agencies;
- (b) 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 that those customer files and/or title information documents are and will be held to the order of the Issuer and (following delivery of an Enforcement Notice) the Trustee;
- (c) the subcontractor or delegate is able to manage any application by a Borrower under the Personal Insolvency Act;
- (d) where the arrangements involve or may involve the receipt by the subcontractor or delegate of moneys belonging to the Issuer which are to be paid into the Transaction Account, the subcontractor or delegate holds any such moneys on trust for the Issuer which will be paid forthwith into the Transaction Account in accordance with the terms of the Servicing Agreement;
- (e) the subcontractor or delegate has executed a written waiver of any security interest arising in connection with the delegated services;
- (f) 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; and
- (g) the subcontractor or delegate has confirmed that it has and will maintain all approvals required for itself in connection with the fulfilment of its obligations under the agreement with the Servicer (including, for the avoidance of doubt, any such authorisations, approvals, consents, permissions and/or licences as may be required under the Central Bank Act 1997 (as amended)).

The provisos set out in paragraphs (a), (b), (d) and (e) above (among others) will not be required in respect of any delegation to persons such as valuers, surveyors, estate agents, property management agents, receivers, lawyers or other relevant professionals.

On the Closing Date, the Servicer will appoint Link as delegate servicer in relation to, *inter alia*, the services below.



### *Primary services*

The delegate servicer shall provide the following primary services in respect of each Mortgage Loan:

- (a) Loan Administration:
  - (i) Maintenance of system of record;
  - (ii) Cash management;
  - (iii) Interest rate management i.e. notification to Borrowers of any rate changes; and
  - (iv) Redemptions i.e. processing loan redemptions and issuance of redemption statements.
- (b) Collateral Management:
  - (i) Insurance monitoring; and
  - (ii) Security monitoring.
- (c) Operational risk services.
- (d) Compliance services.

### *Special Services*

The delegate servicer shall provide the following special services in respect of each specially serviced Mortgage Loan:

- (a) Use reasonable endeavours to:
  - (i) ensure that each Borrower assessment progresses in accordance with the agreed strategy, acknowledging that such strategies may change from time to time; and
  - (ii) ensure that Borrowers work to meet their contractual obligations, whether being under the original agreement, a restructure or otherwise.
- (b) Ensure that all inbound customer requests for contact, information and or decision making by the delegate servicer are dealt with in a timely manner, provided however, in respect of any requests for contact, information from and or decision making by the Seller or any third party, the delegate servicer's responsibilities shall be to refer such requests for contact, information and or decision making to the Seller or the relevant third party.
- (c) Engage with borrowers in accordance with the customer contact strategy assigned to the borrowers account in full compliance with the Applicable Regulatory Law.
- (d) Work with systems for accessing and recording information as agreed.
- (e) Work with delegated credit authority provided by the Seller and within the delegate servicer's credit committee and assessment strategies.
- (f) Agree with the Servicer in advance the process for identifying and verifying customers via established security questions.
- (g) Engagement will be focused to establish in the main the following:
  - (i) reason for arrears or pre-arrears on an account;
  - (ii) is this a temporary situation or potentially a more long-term issue;
  - (iii) gather as much information as possible in relation to the client and asset on the phone; and
  - (iv) at a high level engagement around customers thinking / proposals, etc.

- (h) An income & expenditure form will be sent to the customer with specific instructions on completion, level and detail of information required together with expected turnaround time for delivery of information.
- (i) On receipt of more accurate and supported financial information the delegate servicer will undertake an assessment of the borrower's financial situation. If necessary for clarification purposes or to request more information, the delegate servicer will engage with the borrower again via telephone to ensure the delegate servicer has sufficient detail to make an appropriate assessment of options.
- (j) Each case will be assessed and borrowers will be engaged with in line with established and compliant procedures.
- (k) Sustainability calculations will be conducted on receipt of the income and expenditure or other financial information in line with current forbearance policy.
- (l) If borrowers are deemed sustainable (and if not for some exceptional situations) forbearance options will be considered.
- (m) income and expenditure assessment and subsequent forbearance recommendations will be forwarded to the delegate servicer's ASU committee agreement in line with agreed delegated authority.
- (n) Forbearance recommendations, enforcement recommendations and general connection reviews will be considered and decisions made in line with delegated authority.
- (o) Once a forbearance option has been approved, the delegate servicer will contact the relevant borrower to ensure they understand the parameters of the agreed forbearance / restructure. Variation letters will be produced and sent to the relevant borrowers and relevant systems will be updated.
- (p) Continue to monitor all arrangements on an ongoing basis.
- (q) Each formal arrangement will be reviewed with borrower engagement in advance of expiry to ensure default back to original terms, or alternate arrangement as required.
- (r) For all unsustainable connections the delegate servicer will work with borrowers to advance voluntary sale of properties (either sale or surrender) on a consensual basis.
- (s) If a borrower is non-cooperating or is 90 days past due with no sustainable solution evident, the delegate servicer will need to appoint a receiver and the delegate servicer will work within the agreed delegated authority and in line with the Seller's processes.
- (t) Work to ensure borrowers engage and co-operate with the delegate servicer at all times however in instances where clients do not co-operate the delegate servicer will work within the relevant regulatory code requirements to identify and manage the connection accordingly.
- (u) Define and agree a complaints process to ensure it records, assesses and resolves all complaints in a timely and professional manner.

The special services shall be provided in accordance with the delegate servicer's processes and forbearance guidelines, as amended from time to time.

## **Fees**

The Servicer will receive a servicing fee for servicing the Mortgage Loans. The Issuer will pay the Servicer its servicing fee on each Interest Payment Date in an amount equal to: (a) 0.25 per cent. per annum (inclusive of VAT) of the aggregate Current Balance of the Mortgage Portfolio at the opening of business on the preceding Calculation Period (the "**Senior Servicing Fee**") and (b) 0.2 per cent. per annum (inclusive of VAT) of the aggregate Current Balance of the Mortgage Portfolio at the opening of business on the preceding Calculation Period (the "**Junior Servicing Fee**" and, together with the Senior Servicing Fee, the "**Servicing Fees**").

The Servicing Fees are payable quarterly in arrear on each Interest Payment Date only to the extent that the Issuer has sufficient funds in accordance with the Pre-Enforcement Revenue Priority of Payments. 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.

### **Collections**

Payments by Borrowers in respect of amounts due under the Mortgage Loans will be made into the interest bearing collection account (the "**Collection Account**") held by Dilosk Funding No.2 Designated Activity Company (the "**Collection Account Holder**") at the Collection Account Bank. Amounts credited to the Collection Account from (and including) the Closing Date that relate to the Mortgage Loans will be identified:

- (a) during the period from (and including) the Closing Date to (but excluding) the First Interest Payment Date, by no later than the 20th of each following calendar month; and
- (b) with respect to the period after (and including) the First Interest Payment Date, on a daily basis,

(each such aggregate amount, a "**Mortgage Loan Amount**") and the Servicer will transfer an amount equal to the Mortgage Loan Amount from the Collection Account into the Transaction Account by the next Business Day after that Mortgage Loan Amount is identified as received in the Collection Account.

The Collection Account Holder will declare a trust over its Collection Account (the "**Collection Account Declaration of Trust**") in favour of, *inter alios*, the Issuer and itself (in its capacity as a beneficiary) absolutely as beneficial tenants in common. The Issuer's share of the capital and income of the trust (the "**Issuer Trust Share**") on any date shall be in an amount equal to the aggregate of the Mortgage Loan Amounts paid into the Collection Account from (and including) the Closing Date to (and including) such date less an amount equal to the transfer made by the Servicer into the Transaction Account from (and including) the Closing Date to (and including) such date.

Borrowers are required to make payments by direct debit, standing order or cheque unless otherwise agreed. However, direct debits may be returned unpaid after the due date for payment and, under the Direct Debit Indemnity Scheme, a Borrower may make a claim at any time to his or her bank for a refund of direct debit payments. Similarly, cheques may be returned unpaid by the Borrower's bank. As part of the implementation of the Single European Payment Area (the "**SEPA**"), Borrowers will be required to pay in accordance with the new direct debit system incorporated in the SEPA.

In each case, the Servicer will be permitted to reclaim from the Transaction Account the corresponding amounts previously credited. If a direct debit is returned unpaid in these circumstances, the usual arrears procedures described in "*The Servicer and the Servicing Agreement – Arrears and Default Procedures*" will be taken.

The Servicer will covenant in the Servicing Agreement to maintain the Collection Account with the Collection Account Bank which shall be a financial institution with the following credit ratings:

- (a) in the case of DBRS, a long-term unguaranteed unsecured and unsubordinated debt rating of at least "BBB(low)" by DBRS, **provided that** if the Collection Account Bank is not rated by DBRS, a DBRS Equivalent Rating at least equal to "BBB(low)" by DBRS;
- (b) in the case of S&P, a long-term deposit rating of at least BBB by S&P; or
- (c) alternatively, to each of the above, such other ratings that are consistent with the then published criteria of the relevant Rating Agency as being the minimum ratings that are required to support the then rating of the Most Senior Class of Notes,

(the "**Collection Account Bank Required Rating**").

Following the occurrence of an Insolvency Event in relation to the Collection Account Bank, the Seller shall use its best efforts to appoint a replacement financial institution to act as collection account bank (with the Collection Account Bank Required Rating).

## Arrears and Default Procedures

The Seller has established procedures for managing Mortgage Loans which are in arrears and pre-arrears, including early contact with Borrowers in order to find a solution to any financial difficulties they may be experiencing (such procedures, as amended and updated from time to time, the "**Arrears Policy**").

It is the Seller's policy to engage with borrowers that are in arrears or at risk of arrears in a positive and pro-active manner with a view to finding a workable and sustainable re-payment model for borrowers where possible. In particular, the Seller refers to the Applicable Regulatory Law as the standards applied and as a guide for the frequency and nature of correspondence with borrowers in arrears and at risk of arrears. Moreover, the Seller considers it in the best interests of both itself and the borrowers to find a workable and sustainable solution to arrears and pre-arrears.

### *The Consumer Protection Code 2012*

The Consumer Protection Code ("**CPC 2012**") includes requirements setting out how regulated entities must deal with and treat consumers who are in arrears or pre- arrears on buy-to-let mortgages. The CPC requires lenders to seek to agree an approach that will assist borrowers in dealing with an arrears events.

The CPC also provides that the lender must:

- (a) Have written procedures for handling arrears and make information available to borrowers to assist them in dealing with arrears;
- (b) Contact borrowers immediately (if your account remains in arrears 10 business days after the arrears first arose), to find out the reason for the arrears; and
- (c) Ensure that the level of contact and communications to borrowers, or from any third party acting on their behalf, is proportionate and not excessive.

The CPC also sets out rules on how lenders must handle complaints and these must be handled speedily, efficiently and fairly.

The CPC sets out standards for handling arrears. The CPC applies to private individuals, small and medium sized enterprises and partnerships.

The framework for dealing with arrears or pre-arrears borrowers under the CPC involves the following four steps:

- (a) Initial Communication
  - (i) Link will contact the borrower promptly and not more than 10 business days after the account has entered arrears. When the payment is 31 days overdue and an initial communication will be sent to the borrower, providing all relevant details. Borrowers will be reminded of their right to seek financial advice and will be advised of MABS and the service that they provide; and
  - (ii) The communication from Link will provide all relevant information relating to the arrears, including the date on which the account fell into arrears, the number of full or partial payments missed and the total amount outstanding. The borrower will also be advised of the impact that arrears may have on their credit rating;
- (b) Financial Information
  - (i) The process for seeking the relevant information from the borrower requires an income & expenditure form to be completed and returned; and
  - (ii) Information required will include rental income and rental history of the property, as well as details on what change in circumstances has led to the situation in which the rental income no longer covers the loan payments;

(c) Assessment

The assessment of options for the ASU committee will be based on each arrears case on its own merits. The sustainability of the mortgage and its commercial viability as a buy-to-let will be considered, among other factors:

- (i) The rental income and rental history of the property;
- (ii) The change in circumstances leading to the arrears and the fact that the rental income no longer covers the loan repayments;
- (iii) The personal circumstances of the borrower, as disclosed to the ASU representative and in the income and expenditure;
- (iv) The borrower's previous payment history;
- (v) Whether or not the circumstances leading to the arrears or pre-arrears are temporary in nature;
- (vi) The long-term sustainability of the buy-to-let proposition; and
- (vii) The effect that the proposed arrangement would have on the affordability of the loan in the medium to long-term.

In many cases the borrower may put in place arrangements, which would resolve the arrears in the long-term, for example: (i) voluntary surrender or (ii) voluntary sale of the property. Where the borrower can demonstrate that they are taking such action, this will be considered by the ASU committee.

(d) Resolution

The ASU committee considers all options available for the resolution of arrears cases. The resolutions may include:

- (i) An interest only arrangement for a defined period;
- (ii) An arrangement to pay interest and part of the capital in a fixed payment for a defined period;
- (iii) A payment holiday or deferring payments for a period of time;
- (iv) Extension of loan term; and
- (v) Capitalisation of the arrears and interest.

The proposed resolution is communicated to the borrower in writing. For borrowers that have not yet sought independent financial advice, the Seller will again suggest that this should be sought by the customer when considering the proposed resolution.

Borrowers of buy-to-let mortgages are not afforded the protections of the Arrears Code, unless the property secured on that mortgage becomes their primary residence or residential property in Ireland.

"Not co-operating" is as any of the following:

- (a) the borrower fails to make a full and honest disclosure of information to the lender, that would have a significant impact on their financial situation;
- (b) the borrower fails to provide information sought by the lender relevant to the borrower's financial situation; or

- (c) a three-month period elapses during which the borrower:
  - (i) has failed to meet his/her mortgage repayments in full as per the mortgage contract or has failed to meet in full repayments as specified in the terms of an alternative repayment arrangement; and
  - (ii) has not made contact with, or responded to, any communications from the lender or a third party acting on the lender's behalf.

#### *Ongoing Management of Arrears*

Link monitors arrears cases on an ongoing basis, each case is followed from initial arrears to arrears resolution and after resolution to ensure that the Seller and the borrower can reach a lasting resolution.

Six months after the resolution has been put in place Link contacts the borrower to check if there has been any change to the circumstances since the arrangement was put in place in order to continue communication with the borrower with regard to the long-term sustainability of the loan.

On a Buy-to-Let Mortgage originated by the Seller, once arrears meet the value of two monthly payments, the borrower is reminded that, under the terms of the loan agreement, after three missed payments the Seller may move to receivership, also reminding the borrower that all related costs will be borne by the customer. The customer is again encouraged to seek enforcement advice to help them resolve the arrears before legal proceedings are initiated.

Borrowers in arrears and pre-arrears do not receive more than three unsolicited communications from Link per month. This does not include:

- (a) communications that have been agreed in advance with the borrower;
- (b) responses to messages questions, voicemail or other contact from the customer; and
- (c) communication required to meet the standards of the Applicable Regulatory Law.

#### **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 (a) or (b) below) may at any time and (in the case of (c) below) shall at once, upon written notice to the Servicer, terminate the Servicer's rights and obligations on the date specified in the notice if any of the following events (each a "**Servicer Termination Event**") occurs:

- (a) 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 30 Business Days after the earlier of becoming aware of the default and receipt of written notice from the Issuer or (following delivery of an Enforcement Notice) the Trustee, requiring the default to be remedied; or
- (b) the Servicer fails to comply with any of its other covenants or obligations under the Servicing Agreement (other than in relation to setting the Interest Rate Floor Level) or any other Transaction Document to which it is party which in the opinion of the Issuer (prior to the delivery of an Enforcement Notice) or the opinion of the Trustee (after the delivery of an Enforcement Notice) is materially prejudicial to the interests of the holders of the Most Senior Class of Notes and does not remedy that failure within 30 Business Days after receipt of written notice from the Issuer or (following delivery of an Enforcement Notice) the Trustee, requiring the failure to be remedied; or
- (c) an Insolvency Event occurs in relation to the Servicer.

Subject to the fulfilment of a number of conditions (including the appointment of a replacement servicer), the Servicer may voluntarily resign by giving not less than 12 months' notice to the Issuer, the Trustee and the Back-Up Servicer Facilitator. The substitute servicer is required to have experience of servicing

mortgages in Ireland 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 a substitute servicer is appointed following the occurrence of a Servicer Termination Event, or the voluntary resignation by the Servicer, the Issuer Costs and Expenses associated with the transfer of servicing to the substitute 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 applicable Priority of Payments.

#### **Liability of the Servicer**

The Servicer has agreed to indemnify each of the Issuer and the Trustee against all direct and reasonably foreseeable losses, liabilities, claims, expenses or damages incurred as a result of a Breach of Duty by the Servicer in carrying out its functions as servicer under the Servicing Agreement or any other Transaction Document to which it is party or as a result of a breach by the Servicer of the terms of the Servicing Agreement or the other Transaction Documents to which it is party (in such capacity).

#### **Appointment of a successor servicer**

If the Servicer's appointment is terminated in accordance with the terms of the Servicing Agreement, the Back-Up Servicer Facilitator shall use its reasonable endeavours (on behalf of the Issuer and the Seller) to identify a successor servicer who shall assume the role of the Servicer to the Issuer and who is appointed by the Issuer and the Trustee.

#### **Governing law**

The Servicing Agreement and any non-contractual obligations arising out of or in connection with the Servicing Agreement are governed by Irish law.

## LINK ASSET SERVICES

Link ASI Limited, trading as Link Asset Services ("**Link**") is a limited company registered in Ireland under registration number 315348. The registered office of Link Asset Services is Block C, Second Floor, Maynooth Business Campus, Maynooth, Co. Kildare. The company is a wholly owned subsidiary of Link Group plc and operates within the Banking and Credit Management division of Link Group plc.

Link Asset Services is an independent third-party loan servicer with €95 bn of assets under management. As part of Link Group plc, Link Asset Services benefit from the underlying financial stability of an ASX (Sydney) listed global leader in technology-led financial administration. Link Asset Services has a Primary Servicer rating of above average from S&P for Commercial and Residential servicing and is rated CPS2 (Commercial) and RPS2 (Residential) by Fitch Ratings Limited.

The Servicer will be entitled to delegate its functions under the Servicing Agreement subject to certain conditions and from the Closing Date the Servicer will appoint Link Asset Services as its delegate in relation to certain functions as set out in "*Servicer and Servicing Agreements – Right of Delegation by Servicer*". The Servicer remains liable to the Issuer for the performance of those functions notwithstanding such delegation.



### **THE BACK-UP SERVICER FACILITATOR**

Wilmington Trust SP Services (Dublin) Limited is a limited liability company incorporated in Ireland with registered number 318390 and has its offices at Fourth Floor, 3 George's Dock, IFSC, Dublin 1, Ireland.

## **THE ACCOUNT BANK AND THE ACCOUNT BANK AGREEMENT**

Pursuant to the Account Bank Agreement the Bank of New York Mellon, London Branch whose principal office is at One Canada Square, Canary Wharf, London E14 5AL, London, United Kingdom in its capacity as Account Bank has agreed to maintain the Transaction Account on behalf of the Issuer.

## KEY STRUCTURAL FEATURES

### CREDIT ENHANCEMENT AND LIQUIDITY SUPPORT

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:

- Available Revenue Receipts are expected to exceed interest due and payable on the Rated Notes and Senior Expenses of the Issuer (including retaining the Issuer Profit Amount).
- Any Shortfall on any Interest Payment Date may be funded by applying amounts standing to the credit of the General Reserve Fund.
- Any Revenue Shortfall on any Interest Payment Date may be funded by applying amounts standing to the credit of the Liquidity Reserve Fund.
- Any Remaining Revenue Shortfall on any Interest Payment Date may be funded by applying Available Principal Receipts.
- Payments of interest and principal on the Classes of Notes are made in Sequential Order and interest payments on a Class of Notes (other than the Most Senior Class of Notes) may be deferred where the Issuer has insufficient proceeds.
- Losses are allocable to the Classes of Notes in reverse Sequential Order in the Principal Deficiency Ledger, first to the Class Z1 Principal Deficiency Sub-Ledger, second, to the Class D Principal Deficiency Sub-Ledger, third, to the Class C Principal Deficiency Sub-Ledger, fourth, to the Class B Principal Deficiency Sub-Ledger and fifth, to the Class A Principal Deficiency Sub-Ledger.
- The Transaction Account earns interest at a specified rate.

For the purposes of this paragraph and where used elsewhere in this Prospectus:

**"Senior Expenses"** means any senior expenses of the Issuer which rank in priority to the Most Senior Class of Notes in the relevant Priority of Payments.

**"Sequential Order"** means, in respect of payments of interest and principal to be made to the Classes of Notes, *first*, to the Class A Notes, *second*, to the Class B Notes, *third*, to the Class C Notes, *fourth*, to the Class D Notes, *fifth*, to the Class X1 Notes, *sixth*, to the Class X2 Notes, *seventh*, to the Class Z1 Notes, *eighth*, to the Class Z2 Notes and finally to the Class R Notes.

Payments of principal on the Class X1 Notes will be made in accordance with the Pre-Enforcement Revenue Priority of Payments up to a maximum of the Class X1 Redemption Amount on each Interest Payment Date.

Payments of principal on the Class X2 Notes will be made in accordance with the Pre-Enforcement Revenue Priority of Payments.

Each of these factors is considered in more detail below.

#### **Credit Support for the Notes 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 available to pay the amounts payable under items (a) to (l) of the Pre-Enforcement Revenue Priority of Payments. The actual amount of any excess 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 and the performance of the Mortgage Portfolio.

Available Revenue Receipts may be applied (after making payments or provisions ranking higher in the Pre-Enforcement Revenue Priority of Payments) on each Interest Payment Date towards reducing any

Principal Deficiency Ledger entries (which may arise from, *inter alia*, (i) Losses on the Mortgage Portfolio, (ii) the application of Loss Provision Amounts or (iii) the application of Available Principal Receipts to cover Remaining Revenue Shortfalls.

After the Liquidity Reserve Initial Funding Date, the Available Revenue Receipts on each Interest Payment Date shall be applied to replenish and increase the Liquidity Reserve Fund up to and including an amount equal to the Liquidity Reserve Fund Required Amount.

To the extent that the amount of Available Revenue Receipts on each Interest Payment Date exceeds the aggregate of the payments and provisions required to be met in priority to item (m) of the Pre-Enforcement Revenue Priority of Payments, such excess is available to replenish and increase the General Reserve Fund up to and including an amount equal to the General Reserve Fund Required Amount.

#### **Liquidity support provided by use of General Reserve Fund to fund Shortfall**

On each Determination Date, the Cash Manager will determine whether Available Revenue Receipts (other than items (d), (e) and (f) of Available Revenue Receipts) are sufficient to pay or provide for payment of items (a) to (l) inclusive of the Pre-Enforcement Revenue Priority of Payments. To the extent that Available Revenue Receipts are insufficient for this purpose (with any such shortfall being a "**Shortfall**"), the Cash Manager on behalf of the Issuer shall, on the relevant Interest Payment Date, pay or provide for such Shortfall by applying amounts standing to the credit of the General Reserve Fund.

#### **Liquidity support provided by use of Liquidity Reserve Fund to fund Revenue Shortfall**

On the Closing Date, the balance of the Liquidity Reserve Fund will be zero.

Prior to the Liquidity Reserve Initial Funding Date, the Available Principal Receipts on each Interest Payment Date shall be applied to replenish and increase the Liquidity Reserve Fund up to and including an amount equal to the Liquidity Reserve Fund Required Amount.

After the Liquidity Reserve Initial Funding Date, the Available Revenue Receipts on each Interest Payment Date shall be applied to replenish and increase the Liquidity Reserve Fund up to and including an amount equal to the Liquidity Reserve Fund Required Amount.

The "**Liquidity Reserve Fund Required Amount**" will be (i) in respect of each Interest Payment Date, an amount equal to the greater of (a) 1.5 per cent. of the aggregate Principal Amount Outstanding of the Class A Notes (such amount to be determined on the immediately preceding Calculation Date) and (b) 0.75 per cent. of the aggregate Principal Amount Outstanding of the Class A Notes as at the Closing Date and (ii) on the Interest Payment Date on which the Class A Notes are to be redeemed in full, zero.

On each Determination Date, the Cash Manager will determine whether Available Revenue Receipts including application of the funds standing to the credit of the General Reserve Fund (as described above) are sufficient to pay or provide for payment of items (a) to (d) inclusive of the Pre-Enforcement Revenue Priority of Payments. To the extent that Available Revenue Receipts are insufficient for this purpose (with any such shortfall being a "**Revenue Shortfall**"), the Cash Manager on behalf of the Issuer shall, on the relevant Interest Payment Date, pay or provide for such Revenue Shortfall by applying amounts standing to the credit of the Liquidity Reserve Fund.

On each Interest Payment Date, the Liquidity Reserve Ledger will be: (i) debited in an amount equal to the amount applied to cure a Revenue Shortfall and (ii) credited in an amount paid or provided for under item (e) of the Pre-Enforcement Revenue Priority of Payments.

For more information about the application of the Liquidity Reserve Fund Required Amount to cure Revenue Shortfall see the section entitled "*Cashflows and Cash Management*".

#### **Use of Available Principal Receipts to fund a Remaining Revenue Shortfall**

On each Determination Date, the Cash Manager will determine if following application of amounts standing to the credit of the General Reserve Fund and the Liquidity Reserve Fund as described above, Available Revenue Receipts are sufficient to pay or provide for payment of items (a) to (d) inclusive of the Pre-Enforcement Revenue Priority of Payments (and if the Class A Notes have been redeemed in full) any interest payments on the Most Senior Class of Rated Notes. To the extent that Available Revenue

Receipts are insufficient for this purpose (with any such shortfall being a "**Remaining Revenue Shortfall**"), the Cash Manager on behalf of the Issuer shall, on the relevant Interest Payment Date, pay or provide for such Remaining Revenue Shortfall by applying Available Principal Receipts to cure such Remaining Revenue Shortfall.

The Principal Deficiency Ledger will be debited on each Interest Payment Date by an amount equal to the amount of any Available Principal Receipts applied to fund a payment of a Remaining Revenue Shortfall arising on that Interest Payment Date.

For more information about the application of Available Principal Receipts to fund payments of Senior Expenses and interest on the Most Senior Class of Notes see the section entitled "*Cashflows and Cash Management*".

#### **Payment of the Notes in Sequential Order and deferral of payments on the Notes**

Payments of interest on the Classes of Notes will be paid in Sequential Order (so that payments on the Class R Notes will be subordinated to payments on the Class Z2 Notes; payments on the Class Z2 Notes will be subordinated to payments on the Class Z1 Notes; payments on the Class Z1 Notes will be subordinated to payments on the Class X2 Notes; payments on the Class X2 Notes will be subordinated to payments on the Class X1 Notes; payments on the Class X1 Notes will be subordinated to payment on the Class D Notes; payments on the Class D Notes will be subordinated to payment on the Class C Notes; payments on the Class C Notes will be subordinated to payment on the Class B Notes); and payments on the Class B Notes will be subordinated to payment on the Class A Notes in accordance with the relevant Priority of Payments.

Any shortfall in payments of interest on a Class of Notes (other than the Most Senior Class of Notes) will be deferred until the next Interest Payment Date and this will not constitute an Event of Default. On the next Interest Payment Date, the amount of interest scheduled to be paid on such Class of Notes will be increased to take account of any deferral of such amounts for that relevant Class of Notes. The deferral process will continue until the Final Maturity Date of the Notes, at which point, all such deferred amounts (including interest thereon) will become due and payable. However, if there is insufficient money available to the Issuer to pay interest on any Class of Notes, then the relevant Noteholders may not receive all interest amounts.

It is not intended that any surplus will be accumulated in the Issuer, other than, for the avoidance of doubt, the Issuer Profit Amount and, until the Final Maturity Date, amounts standing to the credit of the General Reserve Ledger and the Liquidity Reserve Ledger.

#### **The Principal Deficiency Ledger**

On each Determination Date, the Cash Manager will determine the following (based on information provided by the Servicer with respect to the Mortgage Portfolio):

- (i) any Losses on the Mortgage Loans in the Mortgage Portfolio;
- (ii) any Available Principal Receipts applied to meet any Remaining Revenue Shortfall; and
- (iii) any Mortgage Loan in respect of which the aggregate of the amounts due and unpaid in accordance with the scheduled interest and principal instalments for such Mortgage Loan exceed an amount equal to 180 days or more of scheduled interest and principal instalments for such Mortgage Loan.

"Losses" means any losses arising in relation to a Mortgage Loan in the Mortgage Portfolio which causes a shortfall in the amount available to pay principal on the Notes on any Interest Payment Date (including, without limitation, any write downs under the Personal Insolvency Act or any set-off losses) or otherwise.

A Principal Deficiency Ledger, comprising five sub-ledgers (one relating to each of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class Z1 Notes), will be established on the Closing Date. The Principal Deficiency Ledger of the Issuer will record as a debit to the ledger the following items:

- (i) any Losses on the Mortgage Loans in the Mortgage Portfolio;

- (ii) in the case of any Mortgage Loan in respect of which the aggregate of the amounts due and unpaid in accordance with the scheduled interest and principal instalments for such Mortgage Loan exceed an amount equal to 180 days or more of scheduled interest and principal instalments for such Mortgage Loan and in respect of which amounts have not been recorded in (i) above, an amount equal to the Loss Provision Amount;
- (iii) the application of any Available Principal Receipts to meet any Remaining Revenue Shortfall pursuant to item (b) of the Pre-Enforcement Principal Priority of Payments; and
- (iv) the Principal Deficiency Excess Revenue Amount.

On each Determination Date, the Cash Manager will calculate the then current balance of the Principal Deficiency Ledger and will apply Available Revenue Receipts to cure any debit entries on the immediately following Interest Payment Date.

In the event that it is determined that the debit balance of the Principal Deficiency Ledger is lower than was previously found to be the case (as a result of (i) Mortgage Loans in arrears being subsequently found to have been fully or partially cured, including there being a Principal Deficiency Excess Reduction Amount (such Principal Deficiency Excess Reduction Amount being "**X**"), or (ii) in respect of any Loss realised following the repossession or sale of any Property that is found to be lower than as reflected on the Principal Deficiency Ledger calculated on any previous Determination Date the absolute difference between these two calculated Losses (such amounts being "**Y**"), it may be the case that, on any Interest Payment Date, the Available Revenue Receipts that were applied to cure a debit entry on the Principal Deficiency Ledger were excessive for such purpose. In such circumstances, the Cash Manager shall on the Determination Date, record as a credit to the Principal Deficiency Ledger an amount equal to X plus Y (the "**Principal Deficiency Excess**").

"**Principal Deficiency Excess Reduction Amount**" means an amount equal to the greater of: (a) zero; and (b) the difference between the Arrears Deficiency Provision Amount on the preceding Calculation Date and the Arrears Deficiency Provision Amount on that Calculation Date.

"**Arrears Deficiency Provision Amount**" means, for each Deficient Mortgage Loan, the sum of the product of (a) the Current Balance of such Deficient Mortgage Loan and (b) the then current Arrears Percentage of that Mortgage Loan.

On each Interest Payment Date following the calculation of the Loss Provision Amount and the Principal Deficiency Excess, if the balance of the Principal Deficiency Ledger is a credit balance, an amount equal thereto shall be subtracted from Available Principal Receipts and shall form part of the Available Revenue Receipts, such amounts being "**Principal Deficiency Excess Revenue Amounts**".

The Principal Deficiency Ledger will be divided into five sub-ledgers which will correspond to the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class Z1 Notes. The sub-ledger for each Class of Notes will show separate entries for each Class of Notes.

Debits will be recorded as follows:

- (i) *first*, on the Class Z1 Principal Deficiency Sub-Ledger until the debit balance of that sub-ledger is equal to the then aggregate Principal Amount Outstanding of the Class Z1 Notes;
- (ii) *second*, on the Class D Principal Deficiency Sub-Ledger until the debit balance of that sub-ledger is equal to the then aggregate Principal Amount Outstanding of the Class D Notes;
- (iii) *third*, on the Class C Principal Deficiency Sub-Ledger until the debit balance of that sub-ledger is equal to the then aggregate Principal Amount Outstanding of the Class C Notes;
- (iv) *fourth*, on the Class B Principal Deficiency Sub-Ledger until the debit balance of that sub-ledger is equal to the then aggregate Principal Amount Outstanding of the Class B Notes; and
- (v) *fifth*, on the Class A Principal Deficiency Sub-Ledger until the debit balance of that sub-ledger is equal to the then aggregate Principal Amount Outstanding of the Class A Notes.

On each Interest Payment Date, the Issuer shall apply any Available Revenue Receipts, in accordance with the Pre-Enforcement Revenue Priority of Payments, to extinguish or reduce any balance on the Principal Deficiency Ledger. Such Available Revenue Receipts will be applied on an Interest Payment Date as follows:

- (i) *first, provided that* interest due on the Class A Notes has been paid in full, in or towards satisfaction of the amounts necessary to reduce to zero the debit balance on the Class A Principal Deficiency Sub-Ledger;
- (ii) *second, provided that* interest due on the Class B Notes has been paid in full, in or towards satisfaction of the amounts necessary to reduce to zero the debit balance on the Class B Principal Deficiency Sub-Ledger;
- (iii) *third, provided that* interest due on the Class C Notes has been paid in full in or towards satisfaction of the amounts necessary to reduce to zero the debit balance on the Class C Principal Deficiency Sub-Ledger;
- (iv) *fourth, provided that* interest due on the Class D Notes has been paid in full in or towards satisfaction of the amounts necessary to reduce to zero the debit balance on the Class D Principal Deficiency Sub-Ledger; and
- (v) *fifth,* in or towards satisfaction of the amounts necessary to reduce to zero the debit balance on the Class Z1 Principal Deficiency Sub-Ledger prior to payment of interest due on Class Z1 Notes.

On each Interest Payment Date, the Issuer shall also apply any amount standing to the credit of the General Reserve Fund to extinguish or reduce any balance on the Principal Deficiency Ledger (other than on the Class Z1 Principal Deficiency Sub-Ledger) (see "*Summary of Credit Structure and Cashflows – Revenue Shortfall*" above).

Please refer to the section entitled "*Key Structural Features*" for further information on this.

#### **Transaction Account**

All monies held by the Issuer will be deposited in the Transaction Account in the first instance. The Transaction Account is maintained with the Account Bank.

#### **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 Transaction Account and making corresponding calculations and determinations on behalf of the Issuer. See further the section entitled "*Cashflows and Cash Management*".

#### *Reporting*

The Issuer has appointed the Cash Manager to assist the Issuer in the performance of the Issuer's obligations pursuant to Article 7 of the Securitisation Regulation by publishing certain information, as documented in the Cash Management Agreement. The Cash Manager will provide access to the information to the Central Bank, to Noteholders and (upon request) to potential investors in the Notes in accordance with the Cash Management Agreement.

The Cash Manager will:

- (a) subject to the receipt of the Servicer Report by not later than 10.00 a.m. on the Quarterly Reporting Date, publish the SR Investor Report in respect of the immediately preceding Calculation Period on the Cash Manager Website and the Cash Manager will, provided that no SR Repository has been appointed, provide access to such website to the Issuer, the Trustee, the Ratings Agencies, the Noteholders, the Central Bank and, upon request, to potential investors in the Notes in accordance with the Cash Management Agreement. Following the appointment by the Issuer of the SR Repository, such SR Investor Reports shall be made available by the Cash Manager through such SR Repository no later than 10.00 a.m. on the Quarterly Reporting Date

(in determining whether a person is a Noteholder or potential investor in the Notes, the Cash Manager is entitled to rely, without liability, on the certification by such person that they are a Noteholder or a potential investor in the Notes); and

- (b) publish on the Cash Manager Website or the SR Repository (as applicable) any event-based disclosure as required by Article 7 of the Securitisation Regulation in each case as determined and provided by the Issuer (or the Servicer on its behalf) in a format acceptable to the Cash Manager.

The Servicer will monitor if ESMA or any relevant regulatory or competent authority publishes or amends any required reporting templates under the Securitisation Regulation and will notify the Cash Manager if any such change occurs. Upon such notification, the Cash Manager will consult with the Servicer and the Issuer and will use all reasonable endeavours to amend the format of the relevant reports and thereafter include such additional and/or amended information as required (provided it received such required information from the Servicer) so as to enable the Cash Manager to make available and publish the relevant reports.

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.

The Cash Management Agreement and any non-contractual obligations arising out of or in connection with the Cash Management Agreement will be governed by English law.



## CASHFLOWS AND CASH MANAGEMENT

### APPLICATION OF REVENUE RECEIPTS PRIOR TO SERVICE OF AN ENFORCEMENT NOTICE

#### Definition of Revenue Receipts

"**Revenue Receipts**" means payments received by the Issuer directly or from the Seller representing:

- (a) payments of interest (including Arrears of Interest and Accrued Interest but excluding Capitalised Arrears and Capitalised Expenses) 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) from defaulting Borrowers under Mortgage Loans being enforced;
- (c) recoveries of interest and/or principal 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 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 and Capitalised Expenses) as at the relevant transfer date or date of indemnification; and
- (e) any early repayment charges which have been paid by the Borrower in respect of the Mortgage Loans.

"**Accrued Interest**" means, as at any date (the "**determination date**") 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 the determination date) which has accrued (but is not yet due and payable) from and including the Monthly Payment Date immediately prior to such determination date to and including that determination date.

"**Arrears of Interest**" means, as at any date 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.

"**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.

"**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.

#### General Reserve Fund and General Reserve Ledger

On the Closing Date, a fund will be established by the Issuer called the General Reserve Fund. The General Reserve Fund will be funded on the Closing Date by the proceeds of the Class Z2 Notes. The General Reserve Fund will be credited to the Transaction Account (with a corresponding credit to the General Reserve Ledger). See "*Key Structural Features*" above.

The Cash Manager will maintain a ledger pursuant to the Cash Management Agreement to record the balance from time to time of the General Reserve Fund (the "**General Reserve Ledger**").

On and from the first Interest Payment Date, the General Reserve Fund will be replenished from Available Revenue Receipts in accordance with the provisions of the Pre-Enforcement Revenue Priority of Payments up to the General Reserve Fund Required Amount (being (i) prior to (a) the first Interest Payment Date and (b) the redemption of the Rated Notes (other than the Class X1 Notes) in full, an amount equal to 2.5 per cent. of the aggregate Principal Outstanding Amount of the Principal Backed Notes as at the Closing Date, (ii) on and following the first Interest Payment Date but prior to the redemption of the Rated Notes (other than the Class X1 Notes) in full, an amount equal to (a) 2.5 per cent. of the aggregate Principal Outstanding Amount of the Principal Backed Notes as at the Closing Date, less (b) the General Reserve Excess Amount; and (iii) on the Interest Payment Date on which the Rated Notes (other than the Class X1 Notes) are to be redeemed in full, zero). The General Reserve Fund will be credited to the Transaction Account. Moneys standing to the credit of the General Reserve Fund will be applied to make up any Shortfall.

On redemption of Rated Notes (other than the Class X1 Notes) in full, the Issuer will no longer be required to maintain the General Reserve Fund and the General Reserve Fund Required Amount will be zero, at which point, amounts standing to the credit of the General Reserve Fund will be used as Available Principal Receipts.

### **Liquidity Reserve Fund and Liquidity Reserve Ledger**

The Cash Manager will, pursuant to the Cash Management Agreement, maintain the Liquidity Reserve Fund Ledger to record the balance from time to time of the Liquidity Reserve Fund ("**Liquidity Reserve Fund Ledger**") and the Liquidity Reserve Deficiency Ledger (the "**Liquidity Reserve Deficiency Ledger**") which will record:

- (i) as a debit, any amounts used to pay or provide for a Revenue Shortfall; and
- (ii) as a credit, any amounts paid into the Liquidity Reserve Fund pursuant to item (e)(i) and (e)(ii) of the Pre-Enforcement Revenue Priority of Payments.

On the Closing Date, a fund will be established by the Issuer called the Liquidity Reserve Fund. On the Closing Date, the balance of the Liquidity Reserve Fund will be zero.

Prior to the Liquidity Reserve Initial Funding Date, the Liquidity Reserve Fund will be replenished from Available Principal Receipts in accordance with the provisions of the Pre-Enforcement Revenue Priority of Payments. Following the Liquidity Reserve Initial Funding Date, the Liquidity Reserve Fund will be replenished from Available Revenue Receipts in accordance with the provisions of the Pre-Enforcement Principal Priority of Payments.

If, on any Interest Payment Date, the amounts standing to the credit of the Liquidity Reserve Fund Ledger (after the application of amounts payable pursuant to item (e)(i) and (ii) of the Pre-Enforcement Revenue Priority of Payments) exceed the Liquidity Reserve Fund Required Amount (such excess being the "**Liquidity Reserve Fund Excess Amounts**"), such Liquidity Reserve Fund Excess Amounts will be applied as, and form part of, Available Principal Receipts on such Interest Payment Date.

On redemption of the Class A Notes in full, the Issuer will no longer be required to maintain the Liquidity Reserve Fund and the Liquidity Reserve Fund Required Amount will be zero, at which point, amounts standing to the credit of the Liquidity Reserve Fund will be used as Available Principal Receipts.

### **Application of General Reserve Fund to cover Shortfalls**

On each Determination Date, the Cash Manager shall calculate whether the Available Revenue Receipts will be sufficient to pay on the relevant Interest Payment Date items (a) to (l) inclusive of the Pre-Enforcement Revenue Priority of Payments.

If the Cash Manager determines that there would be a Shortfall on an Interest Payment Date to pay those items, then the Cash Manager (on behalf of the Issuer) shall pay or provide for that Shortfall by applying amounts standing to the credit of the General Reserve Fund.

### **Application of Liquidity Reserve Fund to cover Revenue Shortfalls**

If, following application of amounts standing to the credit of the General Reserve Fund, the Cash Manager determines that there would be a Revenue Shortfall, then the Cash Manager (on behalf of the Issuer) shall pay or provide for such Revenue Shortfall by applying, amounts standing to the credit of the Liquidity Reserve Fund.

### **Application of Available Principal Receipts to cover Remaining Revenue Shortfalls**

If, following application of amounts standing to the credit of the General Reserve Fund and the Liquidity Reserve Fund, the Cash Manager determines that there would be a Remaining Revenue Shortfall, then the Cash Manager (on behalf of the Issuer) shall pay or provide for such Remaining Revenue Shortfall by applying Available Principal Receipts and the Cash Manager shall make a corresponding entry in the Principal Deficiency Ledger as described in "*Key Structural Features*" above.

### **Application of Available Revenue Receipts prior to the service of an Enforcement Notice by the Trustee on the Issuer**

On each Interest Payment Date (or in respect of items (a) and (b) below, on any 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**"):

- (a) *first*, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof of any fees, costs, charges, liabilities, expenses, indemnity payments and all other amounts then due and payable or to become due and payable in the immediately succeeding Interest Period to the Trustee and/or any Appointee under the provisions of the Trust Deed, English Deed of Charge, Irish Deed of Charge and the other Transaction Documents together with (if payable) VAT thereon as provided therein;
- (b) *second*, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof of:
  - (i) the Issuer Profit Amount;
  - (ii) any remuneration then due and payable to the Agent Bank, the Registrar and the Paying Agents and any costs, charges, liabilities, expenses, indemnity payments and all other amounts 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 as provided therein;
  - (iii) any amounts then due and payable to the Cash Manager and the Account Bank and any costs, charges, liabilities, expenses, indemnity payments and all other amounts then due and payable or any such amount to become due and payable to them in the immediately succeeding Interest Period under the provisions of the Cash Management Agreement or Account Bank Agreement (as applicable), together with (if payable) VAT thereon as provided therein;
  - (iv) any amounts then due and payable to the Back-up Servicer Facilitator and the Collection Account Bank and in respect of the Senior Servicing Fee or any costs, charges, liabilities, expenses, indemnity payments and all other amounts then due or to become due and payable in the immediately succeeding Interest Period to them (other than the Junior Servicing Fee) under the provisions of the Servicing Agreement, together with (if payable) VAT thereon as provided therein; and
  - (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;

- (c) *third*, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof any costs, expenses and fees of any third parties, 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 any Transfer Costs which the Servicer has failed to pay;
- (d) *fourth*, to pay interest due and payable on the Class A Notes;
- (e) *fifth*, (i) after the Liquidity Reserve Initial Funding Date, to fund the Liquidity Reserve Fund up to the Liquidity Reserve Fund Required Amount; and (ii) after a prior drawing under the Liquidity Reserve Fund, to credit amounts to the Liquidity Reserve Deficiency Ledger until the balance of the Liquidity Reserve Deficiency Ledger has been reduced to zero;
- (f) *sixth*, to credit the Class A Principal Deficiency Sub-Ledger in an amount sufficient to eliminate any debit thereon;
- (g) *seventh*, to pay interest due and payable on the Class B Notes (including any Deferred Interest and Additional Interest thereon);
- (h) *eighth*, to credit the Class B Principal Deficiency Sub-Ledger in an amount sufficient to eliminate any debit thereon;
- (i) *ninth*, to pay interest due and payable on the Class C Notes (including any Deferred Interest and Additional Interest thereon);
- (j) *tenth*, to credit the Class C Principal Deficiency Sub-Ledger in an amount sufficient to eliminate any debit thereon;
- (k) *eleventh*, to pay interest due and payable on the Class D Notes (including any Deferred Interest and Additional Interest thereon);
- (l) *twelfth*, to credit the Class D Principal Deficiency Sub-Ledger in an amount sufficient to eliminate any debit thereon;
- (m) *thirteenth*, to credit the General Reserve Ledger up to the General Reserve Fund Required Amount;
- (n) *fourteenth*, to credit the Class Z1 Principal Deficiency Sub-Ledger in an amount sufficient to eliminate any debit thereon;
- (o) *fifteenth*, in or towards payment of the Junior Servicing Fee;
- (p) *sixteenth*, to pay interest due and payable on the Class X1 Notes (including any Deferred Interest and Additional Interest thereon);
- (q) *seventeenth*, in or towards redemption of the Class X1 Notes, up to a maximum of the Class X1 Redemption Amount on each Interest Payment Date, until the Class X1 Notes have been fully redeemed;
- (r) *eighteenth*, from and including the Step-Up Date, until the Notes have been repaid in full, the remaining Available Revenue Receipts, if any, shall constitute Available Principal Receipts and to be applied in accordance with the Pre-Enforcement Principal Priority of Payments;
- (s) *nineteenth*, to pay interest due and payable on the Class X2 Notes (including any Deferred Interest and Additional Interest thereon);
- (t) *twentieth*, to redeem the Class X2 Notes until the Class X2 Notes have been redeemed in full;
- (u) *twenty-first*, to pay interest due and payable on the Class Z1 Notes (including any Deferred Interest and Additional Interest thereon);
- (v) *twenty-second*, to pay interest due and payable on the Class Z2 Notes (including any Deferred Interest and Additional Interest thereon); and

(w) *twenty-third*, the Class R Note Interest Amount.

## **APPLICATION OF PRINCIPAL RECEIPTS PRIOR TO SERVICE OF AN ENFORCEMENT NOTICE**

### **Definition of Principal Receipts**

"**Principal Receipts**" means payments received by the Issuer representing:

- (a) any payment in respect of principal received in respect of any Mortgage Loan (including Capitalised Arrears and Capitalised Expenses but excluding Accrued Interest and Arrears of Interest);
- (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 and Capitalised Arrears and Capitalised Expenses, if any);
- (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; and
- (e) proceeds of the repurchase of any Mortgage Loan or an indemnity 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 but including Capitalised Arrears and Capitalised Expenses).

### **Application of Available Principal Receipts prior to the service of an Enforcement Notice by the Trustee on the Issuer**

Prior to the service of an Enforcement Notice on the Issuer by the Trustee, the Issuer (or the Cash Manager on behalf of the Issuer) is required pursuant to the terms of the Cash Management Agreement to apply Available Principal Receipts on each Interest Payment Date in the following order of priority (the "**Pre-Enforcement Principal Priority of Payments**"):

- (a) *first*, prior to the Liquidity Reserve Initial Funding Date, to fund the Liquidity Reserve Fund up to the Liquidity Reserve Fund Required Amount;
- (b) *second*, to meet any Remaining Revenue Shortfall;
- (c) *third*, to redeem the Class A Notes until the Class A Notes have been redeemed in full;
- (d) *fourth*, to redeem the Class B Notes until the Class B Notes have been redeemed in full;
- (e) *fifth*, to redeem the Class C Notes until the Class C Notes have been redeemed in full;
- (f) *sixth*, to redeem the Class D Notes until the Class D Notes have been redeemed in full;
- (g) *seventh*, to redeem the Class X1 Notes until the Class X1 Notes have been redeemed in full;
- (h) *eighth*, to redeem the Class Z1 Notes until the Class Z1 Notes have been redeemed in full;
- (i) *ninth*, to redeem the Class Z2 Notes until the Class Z2 Notes have been redeemed in full; and
- (j) *tenth*, any remaining amounts to constitute Available Revenue Receipts and to be applied in accordance with the Pre-Enforcement Revenue Priority of Payments

The Issuer shall pay or provide for amounts due under the Pre-Enforcement Revenue Priority of Payments before paying amounts due under the Pre-Enforcement Principal Priority of Payments.

**APPLICATION OF REVENUE RECEIPTS, PRINCIPAL RECEIPTS AND OTHER MONIES OF THE ISSUER FOLLOWING THE SERVICE OF AN ENFORCEMENT NOTICE**

Following the service of an Enforcement Notice by the Trustee on the Issuer, the Cash Manager (on behalf of the Trustee), the Trustee or a Receiver will apply all monies held in the Charged Accounts and all amounts received or recovered following service of an Enforcement Notice in the following order of priority (the "**Post-Enforcement Priority of Payments**" and, together with the Pre-Enforcement Revenue Priority of Payments and the Pre-Enforcement Principal Priority of Payments, the "**Priorities of Payments**" and each, a "**Priority of Payments**"):

- (a) *first*, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof of any fees, costs, charges, liabilities, expenses, indemnity payments and all other amounts then due and payable to the Trustee, any Receiver or Appointee of the Trustee under the provisions of the Trust Deed, English Deed of Charge, Irish Deed of Charge and the other Transaction Documents, together with (if payable) VAT thereon as provided therein;
- (b) *second*, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof of any fees, costs and expenses of the Agents, the Account Bank, the Cash Manager, the Servicer (including the Senior Servicing Fee but excluding the Junior Servicing Fee), the Collection Account Bank, the Back-Up Servicer Facilitator and the Corporate Services Provider;
- (c) *third*, to pay interest due and payable on the Class A Notes;
- (d) *fourth*, to pay principal due and payable on the Class A Notes;
- (e) *fifth*, to pay interest due and payable on the Class B Notes (including any Deferred Interest and Additional Interest thereon);
- (f) *sixth*, to pay principal due and payable on the Class B Notes;
- (g) *seventh*, to pay interest due and payable on the Class C Notes (including any Deferred Interest and Additional Interest thereon);
- (h) *eighth*, to pay principal due and payable on the Class C Notes;
- (i) *ninth*, to pay interest due and payable on the Class D Notes (including any Deferred Interest and Additional Interest thereon);
- (j) *tenth*, to pay principal due and payable on the Class D Notes;
- (k) *eleventh*, to pay interest due and payable on the Class X1 Notes (including any Deferred Interest and Additional Interest thereon);
- (l) *twelfth*, to pay principal due and payable on the Class X1 Notes;
- (m) *thirteenth*, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof of the Junior Servicing Fee, any costs, expenses and fees of any third parties, 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 any Transfer Costs which the Servicer has failed to pay;
- (n) *fourteenth*, to pay interest due and payable on the Class X2 Notes (including any Deferred Interest and Additional Interest thereon);
- (o) *fifteenth*, to pay principal due and payable on the Class X2 Notes;
- (p) *sixteenth*, to pay interest due and payable on the Class Z1 Notes (including any Deferred Interest and Additional Interest thereon);
- (q) *seventeenth*, to pay principal due and payable on the Class Z1 Notes;
- (r) *eighteenth*, to pay interest due and payable on the Class Z2 Notes (including any Deferred Interest and Additional Interest thereon);

- (s) *nineteenth*, to pay principal due and payable on the Class Z2 Notes;
- (t) *twentieth*, the Issuer Profit Amount; and
- (u) *twenty-first*, the Class R Note Interest Amount.

#### **Compensation of the Cash Manager**

The Cash Manager will receive a cash management fee for the cash management services. The cash management fees are payable 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 following which an Enforcement Notice has been served by the Trustee on the Issuer.

#### **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 (where capable of remedy) continues unremedied for a period of 5 Business Days after receipt by the Cash Manager of written notice from the Issuer or, following service of an Enforcement Notice, the Trustee, as the case may be, requiring the same to be remedied; or
- (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, 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 or (following the service of an Enforcement Notice) the Trustee, as applicable, 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 (which determination shall be conclusive and binding on all Secured Creditors); or
- (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; or
- (d) **Insolvency Event:** an Insolvency Event occurs in relation to the Cash Manager,

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) to terminate its appointment as Cash Manager under the Cash Management Agreement with effect from the date falling 5 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.

## CERTAIN OTHER TRANSACTION DOCUMENTS

### Irish Deed of Charge

On the Closing Date, the Issuer will enter into the Irish Deed of Charge with, *inter alios*, the Trustee.

### Security

Under the terms of the Irish Deed of Charge, the Issuer will provide the Trustee with the benefit of, *inter alia*, the following security (the "**Irish Security**") as trustee for itself and for the benefit of the other Secured Creditors (including the Noteholders):

- (a) a first fixed charge over the benefit of the Issuer's interest in the Mortgage Loans and the Related Security (which, until notice is served on the Borrowers and, in respect of mortgages of property comprising of registered land, until registration is effected, will take effect as an equitable assignment);
- (b) an assignment by way of security of the Issuer's interests in the Buildings Policies and a first fixed charge over the Issuer's interests in life policies relating to the Mortgage Loans and any other insurance policies relating to the Mortgage Loans;
- (c) an assignment by way of security of the benefit under each relevant Irish Law Transaction Document (other than the Trust Documents in so far as these relate to Irish law and the Corporate Services Agreement); and
- (d) a first floating charge over the whole of its undertaking and all its property, assets, rights and revenues (other than the Excluded Assets (as defined below)) whatsoever and wheresoever present and future including its uncalled capital (including assets expected to be subject to a fixed charge or assignment by way of security or absolute assignment as described above) and extending over all of its property, assets, rights or revenues as are situated in Ireland or governed by Irish law (whether or not the subject of the fixed charges or assignments described above).

The Issuer Profit Account and interests in the Trust Documents and the Corporate Services Agreement (the "**Excluded Assets**") will not form part of the security. "**Issuer Profit Account**" means the account in the name of the Issuer in which the Issuer's share capital and any Issuer Profit Amount will be held.

"**Irish Law Transaction Documents**" means the Mortgage Sale Agreement, the Servicing Agreement, the Irish Deed of Charge, the Collection Account Declaration of Trust, the Seller Security Power of Attorney and the Corporate Services Agreement.

"**Trust Documents**" means the Trust Deed, the Irish Deed of Charge and the English Deed of Charge and (unless the context requires otherwise) includes any deed or other document executed in accordance with the provisions of the Trust Deed or (as applicable) the Irish Deed of Charge or the English Deed of Charge and expressed to be supplemental to the Trust Deed, the Irish Deed of Charge or the English Deed of Charge (as applicable).

The floating charge created by the Irish Deed of Charge shall be postponed to any valid fixed charges or security assignments which remain outstanding under or pursuant to the Irish Deed of Charge from time to time and any rights of the Issuer to deal with the assets subject to the floating charge shall be expressly subject to any restrictions placed on dealing with those assets contained in any fixed charge over the same.

The floating charge created by the Irish Deed of Charge may "crystallise" and become a fixed charge over the relevant class of assets owned by the Issuer at the time of crystallisation. Crystallisation will occur automatically following the occurrence of specific events set out in the Irish Deed of Charge.

### Payments prior to Enforcement

Prior to the Trustee serving a notice in, or substantially in, the form of the document so named set out in the Irish Deed of Charge (a "**Security Protection Notice**") or an Enforcement Notice on the Issuer pursuant to Clause 11 (*Irish Security Protection Notice*) of the Irish Deed of Charge and Condition 13 (*Events of Default*) respectively:



- (a) payments becoming due to the Issuer under any of the Transaction Documents, together with all other monies payable to the Issuer pursuant to any other documents or arrangements to which it is a party, may be made to the Issuer in accordance with the provisions of the relevant Transaction Documents or (as the case may be) the documents or arrangements concerned;
- (b) the Issuer may, subject to paragraph (c), exercise its rights, powers and discretions and perform its obligations in relation to the Charged Property and under the Transaction Documents in accordance with the provisions of the Transaction Documents or (as the case may be) such other documents or arrangements; and
- (c) monies standing to the credit of the "**Charged Accounts**" (being the Transaction Account and any other bank account (excluding the Issuer Profit 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 English Deed of Charge) from time to time may be withdrawn therefrom by the Issuer but only in accordance with the provisions of the Cash Management Agreement and the Account Bank Agreement.

where "**Encumbrance**" means:

- (a) a mortgage, 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;

#### ***Post-Enforcement Priority of Payments***

After the Trustee has served an Enforcement Notice (which has not been withdrawn) on the Issuer pursuant to Condition 13 (*Events of Default*), declaring the Notes to be immediately due and payable, the Trustee shall apply the monies available in accordance with Clause 15 (*Post-Enforcement Priority of Payments*) of the Irish Deed of Charge.

The whole of the Security shall become enforceable:

- (a) upon the delivery of an Enforcement Notice on the Issuer pursuant to Condition 13 (*Events of Default*); and
- (b) if any person who is entitled to do so presents a petition or an application for the appointment of an examiner of the Issuer, gives notice of intention to appoint an examiner of the Issuer or files such notice with the court the occurrence of which shall have been notified in writing to the Trustee.

#### ***Governing Law***

The Irish Deed of Charge and any non-contractual obligations arising out of or in connection with it will be governed by Irish law.

#### ***English Deed of Charge***

On the Closing Date, the Issuer will enter into the English Deed of Charge with, *inter alios*, the Trustee.

#### ***Security***

Under the terms of the English Deed of Charge, the Issuer will provide the Trustee with the benefit of, *inter alia*, the following security (the "**English Security**" which together with the Irish Security forms the "**Security**") as trustee for itself and for the benefit of the other Secured Creditors (including the Noteholders):

- (a) first fixed charges over the Transaction Account and other bank accounts of the Issuer established on or after the Closing Date (other than the Issuer Profit Account) and all monies

(including interest) from time to time standing to the credit of such accounts and the debts represented thereby, in accordance with the Account Bank Agreement or the other Transaction Documents;

- (b) an assignment absolutely of the benefit under each relevant English Law Transaction Document (other than the Trust Documents in so far as these relate to English law); and
- (c) a first floating charge over the whole of its undertaking and all its property, assets and rights whatsoever and wheresoever present and future except to the extent otherwise charged or secured under the Irish Deed of Charge.

**"English Law Transaction Documents"** means the Cash Management Agreement, the Trust Deed, the Account Bank Agreement, the Agency Agreement, the Incorporated Terms Memorandum, the Subscription Agreement and the English Deed of Charge.

### **Trust Deed**

On or about the Closing Date, the Issuer and the Trustee will enter into the Trust Deed pursuant to which the Issuer and the Trustee will agree that the Notes are subject to the provisions in the Trust Documents. The Conditions and the forms of the Notes are constituted by, and set out in, the Trust Deed.

The Trustee will agree to hold the benefit of, among other things, the Issuer's covenant to pay amounts due in respect of the Notes on trust for the Noteholders.

In accordance with the terms of the Trust Deed, the Issuer will pay a fee to the Trustee for its services under the Trust Deed at the rate agreed in a separate fee letter between the Issuer and the Trustee. The Issuer shall also pay or discharge all costs, charges, expenses, indemnity payments and all other amounts incurred by the Trustee and any Appointee or Receiver incurred in relation to the performance of its obligations under and in relation to the Trust Documents and the other Transaction Documents.

### ***Retirement of Trustee***

Any Trustee for the time being of the Trust Documents may retire at any time upon giving not less than three calendar months' notice in writing to the Issuer without assigning any reason therefor and without being responsible for any Liabilities occasioned by such retirement. The retirement of any Trustee shall not become effective unless there remains a trustee hereof (being a corporation entitled by the rules made under the Public Trustee Act 1906 to act as a custodian trustee or entitled pursuant to any other legislation applicable to a trustee in any jurisdiction other than England and Wales to act as trustee and carry on trust business under the laws of the country of its incorporation, a "**Trust Corporation**") in office after such retirement. The Issuer covenants that, in the event of the sole trustee or the only trustee hereof which is a Trust Corporation giving notice under Clause 27 (*Retirement of Trustees*) of the Trust Deed, it shall use all reasonable endeavours to procure a new trustee, being a Trust Corporation, to be appointed. If the Issuer has not appointed a new trustee prior to the expiry of the notice period given by the Trustee, the Trustee shall be entitled to nominate a replacement, being a Trust Corporation.

### ***Governing Law***

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

### **Account Bank Agreement**

Pursuant to the terms of the Account Bank Agreement entered into on the Closing Date between, among others, the Issuer, the Account Bank, the Cash Manager and the Trustee, the Issuer will maintain with the Account Bank a bank account (the "**Transaction Account**") providing a rate of interest from time to time as agreed between the Issuer and the Account Bank on any cleared credit balances thereof, which will be operated in accordance with the Cash Management Agreement, the Irish Deed of Charge and the English Deed of Charge.

If at any time the ratings of the Account Bank fall below:

- (a) in the case of DBRS, the higher of (A) if a long-term COR is currently maintained in respect of the Account Bank, a rating one notch below the Account Bank's COR, being a rating of "A" from DBRS, and (B) a long-term senior unsecured debt rating or deposit rating of at least "A" from DBRS or (C) if none of (A) or (B) above are currently maintained in respect of the Account Bank, a DBRS Equivalent Rating at least equal to "A";
- (b) in the case of S&P, a long-term unsecured, unsubordinated and unguaranteed debt obligation must be rated at least A by S&P; or
- (c) alternatively to each of the above, such other ratings that are consistent with the then published criteria of the relevant Rating Agency as being the minimum ratings that are required to support the then rating of the Most Senior Class of Notes,

the Account Bank and the Issuer shall, within 30 calendar days, use reasonable endeavours to (i) transfer the Transaction Account to another bank that satisfies the Rating Agencies' criteria or (ii) procure a third party guarantee or a third party pledge, in each case in accordance with the Rating Agencies' criteria.

The Account Bank Agreement may be terminated in other circumstances by, among others, the Account Bank, the Issuer (in certain cases only with the consent of the Trustee) or (following the delivery of an Enforcement Notice) the Trustee. The Account Bank may also terminate the Account Bank Agreement in accordance with the provisions set out in the Account Bank Agreement.

The Account Bank Agreement and any non-contractual obligations arising out of or in connection with it will be governed by English law.

#### **Agency Agreement**

Pursuant to the Agency Agreement entered into on or before the Issue Date between the Issuer, the Trustee, the Principal Paying Agent, the Registrar and the Agent Bank, provision has been made for, among other things, payment of principal and interest in respect of the Notes. The Agency Agreement and any non-contractual obligations arising out of it are governed by English law.

## 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 Global Notes of such class in fully registered form without interest coupons or principal receipts attached (each a "**Global Note**"). Beneficial interests in a Global Note may only be held through Euroclear or Clearstream, Luxembourg or their participants at any time.

All capitalised terms not defined in this paragraph shall be as defined in the Conditions.

The Global Notes will be deposited on or about the Closing Date with a common safekeeper for both Euroclear and Clearstream, Luxembourg (the "**Common Safekeeper**").

The Global Notes will be registered in the name of a nominee for the Common Safekeeper. The Issuer will procure the Registrar to maintain a register in which it will register the nominee for the Common Safekeeper as the owner of the Global Notes.

Upon confirmation by the Common Safekeeper that it has custody of the Global Notes, Euroclear or Clearstream, Luxembourg, as the case may be, will record book-entry interests representing beneficial interests (the "**Book-Entry Interests**") in the Global Notes attributable thereto.

Book-Entry Interests in respect of Global Notes will be recorded in denominations of €100,000 and, for so long as Euroclear or Clearstream, Luxembourg so permit integral multiples of €1,000 in excess thereof (a "**Minimum Denomination**"). Ownership of Book-Entry Interests is limited to persons that have accounts with Euroclear or Clearstream, Luxembourg ("**Participants**") or persons that hold interests in the Book-Entry Interests through Participants ("**Indirect Participants**"), including, as applicable, banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with Euroclear or Clearstream, Luxembourg, either directly or indirectly. Indirect Participants shall also include persons that hold beneficial interests through such Indirect Participants. Book-Entry Interests will not be held in definitive form. Instead, Euroclear and Clearstream, Luxembourg, as applicable, will credit the Participants' accounts with the respective Book-Entry Interests beneficially owned by such Participants on each of their respective book-entry registration and transfer systems. The accounts initially credited will be designated by the Arranger. 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 Global Notes underlying the Book-Entry Interests, the nominee of the Common Safekeeper will be considered the sole Noteholder of the Global Note for all purposes under the Trust Deed. Except as set forth under "*Issuance of Definitive Certificates*", 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, as the case may be, and Indirect Participants must rely on the procedures of the Participants or Indirect Participants through which such person owns its interest in the relevant Book-Entry Interests, to exercise any rights and obligations of a holder of Notes under the Trust Deed. See "*Action in Respect of the Global 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, as the case may be, and, if applicable, their Participants. There can be no assurance that procedures implemented for the granting of such proxies will be sufficient to enable holders of Book-Entry Interests to vote on any requested actions on a timely basis. Similarly, upon the occurrence of an

Event of Default under the Global Notes, holders of Book-Entry Interests will be restricted to acting through Euroclear or Clearstream, Luxembourg unless and until Definitive Certificates are issued in accordance with the Conditions. There can be no assurance that the procedures to be implemented by Euroclear or Clearstream, Luxembourg under such circumstances will be adequate to ensure the timely exercise of remedies under the Trust Deed.

Unless and until Book-Entry Interests in the Global Notes are exchanged for Definitive Certificates, the Global Notes registered in the name 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 pursuant to Regulation S will hold Book-Entry Interests in the 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 Global Note, as the case may be, on behalf of their account holders through securities accounts in the respective account holders' names on Euroclear's and Clearstream, Luxembourg's respective book-entry registration and transfer systems.

#### **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 Euros by or to the order of The Bank of New York Mellon, London Branch as the Principal Paying Agent on behalf of the Common Safekeeper or its nominee as the registered holder thereof. Each holder of Book-Entry Interests must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for its share of any amounts paid by or on behalf of the Issuer to the Common Safekeeper or its nominees in respect of those Book-Entry Interests. All such payments will be distributed without deduction or withholding for or on account of any taxes, duties, assessments or other governmental charges of whatever nature except as may be required by law. If any such deduction or withholding is required to be made, then neither the Issuer, the Paying Agents nor any other person will be obliged to pay additional amounts in respect thereof.

In accordance with the rules and procedures for the time being of Euroclear or, as the case may be, Clearstream, Luxembourg, after receipt of any payment from the Principal Paying Agent to the order of the Common Safekeeper, the respective systems will promptly credit their Participants' accounts with payments in amounts proportionate to their respective ownership of Book-Entry Interests as shown in the records of Euroclear or Clearstream, Luxembourg. On each record date, Euroclear and Clearstream, Luxembourg will determine the identity of the 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, the Arranger, 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 have advised the Issuer as follows:

### ***Euroclear and Clearstream, Luxembourg***

Euroclear and Clearstream, Luxembourg each hold securities for their account holders and facilitate the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders, thereby eliminating the need for physical movements of certificates and any risk from lack of simultaneous transfers of securities.

Euroclear and Clearstream, Luxembourg each provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg each also deal with domestic securities markets in several countries through established depository and custodial relationships. The respective systems of Euroclear and of Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective account holders may settle trades with each other.

Account holders in both Euroclear and Clearstream, Luxembourg are worldwide financial institutions including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to both Euroclear and Clearstream, Luxembourg is available to other institutions that clear through or maintain a custodial relationship with an account holder of either system.

An account holder's overall contractual relations with either Euroclear or Clearstream, Luxembourg are governed by the respective rules and operating procedures of Euroclear or Clearstream, Luxembourg and any applicable laws. Both Euroclear and Clearstream, Luxembourg act under such rules and operating procedures only on behalf of their respective account holders, and have no record of or relationship with persons holding through their respective account holders.

The Issuer understands that under existing industry practices, if any of the Issuer 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, the Irish Deed of Charge or the English 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, will surrender such Global Note (or portion thereof) to or to the order of the Principal Paying Agent for cancellation. Appropriate entries will be made in the Register. The redemption price payable in connection with the redemption of Book-Entry Interests will be equal to the amount received by the Principal Paying Agent in connection with the redemption of the Global Note (or portion thereof) relating thereto. For any redemptions of the Global Note in part, selection of the relevant Book-Entry Interest relating thereto to be redeemed will be made by Euroclear or Clearstream, Luxembourg, as the case may be, on a *pro rata* basis (or on such basis as Euroclear or Clearstream, Luxembourg, as the case may be, deems fair and appropriate). Upon any redemption in part, the Principal Paying Agent will mark down the schedule to such Global Note by the principal amount so redeemed.

### **Cancellation**

All Notes redeemed in full will be cancelled forthwith by the Issuer and may not be reissued or resold.

### **Transfers and Transfer Restrictions**

All transfers of Book-Entry Interests will be recorded with the book-entry systems maintained by Euroclear or Clearstream, Luxembourg, as applicable, pursuant to the customary procedures established by each respective system and its Participants.

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 (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 Certificates**

Holders of Book-Entry Interests in the Global Note will be entitled to receive certificates evidencing definitive notes in registered form ("**Definitive Certificates**") in exchange for their respective holdings of Book-Entry Interests if (a) both Euroclear and Clearstream, Luxembourg are closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announce an intention permanently to cease business and do so cease to do business and no alternative clearing system is available or (b) as a result of any amendment to, or change in, the laws or regulations of Ireland (or of any political subdivision thereof) or of any authority therein or thereof having power to tax or in the interpretation or administration by a revenue authority or a court or in the administration of such laws or regulations which becomes effective on or after the Closing Date, the Issuer or any Paying Agent is or will be required to make any deduction or withholding from any payment in respect of the Notes which would not be required were the Notes in definitive form.

Any Definitive Certificates 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 Certificates issued in exchange for Book-Entry Interests in a Global Note, as the case may be, will not be entitled to exchange such Definitive Certificate, 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 Certificates will not be issued in a denomination that is not an integral multiple of the Minimum Denomination or for any amount in excess thereof, in integral multiples of €1,000. As the Notes have a denomination consisting of the Minimum Denomination plus a higher integral multiple of another smaller amount, it is possible that the Notes may be traded in amounts in excess of €100,000 (or its equivalent) that are not integral multiples of €100,000 (or its equivalent). In such case a Noteholder who, as a result of trading such amounts, holds a principal amount of less than the

Minimum Denomination may not receive a Definitive Certificate in respect of such holding (should Definitive Certificates 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, as applicable, the Issuer shall endeavour insofar as practicable to take such action regarding the requested consent, waiver or other action in respect of the Book-Entry Interests or the Global Notes in accordance with any instructions set forth in such request. Euroclear or Clearstream, Luxembourg are expected to follow the procedures described under "- *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 each of Euroclear and Clearstream, Luxembourg (the "**Clearing Systems**") 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 admitted to trading and listed on the Official List) 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 of Euronext Dublin. See also Condition 23 (*Notices*).

### **U.S. Transfer Restrictions**

#### ***Offers and Sales***

The Notes (including interests therein represented by a Global Note or a Book-Entry Interest) have not been and will not be registered under the Securities Act or any state securities laws, and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S), except pursuant to an exemption from such registration requirements. Accordingly, the Notes are being offered and sold in offshore transactions pursuant to Regulation S.

#### ***Investor Representations and Restrictions on Resale***

Each purchaser of the Notes and any subsequent transferee of the Notes (which term for the purposes of this section will be deemed to include any interests in the Notes, including Book-Entry Interests) will be deemed to have represented and agreed as follows:

- (a) the Notes have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered, sold, pledged or otherwise transferred in the United States or to, or for the account or benefit of, a U.S. Person (as defined in Regulation S) unless registered under the Securities Act or pursuant to an exemption from the registration requirements of the Securities Act, and, in each case, only in accordance with any applicable securities laws of any state or other jurisdiction of the United States. If the purchaser is purchasing the Notes within the period beginning on the later of the commencement of the offering of the Notes and the closing of the offering of the Notes and ending 40 days thereafter, such purchaser is not a U.S. Person (as defined in Regulation S) and is not acquiring the Notes for the account or benefit of such a U.S. Person;
- (b) unless the relevant legend set out below has been removed from the Notes such purchaser shall notify each transferee of Notes (as applicable) from it that (i) such Notes have not been registered under the Securities Act, (ii) the holder of such Notes is subject to the restrictions on the resale or



other transfer thereof described in paragraph (a) above, and (iii) such transferee shall be deemed to have agreed to notify its subsequent transferees as to the foregoing;

- (c) on each day from the date on which the purchaser or transferee acquires such Notes through and including the date on which the purchaser or transferee disposes of such Notes, it is not and will not be a Benefit Plan Investor or a Similar Plan that is subject to any Similar Law, and that in purchasing and holding such Notes it is not, will not be acting on behalf of and will not be using the assets of a Benefit Plan Investor or a Similar Plan that is subject to any Similar Law; and
- (d) If the purchaser purchased the Notes, it (1) either (i) is not a Risk Retention U.S. Person (or (ii) has obtained the prior written consent of the Dilosk), (2) is acquiring such Note or a beneficial interest therein for its own account and not with a view to distribute such Note, and (3) is not acquiring such Note or a beneficial interest therein as part of a scheme to evade the requirements of the U.S. Risk Retention Rules (including acquiring such Note through a non-Risk Retention U.S. Person, rather than a Risk Retention U.S. Person, as part of a scheme to evade the 10 per cent. Risk Retention U.S. Person limitation in the exemption provided for in Section 20 of the U.S. Risk Retention Rules).

The Issuer, the Registrar, the Joint Lead Managers and their affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements.

The Notes bear a legend to the following effect:

"THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES OR ANY OTHER RELEVANT JURISDICTION AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, A U.S. PERSON (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT) (1) AS PART OF THEIR DISTRIBUTION AT ANY TIME OR (2) OTHERWISE PRIOR TO THE DATE THAT IS 40 DAYS AFTER THE LATER OF THE COMMENCEMENT OF THE OFFERING OF THE NOTES AND THE CLOSING OF THE OFFERING OF THE NOTES, EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES.

EACH PURCHASER OR HOLDER OF THIS NOTE SHALL BE DEEMED TO HAVE REPRESENTED BY SUCH PURCHASE AND/OR HOLDING THAT (I) IT IS NOT AND IS NOT USING THE ASSETS OF A BENEFIT PLAN INVESTOR, AND SHALL NOT AT ANY TIME HOLD THIS NOTE FOR OR 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, AS AMENDED, ("**ERISA**") THAT IS SUBJECT TO TITLE OF ERISA, (B) A "PLAN" WITHIN THE MEANING OF AND SUBJECT TO SECTION 4975 OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**"), OR (C) A PERSON OR ENTITY WHOSE UNDERLYING ASSETS ARE DEEMED TO BE PLAN ASSETS WITHIN THE MEANING OF THE U.S. DEPARTMENT OF LABOR REGULATION AT 29 C.F.R. § 2510.3-101 AS MODIFIED BY SECTION 3(42) OF ERISA, OF A PLAN DESCRIBED IN (A) OR (B) BY REASON OF SUCH PLAN'S INVESTMENT IN THE PERSON OR ENTITY OR OTHERWISE FOR PURPOSES OF TITLE I OF ERISA OR SECTION 4975 OF THE CODE (EACH OF (A)-(C), A "**BENEFIT PLAN INVESTOR**") AND (II) IT IS NOT AND IS NOT USING THE ASSETS OF (W) A "GOVERNMENTAL PLAN" WITHIN THE MEANING OF SECTION 3(32) OF ERISA, (X) A "CHURCH PLAN" WITHIN THE MEANING OF SECTION 3(33) OF ERISA THAT HAS MADE NO ELECTION UNDER SECTION 410(D) OF THE CODE, (Y) A "NON-U.S. PLAN" DESCRIBED IN SECTION 4(B)(4) OF ERISA OR (Z) A BENEFIT PLAN THAT IS NOT A BENEFIT PLAN INVESTOR, BUT WHICH IS SUBJECT TO ANY U.S. FEDERAL, STATE, LOCAL, NON-U.S. OR OTHER LAW OR REGULATION THAT IS SUBSTANTIALLY SIMILAR TO THE FIDUCIARY RESPONSIBILITY AND PROHIBITED TRANSACTION PROVISIONS OF TITLE I OF ERISA OR SECTION 4975 OF THE CODE.

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

## 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 Certificates, the Conditions set out on the reverse of each of such Definitive Certificates 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 €167,552,000 Class A Mortgage Backed Floating Rate Notes due October 2057 (the "**Class A Notes**"), the €13,613,000 Class B Mortgage Backed Floating Rate Notes due October 2057 (the "**Class B Notes**"), the €12,042,000 Class C Mortgage Backed Floating Rate Notes due October 2057 (the "**Class C Notes**"), the €10,995,000 Class D Mortgage Backed Floating Rate Notes due October 2057 (the "**Class D Notes**"), the €10,472,000 Class X1 Mortgage Backed Floating Rate Notes due October 2057 (the "**Class X1 Notes**"), the €16,755,000 Class X2 Mortgage Backed Floating Rate Notes due October 2057 (the "**Class X2 Notes**"), the €5,239,000 Class Z1 Mortgage Backed Fixed Rate Notes due October 2057 (the "**Class Z1 Notes**"), the €5,237,000 Class Z2 Mortgage Backed Fixed Rate Notes due October 2057 (the "**Class Z2 Notes**"), the €3,000,000 Class R Mortgage Backed Notes due October 2057 (the "**Class R Notes**" and, together with the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class X1 Notes, the Class X2 Notes, the Class Z1 Notes, the Class Z2 Notes and the Class R Notes, the "**Notes**") will be issued by Dilosk RMBS No.3 DAC (registered number 642839) (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 Irish Deed of Charge and the English 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 Subscription Agreement) and the Constitution of the Issuer are available for inspection by Noteholders during normal business hours at the principal office for the time being of the Trustee, being at the date hereof One Canada Square, London, E14 5AL and at the Specified Offices of each of the Paying Agents, the initial Specified Offices of which are set out below.

### 2. Definitions

- 2.1 In these Conditions the following defined terms have the meanings set out below:

"**Account Bank**" means The Bank of New York Mellon, London Branch acting in such capacity (or any successor duly appointed);

"**Account Bank Agreement**" means the agreement so named dated on or about the Closing Date between the Issuer, the Cash Manager, the Account Bank and the Trustee;

"**Accrued Interest**" means as at any date (the "**determination date**") 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 the determination date) which has accrued (but is not yet due and payable) from and including the Monthly Payment Date immediately prior to such determination date to and including that determination date;

"**Additional Interest**" has the meaning given to that term in Condition 8.12 (*Interest Accrual*);

"**Additional Mortgage Loan**" means any Mortgage Loan sold or to be sold to the Issuer on an Additional Purchase Date;

"**Additional Purchase Date**" means the date when the Issuer is entitled to purchase an Additional Mortgage Loan as specified as such in the Additional Mortgage Loan Sale Notice, being any Business Day during the Pre-Funding Availability Period.

"**Agency Agreement**" means the agreement so named dated on or about the Closing Date between the Issuer, the Agents and the Trustee;

"**Agent Bank**" means The Bank of New York Mellon, London Branch in its capacity as agent bank pursuant to the Agency Agreement (or any successor duly appointed);

"**Agents**" means the Agent Bank and the Paying Agents and the Registrar (or any successors duly appointed) and "**Agent**" means any one of them;

"**Alternative Benchmark Rate**" has the definition given to it in Condition 18 (*Modification and Waiver in Relation to the Screen Rate*);

"**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;

"**Appointee**" means any delegate, agent, nominee, custodian, attorney, co-trustee 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 (the "**determination date**") 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;

"**Authorised Signatory**" means, in relation to any Transaction Party, any person who is duly authorised and in respect of whom a certificate has been provided signed by a director or another duly authorised person of such Transaction Party setting out the name and signature of such person and confirming such person's authority to act;

"**Available Principal Receipts**" means for any Interest Payment Date (without double counting):

- (a) all Principal Receipts received by the Issuer during the immediately preceding Calculation Period;
- (b) any Liquidity Reserve Fund Excess Amounts;
- (c) the amounts (if any) to be credited to the Principal Deficiency Ledger pursuant to items (f), (h), (j), (l) and/or (n) of the Pre-Enforcement Revenue Priority of Payments on such Interest Payment Date;
- (d) from and including, the Step-Up Date, and until the Notes have been redeemed in full, any Available Revenue Receipts applied as Available Principal Receipts in accordance with item (r) of the Pre-Enforcement Revenue Priority of Payments;
- (e) any amount to be applied as Available Principal Receipts in accordance with Condition 8.13(c)(i) (*Determinations and Reconciliation*);
- (f) any amounts released from the Liquidity Reserve Fund when the Liquidity Reserve Fund Required Amount is reduced to zero (on redemption of the Class A Notes in full); and
- (g) any amounts released from the General Reserve Fund when the General Reserve Fund Required Amount is reduced to zero (after all the Rated Notes (other than the Class X1 Notes) have been redeemed in full),

less:

- (h) the amount of Principal Receipts used during the immediately preceding Calculation Period to purchase any Further Advances;
- (i) the Principal Deficiency Excess Revenue Amounts; and
- (j) any Reconciliation Amount applied in accordance with Condition 8.13(c)(ii).

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

- (a) an amount equal to the Revenue Receipts received by the Issuer during the immediately preceding Calculation Period which have been designated as Available Revenue Receipts by the Cash Manager in accordance with the Cash Management Agreement or, if the immediately preceding Calculation Period is a Determination Period, Calculated Revenue Receipts (excluding in each case an amount to be applied as Revenue Receipts in accordance with Condition 8.13(c)(ii) (*Determinations and Reconciliation*) on the relevant Interest Payment Date);
- (b) interest payable to the Issuer on the Transaction Account received during the immediately preceding Calculation Period;
- (c) any Principal Deficiency Excess Revenue Amounts determined on the Determination Date for the immediately preceding Interest Payment Date;
- (d) any amounts withdrawn from the General Reserve Fund to remedy a Shortfall;
- (e) any amounts withdrawn from the Liquidity Reserve Fund in order to remedy a Revenue Shortfall;
- (f) any Principal Receipts applied in order to remedy a Remaining Revenue Shortfall;
- (g) any amount applied as Available Revenue Receipts in accordance with Condition 8.13(c)(ii) (*Determinations and Reconciliation*);
- (h) any Principal Receipts applied as Available Revenue Receipts pursuant to item (j) of the Pre-Enforcement Principal Priority of Payments; and
- (i) other net income of the Issuer received during the immediately preceding Calculation Period (other than any Principal Receipts or any Issuer Profit Amount);

less any Reconciliation Amount applied in accordance with Condition 8.13(c)(i).

**"Back-Up Servicer Facilitator"** means Wilmington Trust SP Services (Dublin) Limited in its capacity as back-up servicer facilitator pursuant to the Servicing Agreement (or any successor duly appointed);

**"Benchmark Modification Noteholder Notice"** has the meaning given to that term in Condition 18 (*Modification and Waiver in relation to the Screen Rate*);

**"Benchmark Rate Disruption"** means the occurrence of any of the following:

- (a) a material disruption to EURIBOR, a material change in the methodology of calculating EURIBOR or EURIBOR ceasing to exist or be published;
- (b) the insolvency or cessation of business of the EURIBOR administrator (in circumstances where no successor EURIBOR administrator has been appointed);
- (c) a public statement by the EURIBOR administrator that it will cease publishing EURIBOR permanently or indefinitely (in circumstances where no successor EURIBOR administrator has been appointed that will continue publication of EURIBOR);

- (d) a public statement by the supervisor of the EURIBOR administrator that EURIBOR has been or will be permanently or indefinitely discontinued or will be changed in an adverse manner;
- (e) a public statement by the supervisor of the EURIBOR administrator that means EURIBOR may no longer be used or that its use is subject to restrictions or adverse consequences; or
- (f) it being the reasonable expectation of the Servicer or the Cash Manager that any of the events specified in sub-paragraphs (a) to (e) (inclusive) above will occur or exist within six months of the proposed effective date of such Benchmark Rate Modification;

**"Benchmark Rate Eligibility Requirement"** means the Alternative Benchmark Rate being any one of the following:

- (a) a base rate with an equivalent term to the Screen Rate as published, endorsed, approved or recognised as a replacement to the Screen Rate by the European Central Bank, any regulator in the European Union or any stock exchange on which the Notes are listed (or any relevant committee or other body established, sponsored or approved by any of the foregoing) (which, for the avoidance of doubt, may be an Screen Rate together with a specified adjustment factor which may increase or decrease the relevant Screen Rate); or
- (b) a base rate with an equivalent term utilised in a material number of publicly-listed new issues of asset backed floating rate notes denominated in euro in the six months prior to the proposed effective date of such Benchmark Rate Modification; or
- (c) such other base rate as the Issuer (or the Servicer on its behalf) reasonably determines, provided that this option may only be used if the Issuer or the Servicer, as applicable, certifies to the Trustee that, in the reasonable opinion of the Issuer neither paragraph (a) nor (b) above are applicable and/or practicable in the context of the Transaction, and sets out the rationale in the Benchmark Rate Modification Certificate for choosing the proposed Alternative Benchmark Rate;

**"Benchmark Rate Modification"** has the meaning given to that term in Condition 18 (*Modification and Waiver in relation to the Screen Rate*);

**"Benchmark Rate Modification Certificate"** has the meaning given to that term in Condition 18 (*Modification and Waiver in relation to the Screen Rate*);

**"Benchmark Rate Modification Record Date"** means a change in Screen Rate in respect of the Notes from EURIBOR to an Alternative Benchmark Rate;

**"Benefit"** 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:

- (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;

**"Borrower"** means, in relation to a Mortgage Loan, the individual or individuals, corporate entities or pensions unit trusts specified as such in the relevant Mortgage Conditions together with the individual or individuals, corporate entities or pensions unit trusts specified (if any) from time to time assuming an obligation to repay such Mortgage Loan or part of it, including any guarantor;

**"Breach of Duty"** means in relation to any person (other than the Trustee, the Agents, the Account Bank and the Cash Manager), a wilful default, fraud, illegal dealing or gross negligence;

**"Buildings Policy"** means any buildings insurance or buildings and contents insurance policy relating to any Property effected by the relevant Borrower which is an 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 and Dublin and which is a TARGET2 Settlement Day;

**"Calculation Date"** the last calendar day in the calendar month immediately preceding an Interest Payment Date;

**"Calculation Period"** means the period from (but excluding) a Calculation Date (or in respect of the first Calculation Period, from and including the Closing Date) to (and including) the next (or first) Calculation Date and, in relation to an Interest Payment Date, the **"related Calculation Period"** means, unless the context otherwise requires, the Calculation Period ending immediately before 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 cash management agreement so named entered into on or about the Closing Date between, among others, the Cash Manager, the Issuer and the Trustee and/or any successor or replacement cash management agreement entered into by the Issuer from time to time;

**"Cash Manager"** means The Bank of New York Mellon, London Branch in its capacity as cash manager pursuant to the Cash Management Agreement (or any successor duly appointed);

**"Certificate of Title"** means a solicitor's or licensed conveyancer's report or certificate of title obtained by or on behalf of the Originator in respect of each Property;

**"Charged Accounts"** means the Issuer Accounts (excluding the Issuer Profit Account) 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 English Deed of Charge;

**"Charged Property"** means all the property of the Issuer which is subject to the Security;

**"Class A Global Note"** means the global note representing the Class A Notes;

**"Class A Noteholders"** means the persons who for the time being are the registered holders of the Class A Notes;

**"Class A Notes"** means the €167,552,000 Class A Residential Mortgage Backed Floating Rate Notes due October 2057 issued or due to be issued by the Issuer on the Closing Date or, as the case may be, a specific number thereof, whether represented by Notes in definitive or global form;

**"Class A Principal Deficiency Sub-Ledger"** means the sub-ledger of the Principal Deficiency Ledger relating to the Class A Notes;

**"Class B Global Note"** means the global note representing the Class B Notes;

**"Class B Noteholders"** means the persons who for the time being are the registered holders of the Class B Notes;

**"Class B Notes"** means the €13,613,000 Class B Residential Mortgage Backed Floating Rate Notes due October 2057 issued or due to be issued by the Issuer on the Closing Date or, as the case may be, a specific number thereof, whether represented by Notes in definitive or global form;

**"Class B Principal Deficiency Sub-Ledger"** means the sub-ledger of the Principal Deficiency Ledger relating to the Class B Notes;

**"Class C Global Note"** means the global note representing the Class C Notes;

**"Class C Noteholders"** means the persons who for the time being are the registered holders of the Class C Notes;

**"Class C Notes"** means the €12,042,000 Class C Residential Mortgage Backed Floating Rate Notes due October 2057 issued or due to be issued by the Issuer on the Closing Date or, as the case may be, a specific number thereof, whether represented by Notes in definitive or global form;

**"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 global note representing the Class D Notes;

**"Class D Noteholders"** means the persons who for the time being are the registered holders of the Class D Notes;

**"Class D Notes"** means the €10,995,000 Class D Residential Mortgage Backed Floating Rate Notes due October 2057 issued or due to be issued by the Issuer on the Closing Date or, as the case may be, a specific number thereof, whether represented by Notes in definitive or global form;

**"Class D Principal Deficiency Sub-Ledger"** means the sub-ledger of the Principal Deficiency Ledger relating to the Class D Notes;

**"Class R Global Note"** means the global note representing the Class R Notes;

**"Class R Note Interest Amount"** means, in respect of any Interest Payment Date:



- (a) prior to the delivery of an Enforcement Notice on the Issuer, the amount by which Available Revenue Receipts exceed the amounts required to pay or provide for items (a) to (v) of the Pre-Enforcement Revenue Priority of Payments; and
- (b) following delivery of an Enforcement Notice on the Issuer, the amount by which the amounts to be applied in accordance with the Post-Enforcement Priority of Payments exceeds the amounts required to pay or provide for items (a) to (t) of the Post-Enforcement Priority of Payments;

**"Class R Noteholders"** means the persons who for the time being are the registered holders of the Class R Notes;

**"Class R Notes"** means the €3,000,000 Class R Residential Mortgage Backed Notes due October 2057 issued or due to be issued by the Issuer on the Closing Date or, as the case may be, a specific number thereof, whether represented by Notes in definitive or global form;

**"Class X1 Global Note"** means the global note representing the Class X1 Notes;

**"Class X1 Noteholders"** means the persons who for the time being are the registered holders of the Class X1 Notes;

**"Class X1 Notes"** means the €10,472,000 Class X1 Residential Mortgage Backed Floating Rate Notes due October 2057 issued or due to be issued by the Issuer on the Closing Date or, as the case may be, a specific number thereof, whether represented by Notes in definitive or global form;

**"Class X1 Redemption Amount"** means, in relation to each Interest Payment Date, an amount equal to:

- (a) one-eighth of the Principal Amount Outstanding of the Class X1 Notes as at the Closing Date; plus
- (b) any Deferred Class X1 Redemption Amount.

**"Class X2 Global Note"** means the global note representing the Class X2 Notes;

**"Class X2 Noteholders"** means the persons who for the time being are the registered holders of the Class X2 Notes;

**"Class X2 Notes"** means the €16,755,000 Class X2 Residential Mortgage Backed Floating Rate Notes due October 2057 issued or due to be issued by the Issuer on the Closing Date or, as the case may be, a specific number thereof, whether represented by Notes in definitive or global form;

**"Class Z1 Global Note"** means the global note representing the Class Z1 Notes;

**"Class Z1 Noteholders"** means the persons who for the time being are the registered holders of the Class Z1 Notes;

**"Class Z1 Notes"** means the €5,239,000 Class Z1 Residential Mortgage Backed Fixed Rate Notes due October 2057 issued or due to be issued by the Issuer on the Closing Date or, as the case may be, a specific number thereof, whether represented by Notes in definitive or global form;

**"Class Z1 Principal Deficiency Sub-Ledger"** means the sub-ledger of the Principal Deficiency Ledger relating to the Class Z1 Notes;

**"Class Z2 Global Note"** means the global note representing the Class Z2 Notes;

**"Class Z2 Noteholders"** means the persons who for the time being are the registered holders of the Class Z2 Notes;

"**Class Z2 Notes**" means the €5,237,000 Class Z2 Residential Mortgage Backed Fixed Rate Notes due October 2057 issued or due to be issued by the Issuer on the Closing Date or, as the case may be, a specific number thereof, whether represented by Notes in definitive or global form;

"**Clearing Systems**" means Clearstream, Luxembourg and Euroclear;

"**Clearstream, Luxembourg**" means Clearstream Banking, *société anonyme*, with offices at 42 Avenue J.F. Kennedy L-1855 Luxembourg;

"**Closing Date**" means 18 April 2019, or such other date as the Issuer, the Joint Lead Managers and the Seller may agree;

"**Closing Mortgage Loan**" means a Mortgage Loan sold or to be sold to the Issuer on the Closing Date;

"**Closing Mortgage Portfolio**" means the portfolio of Closing Mortgage Loans (excluding any Mortgage Loans in the Provisional Mortgage Portfolio 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 any Mortgage Loans in the Provisional Mortgage Portfolio which have been redeemed in full in the period from the Provisional Cut-Off Date to the Cut-Off Date);

"**Collection Account**" means an account in the name of the Collection Account Holder held with the Collection Account Bank;

"**Collection Account Bank**" means BNP Paribas, Dublin Branch acting in its capacity as the bank at which the Collection Account is maintained (and any successor duly appointed);

"**Collection Account Declaration of Trust**" means the deed entered into on or about the Closing Date between, among others, the Issuer, the Collection Account Holder and the Collection Account Bank whereby the Collection Account 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 itself;

"**Collection Account Holder**" means Dilosk Funding No.2 Designated Activity Company;

"**Conditions**" means the terms and conditions to be endorsed on the Notes in, or substantially in, the form set out in Schedule 3 (*Terms and Conditions of the Notes*) of 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;

"**Corporate Services Agreement**" means the agreement so named dated on or about the Closing Date between the Corporate Services Provider and the Issuer;

"**Corporate Services Provider**" means Wilmington Trust SP Services (Dublin) Limited (or any successor duly appointed);

"**CRS**" means the common reporting standard comprised in the Standard for Automatic Exchange of Financial Account Information approved on 15 July 2014 by the Council of the Organisations for Economic Cooperation and Development;

"**Day Count Fraction**" means, in respect of an Interest Period, the actual number of days in such period divided by 360;

"**DBRS**" means DBRS Ratings Limited;

"**Deferred Class X1 Redemption Amount**" means:

- (a) in relation to the First Interest Payment Date, zero; and
- (b) in relation to each subsequent Interest Payment Date, the amount by which (i) the amount applied in or towards redemption of the Class X1 Notes in accordance with item

(q) of the Pre-Enforcement Revenue Priority of Payments on the immediately preceding Interest Payment Date was less than (ii) the Class X1 Redemption Amount on such immediately preceding Interest Payment Date.

**"Deferred Interest"** shall have the meaning given to such term in Condition 8.12(a) (*Interest Accrual*);

**"Definitive Certificates"** means any individual note certificate issued to a Noteholder in respect of its registered holding of the Notes in, or substantially in, the form set out in the Trust Deed;

**"Determination Date"** means each date falling three Business Days before an Interest Payment Date.

**"Determination Period"** means the Calculation Period in respect of which the Cash Manager does not receive a Servicer Report;

**"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:

- (a) a mortgage, 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 (*Events of Default*) which declares the Notes to be immediately due and payable;

**"English Deed of Charge"** means the deed so named entered into on or about the Closing Date between, amongst others, the Issuer and the Trustee;

**"EURIBOR"** means the Euro Interbank Offered Rate;

**"euro"** or "€" means the lawful currency of member states of the European Union that adopt the single currency introduced in accordance with the Treaty;

**"Euroclear"** means Euroclear Bank S.A./N.V., with offices in 1 Boulevard du Roi Albert II B-1210 Brussels, Belgium, and any successor to such business;

**"Euronext Dublin"** means The Irish Stock Exchange Plc, trading as Euronext Dublin;

**"Event of Default"** means in relation to the Notes, any one of the events specified in Condition 13 (*Events of Default*);

**"Exchange Date"** means the first day following the expiry of forty days after the Closing Date;

**"Extraordinary Resolution"** means in relation to the Notes, (i) a resolution passed at a Meeting duly convened and held in accordance with the Provisions for Meetings of Noteholders by a majority of not less than three quarters of the votes cast; (ii) a Written Resolution; or (iii) consent given by way of Electronic Consent by or on behalf of the Noteholders of not less than three quarters in aggregate Principal Amount Outstanding of the Notes then outstanding;

**"FATCA"** means Sections 1471 through 1474 of the Code, any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the

Code, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Sections of the Code;

**"Final Discharge Date"** means the date on which the Trustee notifies the Issuer and the Secured Creditors that it is satisfied (following receipt of notice in writing to that effect) 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 October 2057;

**"First Interest Payment Date"** means the Interest Payment Date falling in October 2019;

**"FSMA"** means the Financial Services and Markets Act 2000 (as amended);

**"Further Advance"** means, in relation to a Mortgage Loan, any advance of further money following a request from an existing Borrower following the making of the Mortgage Loan which is secured by the same Property as the Mortgage Loan where the Seller has a discretion as to whether to accept that request, but does not include the amount of any retention advanced to the relevant Borrower as part of the Initial Advance after completion of the Mortgage;

**"General Reserve Excess Amount"** means an amount equal to 2.5 per cent. of the Pre-Funding Principal Excess Amount;

**"General Reserve Fund"** means the reserve fund established on the Closing Date which will be initially funded by the Class Z2 Notes up to the General Reserve Fund Required Amount and which will subsequently be funded from Available Revenue Receipts in accordance with the Pre-Enforcement Revenue Priority of Payments;

**"General Reserve Fund Required Amount"** means:

- (a) prior to (i) the first Interest Payment Date and (ii) the redemption of the Rated Notes (other than the Class X1 Notes) in full, an amount equal to 2.5 per cent. of the aggregate Principal Outstanding Amount of the Principal Backed Notes as at the Closing Date;
- (b) on and following the first Interest Payment Date but prior to the redemption of the Rated Notes (other than the Class X1 Notes) in full, an amount equal to:
  - (A) 2.5 per cent. of the aggregate Principal Outstanding Amount of the Principal Backed Notes as at the Closing Date, *less*
  - (B) the General Reserve Excess Amount; and
- (c) on the Interest Payment Date on which the Rated Notes (other than the Class X1 Notes) are to be redeemed in full, zero;

**"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 X1 Global Note, the Class X2 Global Note, the Class Z1 Global Note, the Class Z2 Global Note and the Class R Global Note;

**"holder"** means the registered holder of a Note and the words **"holders"** and related expressions shall (where appropriate) be construed accordingly;

**"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 Advance"** means, in relation to a Mortgage Loan, the original principal amount together with the amount of any retention advanced to the relevant Borrower after completion of the Mortgage, and it may include any fees (if capitalised);

**"Initial Cash Consideration"** means €174,533,958.61 which is paid by the Issuer to the Seller in partial consideration of the Seller's sale to the Issuer of the Closing Mortgage Loans comprising the Closing Mortgage Portfolio;

**"Insolvency Event"** means, in relation to a company:

- (a) such company is dissolved (other than pursuant to a consolidation, amalgamation or merger);
- (b) such company becomes insolvent, or is unable to pay its debts as and when they fall due within the meaning of Section 509(3) and/or Section 570 of the Companies Act or any other applicable legislation or fails or admits in writing its inability generally to pay its debts as they become due (after taking into account any grace period or permitted deferral) or suspends making payments on any of its debts;
- (c) such company makes or proposes to make or convenes a meeting of one or more of its creditors with a view to making a general assignment, arrangement, moratorium or composition with or for the benefit of one or more of its creditors or with a view to rescheduling any indebtedness of such company (other than in connection with any refinancing in the ordinary course of business) or takes or proposes to take any other corporate action or any proceedings are commenced or proposed to be commenced with a view to any such composition, assignment, arrangement or moratorium being made;
- (d) such company institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or examinership or any other relief under any bankruptcy, examinership or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up, examinership or liquidation by it or such regulator, supervisor or similar official;
- (e) such company has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy, examinership or insolvency law or other similar law affecting creditors' rights, or has a petition presented for its winding-up or liquidation, or examinership, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition is instituted or presented by a person or entity not described in paragraph (d) above and:
  - (i) results in a judgment of insolvency or bankruptcy or examinership or the entry of an order for relief or the making of an order for its winding-up or liquidation or examinership; or
  - (ii) is not dismissed, discharged, stayed or restrained in each case within 30 days of the institution or presentation thereof
- (f) such company has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger);
- (g) such company seeks or becomes subject to the appointment of a liquidator, provisional liquidator, administrator, administrative receiver, receiver, receiver or manager, compulsory or interim manager, nominee, supervisor, conservator, guardian, trustee, custodian, examiner or other similar official in respect of such company or in respect of any arrangement, compromise or composition with any creditors or any equivalent or analogous official under the law of any jurisdiction for the whole or any part of the undertaking or assets of such company;
- (h) such company has a secured party take possession of the whole or any part of the undertaking or assets of such company or has a distress, execution, attachment, sequestration or other legal process levied, enforced or imposed upon or against the whole or any part of the undertaking or assets of such company and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 days thereafter;
- (i) any procedure or step is taken, or any event occurs, analogous to those set out in (a) to (h) above, in any jurisdiction; or

- (j) such company takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts;

**"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 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 Policies and any other insurance policies relating to the Mortgage Loans from time to time;

**"Interest Amount"** means in respect of:

- (a) a Note (other than the Class R Notes) for any Interest Period, the amount of interest calculated on the related Determination Date in respect of such Note for such Interest Period by:
- (i) multiplying the Principal Amount Outstanding of such Note on the Interest Payment Date by the relevant Note Rate; and
  - (ii) then multiplying the amount so calculated in paragraph (a) by the relevant Day Count Fraction and rounding the resultant figure to the nearest Minimum Amount; and
- (b) the Class R Notes, an amount equal to the Class R Note Interest Amount;

**"Interest Determination Ratio"** means (i) the aggregate Revenue Receipts calculated in the three preceding Servicer Reports divided by (ii) the aggregate of all Revenue Receipts and all Principal Receipts calculated in such Servicer Reports;

**"Interest Payment Date"** means 20 January, 20 April, 20 July and 20 October in each year 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 Determination Date, the **"related Interest Period"** means the Interest Period immediately following an Determination Date;

**"Irish Deed of Charge"** means the deed so named entered into on or about the Closing Date between, amongst others, the Issuer and the Trustee;

**"Issuer"** means Dilosk RMBS No.3 DAC (registered number 642839), a designated activity company incorporated under the laws of Ireland, whose registered office is at Fourth Floor 3, George's Dock, IFSC, Dublin 1, Ireland;

**"Issuer Accounts"** means the Transaction Account, the Issuer Profit 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 8 (*Issuer Covenants*) of the Incorporated Terms Memorandum;

**"Issuer Jurisdiction"** means Ireland or such other jurisdiction in which the Issuer or any Issuer substitute (as contemplated by Condition 22 (*Substitution of Issuer*)) is incorporated and/or subject to taxation;

**"Issuer Profit Account"** means the account in the name of the Issuer in which the Issuer's share capital and any Issuer Profit Amount will be held;

**"Issuer Profit Amount"** means €250 on each Interest Payment Date to be credited to the Issuer Profit Account and to be retained by the Issuer as profit in respect of the business of the Issuer;

**"Joint Lead Managers"** means NatWest Markets Plc and Citigroup Global Markets Limited;

**"Liabilities"** means, in respect of any person, any losses, damages, costs, charges, awards, claims, fees, demands, expenses, judgments, decrees, actions, proceedings or other liabilities whatsoever including properly incurred legal fees and any Taxes and penalties incurred by that person;

**"Liquidity Reserve Fund"** means the liquidity reserve fund established on the Closing Date with an initial balance of zero and which will be replenished on each Interest Payment Date in an amount equal to the Liquidity Reserve Fund Required Amount from, (i) if falling prior to the Liquidity Reserve Initial Funding Date, Available Principal Receipts in accordance with the Pre-Enforcement Principal Priority of Payments and (ii) if falling after the Liquidity Reserve Initial Funding Date, Available Revenue Receipts in accordance with the Pre-Enforcement Revenue Priority of Payments;

**"Liquidity Reserve Fund Excess Amount"** means (after the application of amounts payable pursuant to item (e)(i) and (ii) of the Pre-Enforcement Revenue Priority of Payments on an Interest Payment Date) any amount standing to the credit of the Liquidity Reserve Fund Ledger in excess of the Liquidity Reserve Fund Required Amount on such Interest Payment Date.

**"Liquidity Reserve Fund Required Amount"** means (i) in respect of each Interest Payment Date, an amount equal to the greater of (a) 1.5 per cent. of the aggregate Principal Amount Outstanding of the Class A Notes (such amount to be determined on the immediately preceding Calculation Date) and (b) 0.75 per cent. of the aggregate Principal Amount Outstanding of the Class A Notes as at the Closing Date and (ii) on the Interest Payment Date on which the Class A Notes are to be redeemed in full, zero;

**"Liquidity Reserve Ledger"** means the ledger maintained by the Cash Manager on behalf of the Issuer which records on it the balance from time to time of the Liquidity Reserve Fund;

**"Losses"** means any losses arising in relation to a Mortgage Loan in the Mortgage Portfolio which causes a shortfall in the amount available to pay principal on the Notes on any Interest Payment Date (including, without limitation, any write downs under the Personal Insolvency Act or any set-off losses);

**"Meeting"** means a meeting of Noteholders of any class or classes (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 Certificates will be €100,000 and, for so long as Euroclear and Clearstream, Luxembourg so permit, any amount in excess thereof in integral multiples of €1,000;

**"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;

**"Mortgage"** means a first ranking legal charge over freehold or leasehold Properties located in Ireland which is security for a Mortgage Loan;

**"Mortgage Conditions"** means the mortgage and lending conditions forming part of the Standard Documentation, applicable from time to time;

**"Mortgage Loan"** means a residential mortgage loan, secured by a Mortgage and its Related Security, sold or to be sold to the Issuer on the Closing Date or Additional Purchase Date (as applicable) including, where the context so requires, any Further Advance made by the Seller to a Borrower prior to the Closing Date or the Additional Purchase Date (as applicable) and sold to the Issuer pursuant to the Mortgage Sale Agreement and each Further Advance sold or to be sold (as applicable) to the Issuer by the Seller after the Closing Date or the Additional Purchase Date (as applicable) 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 no longer beneficially owned by the Issuer;

**"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 the Originator 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 Portfolio"** means the Closing Mortgage Portfolio and any Additional Mortgage Loans and their Related Security sold by the Seller to the Issuer pursuant to the Mortgage Sale Agreement but excluding any Mortgage Loan and its Related Security which is repurchased by the Seller pursuant to the Mortgage Sale Agreement and no longer beneficially owned by the Issuer;

**"Mortgage Sale Agreement"** means the agreement so named dated on or about the Closing Date between the Seller, the Issuer, the Trustee and the Servicer in relation to the sale of the Mortgage Portfolio to the Issuer;

**"Most Senior Class"** means the Class A Notes whilst they remain outstanding and, thereafter, the Class B Notes whilst they remain outstanding and, thereafter, the Class C Notes whilst they remain outstanding and, thereafter, the Class D Notes whilst they remain outstanding and, thereafter, the Class X1 Notes whilst they remain outstanding and, thereafter, the Class X2 Notes whilst they remain outstanding and thereafter, the Class Z1 Notes whilst they remain outstanding and, thereafter, the Class Z2 Notes whilst they remain outstanding and, thereafter, the Class R Notes;

**"Most Senior Class of Rated Notes"** means the Class A Notes whilst they remain outstanding and, thereafter, the Class B Notes whilst they remain outstanding and, thereafter, the Class C Notes whilst they remain outstanding and, thereafter, the Class D Notes whilst they remain outstanding;

**"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"** means, for each Interest Period in respect of:

- (a) each of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class X1 Notes and the Class X2 Notes, the Reference Rate determined as at the related



Determination Date plus the Relevant Margin in respect of such Class, **provided that**, if the resulting Note Rate would be less than zero, the Note Rate shall be zero; and

- (b) each of the Class Z1 Notes and the Class Z2 Notes, 8.00 per cent. p.a. up to and excluding the Step-Up Date and thereafter 0.00 per cent. p.a.

"**Noteholders**" means the Class A Noteholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders, the Class X1 Noteholders, the Class X2 Noteholders, the Class Z1 Noteholders, the Class Z2 Noteholders and the Class R Noteholders or, where the context otherwise requires, the holders of Notes of a particular class or classes, as the case may be;

"**Notes**" means the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class X1 Notes, the Class X2 Notes, the Class Z1 Notes, the Class Z2 Notes and the Class R Notes;

"**Notices Condition**" means Condition 23 (*Notices*);

"**Notices Details**" means the provisions set out in Schedule 9 (*Notice Details*) of the Incorporated Terms Memorandum;

"**Originator**" means Dilosk DAC;

"**outstanding**" means, in relation to the Notes, all the Notes other than:

- (a) those which have been redeemed in full and cancelled in accordance with the Conditions;
- (b) 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;
- (c) 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;
- (d) those which have become void under the Conditions;
- (e) 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
- (f) any Global Note, to the extent that it shall have been exchanged for the related Definitive Certificates pursuant to the provisions contained therein and the Conditions,

**provided that**, for each of the following purposes, namely:

- (i) the right to attend and vote at any meeting of Noteholders;
- (ii) the determination of how many and which Notes are for the time being outstanding for the purposes of Clause 11 (*Waiver*), Clause 12 (*Modifications*), Clause 15 (*Proceedings and Actions by the Trustee*), Clause 23 (*Appointment of Trustees*) and Clause 24 (*Notice of 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
- (iii) any right, discretion, power or authority, whether contained in the Trust Deed, the other Transaction Documents 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, any subsidiary of any such holding company or any affiliate of the Seller, 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 affiliate of the Seller, any holding company of the Seller, any subsidiary of any 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;

"**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 under the Agency Agreement;

"**Personal Insolvency Act**" means the Personal Insolvency Act 2012 of Ireland;

"**Post-Enforcement Priority of Payments**" means the provisions relating to the order of priority of payments from the Charged Accounts following delivery of an Enforcement Notice, set out in Clause 15 (*Post-Enforcement Priority of Payments*) of the Irish Deed of Charge;

"**Potential Event of Default**" means any event which may become (with the passage of time, the giving of notice, the making of any determination or any combination thereof) an Event of Default;

"**Pre-Enforcement Principal Priority of Payments**" means the provision relating to the order of priority of payments from the Principal Ledger set out in Schedule 4 (*Priorities of Payment*) of the Cash Management Agreement;

"**Pre-Enforcement Revenue Priority of Payments**" means the provisions relating to the order of priority of payments from the Revenue Ledger set out in Schedule 4 (*Priorities of Payment*) of the Cash Management Agreement;

"**Pre-Funding Principal Excess Amount**" means the excess (if any) of the proceeds of the Principal Backed Notes over the aggregate of (i) the Initial Cash Consideration paid by the Issuer for the Closing Mortgage Portfolio and (ii) the amount applied from the Pre-Funding Principal Reserve in purchasing Additional Mortgage Loans;

"**Pre-Funding Principal Reserve**" means the pre-funding principal reserve established on the Closing Date which will be funded in an amount equal to EUR 34,906,791.72, for the purposes of funding the purchase of any Additional Mortgage Loans;

"**Principal Amount Outstanding**" means, on any day:

- (a) in relation to a Note, the principal amount outstanding of that Note as at the Closing Date, 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, the Class B Principal Deficiency Sub-Ledger, the Class C Principal Deficiency Sub-Ledger, the Class D Principal Deficiency Sub-Ledger and the Class Z1 Principal Deficiency Sub-Ledger maintained by the Cash Manager on behalf of the Issuer which records on it all deficiencies arising from Losses allocated to the Notes and Available Principal Receipts used to pay a Remaining Revenue Shortfall;

**"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 Paying Agent"** means The Bank of New York Mellon, London Branch (or any successor duly appointed pursuant to the Agency Agreement);

**"Principal Receipts"** means payments received by the Issuer representing:

- (a) any payment in respect of principal received in respect of any Mortgage Loan (including Capitalised Arrears and Capitalised Expenses but excluding Accrued Interest and Arrears of Interest);
- (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 and Capitalised Arrears and Capitalised Expenses, if any);
- (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; and
- (e) proceeds of the repurchase of any Mortgage Loan or an indemnity 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 but including Capitalised Arrears and Capitalised Expenses);

**"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 or leasehold property which is subject to a Mortgage;

**"Provisions for Meetings of Noteholders"** means the provisions contained in Schedule 4 (*Provisions for Meetings of Noteholders*) to the Trust Deed;

**"Prudent Mortgage Lender"** means the manner of a reasonably prudent mortgage lender lending to borrowers in Ireland where the Mortgage Loan is secured over residential property;

**"Rated Notes"** means the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class X1 Notes;

**"Rating Agencies"** means DBRS and S&P and **"Rating Agency"** means either of them;

**"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 Clause 17 (*Appointment and Removal of Receivers*) of the Irish Deed of Charge and/or Clause 17 (*Appointment and Removal of Receivers*) of the English Deed of Charge, as applicable;

**"Reconciliation Amount"** means in respect of any Calculation 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 Calculation Period, *plus* (iii) any Reconciliation Amount not applied in previous Calculation Periods;

**"Reference Banks"** means the principal Brussels office of four major banks in the Eurozone interbank market, selected by the Issuer or the Servicer on its behalf at the relevant time;

**"Reference Rate"** means, on any Determination Date, the floating rate determined by the Agent Bank by reference to the Screen Rate on such date or if, on such date, the Screen Rate is unavailable:

- (a) the Rounded Arithmetic Mean of the offered quotations as at or about 11:00 a.m. (Brussels time) on that date of the Reference Banks to major banks for Euro deposits for the Relevant Period in the Eurozone interbank market in the Representative Amount determined by the Agent Bank after request of each of the Reference Banks;
- (b) if, on such date, two or three only of the Reference Banks provide such quotations, the rate determined in accordance with paragraph (a) above on the basis of the quotations of those Reference Banks providing such quotations; or
- (c) if, on such date, one only or none of the Reference Banks provide such a quotation, the Reserve Reference Rate;

**"Register"** means the register on which the names and addresses of the holders of the Notes and the particulars of the Notes shall be entered and kept by the Issuer at the Specified Office of the Registrar;

**"Registrar"** means The Bank of New York Mellon SA/NV, Luxembourg Branch acting in its capacity as Registrar pursuant to the Agency Agreement (or any successor duly appointed);

**"Related Security"** means, in relation to a Mortgage Loan, 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):

- (a) the benefit of all affidavits, declarations, consents, renunciations, guarantees, indemnities, waivers 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; 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) deposited, charged, obtained, or held in connection with the Mortgage Loan, Mortgage and/or Property and relevant Mortgage Loan files;

**"Relevant Margin"** means:

- (a) for the Class A Notes, 0.75 per cent. per annum up to and excluding the Step-Up Date and thereafter 1.50 per cent. per annum;
- (b) for the Class B Notes, 1.20 per cent. per annum up to and excluding the Step-Up Date and thereafter 1.80 per cent. per annum;

- (c) for the Class C Notes, 1.60 per cent. per annum up to and excluding the Step-Up Date and thereafter 2.40 per cent. per annum;
- (d) for the Class D Notes, 2.00 per cent. per annum up to and excluding the Step-Up Date and thereafter 3.00 per cent. per annum;
- (e) for the Class X1 Notes, 3.65 per cent. per annum; and
- (f) for the Class X2 Notes, 7.00 per cent. per annum up to and excluding the Step-Up Date and thereafter 0 per cent. per annum.

**"Relevant Period"** means, in relation to the first Determination Date, the linear interpolation of six months and twelve months and, in relation to each subsequent Determination Date, the length in months of the related Interest Period;

**"Remaining Revenue Shortfall"** means, for each Determination Date, the extent, if any, of any remaining shortfall in amounts available to pay or provide for (i) Senior Expenses and interest amounts on the Class A Notes; and (ii) after the Class A Notes have been redeemed in full, Senior Expenses and interest amounts on the Most Senior Class of Rated Notes (in the same order of priority as set out in the Pre-Enforcement Revenue Priority of Payments), after application by the Cash Manager (on behalf of the Issuer) of (i) Available Revenue Receipts, (ii) amounts standing to the credit of the General Reserve Fund to make up a Shortfall; and (iii) amounts standing to the credit of the Liquidity Reserve Fund to make up a Revenue Shortfall.

**"Representative Amount"** means an amount that is representative for a single transaction in the relevant market at the relevant time;

**"Reserve Reference Rate"** means on any Determination Date:

- (a) the Rounded Arithmetic Mean of the rates at which deposits in Euros are offered in the Eurozone interbank market at approximately 11:00 a.m. (Brussels time) on the Determination Date by the principal Brussels office of each of four major banks selected by the Issuer (or the Servicer on its behalf) in its absolute discretion for Euros loans for the Relevant Period in the Representative Amount to major banks in the Eurozone interbank market; or
- (b) if the Issuer (or the Servicer on its behalf) certifies that it cannot determine such Rounded Arithmetic Mean as aforesaid, the Reference Rate in effect for the Interest Period ending on the Business Day immediately preceding the relevant Determination Date, as determined by the Agent Bank;

**"Reserved Matter"** means any proposal:

- (a) (except in accordance with Condition 18 (*Modification and Waiver in relation to the Screen Rate*) and clause 12.5 (*Modification and Waiver in relation to the Screen Rate*) of the Trust Deed) to change any date fixed for payment of principal or interest in respect of the Notes of any class, to modify the amount of principal or interest due on any date in respect of the Notes of any class or to alter the method of calculating the amount of, or date fixed for, any payment in respect of the Notes of any class;
- (b) (except in accordance with Condition 22 (*Substitution of Issuer*) and clause 13 (*Substitution*) of the Trust Deed) to effect the exchange, conversion or substitution of the Notes of any class for, or the conversion of such Notes into, shares, bonds or other obligations or securities of the Issuer or any other person or body corporate formed or to be formed;
- (c) to change the currency in which amounts due in respect of the Notes are payable;
- (d) to alter the Priorities of Payments in respect of the Notes;
- (e) to change the quorum required at any Meeting or the majority required to pass an Extraordinary Resolution;

- (f) to waive any proposal or actual breach of any of the covenants (including any Event of Default or Potential Event of Default) or provisions contained in or arising pursuant to the Conditions or any Transaction Documents by any party thereto, which would have the effect of any of the foregoing; or
- (g) to amend this definition;

**"Revenue Ledger"** means the ledger maintained by the Cash Manager on behalf of the Issuer which records all Revenue Receipts 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 Seller representing:

- (a) payments of interest (including Arrears of Interest and Accrued Interest but excluding Capitalised Arrears and Capitalised Expenses) 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) from defaulting Borrowers under Mortgage Loans being enforced,
- (c) recoveries of interest and/or principal 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 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 and Capitalised Expenses) as at the relevant transfer date or date of indemnification; and
- (e) any early repayment charges which have been paid by the Borrower in respect of the Mortgage Loans;

**"Revenue Shortfall"** means, for each Determination Date, the extent to which Available Revenue Receipts, including the application of the General Reserve Fund, are sufficient to pay or provide for payment of senior expenses and interest amounts on the Class A Notes, that is, items (a) to (d) inclusive of the Pre-Enforcement Revenue Priority of Payments in full.

**"Rounded Arithmetic Mean"** means the arithmetic mean (rounded, if necessary, to the nearest 0.0001 per cent., 0.00005 per cent. being rounded upwards);

**"S&P"** means Standard & Poor's Credit Market Services Europe Limited.

**"Screen"** means Reuters Screen EURIBOR01; or

- (a) such other page as may replace Reuters Screen EURIBOR01 on that service for the purpose of displaying such information; or
- (b) if that service ceases to display such information, such page as displays such information on such service (or, if more than one, that one previously approved in writing by the Trustee) as may replace such screen;

**"Screen Rate"** means, in relation to (i) the first Determination Date, the linear interpolation of the offered quotations for euro deposits for the Relevant Period in the Eurozone interbank market displayed on the Screen or (ii) any subsequent Determination Date, the offered quotations for Euro deposits for the Relevant Period which appears on the Screen (in the case of (i) and (ii)) as at or about 11:00 a.m. (Brussels time) on that date (rounded upwards if necessary, to five decimal places);

**"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 or the Transaction Documents;

**"Secured Creditors"** means the Trustee in its own capacity, any Receiver or any Appointee of the Trustee, each in its own capacity, the Agent Bank, the Registrar, the Paying Agents, the Corporate Services Provider, the Servicer, the Back-Up Servicer Facilitator (and any replacement of the Servicer or the Back-Up Servicer Facilitator), the Cash Manager, the Account Bank, the Collection Account Bank, the Noteholders and any party named as such in a Transaction Document;

**"Security"** means the security granted by the Issuer to the Trustee under and pursuant to the Irish Deed of Charge and the English Deed of Charge in favour of the Secured Creditors;

**"Seller"** means Dilosk DAC acting in its capacity as seller of the Mortgage Loans and their Related Security to the Issuer pursuant to the Mortgage Sale Agreement;

**"Seller Security Power of Attorney"** means the 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 Schedule 3 (*Seller Security Power of Attorney*) to the Mortgage Sale Agreement;

**"Servicer"** means Dilosk DAC or such other person as may from time to time be appointed as servicer of the relevant Mortgage Loans in the Mortgage Portfolio pursuant to the Servicing Agreement;

**"Servicer Report"** means a report to be provided by the Servicer in respect of each Calculation Period in accordance with the terms of the Transaction Documents to enable the Cash Manager to comply with its obligations to calculate the Available Revenue Receipts and Available Principal Receipts and to make certain other determinations on each Determination Date;

**"Services"** means the services to be provided by the Servicer set out in the Servicing Agreement including in Schedule 1 (*The Services*) thereto;

**"Servicing Agreement"** means the agreement so named dated on or about the Closing Date between the Issuer, the Servicer, the Seller and the Trustee, and/or any successor or replacement servicing agreement entered into by the Issuer from time to time;

**"Share Trustee"** means Wilmington Trust SP Services (Dublin) Limited, (registered number 318390), a company incorporated under the laws of Ireland, whose principal office is at Fourth Floor, 3 George's Dock, IFSC Dublin 1, Ireland;

**"Specified Office"** means, in relation to any Agent:

- (a) the office specified against its name in the Notices Details; or
- (b) such other office as such Agent may specify in accordance with Clause 13.8 (*Changes in Specified Offices*) 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, a list of which is set out in the Mortgage Sale Agreement;

**"Step-Up Date"** means the Interest Payment Date falling in April 2022;

**"Substituted Obligor"** means a single purpose company incorporated in any jurisdiction that meets the SPV Criteria;

**"TARGET2 Settlement Day"** means any day on which the TARGET2 system is open for the settlement of payments in euro;

"**TARGET2 system**" means the Trans European Automated Real-time Gross Settlement Express Transfer payment system which utilises a single platform and which was launched on 19 November 2007;

"**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) and "**Taxes**", "**taxation**", "**taxable**" and comparable expressions shall be construed accordingly;

"**Tax Deduction**" means any deduction or withholding on account of Tax other than a FATCA withholding;

"**Transaction Account**" means the account in the name of the Issuer held at the 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;

"**Transaction Documents**" means the Account Bank Agreement, the Servicing Agreement, the Agency Agreement, the Cash Management Agreement, the Collection Account Declaration of Trust, the Corporate Services Agreement, the Irish Deed of Charge, the English Deed of Charge, the Incorporated Terms Memorandum, the Mortgage Sale Agreement, the Seller Security Power of Attorney, the Trust Deed, 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 any other document designated as such by agreement of all relevant parties;

"**Transaction Party**" means any person who is a party to a Transaction Document and "**Transaction Parties**" means some or all of them;

"**Treaty**" means the Treaty establishing the European Community, as amended;

"**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, the Irish Deed of Charge and the English Deed of Charge and (unless the context requires otherwise) includes any deed or other document executed in accordance with the provisions of the Trust Deed or (as applicable) the Irish Deed of Charge or the English Deed of Charge and expressed to be supplemental to the Trust Deed, the Irish Deed of Charge or the English Deed of Charge (as applicable);

"**Trustee**" means BNY Mellon Corporate Trustee Services Limited in its capacity as trustee under the terms of the Trust Documents, or such other person as may be appointed from time to time as trustee (or co-trustee) pursuant to the Trust Documents;

"**Valuation Report**" means the valuation report or reports for mortgage purposes, obtained by the Originator from a valuer in respect of each Property;

"**Variable Rate Mortgage Loans**" means the Mortgage Loans which are subject to a variable rate of interest set by the Seller from time to time;

"**Written Resolution**" means a resolution in writing signed by or on behalf of all holders of Notes of the relevant class for the time being outstanding who for the time being are entitled to receive notice of a Meeting in accordance with the Provisions for Meetings of Noteholders, 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.

2.2 **Interpretation:** Any reference in the Conditions to:

"**continuing**", in respect of an Event of Default, shall be construed as a reference to an Event of Default which has not been waived in accordance with the terms of the Conditions or, as the case may be, the relevant Transaction Document;



a "**Class**" shall be a reference to a class of the Notes being the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class X1 Notes, the Class X2 Notes, the Class Z1 Notes, the Class Z2 Notes or the Class R Notes and "**Classes**" shall be construed accordingly;

"**including**" shall be construed as a reference to "**including without limitation**", so that any list of items or matters appearing after the word "**including**" shall be deemed not to be an exhaustive list, but shall be deemed rather to be a representative list, of those items or matters forming a part of the category described prior to the word "**including**";

"**indebtedness**" shall be construed so as to include any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;

a "**law**" shall be construed as any law (including common or customary law), statute, constitution, decree, judgement, treaty, regulation, directive, bye-law, order or any other legislative measure of any government, supranational, local government, statutory or regulatory body or court;

a "**person**" shall be construed as a reference to any person, firm, company, corporation, government, state or agency of a state or any association or partnership (whether or not having separate legal personality) of two or more of the foregoing;

"**principal**" shall, where applicable, include premium;

"**redeem**" and "**pay**" shall each include both of the others and "**redeemed**", "**redeemable**" and "**redemption**" and "**paid**", "**payable**" and "**payment**" shall be construed accordingly;

a reference to any person defined as a "**Transaction Party**" in the Conditions shall be construed so as to include its and any subsequent successors and permitted transferees in accordance with their respective interests; and

a "**successor**" of any party shall be construed so as to include an assignee or successor in title of such party and any person who under the laws of the jurisdiction of incorporation or domicile of such party has assumed the rights and obligations of such party under any Transaction Document or to which, under such laws, such rights and obligations have been transferred.

2.3 **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.

2.4 **Statutes and Treaties:** Any reference to a statute or treaty shall be construed as a reference to such statute or treaty as the same may have been, or may from time to time be, amended or, in the case of a statute, re-enacted.

2.5 **Schedules:** Any Schedule of, or Appendix to a Transaction Document forms part of such Transaction Document and shall have the same force and effect as if the provisions of such Schedule or Appendix were set out in the body of such Transaction Document. Any reference to a Transaction Document shall include any such Schedule or Appendix.

2.6 **Headings:** Condition headings are for ease of reference only.

2.7 **Sections:** Except as otherwise specified in the Condition, reference in the Conditions to:

- (a) a "**Section**" shall be construed as a reference to a Section of such Transaction Document;
- (b) a "**Part**" shall be construed as a reference to a Part of such Transaction Document;
- (c) a "**Schedule**" shall be construed as a reference to a Schedule of such Transaction Document;

- (d) a "**Clause**" shall be construed as a reference to a Clause of a Part or Section (as applicable) of such Transaction Document; and
- (e) a "**Paragraph**" shall be construed as a reference to a Paragraph of a Schedule of such Transaction Document.

2.8 **Number**

In any Transaction Document, save where the context otherwise requires, words importing the singular number include the plural and *vice versa*.

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 Principal Amount Outstanding of the Notes of each class initially offered and sold outside the United States to non U.S. persons pursuant to Regulation S ("**Regulation S**") under the United States Securities Act of 1933, as amended (the "**Securities Act**") is represented by one or more global registered notes in fully registered form (the "**Global Notes**") without coupons attached. References herein to the "**Notes**" shall include (i) in relation to any Notes of a class represented by a Global Note, units of the Minimum Denomination of such class, (ii) any Global Note and (iii) any Definitive Certificate issued in exchange for a Global Note.

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 Euroclear and Clearstream, Luxembourg so permit, the Notes shall be tradable only in minimal amounts of €100,000 and integral multiples of €1,000 thereafter.

3.5 Certificates evidencing definitive registered Notes in an aggregate principal amount equal to the Principal Amount Outstanding of the Global Notes (the "**Definitive Certificates**") will be issued in registered form and serially numbered in the circumstances referred to below. Definitive Certificates, if issued, will be issued in the denomination of €100,000 and any amount in excess thereof in integral multiples of €1,000.

3.6 If, while any Notes are represented by a Global Note:

- (a) in the case of a Global Note held in Euroclear or Clearstream, Luxembourg, Euroclear or Clearstream, Luxembourg are closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announce an intention permanently to cease business or do so cease business and no alternative clearing system is available; or
- (b) as a result of any amendment to, or change in, the laws or regulations of Ireland (or any political subdivision thereof) or of any authority therein or thereof having power to tax or in the interpretation by a revenue authority or a court of, or in the administration of, such laws or regulations which becomes effective on or after the Closing Date, the Issuer or any Paying Agent is or will be required to make any withholding or deduction from any payment in respect of the Notes which would not be required if the Notes were in definitive registered form and a certificate to such effect signed by an authorised director of the Issuer is delivered to the Trustee (upon which the Trustee shall be entitled to rely without Liability to any person),

(each a "**relevant event**") the Issuer will issue Definitive Certificates 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 Certificates in any other circumstances.

#### 4. **Title**

- 4.1 The person 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 or, if more than one person, the first named of such persons who will be treated as the absolute owner of such Note.
- 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 and redemptions 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 Note and any Definitive Certificates 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 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 U.K. or the Registrar to any holder of a Note who so requests (and who provides evidence of such holding where the Notes are in global form) and will be available upon request at the Specified Office of the Registrar or the Principal Paying Agent.
- 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 Certificates 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.
- 4.8 No holder of a Definitive Certificate, 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 unconditional obligations of the Issuer.
- 5.2 **Ranking:** The Class A Notes will at all times rank without preference or priority *pari passu* amongst themselves. The Class B Notes will at all times rank without preference or priority *pari passu* amongst themselves. The Class C Notes will at all times rank without preference or priority *pari passu* amongst themselves. The Class D Notes will at all times rank without preference or priority *pari passu* amongst themselves. The Class X1 Notes will at all times rank without preference or priority *pari passu* amongst themselves. The Class X2 Notes will at all times rank without preference or priority *pari passu* amongst themselves. The Class Z1 Notes

will at all times rank without preference or priority *pari passu* amongst themselves. The Class Z2 Notes will at all times rank without preference or priority *pari passu* amongst themselves. The Class R Notes will at all times rank without preference or priority *pari passu* amongst themselves.

- 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 Interest Payments:** Payments of interest on the Class A Notes will at all times rank in priority to payments of interest on the Class B Notes, payments of interest on the Class B Notes will at all times rank in priority to payments of interest on the Class C Notes, payments of interest on the Class C Notes will at all times rank in priority to payments of interest on the Class D Notes, payments of interest on the Class D Notes will at all times rank in priority to payments of interest (and principal) on the Class X1 Notes, payments of interest (and principal) on the Class X1 Notes will at all times rank in priority to payments of interest (and principal) on the Class X2 Notes, payments of interest (and principal) on the Class X2 Notes will at all times rank in priority to payments of interest on the Class Z1 Notes, payments of interest on the Class Z1 Notes will at all times rank in priority to payments of interest on the Class Z2 Notes and payments of interest on the Class Z2 Notes will at all times rank in priority to payments on the Class R Notes in accordance with the Pre-Enforcement Revenue Priority of Payments or the Post-Enforcement Priority of Payments, as applicable.
- 5.5 **Priority of Principal Payments:** Payments of principal on the Class A Notes will at all times rank in priority to payments of principal on the Class B Notes, payments of principal on the Class B Notes will at all times rank in priority to payments of principal on the Class C Notes, payments of principal on the Class C Notes will at all times rank in priority to payments of principal on the Class D Notes, payments of principal on the Class D Notes will at all times rank in priority to payments of principal on the Class X1 Notes, payments of principal on the Class X1 Notes will at all times rank in priority to payments of principal on the Class Z1 Notes, payments of principal on the Class Z1 Notes will at all times rank in priority to payments of principal on the Class Z2 Notes in accordance with the Pre-Enforcement Principal Priority of Payments or the Post-Enforcement Priority of Payments, as applicable.

Payments of principal on the Class X1 Notes will also be made under and in accordance with the Pre-Enforcement Revenue Priority of Payments, where applicable.

Payments of principal on the Class X2 Notes will be made under and in accordance with the Pre-Enforcement Revenue Priority of Payments or the Post-Enforcement Priority of Payments, as applicable.

- 5.6 **Priority of Payments:** Prior to the delivery of an Enforcement Notice, the Cash Manager (on behalf of 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

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. So long as any Note remains outstanding, the Issuer shall comply with the Issuer Covenants.

8. **Interest**

8.1 **Accrual of Interest:** Each Note bears interest on its Principal Amount Outstanding, from (and including) the Closing Date.

8.2 **Cessation of Interest:** Each Note (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 23 (*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 is payable in Euros 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.

8.4 **Calculation of Interest Amount:** Upon or as soon as practicable after each Determination Date, the Issuer shall calculate (or shall cause the Agent Bank to calculate) the Interest Amount payable on each Note for the related Interest Period.

8.5 **Determination of Note Rate, Interest Amount and Interest Payment Date:** The Agent Bank will, on each Determination Date, determine:

- (a) the Note Rate for each class for the related Interest Period;
- (b) the Interest Amount for each class for the related Interest Period; and
- (c) the next following Interest Payment Date,

and notify the Issuer, the Servicer, the Cash Manager, the Trustee, the Registrar and the Paying Agents and, for so long as the Notes are listed on Euronext Dublin, Euronext Dublin.

8.6 **Alternative Benchmark Rates:** The Interest Amount in respect of the Notes will be determined on the condition that, if there has been a public announcement of the permanent or indefinite discontinuation of the Screen Rate or the relevant base rate that applies to the Notes at that time (the date of such public announcement being the "**Relevant Time**"), the Issuer (acting on the advice of the Servicer without undue delay), shall use commercially reasonable endeavours to propose an Alternative Benchmark Rate in accordance with Condition 18 (*Modification and Waiver in relation to the Screen Rate*) (the "**Relevant Condition**"). For the avoidance of doubt, if an Alternative Benchmark Rate proposed by or on behalf of the Issuer (including any Alternative Benchmark Rate which was proposed prior to the Relevant Time in accordance with the Relevant Condition) has failed to be implemented in accordance with the Relevant Condition as a result of Noteholder objections to the modification, the Issuer shall not be obliged to propose an Alternative Benchmark Rate under this Condition 8.6.

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 8.5 (*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 (*Interest*), the Trustee may (but without, save in the case of any 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), 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,

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 agent or an expert to make the determination and any such determination 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 (*Interest*), whether by the Reference Banks (or any of them), the Paying Agents, the Registrar, 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 (or in the case of the Trustee and the Agents, gross negligence, wilful default or fraud)) no Liability to the Trustee or the Noteholders shall attach to the Reference Banks, the Agents or the Registrar in connection with the exercise or non-exercise by them or any of them of their powers, duties and discretions under this Condition 8 (*Interest*). The Trustee shall have no Liability to any person in connection with the exercise or non-exercise of its rights, powers, duties and discretions under this Condition 8 (*Interest*).

8.11 **Reference Banks and Agent Bank:** The Issuer or the Servicer on its behalf shall ensure that, so long as any of the Notes remain outstanding there shall at all times be four Reference Banks, an Agent Bank, a Paying Agent and a Principal Paying Agent. In the event of any of the Reference Banks being unable or unwilling to continue to act as a Reference Bank or an Agent being unable or unwilling to continue to act as an Agent, the Issuer or the Servicer on its behalf 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 **Interest Accrual:**

- (a) To the extent that funds available to the Issuer to pay interest on the Notes of any class (other than the Most Senior Class of Notes) on an Interest Payment Date are insufficient to pay the full amount of such interest, payment of the shortfall in respect of such class of Notes ("**Deferred Interest**") will not then fall due but will instead be deferred until the first Interest Payment Date thereafter on which funds are available to the Issuer (after allowing for the Issuer's liabilities of higher priority and subject to and in accordance with these Conditions) to fund the payment of such Deferred Interest to the extent of such available funds.
- (b) Such Deferred Interest will accrue interest ("**Additional Interest**") at the rate of interest applicable from time to time to such Notes (as determined by this Condition 8 (*Interest*)) and payment of any Additional Interest will also be deferred until the first Interest Payment Date thereafter on which funds are available (subject to and in accordance with these Conditions) to the Issuer to pay such Additional Interest to the extent of such available funds.

- (c) Payment of any amounts of Deferred Interest and Additional 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*) 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.

8.13 ***Determinations and Reconciliation***

- (a) In the event that the Cash Manager does not receive a Servicer Report with respect to a Calculation Period (each such period being a "**Determination Period**"), then the Cash Manager shall use the Servicer Report in respect of the three most recent Calculation 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 rights, powers, duties and discretion for such purposes.
- (b) On any Determination Date, 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 Calculation Periods);
  - (ii) calculate the Revenue Receipts for such Determination Period as the product of (i) the Interest Determination Ratio and (ii) all collections received by the Issuer during such Determination Period (the "**Calculated Revenue Receipts**"); and
  - (iii) calculate the Principal Receipts for such Determination Period as the product of (i) 1 minus the Interest Determination Ratio and (ii) all collections received by the Issuer during such Determination Period (the "**Calculated Principal Receipts**"),

the Cash Manager will not be liable to any person (in the absence of fraud, gross negligence or wilful default) for the accuracy of any determinations made by the Cash Manager in accordance with this paragraph (b).

- (c) Following 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);

- (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 Calculation 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 interest on the Final Maturity Date.

9.2 **Mandatory Redemption in part:**

- (a) On each Interest Payment Date prior to the delivery of an Enforcement Notice, the Issuer is required to apply:
  - (i) 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 Payment; and
  - (ii) Available Revenue Receipts toward the redemption of the Notes to the extent there are such amounts available to do so in accordance with the Pre-Enforcement Revenue Priority of Payments;
- (b) Notwithstanding the foregoing, in the event that the Pre-Funding Principal Reserve is not applied in full in purchasing Additional Mortgage Loans during the Pre-Funding Availability Period, the Issuer or the Cash Manager on the Issuer's behalf shall, on the first Interest Payment Date:
  - (i) partially redeem the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class Z1 Notes on a *pro rata* basis, in an amount equal to the funds then standing to the credit of the Pre-Funding Principal Reserve; and
  - (ii) partially redeem the Class Z2 Notes in an amount equal to, the General Reserve Excess Amount.

For the avoidance of doubt, partial redemption of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class Z1 Notes and Class Z2 Notes on the first Interest Payment Date, in accordance with this Condition 9.2 (*Mandatory Redemption in part*), will take place immediately prior to application of the Pre-Enforcement Principal Priority of Payments.

9.3 **Mandatory Redemption:**

- (a) On any Interest Payment Date falling on or after the Step-Up Date following receipt by the Issuer of a notice from the Seller that it intends to exercise its option under the Mortgage Sale Agreement to purchase or arrange for the purchase of, the remaining Mortgage Loans in the Mortgage Portfolio from the Issuer, the Issuer shall redeem all Notes in each Class (other than the Class X2 Notes) at their Principal Amount Outstanding together with any accrued interest and any Deferred Interest, Additional Interest accrued (and unpaid) up to but excluding the relevant Interest Payment Date; or
- (b) on any Interest Payment Date when, on the related Calculation Date, the aggregate of the Principal Amount Outstanding of the Notes is equal to or less than 10 per cent. of the



Principal Amount Outstanding of the Notes as at the Closing Date following receipt by the Issuer of a notice from the Seller that it intends to exercise its option under the Mortgage Sale Agreement to purchase or arrange for the purchase of, the remaining Mortgage Loans in the Mortgage Portfolio from the Issuer, the Issuer shall redeem all Notes in each Class (other than the Class X2 Notes) at their Principal Amount Outstanding together with any accrued interest and any Deferred Interest, Additional Interest accrued (and unpaid) up to but excluding the relevant Interest Payment Date,

in each case, 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) 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 (which funds shall include, for the avoidance of doubt, any required proceeds from the sale of the Mortgage Loans after taking into account funds then standing to the credit of the Transaction Account, including the General Reserve Fund) on the relevant Interest Payment Date, not subject to the interest of any other person, required to redeem the Notes (other than the Class X2 Notes) pursuant to this Condition and meet its payment obligations of a higher priority under the Post-Enforcement Priority of Payments.

Following redemption of all Notes in each Class (other than the Class X2 Notes) in accordance with this Condition 9.3 (Mandatory Redemption), the Issuer shall be deemed to be discharged from making any further payments in respect of the Class X2 Notes and any further payments rights under and pursuant to, the Class X2 Notes shall be extinguished.

9.4 ***Optional Redemption in whole for taxation or other reasons:*** The Issuer may redeem all (but not some only) of the Notes in each Class at their Principal Amount Outstanding, on any Interest Payment Date:

- (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;
- (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 Irish corporation tax in an accounting period on an amount which materially exceeds the aggregate Issuer Profit Amount retained during that accounting period; or
- (c) by reason of a change in law (or the application or official interpretation thereof), which change becomes effective on or after the Closing Date, it has become or will become unlawful for the Issuer to make, fund or allow to remain outstanding all or any of the Notes,

then the Issuer shall, if the same would avoid the effect of such relevant event described in Condition 9.4(a), 9.4(b) or 9.4(c) above, appoint a Paying Agent in another jurisdiction or use its reasonable endeavours to arrange for the substitution of a company incorporated and/or tax resident in another jurisdiction approved in writing by the Trustee as principal debtor under the Notes and the Trust Deed, **provided that:**

- (i) the Trustee is satisfied that such substitution will not be materially prejudicial to the interests of the holders of the Rated Notes (and in making such determination, the Trustee may rely, without further investigation or inquiry, on (A) any confirmation made orally to the Issuer (in which case the Issuer shall confirm the same in writing to the Trustee) or in writing from each of the

Rating Agencies that the then current ratings of the Rated Notes would not be adversely affected by such substitution or (B) if no such confirmation from the Rating Agencies is forthcoming and the Issuer has certified to the Cash Manager and the Trustee that such proposed action (i) (while any Rated Notes remain outstanding) has been notified to the Rating Agencies, (ii) would not have an adverse impact on the Issuer's ability to make payment when due in respect of the Notes, (iii) would not affect the legality, validity and enforceability of any of the Transaction Documents or any Security and (iv) (while any of the Rated Notes remain outstanding) would not have an adverse effect on the rating of the Rated Notes (upon which confirmation or certificate the Trustee shall be entitled to rely absolutely without liability and without enquiry to any person for so doing); and

- (ii) such substitution would not require registration of any new security under U.S. securities laws or materially increase the disclosure requirements under U.S. law.

A "**Redemption Event**" shall occur if the Issuer satisfies the Trustee immediately before giving the notice referred to below that one or more of the events described in Condition 9.4(a), 9.4(b) or 9.4(c) is continuing and that the appointment of a Paying Agent or a substitution as referred to above would not avoid the effect of the relevant event or that, having used its reasonable endeavours, the Issuer is unable to arrange such appointment or substitution.

On any Interest Payment Date following the date on which the Mortgage Portfolio is repurchased pursuant to the Mortgage Sale Agreement following the occurrence of a Redemption Event, the Issuer shall redeem all (but not some only) of the Notes in each class at their Principal Amount Outstanding together with any accrued interest and any Deferred Interest, Additional Interest accrued (and unpaid) up to but excluding the relevant Interest Payment Date. The Issuer shall give not more than 60 nor less than 14 days' notice to the Trustee and the Noteholders of any such redemption of the Notes to the Noteholders in accordance with Condition 23 (Notices) and the Trustee.

9.5 **Calculation of Note Principal Payment, Principal Amount Outstanding and Pool Factor:** On each Determination Date, the Issuer shall calculate (or cause the Agent Bank 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 Determination Date;
- (b) the Principal Amount Outstanding of each Note in each class on the Interest Payment Date immediately succeeding such Determination Date (after deducting any Note Principal Payment due to be made on that Interest Payment Date in relation to such class); and
- (c) the fraction expressed as a decimal to the sixth point (the "**Pool Factor**"), of which the numerator is the Principal Amount Outstanding of a Note of that class (as referred to in Condition 9.5(b) above) and the denominator is the principal amount of that Note on issue expressed as an entire integer,

and notify the Issuer, the Trustee, the Paying Agents, the Cash Manager, the Registrar and, for so long as the Notes are listed on Euronext Dublin, Euronext Dublin in accordance with Condition 9.8 (*Notice of Calculation*).

9.6 **Calculations final and binding:** Each calculation by or on behalf of the Issuer of any Note Principal Payment, the Principal Amount Outstanding of a Note of each class and the Pool Factor shall in each case (in the absence of manifest error) be final and binding on all persons.

9.7 **Trustee to determine amounts in case of Issuer default:** If the Issuer does not at any time for any reason calculate (or cause the Agent Bank to calculate) any Note Principal Payment, the Principal Amount Outstanding in relation to each class or the Pool Factor in accordance with this Condition, such amounts may be calculated by the Trustee (without, in the absence of fraud or gross negligence, any liability to any person accruing to the Trustee as a result) in accordance

with this Condition (based on information supplied to it by the Issuer or the Cash Manager on behalf of the Issuer) 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 or an agent to make such calculations and any such calculations shall be deemed to have been made by the Issuer.

- 9.8 **Conclusiveness of certificates and legal opinions:** Any certificate and legal opinion given by or on behalf of the Issuer pursuant to Condition 9.3 (*Mandatory Redemption*) or Condition 9.4 (*Optional Redemption in whole for taxation or other reasons*) may be relied on by the Trustee without further investigation, without Liability to any other person and shall be conclusive and binding on the Noteholders, the Trustee and on the other Secured Creditors.
- 9.9 **Notice of Calculation:** The Issuer will cause each calculation of a Note Principal Payment, Principal Amount Outstanding in relation to each class and the Pool Factor 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, Principal Amount Outstanding in relation to each class and the Pool Factor to be published in accordance with the Notices Condition by no later than two Business Days prior to each Interest Payment Date.
- 9.10 **Notice irrevocable:** Any such notice as is referred to in Condition 9.3 (*Mandatory Redemption*) or Condition 9.4 (*Optional Redemption in whole for taxation or other reasons*) or Condition 9.9 (*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 (*Mandatory Redemption*) or Condition 9.4 (*Optional Redemption in whole for taxation or other reasons*) and in an amount equal to the Note Principal Payment in respect of each Note calculated as at the related Determination Date if effected pursuant to Condition 9.2 (*Mandatory Redemption in part*).
- 9.11 **Cancellation or redeemed Notes:** All Notes redeemed in full will be cancelled forthwith by the Issuer and may not be reissued or resold.

## 10. **Limited Recourse**

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; and
- (b) realisation of the Charged Property and application in full of any amounts available to pay amounts due and payable under the Notes in accordance with the applicable 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 then the amount remaining to be paid (after such application in full of the amounts first referred to in (b) above) under such class of Notes (and any class of Notes junior to that class of Notes) shall, on the day following such application in full of the amounts referred to in (b) above, cease to be due and payable by the Issuer. For the purposes of this Condition 10, "**Realisation**" means, in relation to any Charged Property, the deriving, to the fullest extent practicable, (in accordance with the provisions of the Transaction Documents) of proceeds from or in respect of such Charged Property including (without limitation) through sale or through performance by an obligor.

## 11. **Payments**

- 11.1 **Principal and interest:** Payments of principal and interest shall be made upon application by a Noteholder to the Specified Office of the Principal Paying Agent not later than the fifteenth day before the due date for payment, by transfer to an account in Euros, 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 one Clearing System Business Day prior to the due date for such payment (the "**Record Date**"). The person shown in the Register at the opening of business on the relevant Record Date in respect of a 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 the 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 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 an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "**Code**") or otherwise imposed pursuant to Sections 1471 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 ("**FATCA withholding**").
- 12.2 **No payment of additional amounts:** Neither the Issuer, the Trustee nor 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, each of the following events shall be treated as an "**Event of Default**" in relation to the Notes:
- (a) **Non-payment:** the Issuer fails to pay any amount of principal in respect of the Most Senior Class of Notes within seven days following the due date for payment of such principal or fails to pay any amount of interest in respect of the Most Senior Class of Notes within fourteen days following the due date for payment of such interest (**provided that**, for the avoidance of doubt, a deferral of interest in respect of a class of Notes (other than the Most Senior Class of Notes) in accordance with Condition 8.12

*(Interest Accrual)* shall not constitute a default in the payment of such interest for the purposes of this Condition 13 (*Events of Default*); or

- (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 Most Senior Class of Notes, the Issuer Covenants, the Trust Deed, the Irish Deed of Charge, the English Deed of Charge or any of the other Transaction Documents and such default (a) is, in the opinion of the Trustee, incapable of remedy or (b) is, in the opinion of the Trustee, capable of remedy, but remains unremedied for 30 days after the Trustee has given written notice of such default to the Issuer; or
- (c) an Insolvency Event in respect of the Issuer occurs; or
- (d) 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.

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 Noteholders of the Most Senior Class of Notes outstanding; 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.

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 Irish Deed of Charge, the English 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 of Notes outstanding; or
- (b) so directed by an Extraordinary Resolution of the Noteholders of the Most Senior Class of Notes 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 **Directions to the Trustee:** If the Trustee shall take any action, step or proceeding described in Condition 14.1 (*Proceedings*) it may take such action, step or proceeding without having regard to the effect of such action on individual Noteholders or any other Secured Creditor, **provided that** so long as any of the Most Senior Class of Notes are outstanding, the Trustee shall not, and shall not be bound to, act at the request or direction of the Noteholders of any other class of Notes unless:

- (a) to do so would not, in its opinion, be materially prejudicial to the interests of the Noteholders of the classes of Notes ranking senior to such other class; or
- (b) (if the Trustee is not of that opinion) such action is sanctioned by an Extraordinary Resolution of the Noteholders of the classes of Notes ranking senior to such other class.

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 or any other Secured Creditor**

15.1 Only the Trustee may pursue the remedies available under general law or under the Trust Documents to enforce the Security and no Noteholder or other Secured Creditor shall be entitled to proceed directly against the Issuer to enforce the Security. In particular, none of the Noteholders or any other Secured Creditor (nor any person on its or their behalf, other than the Trustee where appropriate and as permitted by the Transaction Documents) 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 or any other Secured Creditors;
- (c) 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 Priorities of Payments not being observed.

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) 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) 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
- (c) 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 actual or potential conflict of interest 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.

No Extraordinary Resolution of the holders of a Class of Notes shall take effect for any purpose while any Classes of Notes ranking senior to such Class remain outstanding unless it shall have been sanctioned by an Extraordinary Resolution of the holders of the Classes ranking senior to such Class or the Trustee is of the opinion that it would not be materially prejudicial to the interests of the holders of the Classes ranking senior to 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. of the aggregate Principal Amount Outstanding of the 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 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, a majority of the Principal Amount Outstanding of the Notes in that Class or those Classes or, at any adjourned meeting, one or more persons being or representing Noteholders of that Class or those Classes, whatever the Principal Amount Outstanding of the Notes so held or represented in such Class or Classes; and
- (b) 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 Notes in the relevant Class or Classes or, at any adjourned meeting, one or more persons holding or representing not less than 25 per cent. in aggregate of the Principal Amount Outstanding of the Notes in the relevant Class or Classes.

16.5 ***Relationship between Classes of Notes:***

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 each of the other Classes of Notes ranking senior to such class (to the extent that there are outstanding Notes ranking senior to such Class);
- (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 then outstanding.

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 or any other Secured Creditors, concur with the Issuer and any other relevant parties in making:

- (a) any modification to these Conditions, the Trust Documents, the Notes or the other Transaction Documents (other than in respect of a Reserved Matter) in relation to which its consent is required which, in the opinion of the Trustee, will not be materially prejudicial to the interests of the holders of the Most Senior Class of Notes outstanding; or
- (b) any modification to these Conditions, the Trust Documents, the Notes or the other Transaction Documents in relation to which its consent is required, if, in the opinion of the Trustee, such modification: (i) is of a formal, minor or technical nature; or (ii) is made to correct a manifest error.

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, or, save as provided in this Condition 17.2 (*Additional Right of Modification*), any of the other Secured Creditors, 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 or enter into any new, supplemental or additional documents 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:**
  - (i) 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; and
  - (ii) in the case of any modification to a Transaction Document proposed by the Account Bank, in order (x) to remain eligible to perform its role in such capacity in conformity with such criteria and/or (y) to avoid taking action which it would otherwise be required to take to enable it to continue performing such role (including, without limitation, advancing funds):
    - (A) the Account Bank certifies in writing to the Issuer or the Trustee that such modification is necessary for the purposes described in paragraph (x) and/or (y) above (and in the case of a certification provided to the Issuer, the Issuer shall certify to the Trustee that it has received the same from the Account Bank);
    - (B) either:
      - (1) the Account Bank obtains from each of the Rating Agencies written confirmation that such modification would not result in a downgrade, withdrawal or suspension of the then current ratings assigned to the Class A Notes by such Rating Agency and would not result in any Rating Agency placing any of the Rated Notes on rating watch negative (or equivalent) and, if relevant, delivers a copy of each such confirmation to the Issuer and the Trustee; or
      - (2) the Issuer certifies in writing to the Trustee that the Rating Agencies have been informed 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 of the Rated Notes by such Rating Agency or (y) such Rating Agency



placing any of the Rated Notes on rating watch negative (or equivalent); and

- (3) the Issuer pays all costs and expenses (including legal fees) incurred by the Issuer and the Trustee in connection with such modification;
- (b) for the purpose of complying with any changes in the requirements of the Securitisation Regulations after the Closing Date, including as a result of the adoption of regulatory technical standards in relation to the Securitisation Regulations or any other risk retention legislation or regulations or official guidance in relation thereto, **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;
- (c) for the purposes of enabling the Notes to remain listed on the 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;
- (d) for the purposes of enabling the Issuer or any of the other Transaction Parties to comply with FATCA and/or CRS (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;
- (e) for the purpose of complying with any changes in the requirements of the CRA Regulation after the Closing Date, including as a result of the adoption of regulatory technical standards in relation to the CRA Regulation or regulations or official guidance in relation thereto (the "**CRA Requirements**") including any requirements imposed by any regulation laying down common rules on securitisation and creating a European framework for simple, transparent and standardised securitisation including, but not limited to, changes pursuant to the Securitisation Regulations as proposed by the European Commission, or any other obligation which applies under the CRA Requirements, the Securitisation Regulations and/or any new regulations or official guidance in relation thereto, **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;

(the certificate to be provided by the Issuer, the Account Bank, the Servicer or the relevant Transaction Party, as the case may be, pursuant to paragraphs (a) to (e) 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; and
- (C) the consent of each Transaction Party which is party to the relevant Transaction Document has been obtained,
- (D) (I) the Issuer has provided at least 30 calendar days' notice to the Noteholders of each Class of the proposed modification in accordance with Condition 23 (*Notices*) and by publication in accordance with the relevant guidelines of Euronext Dublin by a notification in writing to the Company Announcements Office of Euronext Dublin, and (II) the Trustee has not been contacted in writing (or otherwise in accordance with the then current practice of any applicable clearing system through which such Notes may be held) by Noteholders representing at least 10 per cent. of the aggregate Principal Amount Outstanding of the Most Senior Class of Notes then outstanding within such notification period notifying the Trustee that such Noteholders do not consent to the modification.

- (E) 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 Trustee in writing (or otherwise in accordance with the then current practice of any applicable clearing system through which such Notes may be held) within the notification period referred to above that they do not consent to the modification, then such modification will not be made unless an Extraordinary Resolution of the Noteholders of the Most Senior Class of Notes then outstanding is passed in favour of such modification in accordance with Condition 16 (*Meetings of Noteholders*).

17.3

- (a) Other than where specifically provided in this Condition 17.3 (*Additional Right of Modification*) or any Transaction Document when implementing any modification pursuant to this Condition 17.3 (*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, any other Secured Creditor or any other person and shall act and rely solely and without further investigation on any certificate or evidence provided to it by the Issuer or the relevant Transaction Party, as the case may be, pursuant to this Condition 17.3 (*Additional Right of Modification*) and shall not be liable to the Noteholders, any other Secured Creditor or any other person for so acting or relying, irrespective of whether any such modification is or may be materially prejudicial to the interests of any such person; and
- (b) 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.

17.4 Any such modification shall be binding on all Noteholders and shall be notified by the Issuer as soon as reasonably practicable to:

- (a) so long as any of the Notes rated by the Rating Agencies remains Outstanding, each Rating Agency;
- (b) the Secured Creditors; and
- (c) the Noteholders in accordance with Condition 23 (*Notices*).

17.5 **Waiver:** In addition, the Trustee may, without the consent of the Noteholders or any other Secured Creditor concur with the Issuer or any other relevant parties in authorising or waiving any proposed breach or breach of the covenants or provisions contained in the Trust Documents, the Notes or any of the other Transaction Documents (including an Event of Default or Potential Event of Default) if, in the opinion of the Trustee, the holders of the Most Senior Class of Notes outstanding will not be materially prejudiced by such waiver.

17.6 **Restriction on power to waive:** The Trustee shall not exercise any powers conferred upon it by Condition 17.5 (*Waiver*) in contravention of any express direction by an Extraordinary Resolution of the holders of the Most Senior Class of Notes 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 of Notes outstanding, 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 have, by Extraordinary Resolution, so authorised its exercise.

17.7 **Notification:** Unless the Trustee otherwise agrees, the Issuer shall cause any such authorisation, waiver, modification or determination to be notified to the Noteholders and the other Secured Creditors in accordance with the Notices Condition and the Transaction Documents, as soon as practicable after it has been made.

17.8 **Binding Nature:** Any authorisation, waiver, determination or modification referred to in Condition 17.1 (*Modification*) or Condition 17.5 (*Waiver*) shall be binding on the Noteholders and the other Secured Creditors.

18. **Modification and Waiver in relation to the Screen Rate**

18.1 Notwithstanding the provisions of Conditions 16, 17 (*Meetings of Noteholders; Modifications and Waivers*), the Trustee shall be obliged, without any consent or sanction of the Noteholders or, subject to paragraph (iii) below, any of the other Secured Creditors, to concur with the Issuer in making any modification (other than a Reserved Matter) to the Trust Deed, the Conditions and/or any other Transaction Document to which it is a party or in relation to which it holds security to or enter into any new, supplemental or additional documents that the Issuer considers necessary in order to:

- (a) change the Screen Rate or the benchmark rate that then applies in respect of the Notes to an Alternative Benchmark Rate and make such other amendments as are necessary or advisable in the commercially reasonable judgment of the Issuer (or the Servicer on its behalf) to facilitate such change which, for the avoidance of doubt, may include modifications to when the interest rate applicable to any Class of Notes is calculated and/or notified to Noteholders **provided that** the Servicer (on its behalf) certifies to the Trustee in writing that:
  - (i) such Benchmark Rate Modification is being undertaken as a result of a Benchmark Rate Disruption;
  - (ii) such Alternative Benchmark Rate satisfies the Benchmark Rate Eligibility Requirement; and
  - (iii) the modifications proposed in the context of the Benchmark Rate Modification are required solely for the purpose of applying the Alternative Benchmark Rate and making consequential modifications to the Conditions or any Transaction Document which are, as determined by the Issuer (or the Servicer on its behalf) in its commercially reasonable judgement, necessary or advisable, and the modifications have been drafted solely to such effect; or

**provided that**, in the case of any modification made pursuant to a Benchmark Rate Modification:

- (iv) at least 30 days' prior written notice of any such proposed modification has been given to the Trustee provided that this notice must be delivered prior to publication of any Benchmark Modification Noteholder Notice;
- (v) the details of and the rationale for any Note Rate Maintenance Adjustment proposed in accordance with Condition 23 are as set out in the Benchmark Modification Noteholder Notice published in accordance with Condition 23 (*Notices*) below; and
- (vi) the applicable Benchmark Rate Modification Certificate in relation to such modification is provided to the Trustee both at the time the Trustee is notified of the proposed modification, five Business Days prior to the publication of the Benchmark Modification Noteholder Notice and on the date that such modification takes effect;
- (vii) the consent of each Secured Creditor which is a party to any relevant Transaction Document being amended has been obtained;
- (viii) with respect to each Rating Agency, either:
  - (A) the Issuer (or the Servicer on its behalf) obtains from such Rating Agency written confirmation that such modification would not result in (x) a downgrade, withdrawal or suspension of the then current ratings assigned to the Rated Notes by such Rating Agency or (y) such Rating

Agency placing any Rated Notes on rating watch negative (or equivalent) and delivers a copy of each such confirmation to the Trustee; or

- (B) the Issuer certifies in writing to the Trustee that it (or the Servicer on its behalf) has notified such Rating Agency of the proposed modification and that it has been unable to obtain such written confirmation but that such Rating Agency has not indicated that the implementation of such modification would not result in (x) a downgrade, withdrawal or suspension of the then current ratings assigned to the Rated Notes or by such Rating Agency or (y) such Rating Agency placing the Rated Notes on rating watch negative (or equivalent);
- (ix) by no later than the date on which the proposed Benchmark Rate Modification becomes effective, the Seller (acting in a manner consistent with that of a Prudent Mortgage Lender) has implemented a change to the reference rate used to calculate the interest charged under each Variable Rate Mortgage Loan in the Mortgage Portfolio, to the extent necessary to align such rate with the proposed Alternative Benchmark Rate, other than if the Rating Agency provides written confirmation to the Issuer that the Benchmark Rate Modification would not result in a downgrade, withdrawal or suspension of the then current ratings assigned to the Rated Notes by such Rating Agency if there is no corresponding change to the reference rate used to calculate the interest charged under each Variable Rate Mortgage Loan in the Mortgage Portfolio;
- (x) the Issuer has provided at least 30 days' notice to the Noteholders of each Class of the proposed modification in accordance with Condition 23 (*Notices*) and by publication in accordance with the relevant guidelines of Euronext Dublin by a notification in writing to the Company Announcements Office of Euronext Dublin, (such notice, the "**Benchmark Modification Noteholder Notice**") notifying the following:
  - (A) the period during which Noteholders of the Most Senior Class on the date specified to be the Benchmark Rate Modification Record Date (which shall be five Business Days from and excluding the date of publication of the Benchmark Modification Noteholder Notice (the "**Benchmark Rate Modification Record Date**")), may object to the proposed Benchmark Rate Modification and the method by which they may object;
  - (B) the Benchmark Rate Disruption on the basis of which the Benchmark Rate Modification is being proposed;
  - (C) the Benchmark Rate Eligibility Requirement satisfied by the Alternative Benchmark Rate and, if paragraph (e) of the definition of Benchmark Rate Eligibility Requirement is being applied, the Servicer's rationale for choosing the Alternative Benchmark Rate;
  - (D) details of the adjustment which the Issuer (or the Servicer on its behalf) proposes to make (if any) to the margin payable on each Class of Notes which are the subject of the Benchmark Rate Modification in order to, so far as reasonably and commercially practicable, preserve what would have been the expected floating rate of interest applicable to each such Class of Notes had no such Benchmark Rate Modification been effected which, for the avoidance of doubt, may effect an increase or a decrease to the Relevant Margin or may be set at zero (the "**Note Rate Maintenance Adjustment**"), provided that:
    - (1) in the event that the European Central Bank, any regulator in the European Union or any relevant committee or other body established, sponsored or approved by any of the foregoing,

has published, endorsed, approved or recognised a note rate maintenance adjustment mechanism which could be used in the context of a transition from the Screen Rate to the Alternative Benchmark Rate, then the Issuer (or the Servicer on its behalf) shall propose that note rate maintenance adjustment mechanism as the Note Rate Maintenance Adjustment, or otherwise the Issuer shall set out in the Benchmark Modification Noteholder Notice the rationale for concluding that this is not a commercial and reasonable approach in relation to the Notes and the proposed Benchmark Rate Modification; or

(2) in the event that it has become generally accepted market practice in the publicly listed asset backed floating rate notes, Eurobond or swaps market to use a particular note rate maintenance adjustment mechanism in the context of a transition from the Screen Rate to the Alternative Benchmark Rate, then the Issuer (or the Servicer on its behalf) shall propose that note rate maintenance adjustment mechanism as the Note Rate Maintenance Adjustment, or otherwise the Issuer (or the Servicer on its behalf) shall set out in the Benchmark Modification Noteholder Notice the rationale for concluding that this is not a commercial and reasonable approach in relation to the Notes and the proposed Benchmark Rate Modification; or

(3) in the event that neither Condition 18.1(x)(D)(1) nor (2) apply, the Issuer (or the Servicer on its behalf) 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 (or the Servicer on its behalf) shall set out in the Benchmark Modification Noteholder Notice the rationale for concluding that this is not a commercial and reasonable approach in relation to the Notes and the proposed Benchmark 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 of Notes shall be at least equal to that applicable to the Most Senior Class of Notes. 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 of Notes 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 Benchmark 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;

(E) 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 Benchmark Rate Modification;

- (xi) Noteholders representing at least 10 per cent. of the Principal Amount Outstanding of the Most Senior Class then outstanding have not contacted the Trustee in writing (or otherwise in accordance with the then current practice of any applicable Clearing System through which such Notes may be held) within the relevant notification period notifying the Trustee that such Noteholders do not consent to the Benchmark Rate Modification; and
- (xii) the Issuer pays all costs and expenses (including legal fees) incurred by the Issuer, the Trustee, the Seller, the Servicer and the Cash Manager in connection with such modification.

If Noteholders representing at least 10 per cent. of the Principal Amount Outstanding of the Most Senior Class then outstanding have notified the Trustee in writing (or otherwise in accordance with the then current practice of any applicable Clearing System through which such Notes may be held) within such notification period that such Noteholders do not consent to the modification, then any subsequent proposal by the Issuer in respect of a Benchmark Rate Modification must be sanctioned by an Extraordinary Resolution of the Noteholders of the Most Senior Class then outstanding passed in favour of such modification in accordance with Condition 16, 17 (*Meetings of Noteholders; Modification and Waiver*), provided that 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 of Notes 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, such Extraordinary Resolution shall be passed by the Noteholders of the Most Senior Class of Notes then outstanding and by the Noteholders of each Class of Notes then outstanding to which the lower Note Rate Maintenance Adjustment is proposed to be made.

Objections made in writing other than through the applicable Clearing System must be accompanied by evidence to the Trustee's satisfaction (having regard to prevailing market practices) of the relevant Noteholder's holding of the Notes.

Any such modifications permitted by this Condition 18 shall be binding on the Noteholders and other Secured Creditors and, unless the Trustee otherwise agrees, the Issuer shall cause such modification to be notified to the Noteholders as soon as practicable thereafter in accordance with Condition 23 (*Notices*). So long as the Rated Notes, or any of them, are rated by the Rating Agencies the Issuer shall notify each of the Rating Agencies of any modification made by it in accordance with this Condition 18 as soon as reasonably practicable thereafter.

Notwithstanding anything to the contrary in this Condition 18 (*Modification and Waiver in relation to the Screen Rate*) or any Transaction Document:

- (b) when implementing any modification, pursuant to this Condition 18 (*Modification and Waiver in relation to the Screen Rate*) to the Conditions, and/or any other Transaction Documents to which it is a party or in relation to which it holds security to or enters into any new, supplemental or additional documents, (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, any other Secured Creditor or any other person and shall act and rely solely, and without further enquiry or liability, on any certificate (including any Benchmark Rate Modification Certificate) or evidence provided to it by the Issuer (or the Servicer and/or Cash Manager on behalf of the Issuer), as the case may be, pursuant to this Condition 18 (*Modification and Waiver in relation to the Screen Rate*) and shall not be liable to the Noteholders, any other Secured Creditor or any other person for so acting or relying, irrespective of whether any such modification is or may be materially prejudicial to the interests of any such person; and
- (c) the Trustee shall not be obliged to agree to any modification of the Trust Deed, the Conditions or any other Transaction Document which (in the sole opinion of the Trustee)

would have the effect of: (x) exposing the Trustee to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction; or (y) increasing the obligations or duties, or decreasing the rights or protections of the Trustee in the Transaction Documents, the Trust Deed and/or the Conditions.

For the avoidance of doubt, the Issuer or the Servicer (on behalf of the Issuer) may propose an Alternative Benchmark Rate on more than one occasion **provided that** the conditions set out in this Condition 18 are satisfied.

19. **Prescription**

19.1 **Principal:** Claims for principal in respect of Notes shall become void where application for payment is made more than 10 years after the due date therefor.

19.2 **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.

20. **Replacement of Notes**

If any Note is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Principal Paying Agent, subject to all applicable laws and 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.

21. **Trustee and Agents**

21.1 **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.

21.2 **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.

21.3 **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 have regard only to the interests of the holders of the Most Senior Class of Notes and will not have regard to any lower ranking Class nor, prior to the redemption in full of the Notes, 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.

21.4 **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.

21.5 **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 **provided that** there will at all times be a Paying Agent in a Member State of the European Union that is not required to withhold or deduct tax pursuant to EC Council Directive 2003/48/EC on the taxation of savings income, or any law implementing or complying with, or introduced in order to conform to, such directive.

## 22. Substitution of Issuer

22.1 **Substitution of Issuer:** The Trustee may, without the consent of the Noteholders or any other Secured Creditor, subject to:

- (a) the consent of the Issuer; and
- (b) such further conditions as are specified in the Trust Deed,

agree to the substitution of a Substituted Obligor in place of the Issuer as the principal debtor in respect of the Trust Documents, the other Transaction Documents, the Notes and the Secured Amounts.

22.2 **Notice of Substitution of Issuer:** Not later than fourteen days after any substitution of the Issuer in accordance with this Condition, the Substituted Obligor shall cause notice of such substitution to be given to the Noteholders and the other Secured Creditors in accordance with the Notices Condition and the other relevant Transaction Documents.

22.3 **Change of Law:** In the case of a substitution pursuant to this Condition, the Trustee may in its absolute discretion agree, without the consent of the Noteholders or the other Secured Creditors to a change of the law governing the Notes 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 of Notes outstanding, **provided further that** the Rating Agencies are notified by the Issuer. For the avoidance of doubt, a Transaction Document cannot be amended without the agreement in writing of all the parties thereto.

22.4 **No indemnity:** No Noteholder 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.

## 23. Notices

23.1 **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. If Definitive Certificates are issued, any notice to the holders thereof shall be validly given if sent by first class mail to them at their respective addresses in the Register (or the first named of joint holders) and notice shall be deemed to have been given on the second Business Day after the date of mailing. So long as the relevant Notes are admitted to trading and listed on the official list of Euronext Dublin 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 of Euronext Dublin, and any notice so published shall be deemed to have been given on the date of publication.

23.2 **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.

## 24. Non-Responsive Rating Agency

24.1 In respect of the exercise of any right, 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 written confirmation or affirmation (in any form acceptable to the Trustee) from the relevant Rating Agencies that the then current ratings of the Rated Notes will not be reduced, qualified, adversely affected or withdrawn thereby.

24.2 In respect of each Rating Agency, if a Ratings Confirmation is a condition to any action, step or matter under any Transaction Document and a written request for such Ratings Confirmation is delivered to each Rating Agency by or on behalf of the Issuer (copied to the Trustee) and:

- (a) (A) that Rating Agency (such Rating Agency, a "**Non-Responsive Rating Agency**") indicates that it does not consider such Ratings Confirmation necessary in the circumstances or otherwise declines to review the matter for which the Ratings Confirmation is sought (including as a result of the policy or practice of that Rating Agency) or (B) within 30 days of delivery of such request, that Rating Agency has not responded to the request for the Ratings Confirmation; and
- (b) the Issuer has otherwise received no notice from that Rating Agency that its then current ratings of the Rated Notes would be reduced, qualified, withdrawn or put on negative watch as a result of such action, step or matter,

then (i) there shall be no requirement for the Ratings Confirmation from the Rating Agency if the Issuer certifies to the Trustee that one of the events in Condition 24.2(a). has occurred and the condition in Condition 24.2(b) is fulfilled; and (ii) neither the Issuer nor the Trustee shall be liable for any loss that Noteholders may suffer as a result.

## 25. **Governing Law and Jurisdiction**

25.1 **Governing law:** The Transaction Documents (other than the Mortgage Sale Agreement, the Irish Deed of Charge, the Servicing Agreement, the Collection Account Declaration of Trust, the Seller Security Power of Attorney and the Corporate Services Agreement) and the Notes (the "**English Law Transaction Documents**") and all non-contractual obligations arising from or connected with them are governed by English law. The Mortgage Sale Agreement, the Irish Deed of Charge, the Servicing Agreement, the Collection Account Declaration of Trust, the Seller Security Power of Attorney and the Corporate Services Agreement (the "**Irish Law Transaction Documents**") and all non-contractual obligations arising from or connected with them are governed by Irish law.

### 25.2 **Jurisdiction:**

- (a) 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 English Law Transaction Documents (including a dispute relating to non-contractual obligations or a dispute regarding the existence, validity or termination of any of the English Law Transaction Documents or the consequences of their nullity) and accordingly any legal action or proceedings arising out of or in connection with the English Law Transaction Documents may be brought in such Courts. The Issuer has in each of the English Law Transaction Documents to which it is a party irrevocably submitted to the jurisdiction of such Courts. Notwithstanding the above, nothing shall prevent the Trustee from bringing proceedings in any court of competent jurisdiction.
- (b) The Courts of Ireland are to have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Irish Law Transaction Documents (including a dispute relating to non-contractual obligations or a dispute regarding the existence, validity or termination of any of the Irish Law Transaction Documents or the consequences of their nullity) and accordingly any legal action or proceedings arising out of or in connection with the Irish Law Transaction Documents may be brought in such Courts. The Issuer has in each of the Irish Law Transaction Documents to which it is a party irrevocably submitted to the jurisdiction of such Courts. Notwithstanding the above, nothing shall prevent the Trustee from bringing proceedings in any court of competent jurisdiction.

## TAXATION

### Ireland Taxation

*The following is a summary of the principal Irish tax consequences for individuals and companies of ownership of Notes based on the laws and practices of the Irish Revenue Commissioners currently in force in Ireland and may be subject to change. It deals with Noteholders who beneficially own their Notes as an investment. Particular rules not discussed below may apply to certain classes of taxpayers holding Notes, such as dealers in securities, trusts etc. The summary does not constitute tax or legal advice and the comments below are of a general nature only. Prospective investors in the Notes should consult their professional advisers on the tax implications of the purchase, holding, redemption or sale of the Notes and the receipt of interest thereon under the laws of their country of residence, citizenship or domicile.*

### Withholding Tax

In general, tax at the standard rate of income tax (currently 20 per cent.), is required to be withheld from payments of Irish source interest which should include interest payable on the Notes.

The Issuer will not be obliged to make a withholding or deduction for or on account of Irish income tax from a payment of interest on a Note so long as interest paid on the relevant Note does not come within certain rules introduced by the Finance Act 2016 and Finance Act 2017 (as described below under the heading Deductibility of Interest) and provided it meets the following conditions:

- (a) the Notes are quoted Eurobonds, i.e. securities which are issued by a company (such as the Issuer), which are listed on a recognised stock exchange (such as Euronext Dublin) and which carry a right to interest; and
- (b) the person by or through whom the payment is made is not in Ireland, or if such person is in Ireland, either:
  - (i) the Notes are held in a clearing system recognised by the Irish Revenue Commissioners (Euroclear, Clearstream Banking SA and Clearstream Banking AG are, amongst others, so recognised), or
  - (ii) the person who is the beneficial owner of the quoted Eurobond and who is beneficially entitled to the interest is not resident in Ireland and has made a declaration to the person by or through whom the payment is made in the prescribed form; and
- (c) Interest which is profit dependent and which is paid out on the Notes could, under certain anti-avoidance provisions, be re-characterised as a distribution and subject to dividend withholding tax in certain circumstances. However, this should not apply on the basis of a confirmation by the Issuer that, at the time the Notes were issued, the Issuer was not in possession or aware of any information which could reasonably be taken to indicate that interest or other distributions paid on the Notes would not be subject, without reduction computed by reference to the amount of such interest or other distribution, to a tax in a relevant territory which generally applies to profits, income or gains received in that relevant territory by persons from sources outside that relevant territory, where the term "relevant territory" means a member state of the European Union (other than Ireland) or a country with which Ireland has signed a double tax treaty ("**Relevant Territory**").

So long as the Notes are quoted on a recognised stock exchange and are held in a recognised clearing system such as Euroclear, Clearstream Banking SA or Clearstream Banking AG (or, if not so held, payments on the Notes are made through a paying agent not in Ireland), and the Issuer has provided the confirmations set out in paragraph (c) above, interest on the Notes can be paid by the Issuer and any paying agent acting on behalf of the Issuer without any withholding or deduction for or on account of Irish income tax. If the Notes continue to be quoted but cease to be held in a recognised clearing system, interest on the Notes may be paid without any withholding or deduction for or on account of Irish income tax provided such payment is made through a paying agent outside Ireland and the Issuer has provided the confirmations set out in paragraph (c) above.

If, for any reason, the quoted Eurobond exemption referred to above does not or ceases to apply, the Issuer can still pay interest on the Notes free of withholding tax provided it is a qualifying company

within the meaning of Section 110 of the 1997 Act (a "**Qualifying Company**") and provided the interest is paid to a person resident in a Relevant Territory, and, where the recipient is a body corporate, the interest is not paid to it in connection with a trade or business carried on by it in Ireland through a branch or agency. The test of residence is determined by reference to the law of the Relevant Territory in which the Noteholder claims to be resident.

For payments of interest that are dependent on the results of the Issuer's business or which represent more than a reasonable commercial return, in order that the relevant payment is not recharacterised as a distribution to which dividend withholding tax could apply one of the following conditions should be satisfied:

- (a) the Noteholder is resident for tax purposes in Ireland;
- (b) the interest is subject, without any reduction computed by reference to the amount of such interest, to a tax in a Relevant Territory which corresponds to income tax or corporation tax in Ireland and which generally applies to profits, income or gains received in that territory, by persons, from sources outside that territory; for so long as the Notes remain quoted Eurobonds, the Noteholder is neither a person which is a company which directly or indirectly controls the Issuer or which is controlled by a third company which directly or indirectly controls the Issuer nor is a person (including any connected person) (a) from whom the Issuer has acquired assets; (b) to whom the Issuer has made loans or advances; or (c) with whom the Issuer has entered into a return agreement (as defined in Section 110(1) of the 1997 Act) where the aggregate value of such assets, loans, advances or agreements representing 75 per cent. or more of the assets of the Issuer (such a person falling within this category of person being a "**Specified Person**"); or
- (c) the Noteholder is a pension fund, government body or other person which is resident in a Relevant Territory and which, under the laws of that territory, is exempted from tax that corresponds to income tax or corporation tax in Ireland and which generally applies to profits, income or gains in that territory and which is not a Specified Person.

#### ***Deductibility of Interest***

Rules contained in the Finance Act 2016 and Finance Act 2017 restrict the deductibility of interest paid by a qualifying company (such as the Issuer) that is profit dependent or exceeds a reasonable commercial return to the extent that the interest is attributable to a 'specified property business' carried on by that qualifying company. A 'specified property business' of a qualifying company means, subject to a number of exceptions, a business of holding 'specified mortgages', units in an IREF (being a specified form of investment undertaking within the meaning of Chapter 1B of Part 27 of the 1997 Act) or shares that derive their value or the greater part of their value, directly or indirectly, from Irish land. A 'specified mortgage' for this purpose is (a) a loan which is secured on, and which derives its value from, or the greater part of its value from, directly or indirectly, Irish land, (b) a 'specified agreement' (effectively a profit dependent derivative) which derives its value, or the greater part of its value, directly or indirectly, from Irish land or a loan to which (a) applies, or (c) the portion of a specified security (essentially a security in respect of which, if the Finance Act 2016 and Finance Act 2017 rules did not apply to it, payments on that security would be deductible under section 110 of the 1997 Act), is attributable to the specified property business in accordance with the rules.

The legislation treats the holding of such assets as a separate business to the rest of the qualifying company's activities. The qualifying company is taxed on any profit that is attributable to that business at 25 per cent. and any such interest that is profit dependent or exceeds a reasonable commercial return, subject to a number of exceptions, is not deductible and potentially subject to Irish withholding tax at 20 per cent.

However, exemption from these rules is available in the case of a "CMBS/RMBS transaction" as defined in Section 110(5A) of the TCA. Broadly, a "CMBS/RMBS transaction" refers to a securitisation transaction within the meaning of Article 2(1) of the Securitisation Regulation (formerly Article 4(1)(61) of CRR) which is entered into by a Qualifying Company where the originator, within the meaning of Article 2(3)(a) of the Securitisation Regulation (formerly Article 4(1)(13) of CRR), retains a net economic interest in the credit risk of the securitisation position in accordance with Article 405 of the CRR (now replaced by Article 6 of Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017) and, in the case of an entity that is an originator because it purchases a

third party's exposures for its own account and then securitises them, is a regulated financial institution or credit institution within the meaning of the CRR.

On the basis of disclosures elsewhere in this Prospectus the Seller is a qualifying originator for the purposes of Section 110(5A) of the 1997 Act and will retain in accordance with Article 405 of the CRR (as replaced by Article 6 of Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017) a net economic interest for the purposes of the securitisation. Accordingly, the transaction should be a "CMBS/RMBS transaction" and therefore exempt from the documented deductibility restrictions pursuant to Finance Acts 2016 and 2017.

### ***Encashment Tax***

Irish tax will be required to be withheld at the standard rate of income tax (currently 20 per cent.) from interest on any Note, where such interest is collected or realised by a bank or encashment agent in Ireland on behalf of any Noteholder. There is an exemption from encashment tax where the beneficial owner of the interest is not resident in Ireland and has made a declaration to this effect in the prescribed form to the encashment agent or bank.

### ***Income Tax, PRSI and Universal Social Charge***

Notwithstanding that a Noteholder may receive interest on the Notes free of withholding tax, the Noteholder may still be liable to pay Irish income tax with respect to such interest. Noteholders resident or ordinarily resident in Ireland who are individuals may be liable to pay Irish income tax, social insurance contributions (PRSI) and the universal social charge in respect of interest they receive on the Notes.

Interest paid on the Notes may have an Irish source and therefore may be within the charge to Irish income tax, notwithstanding that the Noteholder is not resident in Ireland. In the case of Noteholders who are non-resident individuals such Noteholders may also be liable to pay the universal social charge in respect of interest they receive on the Notes.

Ireland operates a self-assessment system in respect of tax and any person, including a person who is neither resident nor ordinarily resident in Ireland, with Irish source income comes within its scope.

There are a number of exemptions from Irish income tax available to certain non-residents. Firstly, interest payments made by the Issuer are exempt from income tax so long as the Issuer is a qualifying company for the purposes of Section 110 of the 1997 Act, the recipient is not resident in Ireland and is resident in a Relevant Territory and, the interest is paid out of the assets of the Issuer. Secondly, interest payments made by the Issuer in the ordinary course of its trade or business to a company are exempt from income tax provided the recipient company is not resident in Ireland and is either resident for tax purposes in a Relevant Territory which imposes a tax that generally applies to interest receivable in that territory by companies from sources outside that territory or the interest is exempted from the charge to Irish income tax under the terms of a double tax agreement which is either in force or which will come in to force once all ratification procedures have been completed. Thirdly, interest paid by the Issuer free of withholding tax under the quoted Eurobond exemption is exempt from income tax where the recipient is a person not resident in Ireland and resident in a relevant territory or is a company which is under the control, whether directly or indirectly, of person(s) who by virtue of the law of a relevant territory are resident for the purposes of tax in a relevant territory and is not under the control of person(s) who are not so resident or is a company where the principal class of shares of the company or its 75 per cent. parent is substantially and regularly traded on a recognised stock exchange. For the purpose of these exemptions and where not specified otherwise, residence is determined under the terms of the relevant double taxation agreement or, in any other case, the law of the country in which the recipient claims to be resident. Interest falling within the above exemptions is also exempt from the universal social charge.

Notwithstanding these exemptions from income tax, a corporate recipient that carries on a trade in Ireland through a branch or agency in respect of which the Notes are held or attributed, may have a liability to Irish corporation tax on the interest.

Relief from Irish income tax may also be available under the specific provisions of a double tax treaty between Ireland and the country of residence of the recipient.

Noteholders receiving interest on the Notes which does not fall within any of the above exemptions may be liable to pay Irish income tax and the universal social charge on such interest.

### ***Capital Gains Tax***

A holder of Notes will not be subject to Irish tax on capital gains on a disposal of Notes unless (i) such holder is resident or ordinarily resident in Ireland or (ii) such holder carries on a trade in Ireland through a branch or agency in respect of which the Notes are used or held; (iii) the Notes cease to be listed on a stock exchange in circumstances where the Notes derive their value or more than 50 per cent. of their value from Irish real estate, mineral rights or exploration dates.

### ***Capital Acquisitions Tax***

A gift or inheritance of Notes will be within the charge to capital acquisitions tax (which subject to available exemptions and reliefs, is currently levied at 33 per cent.) if either (i) the disponer or the donee/successor in relation to the gift or inheritance is resident or ordinarily resident in Ireland (or, in certain circumstances, if the disponer is domiciled in Ireland irrespective of his residence or that of the donee/successor) on the relevant date or (ii) if the Notes are regarded as property situate in Ireland, (ie. If the Notes are physically located in Ireland or if the register of Notes is maintained in Ireland).

### ***Automatic exchange of information***

Irish reporting financial institutions, which may include the Issuer have reporting obligations in respect of a Noteholder under FATCA as implemented pursuant to the Ireland – US intergovernmental agreement and/or the OECD's Common Reporting Standard (see below).

### ***Information exchange and the implementation of FATCA in Ireland***

The Issuer may be obliged to report certain information in respect of certain U.S. investors (i.e. the Noteholders) in the Issuer to the Irish Revenue Commissioners who will then share that information with the U.S. tax authorities. FATCA may impose a 30 per cent. US withholding tax on certain 'withholdable payments' made on or after 1 July 2014 unless the payee enters into and complies with an agreement with the IRS to collect and provide to the IRS substantial information regarding direct and indirect owners and account holders.

On 21 December 2012 Ireland signed an Intergovernmental Agreement (the "IGA") with the United States to improve International Tax Compliance and to Implement FATCA. Under this agreement Ireland agreed to implement legislation to collect certain information in connection with FATCA and the Irish and U.S. tax authorities have agreed to automatically exchange this information. The IGA provides for the annual automatic exchange of information in relation to accounts and investments held by certain U.S. persons in a broad category of Irish financial institutions and vice versa.

Under the IGA and the Financial Accounts Reporting (United States of America) Regulations 2014 as amended (the "**Irish Regulations**") implementing the information disclosure obligations Irish reporting financial institutions are required to report certain information with respect to U.S. account holders to the Irish Revenue Commissioners. The Irish Revenue Commissioners will automatically provide that information annually to the IRS. To the extent the Issuer is an Irish reporting financial institution it will need to obtain the necessary information from Noteholders required to satisfy the reporting requirements whether under the IGA, the Irish Regulations or any other applicable legislation published in connection with FATCA and such information may be sought from each Noteholder and beneficial owner of the Notes. It should be noted that the Irish Regulations require the collection of information and filing of returns with the Irish Revenue Commissioners regardless as to whether the Issuer holds any U.S. assets or has any U.S. investors. Holders should obtain independent tax advice in relation to the potential impact of FATCA before investing.

### ***Common Reporting Standard ("CRS")***

The CRS framework was first released by the OECD in February 2014. To date, more than 90 jurisdictions have publicly committed to implementation, many of which are early adopter countries, including Ireland. On 21 July 2014, the Standard for Automatic Exchange of Financial Account Information in Tax Matters (the "**Standard**") was published, involving the use of two main elements, the Competent Authority Agreement (the "**CAA**") and the CRS.

The goal of the Standard is to provide for the annual automatic exchange between governments of financial account information reported to them by local Financial Institutions ("**FIs**") relating to account holders tax resident in other participating countries to assist in the efficient collection of tax. The OECD, in developing the CAA and CRS, have used FATCA concepts and as such the Standard is broadly similar to the FATCA requirements, albeit with numerous alterations. It will result in a significantly higher number of reportable persons due to the increased instances of potentially in-scope accounts and the inclusion of multiple jurisdictions to which accounts must be reported.

Ireland is a signatory jurisdiction to the Multilateral Competent Authority Agreement on Automatic Exchange of Financial Account Information, which was entered into by Ireland in its capacity as a signatory to the Convention on Mutual Administrative Assistance in Tax Matters and which relates to the automatic exchange of financial account information in respect of CRS, while sections 891F and 891G of the 1997 Act and regulations made thereunder contain measures necessary to implement the CRS internationally and across the European Union, respectively. Regulations, the Returns of Certain Information by Reporting Financial Institutions Regulations 2015 (the "**CRS Regulations**"), gave effect to the CRS from 1 January 2016. Directive 2014/107/EU on Administrative Cooperation in the Field of Taxation ("**DAC II**") implements CRS in a European context and creates a mandatory obligation for all EU Member States to exchange financial account information in respect of residents in other EU Member States on an annual basis commencing in 2017 in respect of the 2016 calendar year. The Irish Finance Act 2015 contained measures necessary to implement the DAC II. regulations, the Mandatory Automatic Exchange of Information in the Field of Taxation Regulations 2015 (together with the CRS Regulations, the "**Regulations**"), gave effect to DAC II from 1 January 2016.

Under the Regulations reporting financial institutions are required to collect certain information on accountholders and on certain Controlling Persons (as defined in the Regulations) in the case of the accountholder(s) being an Entity, as defined for CRS purposes, (e.g. name, address, jurisdiction of residence, TIN, date and place of birth (as appropriate), the account number and the account balance or value at the end of each calendar year) to identify accounts which are reportable to the Irish tax authorities. The Irish tax authorities shall in turn exchange such information with their counterparts in participating jurisdictions. Where Notes are held in a clearing system it is understood that either the clearing system itself or the relevant clearing participants are likely to be considered FIs and accordingly the Issuer should not have reporting obligations in respect of Noteholders holding those Notes. In that event the Issuer will make a nil return for that year to the Irish Revenue Commissioners. Further information in relation to CRS and DAC II can be found on the Automatic exchange of Information webpage on [www.revenue.ie](http://www.revenue.ie).

### ***Stamp Duty***

No stamp duty or similar tax is imposed in Ireland on the issue, transfer or redemption of the Notes provided the Issuer is a qualifying company for the purposes of Section 110 of the 1997 Act and the proceeds of the Notes are used in the course of the Issuer's business (on the basis of an exemption provided for in Section 85(2)(c) of the Irish Stamp Duties Consolidation Act 1999).

### **U.S. Foreign Account Tax Compliance Withholding**

The United States has enacted rules, commonly referred to as "**FATCA**", that generally impose a new reporting and withholding regime with respect to certain U.S. source payments (including dividends and interest), gross proceeds from the disposition of property that can produce U.S. source interest and dividends and certain payments made by entities that are classified as financial institutions under FATCA.

The United States has entered into an intergovernmental agreement regarding the implementation of FATCA with Ireland (the "**IGA**"). Under the IGA the Issuer does not expect payments made on or with respect to the Notes to be subject to withholding under FATCA. No assurance can be given that withholding under FATCA will not become relevant with respect to payments made on or with respect to the Notes in the future.

While the Notes are in global form and held within the Clearing Systems, it is expected that FATCA will not affect the amount of any payments made under, or in respect of, the Notes by the Issuer, any paying agent or the Common Safekeeper, given that each of the entities in the payment chain between the Issuer and the participants in the Clearing Systems is a major financial institution whose business is dependent on compliance with FATCA and that any alternative approach introduced under the IGA will be unlikely

to affect the Notes. To the extent that the Notes are listed on a recognised stock exchange (which includes Euronext Dublin) with the intention that the interests may be traded, or are held within a recognised clearing system, the Issuer should have no reportable accounts in a tax year. In that event, the Issuer will make a nil return for that year to the Irish Revenue Commissioners. The documentation expressly contemplates the possibility that the Notes may go into definitive form and therefore that they may be taken out of the clearing systems. If this were to happen, then a non-FATCA compliant holder could be subject to FATCA withholding. However, such definitive notes will only be printed in remote circumstances.

**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 have, pursuant to a subscription agreement dated on or about the date of this Prospectus between, *inter alios*, the Seller, the Arranger, 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 the Class A Notes at the issue price of 100 per cent. of the aggregate principal amount of the Class A Notes, the Class B Notes at the issue price of 100 per cent. of the aggregate principal amount of the Class B Notes, the Class C Notes at the issue price of 100 per cent. of the aggregate principal amount of the Class C Notes, the Class D Notes at the issue price of 100 per cent. of the aggregate principal amount of the Class D Notes, Class X1 Notes at the issue price of 100 per cent. of the aggregate principal amount of the Class X1 Notes, Class X2 Notes at the issue price of 40 per cent. of the aggregate principal amount of the Class X2 Notes, Class Z1 Notes at the issue price of 100 per cent. of the aggregate principal amount of the Class Z1 Notes and the Class Z2 Notes at the issue price of 100 per cent. of the aggregate principal amount of the Class Z2 Notes.

In the Subscription Agreement the Seller, in its capacity as originator, has covenanted that it will, *inter alia*, retain a material net economic interest of not less than 5 per cent. in the securitisation in accordance with Article 6 of the Securitisation Regulation. As at the Closing Date, such retention requirement will be satisfied by the Seller, in its capacity as originator, holding the first loss tranche as required by Article 6 (comprising the Class Z1 Notes and the Class Z2 Notes). The Issuer, in its capacity as the designated entity, will also undertake to comply with its obligations under Article 7(2) of the Securitisation Regulation. As further described in the Cash Management Agreement and Servicing Agreement, the Issuer has instructed the Cash Manager and the Servicer respectively to assist the Issuer in performing the Issuer's obligations under Article 7 of the Securitisation Regulations. Any change to the manner in which such interest is held will be notified to the Noteholders. The information made available in the SR Investor Report (as prepared by the Cash Manager) pursuant to this undertaking can be viewed by Noteholders on the Cash Manager Website, being a website which conforms to the requirements set out in Article 7(2) of the Securitisation Regulation until there is a SR Repository appointed by the Issuer in which case they shall be made available and published through such SR Repository to comply with any other requirements imposed by the Securitisation Regulation on an "originator" (as defined in the Securitisation Regulation). The contents of the Cash Manager Website do not form part of this Prospectus.

The Seller has, pursuant to the Subscription Agreement, agreed with the Issuer (subject to certain conditions) to subscribe and pay for 100 per cent. of the Class X2 Notes, the Class Z1 Notes and Class Z2 Notes at the issue price of 40 per cent. of the aggregate principal amount of the Class X2 Notes and 100 per cent. of the aggregate principal amount of each of the Class Z1 Notes and the Class Z2 Notes as at the date hereof. The Issuer will, pursuant to the Subscription Agreement, issue and deliver, for the benefit of the Seller, 100 per cent. of the Class R Notes as partial consideration for the sale of the Closing Mortgage Portfolio.

The Issuer has agreed to indemnify the Seller, the Arranger and the Joint Lead Managers against certain liabilities and to pay certain costs and expenses in connection with the issue of the Notes.

Other than admission of the Notes to the Official List and the admission to trading on Euronext Dublin's regulated market, no action has been taken by the Issuer, the Arranger, the Joint Lead Managers or the Seller, which would or has been intended to permit a public offering of the Notes, or possession or distribution of this Prospectus or other offering material relating to the Notes, 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 in or from any country or jurisdiction where such an offer or solicitation is not authorised or is unlawful.

### United Kingdom

Each of the Joint Lead Managers and the Seller 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 Joint Lead Managers and the Seller has acknowledged that, save for having obtained the approval of the Prospectus as a prospectus in accordance with Part VI of FSMA, having applied for the admission of the Notes to the Official List and admission to trading on Euronext Dublin, no further action has been or will be taken in any jurisdiction by the Joint Lead Managers or the Seller 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.

### **United States**

The Notes have not been and will not be registered under the Securities Act or the securities laws or "blue sky" laws of any state or any other relevant jurisdiction of the United States and therefore may not be offered, sold, resold or otherwise transferred, directly or indirectly within the United States or to, or for the account or benefit of, U.S. persons (as defined under Regulation S) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state or local securities laws. Accordingly, the Notes are being offered outside the United States to persons other than U.S. persons (as defined in Regulations S).

Except with the prior written consent of Dilosk 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:
  - (i) Organized or incorporated under the laws of any foreign jurisdiction; and
  - (ii) Formed by a U.S. person (as defined under any other clause of this definition) principally for the purpose of investing in securities not registered under the Securities Act.

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 (2) 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.

## **Ireland**

Each of the Joint Lead Managers and the Seller 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 the European Union (Markets in Financial Instruments) Regulations 2017 (as amended) (the "**MiFID II Regulations**") including, without limitation, Regulation 5 (Requirement for Authorisation (and certain provisions concerning MTFS and OTFS)) thereof, or any rules or codes of conduct made under the MiFID II Regulations, and the provisions of the Investor Compensation Act 1998 (as amended);
- (b) it will not underwrite the issue of, or place, the Notes, otherwise than in conformity with the provisions of the Companies Act, the Central Bank Acts 1942 – 2018 (as amended) and any codes of practice made under Section 117(1) of the Central Bank Act 1989 (as amended);
- (c) it will not underwrite the issue of, or place, or do anything in Ireland in respect of the Notes otherwise than in conformity with the provisions of the Prospectus (Directive 2003/71/EC) Regulations 2005 (as amended) and any rules issued by the Central Bank under Section 1363 of the Companies Act; 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 Market Abuse Regulation (EU 596/2014) (as amended), the European Union (Market Abuse) Regulations 2016 (as amended) and any rules and guidance issued by the Central Bank under Section 1370 of the Companies Act.

## **Prohibition of Sales to EEA Retail Investors**

Each Joint Lead Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the European Economic Area. For the purposes of this provision:

- (a) the expression "**retail investor**" means a person who is one (or more) of the following:
  - (i) a retail client as defined in point (11) Article 4(1) of MiFID II; or
  - (ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
  - (iii) not a qualified investor as defined in the Prospectus Directive; 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 the Notes.

## **France**

Each of the Joint Lead Managers and the Seller represents and agrees with the Issuer that it has not offered or sold directly or indirectly, nor may this Prospectus or any other offering material relating to the Notes be distributed, to the public in France except an offer of the Notes to the public in France will be made only in compliance with the Prospectus Directive and the applicable laws, regulations and procedures in France and formalities required by French laws and regulations to permit the offering and sale of the Notes in France. For the purpose of this provision only the expression "**the public in France**" does not include (a) providers of investment services in relation to portfolio management for the account third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de*

*tiers*), and/or (b) qualified investors (*investisseurs qualifiés*), other than individuals, investing for their own account, all as defined in, and in accordance with, articles L.411-1, L.411-2 and D.411-1 of the French Code *monétaire et financier* and other applicable regulations.

### **Switzerland**

The Notes may not be publicly offered, sold or advertised, directly or indirectly, in, into or from Switzerland and will not be listed on the SIX Swiss Exchange or on any other exchange or regulated trading facility in Switzerland. Neither this Prospectus nor any other offering or marketing material relating to the Notes constitutes a prospectus as such term is understood pursuant to article 652a or article 1156 of the Swiss Code of Obligations or a listing prospectus within the meaning of the listing rules of the SIX Swiss Exchange or any other regulated trading facility in Switzerland or a simplified prospectus or a prospectus as such term is defined in the Swiss Collective Investment Scheme Act, and neither this Prospectus nor any other offering or marketing material relating to the Notes may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this Prospectus nor any other offering or marketing material relating to the offering, nor the Issuer nor the Notes have been or will be filed with or approved by any Swiss regulatory authority. The Notes are not subject to the supervision by any Swiss regulatory authority, e.g., the Swiss Financial Markets Supervisory Authority FINMA and investors in the Notes will not benefit from protection or supervision by such authority.

### **General**

Each of the Joint Lead Managers and the Seller has undertaken that it will not, directly or indirectly, offer or sell any Notes or have in its possession, distribute or publish any offering circular, prospectus, form of application, advertisement or other document or information in respect of the Notes in any country or jurisdiction except under circumstances that will, to the best of its knowledge and belief, result in compliance with any applicable laws and regulations and all offers and sales of Notes by it will be made on the same terms.

## LISTING AND GENERAL INFORMATION

- (a) It is expected that the admission of the Notes to the Official List and the admission of the Notes to trading on Euronext Dublin's regulated market will be granted on or around 18 April 2019.
- (b) The Issuer's LEI number is 549300L1Q022BYYTSK13.
- (c) The Issuer has not been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware), since 4 February 2019 (being the date of incorporation of the Issuer) which may have, or have had in the recent past, significant effects upon the financial position or profitability of the Issuer.
- (d) The auditors for the Issuer are KPMG. KPMG is a member of the Institute of Chartered Accountants in Ireland. 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) The Issuer does not publish interim accounts.
- (f) Since 4 February 2019 (being the date of incorporation of the Issuer), there has been (a) no material adverse change in the financial position or prospects of the Issuer and (b) no significant change in the financial or trading position of the Issuer.
- (g) Since the date of its incorporation, the Issuer has not entered into any contracts or arrangements not being in the ordinary course of business.
- (h) The issue of the Notes was authorised pursuant to a resolution of the board of directors of the Issuer passed on 16 April 2019.
- (i) The following Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg under the following ISIN and Common Codes:

<u>Class of Notes</u>	<u>ISIN</u>	<u>Common Code</u>
Class A .....	XS1968465226	196846522
Class B .....	XS1968465655	196846565
Class C .....	XS1968465812	196846581
Class D .....	XS1968466034	196846603
Class X1 .....	XS1968468246	196846824
Class X2 .....	XS1968466463	196846646
Class Z1 .....	XS1968468832	196846883
Class Z2 .....	XS1968468915	196846891
Class R .....	XS1968468592	196846859

- (j) From the date of this Prospectus and for so long as the Notes are listed on Euronext Dublin's regulated market, physical copies of the following documents may be inspected in electronic or physical form at the offices of the Issuer at Fourth Floor, 3 George's Dock, International Financial Services Centre, Dublin 1 and at the Specified Office of the Principal Paying Agent in London, upon reasonable request, during usual business hours, on any weekday (public holidays excepted):
- (i) the Constitution of the Issuer; and
- (ii) copies of each of the Transaction Documents (other than the Subscription Agreement).
- (k) The Issuer (as the designated entity for the purposes of the Article 7(2) of the Securitisation Regulation) will:
- (i) from the date of this Prospectus:
- (A) procure that the Cash Manager will publish a SR Investor Report;
- (B) procure that the Servicer will publish a SR Data Tape,

in each case, no later than 10.00 a.m. on the sixth Business Day immediately following each Interest Payment Date in relation to the Mortgage Portfolio in respect of the relevant Calculation Period; and

- (C) procure that the Cash Manager will publish without delay, in the manner prescribed under the Securitisation Regulation, any (i) inside information relating to the Issuer which the Issuer determines it is obliged to make in accordance with Article 17 of Regulation (EU) No. 596/2014 in accordance with Article 7(1)(f) of the Securitisation Regulation and will be disclosed to the public by the Issuer; or (ii) any significant event in accordance with Article 7(1)(g) of the Securitisation Regulation, as supplied to the Cash Manager in a form acceptable to it.
- (ii) procure that the Servicer will make available, within five Business Days of the issuance of the Notes, copies of the relevant Transaction Documents and this Prospectus.
- (l) In addition, the Issuer confirms that the Originator has made available the documents required by Article (7)(1)(b) of the Securitisation Regulation prior to the pricing date of the Notes.
- (m) The reports, documentation and information:
  - (i) set out in paragraphs (k)(i)(A) and (k)(i)(C) above as at the date of this Prospectus have been or, as applicable, shall be published on the website at <https://gctinvestorreporting.bnymellon.com>;
  - (ii) set out in paragraphs (k)(i)(B) and (k)(ii) above as at the date of this Prospectus have been or, as applicable, shall be published on the European Data Warehouse <https://eurodw.eu/>;

(or such other website as may be notified by the Cash Manager and/or the Servicer to the Issuer), being a website that conforms to the requirements set out in Article 7(2) of the Securitisation Regulation. The Issuer (or Servicer acting on its behalf) shall notify the Rating Agencies, the Central Bank and the Noteholders of any changes to any of the SR Websites.

Following the appointment by the Issuer of a SR Repository, such reports and information will be made available through such SR Repository. For the avoidance of doubt, this website and the contents thereof do not form part of this Prospectus.

- (n) The Issuer confirms that the Mortgage Loans backing the issue of the Notes have characteristics that demonstrate capacity to produce funds to service any payments due and payable on the Notes. Investors are advised that this confirmation is based on the information available to the Issuer at the date of this Prospectus and may be affected by the future performance of such assets backing the issue of the Notes. Investors are advised to review carefully any disclosure in the Prospectus together with any amendments or supplements thereto.
- (o) The total expenses to be paid in relation to admission of the Notes to the Official List and trading on the regulated market of Euronext Dublin are estimated to be approximately €10,000.
- (p) A&L Listing 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 its regulated market.

## GLOSSARY OF DEFINED TERMS

"Account Bank"	means The Bank of New York Mellon, London Branch acting in such capacity (or any successor duly appointed).
"Account Bank Agreement"	means the agreement so named dated on or about the Closing Date between the Issuer, the Cash Manager, the Account Bank and the Trustee.
"Accrued Interest"	means as at any date (the " <b>determination date</b> ") 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 the determination date) which has accrued (but is not yet due and payable) from and including the Monthly Payment Date immediately prior to such determination date to and including that determination date.
"Additional Interest"	has the meaning given to that term in Condition 8.12 ( <i>Interest Accrual</i> ).
"Additional Mortgage Loan"	means any Mortgage Loan sold or to be sold to the Issuer on an Additional Purchase Date.
"Additional Mortgage Loan Conditions"	<p>means those conditions that must be met before the Issuer can purchase any Additional Mortgage Loans on any Additional Purchase Date, being:</p> <ul style="list-style-type: none"><li>(a) the provision, by each of the Issuer and the Seller, of solvency certificates dated the date of such purchase, signed by an authorised officer of the relevant company;</li><li>(b) no Enforcement Notice having been served;</li><li>(c) the following tests being satisfied on the Additional Purchase Date in respect of the Closing Mortgage Loans together with each Additional Mortgage Loan to be purchased, and that has already been purchased prior to, such Additional Purchase Date (the "<b>Cumulative Mortgage Portfolio</b>"): <ul style="list-style-type: none"><li>(i) the weighted average original loan to value of the Cumulative Mortgage Portfolio is less than or equal to 57.50 per cent.;</li><li>(ii) the weighted average interest rate of the Cumulative Mortgage Portfolio is greater than or equal to 5.15 per cent.;</li><li>(iii) the weighted average Interest Coverage Ratio of the Cumulative Mortgage Portfolio is at least 215 per cent.;</li><li>(iv) the aggregate Current Balance of each Mortgage Loan in the Cumulative Mortgage Portfolio: <ul style="list-style-type: none"><li>(A) with a Current Balance of greater than €500,000 is less than or equal to 19.00 per cent.</li></ul></li></ul></li></ul>

- (B) where the relevant Property has a value, according to the most recent Valuation Report, of greater than €500,000 is less than or equal to 45.00 per cent.,
- (C) that is an Interest Only Mortgage Loan is less than or equal to 80.00 per cent.
- (D) that is a Flexi Mortgage Loan is less than or equal to 8.00 per cent.
- (E) the purpose of which is a re-mortgage is less than or equal to 52.50 per cent.;
- (F) where the Borrower is self-employed is less than or equal to 38.00 per cent.
- (G) where the relevant Property is located in Dublin is less than or equal to 80 per cent.;
- (H) where the relevant Property is located in the South West Region is less than or equal to 11.50 per cent.;
- (I) where the Borrower is a Pensions Trustee or a Unit Trust is less than or equal to 10.50 per cent.;
- (J) where the Borrower is a company is less than or equal to 20.00 per cent.; and
- (K) where the relevant Property is a Multi-Unit Property is less than or equal to 16.00 per cent.,

in each case, of the aggregate Current Balance of the Cumulative Mortgage Portfolio; and

- (d) each Additional Mortgage Loan meets the ICS Mortgages Lending Criteria and complies with the terms of the Mortgage Sale Agreement; and
- (e) the Issuer having sufficient funds standing to the credit of the Pre-Funding Principal Reserve to make payment to the Seller of the Additional Consideration on such Additional Purchase Date.

**"Additional Mortgage Loan Cut-Off Date"**

means the date specified as such in the Additional Mortgage Loan Sale Notice, being the last calendar day of the month prior to an Additional Purchase Date.

**"Additional Mortgage Loan Sale Notice"**

means a notice delivered pursuant to the Mortgage Sale Agreement in connection with the sale by the Seller to the Issuer of Additional Mortgage Loans.

**"Additional Purchase Date"**

means the date when the Issuer is entitled to purchase an Additional Mortgage Loan as specified as such in the Additional Mortgage Loan Sale Notice, being any Business Day

during the Pre-Funding Availability Period.

"Agency Agreement"	means the agreement so named dated on or about the Closing Date between the Issuer, the Agents and the Trustee.
"Agent Bank"	means The Bank of New York Mellon, London Branch in its capacity as agent bank pursuant to the Agency Agreement (or any successor duly appointed).
"Agents"	means the Agent Bank and the Paying Agents and the Registrar (or any successors duly appointed) and " <b>Agent</b> " means any one of them.
"Alternative Benchmark Rate"	has the definition given to it in Condition 18 ( <i>Modification and Waiver in Relation to the Screen Rate</i> ).
"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 Regulatory Law"	means the Code of Conduct on Mortgage Arrears 2013 (as amended), the Credit Reporting Act 2013, the Consumer Protection Code 2012, the Central Bank (Supervision and Enforcement) Act 2013 (Section 48) (Lending to Small and Medium-Sized Enterprises) Regulations 2015, European (Consumer Mortgage Credit Agreements) Regulations 2016 (as amended), the SME Code (as applicable), the Consumer Credit Act 1995 (as amended) and the Central Bank Act 1997 (as amended), the European Communities (Unfair Terms in Consumer Contracts) Regulations 1995 (as amended), the European Communities (Distance Marketing of Consumer Financial Services) Regulations 2004 (as amended), the Criminal Justice Act 1994 (as amended) and the Criminal Justice (Money Laundering and Terrorist Financing) Act 2010 and any other applicable laws, rules or regulations including any statutory or regulatory codes of conduct, guidelines or policies issued by the Central Bank of Ireland.
"Appointee"	means any delegate, agent, nominee, custodian, attorney, co-trustee or manager appointed or employed by the Trustee pursuant to the provisions of the Trust Documents and other Transaction Documents.
"Arrears Deficiency Provision Amount"	means, for each Deficient Mortgage Loan, the sum of the product of (a) the Current Balance of such Deficient Mortgage Loan and (b) the then current Arrears Percentage of that Mortgage Loan.
"Arrears of Interest"	means as at any date (the " <b>determination date</b> ") 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.
"Arrears Percentage"	means, for a Deficient Mortgage Loan that has <ol style="list-style-type: none"><li>an amount due and unpaid equal to between 180 and 269 days of scheduled interest and principal instalments for such a Deficient Mortgage Loan, 30 per. cent;</li><li>an amount due and unpaid equal to between 270 and 359 days of scheduled interest and principal instalments</li></ol>



for such a Deficient Mortgage Loan, 60 per. cent; and

- (c) an amount due and unpaid equal to more than 359 days of scheduled interest and principal instalments for such a Deficient Mortgage Loan, 100 per. cent.

**"Authorised Signatory"**

means, in relation to any Transaction Party, any person who is duly authorised and in respect of whom a certificate has been provided signed by a director or another duly authorised person of such Transaction Party setting out the name and signature of such person and confirming such person's authority to act.

**"Available Principal Receipts"**

means for any Interest Payment Date (without double counting):

- (a) all Principal Receipts received by the Issuer during the immediately preceding Calculation Period;
- (b) any Liquidity Reserve Fund Excess Amounts;
- (c) the amounts (if any) to be credited to the Principal Deficiency Ledger pursuant to items (f), (h), (j), (l) and/or (n) of the Pre-Enforcement Revenue Priority of Payments on such Interest Payment Date;
- (d) from and including, the Step-Up Date, and until the Notes have been redeemed in full, any Available Revenue Receipts applied as Available Principal Receipts in accordance with item (r) of the Pre-Enforcement Revenue Priority of Payments;
- (e) any amount to be applied as Available Principal Receipts in accordance with Condition 8.13(c)(i) (*Determinations and Reconciliation*);
- (f) any amounts released from the Liquidity Reserve Fund when the Liquidity Reserve Fund Required Amount is reduced to zero (on redemption of the Class A Notes in full); and
- (g) any amounts released from the General Reserve Fund when the General Reserve Fund Required Amount is reduced to zero (after all the Rated Notes (other than the Class X1 Notes) have been redeemed in full),

*less:*

- (h) the amount of Principal Receipts used during the immediately preceding Calculation Period to purchase any Further Advances;
- (i) the Principal Deficiency Excess Revenue Amounts; and
- (j) any Reconciliation Amount applied in accordance with Condition 8.13(c)(ii).

**"Available Revenue Receipts"**

means for any Interest Payment Date, an amount equal to the aggregate of (without double counting):

- (a) an amount equal to the Revenue Receipts received by the Issuer during the immediately preceding Calculation Period which have been designated as Available Revenue Receipts by the Cash Manager in

accordance with the Cash Management Agreement or, if the immediately preceding Calculation Period is a Determination Period, Calculated Revenue Receipts (excluding in each case an amount to be applied as Revenue Receipts in accordance with Condition 8.13(c)(ii) (*Determinations and Reconciliation*) on the relevant Interest Payment Date);

- (b) interest payable to the Issuer on the Transaction Account received during the immediately preceding Calculation Period;
- (c) any Principal Deficiency Excess Revenue Amounts determined on the Determination Date for the immediately preceding Interest Payment Date;
- (d) any amounts withdrawn from the General Reserve Fund to remedy a Shortfall;
- (e) any amounts withdrawn from the Liquidity Reserve Fund in order to remedy a Revenue Shortfall;
- (f) any Principal Receipts applied in order to remedy a Remaining Revenue Shortfall;
- (g) any amount applied as Available Revenue Receipts in accordance with Condition 8.13(c)(ii) (*Determinations and Reconciliation*);
- (h) any Principal Receipts applied as Available Revenue Receipts pursuant to item (j) of the Pre-Enforcement Principal Priority of Payments; and
- (i) other net income of the Issuer received during the immediately preceding Calculation Period (other than any Principal Receipts or any Issuer Profit Amounts),

less any Reconciliation Amount applied in accordance with Condition 8.13(c)(i).

**"Back-Up Servicer Facilitator"**

means Wilmington Trust SP Services (Dublin) Limited in its capacity as back-up servicer facilitator pursuant to the Servicing Agreement (or any successor duly appointed).

**"Benchmark Modification Noteholder Notice"**

has the meaning given to that term in Condition 18 (*Modification and Waiver in relation to the Screen Rate*).

**"Benchmark Rate Disruption"**

means the occurrence of any of the following:

- (a) a material disruption to EURIBOR, a material change in the methodology of calculating EURIBOR or EURIBOR ceasing to exist or be published;
- (b) the insolvency or cessation of business of the EURIBOR administrator (in circumstances where no successor EURIBOR administrator has been appointed);
- (c) a public statement by the EURIBOR administrator that it will cease publishing EURIBOR permanently or indefinitely (in circumstances where no successor EURIBOR administrator has been appointed that will

continue publication of EURIBOR);

- (d) a public statement by the supervisor of the EURIBOR administrator that EURIBOR has been or will be permanently or indefinitely discontinued or will be changed in an adverse manner;
- (e) a public statement by the supervisor of the EURIBOR administrator that means EURIBOR may no longer be used or that its use is subject to restrictions or adverse consequences; or
- (f) it being the reasonable expectation of the Servicer or the Cash Manager that any of the events specified in sub-paragraphs (a) to (e) (inclusive) above will occur or exist within six months of the proposed effective date of such Benchmark Rate Modification.

**"Benchmark Rate Eligibility Requirement"**

means the Alternative Benchmark Rate being any one of the following:

- (a) a base rate with an equivalent term to the Screen Rate as published, endorsed, approved or recognised as a replacement to the Screen Rate by the European Central Bank, any regulator in the European Union or any stock exchange on which the Notes are listed (or any relevant committee or other body established, sponsored or approved by any of the foregoing) (which, for the avoidance of doubt, may be an Screen Rate together with a specified adjustment factor which may increase or decrease the relevant Screen Rate); or
- (b) a base rate with an equivalent term utilised in a material number of publicly-listed new issues of asset backed floating rate notes denominated in euro in the six months prior to the proposed effective date of such Benchmark Rate Modification; or
- (c) such other base rate as the Issuer (or the Servicer on its behalf) reasonably determines, provided that this option may only be used if the Issuer or the Servicer, as applicable certifies to the Trustee that, in the reasonable opinion of the Issuer neither paragraph (a) nor (b) above are applicable and/or practicable in the context of the Transaction, and sets out the rationale in the Benchmark Rate Modification Certificate for choosing the proposed Alternative Benchmark Rate.

**"Benchmark Rate Modification"**

has the meaning given to that term in Condition 18 (*Modification and Waiver in relation to the Screen Rate*).

**"Benchmark Rate Modification Certificate"**

has the meaning given to that term in Condition 18 (*Modification and Waiver in relation to the Screen Rate*).

**"Benchmark Rate Modification Record Date"**

means a change in Screen Rate in respect of the Notes from EURIBOR to an Alternative Benchmark Rate.

**"Benefit"**

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:

- (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 Investor"**

means:

- (a) an "employee benefit plan" within the meaning of Section 3(3) of ERISA that is subject to Title I of ERISA;
- (b) a "plan" within the meaning of and subject to Section 4975 of the Code; or
- (c) a person or entity whose underlying assets are deemed to be "plan assets" within the meaning of the Plan Assets Regulation of a plan described in (a) or (b) by reason of such plan's investment in the person or entity or otherwise for purposes of Title I of ERISA or Section 4975 of the Code.

**"Borrower"**

means, in relation to a Mortgage Loan, the individual or

individuals, corporate entities or pensions unit trusts specified as such in the relevant Mortgage Conditions together with the individual or individuals, corporate entities or pensions unit trusts specified (if any) from time to time assuming an obligation to repay such Mortgage Loan or part of it, including any guarantor.

<b>"Breach of Duty"</b>	means in relation to any person (other than the Trustee, the Agents, the Account Bank and the Cash Manager), a wilful default, fraud, illegal dealing or gross negligence.
<b>"Buildings Policy"</b>	means any buildings insurance or buildings and contents insurance policy relating to any Property effected by the relevant Borrower which is an Insurance Policy.
<b>"Business Day"</b>	means a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in London and Dublin and which is a TARGET2 Settlement Day.
<b>"Calculation Date"</b>	the last calendar day in the calendar month immediately preceding an Interest Payment Date.
<b>"Calculation Period"</b>	means the period from (but excluding) a Calculation Date (or in respect of the first Calculation Period, from and including the Closing Date) to (and including) the next (or first) Calculation Date and, in relation to an Interest Payment Date, the <b>"related Calculation Period"</b> means, unless the context otherwise requires, the Calculation Period ending immediately before such Interest Payment Date.
<b>"Capital Balance"</b>	means in respect of a Mortgage Loan at any date the principal balance of that Mortgage Loan.
<b>"Capitalised Arrears"</b>	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.
<b>"Capitalised Expenses"</b>	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.
<b>"Cash Management Agreement"</b>	means the cash management agreement so named entered into on or about the Closing Date between, among others, the Cash Manager, the Issuer and the Trustee and/or any successor or replacement cash management agreement entered into by the Issuer from time to time.
<b>"Cash Manager"</b>	means The Bank of New York Mellon, London Branch in its capacity as cash manager pursuant to the Cash Management Agreement (or any successor duly appointed).
<b>"Cash Manager Website"</b>	means <a href="https://gctinvestorreporting.bnymellon.com">https://gctinvestorreporting.bnymellon.com</a> (or such other website designated as such by the Cash Manager).

<b>"Certificate of Title"</b>	means a solicitor's or licensed conveyancer's report or certificate of title obtained by or on behalf of the Originator in respect of each Property.
<b>"Charged Accounts"</b>	means the Issuer Accounts (excluding the Issuer Profit Account) 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 English Deed of Charge.
<b>"Charged Property"</b>	means all the property of the Issuer which is subject to the Security.
<b>"Class A Global Note"</b>	means the global note representing the Class A Notes.
<b>"Class A Noteholders"</b>	means the persons who for the time being are the registered holders of the Class A Notes.
<b>"Class A Notes"</b>	means the €167,552,000 Class A Residential Mortgage Backed Floating Rate Notes due October 2057 issued or due to be issued by the Issuer on the Closing Date or, as the case may be, a specific number thereof, whether represented by Notes in definitive or global form.
<b>"Class A Principal Deficiency Sub-Ledger"</b>	means the sub-ledger of the Principal Deficiency Ledger relating to the Class A Notes.
<b>"Class B Global Note"</b>	means the global note representing the Class B Notes.
<b>"Class B Noteholders"</b>	means the persons who for the time being are the registered holders of the Class B Notes.
<b>"Class B Notes"</b>	means the €13,613,000 Class B Residential Mortgage Backed Floating Rate Notes due October 2057 issued or due to be issued by the Issuer on the Closing Date or, as the case may be, a specific number thereof, whether represented by Notes in definitive or global form.
<b>"Class B Principal Deficiency Sub-Ledger"</b>	means the sub-ledger of the Principal Deficiency Ledger relating to the Class B Notes.
<b>"Class C Global Note"</b>	means the global note representing the Class C Notes.
<b>"Class C Noteholders"</b>	means the persons who for the time being are the registered holders of the Class C Notes.
<b>"Class C Notes"</b>	means the €12,042,000 Class C Residential Mortgage Backed Floating Rate Notes due October 2057 issued or due to be issued by the Issuer on the Closing Date or, as the case may be, a specific number thereof, whether represented by Notes in definitive or global form.
<b>"Class C Principal Deficiency Sub-Ledger"</b>	means the sub-ledger of the Principal Deficiency Ledger relating to the Class C Notes.
<b>"Class D Global Note"</b>	means the global note representing the Class D Notes.
<b>"Class D Noteholders"</b>	means the persons who for the time being are the registered holders of the Class D Notes.
<b>"Class D Notes"</b>	means the €10,995,000 Class D Residential Mortgage Backed Floating Rate Notes due October 2057 issued or due to be

	issued by the Issuer on the Closing Date or, as the case may be, a specific number thereof, whether represented by Notes in definitive or global form.
<b>"Class D Principal Deficiency Sub-Ledger"</b>	means the sub-ledger of the Principal Deficiency Ledger relating to the Class D Notes.
<b>"Class R Global Note"</b>	means the global note representing the Class R Notes.
<b>"Class R Note Interest Amount"</b>	means, in respect of any Interest Payment Date: <ul style="list-style-type: none"> <li>(a) prior to the delivery of an Enforcement Notice on the Issuer, the amount by which Available Revenue Receipts exceed the amounts required to pay or provide for items (a) to (v) of the Pre-Enforcement Revenue Priority of Payments; and</li> <li>(b) following delivery of an Enforcement Notice on the Issuer, the amount by which the amounts to be applied in accordance with the Post-Enforcement Priority of Payments exceeds the amounts required to pay or provide for items (a) to (t) of the Post-Enforcement Priority of Payments.</li> </ul>
<b>"Class R Noteholders"</b>	means the persons who for the time being are the registered holders of the Class R Notes.
<b>"Class R Notes"</b>	means the €3,000,000 Class R Residential Mortgage Backed Notes due October 2057 issued or due to be issued by the Issuer on the Closing Date or, as the case may be, a specific number thereof, whether represented by Notes in definitive or global form.
<b>"Class X1 Global Note"</b>	means the global note representing the Class X1 Notes.
<b>"Class X1 Noteholders"</b>	means the persons who for the time being are the registered holders of the Class X1 Notes.
<b>"Class X1 Notes"</b>	means the €10,472,000 Class X1 Residential Mortgage Backed Floating Rate Notes due October 2057 issued or due to be issued by the Issuer on the Closing Date or, as the case may be, a specific number thereof, whether represented by Notes in definitive or global form.
<b>"Class X1 Redemption Amount"</b>	means, in relation to each Interest Payment Date, an amount equal to: <ul style="list-style-type: none"> <li>(a) one-eighth of the Principal Amount Outstanding of the Class X1 Notes as at the Closing Date; plus</li> <li>(b) any Deferred Class X1 Redemption Amount.</li> </ul>
<b>"Class X2 Global Note"</b>	means the global note representing the Class X2 Notes.
<b>"Class X2 Noteholders"</b>	means the persons who for the time being are the registered holders of the Class X2 Notes.
<b>"Class X2 Notes"</b>	means the €16,755,000 Class X2 Residential Mortgage Backed Floating Rate Notes due October 2057 issued or due to be issued by the Issuer on the Closing Date or, as the case may be, a specific number thereof, whether represented by Notes in

	definitive or global form.
"Class Z1 Global Note"	means the global note representing the Class Z1 Notes.
"Class Z1 Noteholders"	means the persons who for the time being are the registered holders of the Class Z1 Notes.
"Class Z1 Notes"	means the €5,239,000 Class Z1 Residential Mortgage Backed Fixed Rate Notes due October 2057 issued or due to be issued by the Issuer on the Closing Date or, as the case may be, a specific number thereof, whether represented by Notes in definitive or global form.
"Class Z1 Principal Deficiency Sub-Ledger"	means the sub-ledger of the Principal Deficiency Ledger relating to the Class Z1 Notes.
"Class Z2 Global Note"	means the global note representing the Class Z2 Notes.
"Class Z2 Noteholders"	means the persons who for the time being are the registered holders of the Class Z2 Notes.
"Class Z2 Notes"	means the €5,237,000 Class Z2 Residential Mortgage Backed Fixed Rate Notes due October 2057 issued or due to be issued by the Issuer on the Closing Date or, as the case may be, a specific number thereof, whether represented by Notes in definitive or global form.
"Clearing Systems"	means Clearstream, Luxembourg and Euroclear.
"Clearstream, Luxembourg"	means Clearstream Banking, <i>société anonyme</i> , with offices at 42 Avenue J.F. Kennedy L-1855 Luxembourg.
"Closing Date"	means 18 April 2019, or such other date as the Issuer, the Joint Lead Managers and the Seller may agree.
"Closing Mortgage Loan"	means any Mortgage Loan sold or to be sold to the Issuer on the Closing Date.
"Closing Mortgage Portfolio"	means the portfolio of Mortgage Loans that is sold by the Seller to the Issuer on the Closing Date (excluding any Mortgage Loans in the Provisional Mortgage Portfolio 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 any Mortgage Loans in the Provisional Mortgage Portfolio which have been redeemed in full in the period from the Provisional Cut-Off Date to the Cut-Off Date).
"Code"	means the U.S. Internal Revenue Code of 1986, as amended.
"Collection Account"	means an account in the name of the Collection Account Holder held with the Collection Account Bank.
"Collection Account Bank"	means BNP Paribas, Dublin Branch acting in its capacity as the bank at which the Collection Account is maintained (and any successor duly appointed).
"Collection Account Declaration of Trust"	means the deed entered into on or about the Closing Date between, among others, the Issuer, the Collection Account Holder and the Collection Account Bank whereby the Collection Account 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 itself.

"Collection Account Holder"	means Dilosk Funding No.2 Designated Activity Company.
"Common Safekeeper"	means the common safekeeper for Euroclear and Clearstream, Luxembourg.
"Conditions"	means the terms and conditions to be endorsed on the Notes in, or substantially in, the form set out in Schedule 3 ( <i>Terms and Conditions of the Notes</i> ) of 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.
"COR"	means a DBRS long-term critical obligations rating.
"Corporate Services Agreement"	means the agreement so named dated on or about the Closing Date between the Corporate Services Provider and the Issuer.
"Corporate Services Provider"	means Wilmington Trust SP Services (Dublin) Limited (or any successor duly appointed).
"CRR Amending Regulation"	means Regulation (EU) 2017/2401.
"CRS"	means the common reporting standard comprised in the Standard for Automatic Exchange of Financial Account Information approved on 15 July 2014 by the Council of the Organisations for Economic Cooperation and Development.
"Cut-Off Date"	means 31 March 2019.
"Day Count Fraction"	means, in respect of an Interest Period, the actual number of days in such period divided by 360.
"DBRS"	means DBRS Ratings Limited.
"DBRS Equivalent Chart"	means:

<u>DBRS</u>	<u>S&amp;P</u>	<u>Fitch</u>	<u>Moody's</u>
AAA	AAA	AAA	Aaa
AA(high)	AA+	AA+	Aa1
AA	AA	AA	Aa2
AA(low)	AA-	AA-	Aa3
A(high)	A+	A+	A1
A	A	A	A2
A(low)	A-	A-	A3
BBB(high)	BBB+	BBB+	Baa1
BBB	BBB	BBB	Baa2
BBB(low)	BBB-	BBB-	Baa3
BB(high)	BB+	BB+	Ba1
BB	BB	BB	Ba2
BB(low)	BB-	BB-	Ba3
B(high)	B+	B+	B1
B	B	B	B2
B(low)	B-	B-	B3
CCC(high)	CCC+		Caa1
CCC	CCC		Caa2
CCC(low)	CCC-	CCC	Caa3
CC	CC		Ca
C	C		
D	D	D	D

"DBRS Equivalent Rating"	means:
	(a) if a Fitch public rating, a Moody's public rating and an

S&P public rating in respect of the senior unsecured debt of a certain entity (each, a "**Public Long Term Rating**") are all available at such date, the corresponding DBRS rating as shown in the DBRS Equivalent Chart of such Public Long Term Rating remaining after disregarding the highest and lowest of such Public Long Term Ratings from such rating agencies (provided that if a Public Long Term Rating is under credit watch negative, or any equivalent, then, for the purpose of determining the DBRS Equivalent Rating, such Public Long Term Rating will be deemed to be one notch below its current notch). For this purpose, if more than one Public Long Term Rating has the same highest or same lowest DBRS rating as shown in the DBRS Equivalent Chart, then in each case only one of such Public Long Term Ratings shall be so disregarded in accordance with requirements of the previous sentence and the DBRS Equivalent Rating will be the remaining rating;

- (b) if the DBRS Equivalent Rating cannot be determined under (a) above, but Public Long Term Ratings of a certain entity by any two of Fitch, Moody's and S&P are available at such date, the corresponding DBRS rating as shown in the DBRS Equivalent Chart of the lower of such Public Long Term Rating (provided that if a Public Long Term Rating is under credit watch negative, or any equivalent, then, for the purpose of determining the DBRS Equivalent Rating, such Public Long Term Rating will be deemed to be one notch below its current notch); and
- (c) if the DBRS Equivalent Rating cannot be determined under (a) and (b) above, but a Public Long Term Rating by any one of Fitch, Moody's and S&P is available at such date, then the DBRS rating as shown in the DBRS Equivalent Chart will be such Public Long Term Rating (provided that if a Public Long Term Rating is under credit watch negative, or any equivalent, then, for the purpose of determining the DBRS Equivalent Rating, such Public Long Term Rating will be deemed to be one notch below its current notch),

**provided that**, if at any time the DBRS Equivalent Rating cannot be determined under subparagraphs (a) to (c) above, then the relevant entity will be deemed to have a DBRS rating of "C" at such time.

**"Deed of Confirmation"**

means any agreement, deed or letter of consent, charge and/or postponement given in connection with a Mortgage Loan to the extent only that it relates to such Mortgage Loan and whereby any person other than the Borrower or the Originator with any estate or interest, beneficial or otherwise, in the Property by reason of making a contribution to the purchase price or otherwise howsoever has agreed, inter alia, to charge or confirm the security granted by the Borrower to the Originator and postpone his interest (if any) in the relevant Property so that it ranks after that of the Originator.

**"Deferred Class X1 Redemption"**

means:

<b>Amount"</b>	<ul style="list-style-type: none"> <li>(a) in relation to the First Interest Payment Date, zero; and</li> <li>(b) in relation to each subsequent Interest Payment Date, the amount by which (i) the amount applied in or towards redemption of the Class X1 Notes in accordance with item (q) of the Pre-Enforcement Revenue Priority of Payment on the immediately preceding Interest Payment Date was less than (ii) the Class X1 Redemption Amount on such immediately preceding Interest Payment Date.</li> </ul>
<b>"Deferred Interest"</b>	shall have the meaning given to such term in Condition 8.12(a) ( <i>Interest Accrual</i> ).
<b>"Deficient Mortgage Loan"</b>	means a Mortgage Loan in respect of which the aggregate of the amounts due and unpaid in accordance with the scheduled interest and principal instalments for such Mortgage Loan exceed an amount equal to 180 days or more of scheduled interest and principal instalments for such Mortgage Loan.
<b>"Definitive Certificates"</b>	means any individual note certificate issued to a Noteholder in respect of its registered holding of the Notes in, or substantially in, the form set out in the Trust Deed.
<b>"Delegate Servicer"</b>	means Link ASI Limited, trading as Link Asset Services.
<b>"Determination Date"</b>	means each date falling three Business Days before an Interest Payment Date.
<b>"Determination Period"</b>	means the Calculation Period in respect of which the Cash Manager does not receive a Servicer Report.
<b>"Dilosk"</b>	means Dilosk DAC.
<b>"EDW Website"</b>	means European Data Warehouse <a href="https://eurodw.eu/">https://eurodw.eu/</a> (or such other website designated as such by the Servicer).
<b>"Electronic Consent"</b>	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).
<b>"Encumbrance"</b>	means: <ul style="list-style-type: none"> <li>(a) a mortgage, charge, pledge, lien or other encumbrance securing any obligation of any person;</li> <li>(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</li> <li>(c) any other type of preferential arrangement (including any title transfer and retention arrangement) having a similar effect.</li> </ul>
<b>"Enforcement Notice"</b>	means a notice delivered by the Trustee to the Issuer in accordance with Condition 13 ( <i>Events of Default</i> ) which

	declares the Notes to be immediately due and payable.
<b>"Enforcement Procedures"</b>	means the exercise, in accordance with the procedures described in the Seller's Policies, of rights and remedies against a Borrower in respect of such Borrower's obligations arising from any Mortgage in respect of which such Borrower is in default including any such procedures under the Personal Insolvency Act and the Applicable Regulatory Law.
<b>"English Deed of Charge"</b>	means the deed so named entered into on or about the Closing Date between, amongst others, the Issuer and the Trustee.
<b>"ERISA"</b>	means the U.S. Employee Retirement Income Security Act of 1974, as amended.
<b>"ESMA"</b>	means the European Securities and Markets Authority.
<b>"EU Securitisation Regulation"</b>	means Regulation (EU) 2017/2402.
<b>"EURIBOR"</b>	means the Euro Interbank Offered Rate.
<b>"euro" or "€"</b>	means the lawful currency of member states of the European Union that adopt the single currency introduced in accordance with the Treaty.
<b>"Euroclear"</b>	means Euroclear Bank S.A./N.V., with offices in 1 Boulevard du Roi Albert II B-1210 Brussels, Belgium, and any successor to such business.
<b>"Euronext Dublin"</b>	means The Irish Stock Exchange Plc, trading as Euronext Dublin.
<b>"Event of Default"</b>	means in relation to the Notes, any one of the events specified in Condition 13 ( <i>Events of Default</i> ).
<b>"Exchange Date"</b>	means the first day following the expiry of forty days after the Closing Date.
<b>"Extraordinary Resolution"</b>	means in relation to the Notes, (i) a resolution passed at a Meeting duly convened and held in accordance with the Provisions for Meetings of Noteholders by a majority of not less than three quarters of the votes cast; (ii) a Written Resolution; or (iii) consent given by way of Electronic Consent by or on behalf of the Noteholders of not less than three quarters in aggregate Principal Amount Outstanding of the Notes then outstanding.
<b>"Family Law Legislation "</b>	means The Family Home Protection Act, 1976, The Family Law Act, 1981, The Judicial Separation and Family Law Reform Act, 1989, The Family Law Act, 1995, The Family Law (Divorce) Act, 1996, Civil Partnership and Certain Rights and Obligations of Cohabitants Act, 2010, as may be amended from time to time.
<b>"FATCA"</b>	means Sections 1471 through 1474 of the Code, any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the Code, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Sections of the Code.

<b>"Final Discharge Date"</b>	means the date on which the Trustee notifies the Issuer and the Secured Creditors that it is satisfied (following receipt of notice in writing to that effect) 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.
<b>"Final Maturity Date"</b>	means the Interest Payment Date falling in October 2057.
<b>"Final Redemption"</b>	means the point at which the Issuer shall redeem the Notes in each class at their Principal Amount Outstanding together with any accrued interest on the Final Maturity Date.
<b>"First Interest Payment Date"</b>	means the Interest Payment Date falling in October 2019.
<b>"Flexi Mortgage Loan"</b>	means a Mortgage Loan in relation to which monthly instalments normally cover, in respect of (i) the Initial Flexi Product Period, interest only; and (ii) the period thereafter, both interest and principal due in relation to such Mortgage Loan.
<b>"FSMA"</b>	means the Financial Services and Markets Act 2000 (as amended).
<b>"Further Advance"</b>	means, in relation to a Mortgage Loan, any advance of further money following a request from an existing Borrower following the making of the Mortgage Loan which is secured by the same Property as the Mortgage Loan where the Seller has a discretion as to whether to accept that request, but does not include the amount of any retention advanced to the relevant Borrower as part of the Initial Advance after completion of the Mortgage.
<b>"Further Advance Conditions"</b>	means the following conditions: <ul style="list-style-type: none"> <li>(a) the Advance Date falls before the Step-Up Date;</li> <li>(b) the purchase of the Further Advances will not result in the aggregate principal balance of all Further Advances purchased by the Issuer exceeding €2 million;</li> <li>(c) as far as the Servicer is aware, the then current ratings of the Rated Notes then outstanding would not be downgraded, withdrawn or qualified as a result of the Issuer purchasing such Further Advance;</li> <li>(d) no Event of Default has occurred and is continuing;</li> <li>(e) no Perfection Trigger Event has occurred;</li> <li>(f) the Principal Deficiency Ledger of the Rated Notes does not have a debit balance as at the most recent Interest Payment Date after applying all Available Revenue Receipts on that Interest Payment Date; and</li> <li>(g) each Mortgage Loan and its Related Security which is the subject of a Further Advance complies with the representations contained in the Mortgage Sale Agreement required to be given on each Advance Date.</li> </ul>
<b>"Further Advance Purchase Price"</b>	means, with respect to a Further Advance, an amount equal to the Current Balance of such Further Advance.
<b>"Further Cash Consideration"</b>	means the further cash consideration payable by the Issuer to the Seller on the Issue Date in an amount equal to the Further

	Cash Consideration Amount (inclusive of any applicable VAT).
<b>"Further Cash Consideration Amount"</b>	means an amount equal to the aggregate of the proceeds of the Class X1 Notes and the Class X2 Notes less €2,250,000 (being the expected amount of the Issuer Costs and Expenses other than the Further Cash Consideration).
<b>"General Reserve Excess Amount"</b>	means an amount equal to 2.5 per cent. of the Pre-Funding Principal Excess Amount.
<b>"General Reserve Fund"</b>	means the reserve fund established on the Closing Date which will be initially funded by the Class Z2 Notes up to the General Reserve Fund Required Amount and which will subsequently be funded from Available Revenue Receipts in accordance with the Pre-Enforcement Revenue Priority of Payments.
<b>"General Reserve Fund Required Amount"</b>	means: <ul style="list-style-type: none"> <li>(a) prior to (i) the First Interest Payment Date and (ii) the redemption of the Rated Notes (other than the Class X1 Notes) in full, an amount equal to 2.5 per cent. of the aggregate Principal Outstanding Amount of the Principal Backed Notes as at the Closing Date,</li> <li>(b) on and following the First Interest Payment Date but prior to the redemption of the Rated Notes (other than the Class X1 Notes) in full, an amount equal to: <ul style="list-style-type: none"> <li>(i) 2.5 per cent. of the aggregate Principal Outstanding Amount of the Principal Backed Notes as at the Closing Date, <i>less</i></li> <li>(ii) the General Reserve Excess Amount; and</li> </ul> </li> <li>(c) on the Interest Payment Date on which the Rated Notes (other than the Class X1 Notes) are to be redeemed in full, zero.</li> </ul>
<b>"General Reserve Ledger"</b>	means the ledger maintained by the Cash Manager on behalf of the Issuer which records on it the balance from time to time of the General Reserve Fund.
<b>"Global Notes"</b>	means the Class A Global Note, the Class B Global Note, the Class C Global Note, the Class D Global Note, the Class X1 Global Note, the Class X2 Global Notes, the Class Z1 Global Note, the Class Z2 Global Note and the Class R Global Note.
<b>"holder"</b>	means the registered holder of a Note and the words " <b>holders</b> " and related expressions shall (where appropriate) be construed accordingly.
<b>"ICS Mortgages Lending Criteria"</b>	means the lending criteria applied by the Originator in respect of the Mortgage Loans comprising the Mortgage Portfolio.
<b>"Incorporated Terms Memorandum"</b>	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.
<b>"Initial Advance"</b>	means, in relation to a Mortgage Loan, the original principal amount together with the amount of any retention advanced to the relevant Borrower after completion of the Mortgage, and it

may include any fees (if capitalised).

**"Initial Cash Consideration"**

means €174,533,958.61 which is paid by the Issuer to the Seller in partial consideration of the Seller's sale to the Issuer of the Closing Mortgage Loans comprising the Closing Mortgage Portfolio.

**"Initial Flexi Product Period"**

means, in respect of a Flexi Mortgage Loan, any initial period during which principal is not due.

**"Insolvency Event"**

means, in relation to a company:

- (a) such company is dissolved (other than pursuant to a consolidation, amalgamation or merger);
- (b) such company becomes insolvent, or is unable to pay its debts as and when they fall due within the meaning of Section 509(3) and/or Section 570 of the Companies Act or any other applicable legislation or fails or admits in writing its inability generally to pay its debts as they become due (after taking into account any grace period or permitted deferral) or suspends making payments on any of its debts;
- (c) such company makes or proposes to make or convenes a meeting of one or more of its creditors with a view to making a general assignment, arrangement, moratorium or composition with or for the benefit of one or more of its creditors or with a view to rescheduling any indebtedness of such company (other than in connection with any refinancing in the ordinary course of business) or takes or proposes to take any other corporate action or any proceedings are commenced or proposed to be commenced with a view to any such composition, assignment, arrangement or moratorium being made;
- (d) such company institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or examinership or any other relief under any bankruptcy, examinership or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up, examinership or liquidation by it or such regulator, supervisor or similar official;
- (e) such company has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy, examinership or insolvency law or other similar law affecting creditors' rights, or has a petition presented for its winding-up or liquidation, or examinership and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition is instituted or presented by a person or entity not described in paragraph (d) above and:

- (i) results in a judgment of insolvency or bankruptcy or examinership or the entry of an order for relief or the making of an order for its winding-up or liquidation or examinership; or
  - (ii) is not dismissed, discharged, stayed or restrained in each case within 30 days of the institution or presentation thereof.
- (f) such company has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger);
  - (g) such company seeks or becomes subject to the appointment of a liquidator, provisional liquidator, administrator, administrative receiver, receiver, receiver or manager, compulsory or interim manager, nominee, supervisor, conservator, guardian, trustee, custodian, examiner or other similar official in respect of such company or in respect of any arrangement, compromise or composition with any creditors or any equivalent or analogous official under the law of any jurisdiction for the whole or any part of the undertaking or assets of such company;
  - (h) such company has a secured party take possession of the whole or any part of the undertaking or assets of such company or has a distress, execution, attachment, sequestration or other legal process levied, enforced or imposed upon or against the whole or any part of the undertaking or assets of such company and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 days thereafter;
  - (i) any procedure or step is taken, or any event occurs, analogous to those set out in (a) to (h) above, in any jurisdiction; or
  - (j) such company takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts.

**"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 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 Policies and any other insurance policies relating to the Mortgage Loans from time to time.

**"Interest Amount"**

means in respect of:



- (a) a Note (other than the Class R Notes) for any Interest Period the amount of interest calculated on the related Determination Date in respect of such Note for such Interest Period by:
  - (i) multiplying the Principal Amount Outstanding of such Note on the Interest Payment Date by the relevant Note Rate; and
  - (ii) then multiplying the amount so calculated in paragraph (a) by the relevant Day Count Fraction and rounding the resultant figure to the nearest Minimum Amount; and
- (b) the Class R Notes, an amount equal to the Class R Note Interest Amount.

**"Interest Coverage Ratio"** means, in respect of a Mortgage Loan, the ratio (expressed as a percentage) of:

- (a) the gross monthly rental income of the Property or Properties securing such Mortgage Loan; to
- (b) the monthly interest due on such Mortgage Loan,

where the monthly interest due is calculated by multiplying the balance of such Mortgage Loan at its origination by the interest rate applicable to such Mortgage Loan at its origination, and dividing the result by twelve.

**"Interest Determination Ratio"** means (i) the aggregate Revenue Receipts calculated in the three preceding Servicer Reports 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 monthly payments cover interest only.

**"Interest Payment Date"** means 20 January, 20 April, 20 July and 20 October in each year 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 Determination Date, the **"related Interest Period"** means the Interest Period immediately following an Determination Date.

**"Irish Deed of Charge"** means the deed so named entered into on or about the Closing Date between, amongst others, the Issuer and the Trustee.

**"Issue Date"** means the Closing Date.

**"Issuer"** means Dilosk RMBS No.3 DAC (registered number 642839), a designated activity company incorporated under the laws of Ireland, whose registered office is at Fourth Floor 3, George's

Dock, IFSC, Dublin 1, Ireland.

<b>"Issuer Accounts"</b>	means the Transaction Account, the Issuer Profit Account and any additional bank accounts in the name of the Issuer established or to be established pursuant to the Account Bank Agreement.
<b>"Issuer Costs and Expenses"</b>	means the fees, costs and expenses of the Issuer arising in respect of the purchase of the Closing Mortgage Loans and any Additional Mortgage Loans and the issuance of the Notes (including, for the avoidance of doubt, the Further Cash Consideration).
<b>"Issuer Covenants"</b>	means the covenants of the Issuer set out in Schedule 8 ( <i>Issuer Covenants</i> ) of the Incorporated Terms Memorandum.
<b>"Issuer Jurisdiction"</b>	means Ireland or such other jurisdiction in which the Issuer or any Issuer substitute (as contemplated by Condition 22 ( <i>Substitution of Issuer</i> )) is incorporated and/or subject to taxation.
<b>"Issuer Profit Account"</b>	means the account in the name of the Issuer in which the Issuer's share capital and any Issuer Profit Amount will be held.
<b>"Issuer Profit Amount"</b>	means €250 on each Interest Payment Date to be credited to the Issuer Profit Account and to be retained by the Issuer as profit in respect of the business of the Issuer.
<b>"Joint Lead Managers"</b>	means NatWest Markets Plc and Citigroup Global Markets Limited.
<b>"Junior Servicing Fee"</b>	has the meaning given to it in Clause 8.1.1(b) of the Servicing Agreement.
<b>"Liabilities"</b>	means, in respect of any person, any losses, damages, costs, charges, awards, claims, fees, demands, expenses, judgments, decrees, actions, proceedings or other liabilities whatsoever including properly incurred legal fees and any Taxes and penalties incurred by that person.
<b>"Link"</b>	means Link ASI Limited, trading as Link Asset Services.
<b>"Liquidity Reserve Deficiency Ledger"</b>	means a ledger maintained by the Cash Manager on behalf of the Issuer which records on it all funds used to pay or provide for a Revenue Shortfall.
<b>"Liquidity Reserve Fund"</b>	means the liquidity reserve fund established on the Closing Date with an initial balance of zero and which will be replenished on each Interest Payment Date in an amount equal to the Liquidity Reserve Fund Required Amount from, (i) if falling prior to the Liquidity Reserve Initial Funding Date, Available Principal Receipts in accordance with the Pre-Enforcement Principal Priority of Payments and (ii) if falling after the Liquidity Reserve Initial Funding Date, Available Revenue Receipts in accordance with the Pre-Enforcement Revenue Priority of Payments.
<b>"Liquidity Reserve Fund Excess Amounts"</b>	means (after the application of amounts payable pursuant to item (e)(i) and (ii) of the Pre-Enforcement Revenue Priority of Payments on an Interest Payment Date) any amount standing to the credit of the Liquidity Reserve Fund Ledger in excess of the Liquidity Reserve Fund Required Amount on such Interest

	Payment Date.
<b>"Liquidity Reserve Fund Required Amount"</b>	means (i) in respect of each Interest Payment Date, an amount equal to the greater of (a) 1.5 per cent. of the aggregate Principal Amount Outstanding of the Class A Notes (such amount to be determined on the immediately preceding Calculation Date) and (b) 0.75 per cent. of the aggregate Principal Amount Outstanding of the Class A Notes as at the Closing Date and (ii) on the Interest Payment Date on which the Class A Notes are to be redeemed in full, zero.
<b>"Liquidity Reserve Initial Funding Date"</b>	means the day falling immediately after the Interest Payment Date on which the cumulative amount of Available Principal Receipts previously transferred to the Liquidity Reserve Fund is equal to the Liquidity Reserve Fund Required Amount.
<b>"Liquidity Reserve Ledger"</b>	means the ledger maintained by the Cash Manager on behalf of the Issuer which records on it the balance from time to time of the Liquidity Reserve Fund.
<b>"Loss Provision Amount"</b>	means, on each Calculation Date, an amount equal to the greater of: <ul style="list-style-type: none"> <li>(a) zero; and</li> <li>(b) the difference between the Arrears Deficiency Provision Amount on that Calculation Date and the Arrears Deficiency Provision Amount on the preceding Calculation Date.</li> </ul>
<b>"Losses"</b>	means any losses arising in relation to a Mortgage Loan in the Mortgage Portfolio which causes a shortfall in the amount available to pay principal on the Notes on any Interest Payment Date (including, without limitation, any write downs under the Personal Insolvency Act or any set-off losses).
<b>"Meeting"</b>	means a meeting of Noteholders of any class or classes (whether originally convened or resumed following an adjournment).
<b>"Member State"</b>	means a Member State of the European Economic Area.
<b>"MIFID II"</b>	means Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments.
<b>"Minimum Amount"</b>	means €0.01.
<b>"Minimum Denomination"</b>	means in respect of the Notes represented by the Global Notes and (if issued) the Definitive Certificates will be €100,000 and, for so long as Euroclear and Clearstream, Luxembourg so permit, any amount in excess thereof in integral multiples of €1,000.
<b>"Monthly Payment Date"</b>	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.

<b>"Mortgage"</b>	means a first ranking legal charge over freehold or leasehold Properties located in Ireland which is security for a Mortgage Loan.
<b>"Mortgage Conditions"</b>	means the mortgage and lending conditions forming part of the Standard Documentation, applicable from time to time.
<b>"Mortgage Loan"</b>	means a residential mortgage loan, secured by a Mortgage and its Related Security, sold or to be sold to the Issuer on the Closing Date or Additional Purchase Date (as applicable) including, where the context so requires, any Further Advance made by the Seller to a Borrower prior to the Closing Date or the relevant Additional Purchase Date (as applicable) and sold to the Issuer pursuant to the Mortgage Sale Agreement and each Further Advance sold or to be sold (as applicable) to the Issuer by the Seller after the Closing Date or the relevant Additional Purchase Date (as applicable) but excluding (for the avoidance of doubt) a Mortgage Loan which is repurchased by the Seller pursuant to the Mortgage Sale Agreement and no longer beneficially owned by the Issuer.
<b>"Mortgage Loan Files"</b>	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, <i>inter alia</i> , correspondence between the Borrower and the Originator 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.
<b>"Mortgage Portfolio"</b>	means the Closing Mortgage Portfolio and any Additional Mortgage Loans and their Related Security sold by the Seller to the Issuer pursuant to the Mortgage Sale Agreement but excluding any Mortgage Loan and its Related Security which is repurchased by the Seller pursuant to the Mortgage Sale Agreement and no longer beneficially owned by the Issuer.
<b>"Mortgage Sale Agreement"</b>	means the agreement so named dated on or about the Closing Date between the Seller, the Issuer, the Trustee and the Servicer in relation to the sale of the Mortgage Portfolio to the Issuer.
<b>"Most Senior Class"</b>	means the Class A Notes whilst they remain outstanding and, thereafter, the Class B Notes whilst they remain outstanding and, thereafter, the Class C Notes whilst they remain outstanding and, thereafter, the Class D Notes whilst they remain outstanding and, thereafter, the Class X1 Notes whilst they remain outstanding and, thereafter, the Class X2 Notes whilst they remain outstanding and thereafter, the Class Z1 Notes whilst they remain outstanding and, thereafter, the Class Z2 Notes whilst they remain outstanding and, thereafter, the Class R Notes.
<b>"Multi-Unit Property"</b>	means a large period house that has been converted into self-contained apartments.
<b>"Note Principal Payment"</b>	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"**

means, for each Interest Period in respect of:

- (a) each of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class X1 Notes and the Class X2 Notes, the Reference Rate determined as at the related Determination Date plus the Relevant Margin in respect of such Class, **provided that**, if the resulting Note Rate would be less than zero, the Note Rate shall be zero; and
- (b) each of the Class Z1 Notes and the Class Z2 Notes, 8.00 per cent. p.a. up to and excluding the Step-Up Date and thereafter 0.00 per cent. p.a.

**"Note Rate Maintenance Adjustment"**

has the meaning given to that term in Condition 18 (*Modification and Waiver in relation to the Screen Rate*).

**"Noteholders"**

means the Class A Noteholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders, the Class X1 Noteholders, the Class X2 Noteholders the Class Z1 Noteholders, the Class Z2 Noteholders and the Class R Noteholders or, where the context otherwise requires, the holders of Notes of a particular class or classes, as the case may be.

**"Notes"**

means the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class X1 Notes, the Class X2 Notes, the Class Z1 Notes, the Class Z2 Notes and the Class R Notes.

**"Notice of Non-Satisfaction Delivery Date"**

has the meaning given to it in Clause 5.2.4 of the Mortgage Sale Agreement;

**"Notice of Non-Satisfaction of Further Advance Conditions"**

means the notice given by the Servicer to the Issuer pursuant to Clause 11.4 (*Notice of Non-Satisfaction of Further Advance Conditions*) of the Servicing Sale Agreement.

**"Notice of Non-Satisfaction of Term Variation Conditions"**

means the notice given by the Servicer to the Issuer pursuant to Clause 11.5 (*Notification of Non-Satisfaction of Term Variation Conditions*) of the Servicing Agreement.

**"Notices Condition"**

means Condition 23 (*Notices*).

**"Notices Details"**

means the provisions set out in Schedule 9 (*Notice Details*) of the Incorporated Terms Memorandum.

**"Originator"**

means Dilosk DAC.

**"outstanding"**

means, in relation to the Notes, all the Notes other than:

- (a) those which have been redeemed in full and cancelled in accordance with the Conditions;
- (b) 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;

- (c) 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;
- (d) those which have become void under the Conditions;
- (e) 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
- (f) any Global Note, to the extent that it shall have been exchanged for the related Definitive Certificates pursuant to the provisions contained therein and the Conditions,

**provided that**, for each of the following purposes, namely:

- (i) the right to attend and vote at any meeting of Noteholders;
- (ii) the determination of how many and which Notes are for the time being outstanding for the purposes of Clause 11 (*Waiver*), Clause 12 (*Modifications*), Clause 15 (*Proceedings and Actions by the Trustee*), Clause 23 (*Appointment of Trustees*) and Clause 24 (*Notice of 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
- (iii) any right, discretion, power or authority, whether contained in the Trust Deed, the other Transaction Documents 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, any subsidiary of any such holding company or any affiliate of the Seller, 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 affiliate of the Seller, any holding company of the Seller, any

	<p>subsidiary of any such holding company (the "<b>Relevant Persons</b>") 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 "<b>Relevant Class of Notes</b>") shall be deemed to remain outstanding except that if there is any other class of Notes ranking <i>pari passu</i> 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.</p>
<b>"Participants"</b>	means persons that have accounts with Euroclear or Clearstream, Luxembourg.
<b>"Paying Agents"</b>	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 under the Agency Agreement.
<b>"Pensions Trustee"</b>	means a trustee in respect of a pension scheme.
<b>"Perfection Trigger Event"</b>	means any of the events listed at Clause 8.1 ( <i>Perfection Trigger Events</i> ) of the Mortgage Sale Agreement.
<b>"Personal Insolvency Act"</b>	means the Personal Insolvency Act 2012 of Ireland.
<b>"Plan Assets Regulation"</b>	means the U.S. Department of Labor regulation at 29 C.F.R. § 2510.3-101, as modified by Section 3(42) of ERISA
<b>"Post-Enforcement Priority of Payments"</b>	means the provisions relating to the order of priority of payments from the Charged Accounts following delivery of an Enforcement Notice, set out in Clause 15 ( <i>Post-Enforcement Priority of Payments</i> ) of the Irish Deed of Charge.
<b>"Potential Event of Default"</b>	means any event which may become (with the passage of time, the giving of notice, the making of any determination or any combination thereof) an Event of Default.
<b>"Pre-Enforcement Principal Priority of Payments"</b>	means the provision relating to the order of priority of payments from the Principal Ledger set out in Schedule 4 ( <i>Priorities of Payment</i> ) of the Cash Management Agreement.
<b>"Pre-Enforcement Revenue Priority of Payments"</b>	means the provisions relating to the order of priority of payments from the Revenue Ledger set out in Schedule 4 ( <i>Priorities of Payment</i> ) of the Cash Management Agreement.
<b>"Pre-Funding Availability Period"</b>	means the period from the Closing Date up to (and including) the first Calculation Date.
<b>"Pre-Funding Principal Excess Amount"</b>	means the excess (if any) of the proceeds of the Principal Backed Notes over the aggregate of (i) the Initial Cash Consideration paid by the Issuer for the Closing Mortgage Portfolio and (ii) the amount applied from the Pre-Funding Principal Reserve in purchasing Additional Mortgage Loans.
<b>"Pre-Funding Principal Reserve"</b>	means the pre-funding principal reserve established on the Closing Date which will be funded in an amount equal to EUR 34,906,791.72 for the purposes of funding the purchase of any Additional Mortgage Loans.
<b>"Pre-Funding Principal Reserve"</b>	means the ledger maintained by the Cash Manager on behalf of the Issuer which records the balance from time to time of the

<b>Ledger"</b>	Pre-Funding Principal Reserve.
<b>"Principal Amount Outstanding"</b>	means, on any day: <ul style="list-style-type: none"> <li>(a) in relation to a Note, the principal amount outstanding of that Note as at the Closing Date, 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;</li> <li>(b) in relation to a class, the aggregate of the amount in (a) in respect of all Notes outstanding in such class; and</li> <li>(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.</li> </ul>
<b>"Principal Backed Notes"</b>	means the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class Z1 Notes.
<b>"Principal Deficiency Excess"</b>	means, on each Determination Date, any reduction in the debit balance of the Principal Deficiency Ledger recorded as a credit in such Principal Deficiency Ledger, calculated as the sum of <ul style="list-style-type: none"> <li>(a) the Principal Deficiency Excess Reduction Amount; and</li> <li>(b) where any Loss realised following the repossession or sale of any Property is found to be lower than as recorded in the Principal Deficiency Ledger calculated on any previous Calculation Date, the difference between these two calculated Losses.</li> </ul>
<b>"Principal Deficiency Excess Reduction Amount"</b>	means an amount equal to the greater of: <ul style="list-style-type: none"> <li>(a) zero; and</li> <li>(b) the difference between the Arrears Deficiency Provision Amount on the preceding Calculation Date and the Arrears Deficiency Provision Amount on that Calculation Date.</li> </ul>
<b>"Principal Deficiency Excess Revenue Amount"</b>	means, on each Interest Payment Date, following the calculation of the Loss Provision Amount and the Principal Deficiency Excess, an amount equal to the credit balance of the Principal Deficiency Ledger, which amount will be subtracted from the Available Principal Receipts and shall form a part of the Available Revenue Receipts.
<b>"Principal Deficiency Ledger"</b>	means the Principal Deficiency Ledger comprising 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 and the Class Z1 Principal Deficiency Sub-Ledger maintained by the Cash Manager on behalf of the Issuer which records on it all deficiencies arising from Losses allocated to the Notes and Available Principal Receipts used to pay a Remaining Revenue Shortfall.
<b>"Principal Ledger"</b>	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).
<b>"Principal Paying Agent"</b>	means The Bank of New York Mellon, London Branch (or any successor duly appointed pursuant to the Agency Agreement).
<b>"Principal Receipts"</b>	means payments received by the Issuer representing: <ul style="list-style-type: none"> <li>(a) any payment in respect of principal received in respect of any Mortgage Loan (including Capitalised Arrears and Capitalised Expenses but excluding Accrued Interest and Arrears of Interest);</li> <li>(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 and Capitalised Arrears and Capitalised Expenses, if any);</li> <li>(c) any payment pursuant to any Insurance Policy in respect of a Property in connection with a Mortgage Loan in the Mortgage Portfolio;</li> <li>(d) recoveries of principal on redemption (including partial redemption) of any Mortgage Loan; and</li> <li>(e) proceeds of the repurchase of any Mortgage Loan or an indemnity 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 but including Capitalised Arrears and Capitalised Expenses).</li> </ul>
<b>"Priorities of Payments"</b>	means the Pre-Enforcement Revenue Priority of Payments, the Pre-Enforcement Principal Priority of Payments and the Post-Enforcement Priority of Payments.
<b>"Product Switch"</b>	means the conversion of a Mortgage Loan (either by the agreement of the Servicer to a Borrower's request to convert his Mortgage Loan or, in the case of a default by a Borrower, by election by the Servicer) into a Mortgage Loan with a different interest rate or repayment term but excluding any of the following: <ul style="list-style-type: none"> <li>(a) Term Variations; or</li> <li>(b) changes to the interest rate on a Variable Rate Mortgage Loan where the relevant interest rate is not set below the Interest Rate Floor Level, in accordance with the terms of the Servicing Agreement;</li> </ul>
<b>"Property"</b>	means a freehold or leasehold property which is subject to a Mortgage.
<b>"Prospectus Directive"</b>	means EU Directive 2003/71/EC, amended or superseded.

<b>"Provisional Cut-Off Date"</b>	means 28 February 2019.
<b>"Provisional Mortgage Portfolio"</b>	means the Mortgage Loans proposed to be included in the Closing Mortgage Portfolio as at the Cut-Off Date with the characteristics set out in the section entitled " <i>Statistical Information on the Provisional Mortgage Portfolio</i> ".
<b>"Provisions for Meetings of Noteholders"</b>	means the provisions contained in Schedule 4 ( <i>Provisions for Meetings of Noteholders</i> ) to the Trust Deed.
<b>"Prudent Mortgage Lender"</b>	means the manner of a reasonably prudent mortgage lender lending to borrowers in Ireland where the Mortgage Loan is secured over residential property.
<b>"Prudent Mortgage Servicer"</b>	means the manner of a reasonably prudent mortgage servicer administering residential mortgage loans and their related security in respect of residential property in Ireland.
<b>"Quarterly Reporting Date"</b>	means: <ul style="list-style-type: none"> <li>(a) prior to the First Interest Payment Date, 18 July 2019; and</li> <li>(b) following the First Interest Payment Date, the sixth Business Day immediately following each Interest Payment Date;</li> </ul>
<b>"Rated Notes"</b>	means the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class X1 Notes.
<b>"Rating Agencies"</b>	means DBRS and S&P and " <b>Rating Agency</b> " means either of them.
<b>"Receiver"</b>	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 Clause 17 ( <i>Appointment and Removal of Receivers</i> ) of the Irish Deed of Charge and/or Clause 17 ( <i>Appointment and Removal of Receivers</i> ) of the English Deed of Charge, as applicable.
<b>"Reconciliation Amount"</b>	means in respect of any Calculation Period which is a Determination Period, (i) the actual Principal Receipts as determined in accordance with the available Servicer Reports, <i>less</i> (ii) the calculated Principal Receipts in respect of such Calculation Period, <i>plus</i> (iii) any Reconciliation Amount not applied in previous Calculation Periods.
<b>"Reference Banks"</b>	means the principal Brussels office of four major banks in the Eurozone interbank market, selected by the Issuer or the Servicer on its behalf at the relevant time.
<b>"Reference Rate"</b>	means, on any Determination Date, the floating rate determined by the Agent Bank by reference to the Screen Rate on such date or if, on such date, the Screen Rate is unavailable: <ul style="list-style-type: none"> <li>(a) the Rounded Arithmetic Mean of the offered quotations as at or about 11:00 a.m. (Brussels time) on that date of the Reference Banks to major banks for Euro deposits for the Relevant Period in the Eurozone interbank market in the Representative Amount determined by the Agent Bank after request of each of the Reference</li> </ul>

Banks;

- (b) if, on such date, two or three only of the Reference Banks provide such quotations, the rate determined in accordance with paragraph (a) above on the basis of the quotations of those Reference Banks providing such quotations; or
- (c) if, on such date, one only or none of the Reference Banks provide such a quotation, the Reserve Reference Rate;

**"Register"**

means the register on which the names and addresses of the holders of the Notes and the particulars of the Notes shall be entered and kept by the Issuer at the Specified Office of the Registrar.

**"Registrar"**

means The Bank of New York Mellon SA/NV, Luxembourg Branch acting in its capacity as Registrar pursuant to the Agency Agreement (or any successor duly appointed).

**"Related Security"**

means, in relation to a Mortgage Loan, 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):

- (a) the benefit of all affidavits, declarations, consents, renunciations, guarantees, indemnities, waivers 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; 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) deposited, charged, obtained, or held in connection with the Mortgage Loan, Mortgage and/or Property and relevant Mortgage Loan files.

**"Relevant Margin"**

means:

- (a) for the Class A Notes, 0.75 per cent. per annum up to and excluding the Step-Up Date and thereafter 1.50 per cent. per annum;
- (b) for the Class B Notes, 1.20 per cent. per annum up to and excluding the Step-Up Date and thereafter 1.80 per

cent. per annum;

- (c) for the Class C Notes, 1.60 per cent. per annum up to and excluding the Step-Up Date and thereafter 2.40 per cent. per annum;
- (d) for the Class D Notes, 2.00 per cent. per annum up to and excluding the Step-Up Date and thereafter 3.00 per cent. per annum;
- (e) for the Class X1 Notes, 3.65 per cent. per annum; and
- (f) for the Class X2 Notes, 7.00 per cent. per annum up to and excluding the Step-Up Date and thereafter 0 per cent. per annum.

**"Relevant Period"**

means, in relation to the first Determination Date, the linear interpolation of six months and twelve months and, in relation to each subsequent Determination Date, the length in months of the related Interest Period.

**"Remaining Revenue Shortfall"**

means for each Determination Date, the extent, if any, of any remaining revenue shortfall in amounts available to pay or provide for (i) Senior Expenses and interest amounts on the Class A Notes; and (ii) after the Class A Notes have been redeemed in full, Senior Expenses and interest amounts on the Most Senior Class of Rated Notes (in the same order of priority as set out in the Pre-Enforcement Revenue Priority of Payments), after application by the Cash Manager (on behalf of the Issuer) of (i) Available Revenue Receipts, (ii) amounts standing to the credit of the General Reserve Fund to make up a Shortfall; and (iii) amounts standing to the credit of the Liquidity Reserve Fund to make up a Revenue Shortfall.

**"Repayment Mortgage Loan"**

means a Mortgage Loan in relation to which monthly instalments normally cover both interest and principal, which are payable until the Mortgage Loan is fully repaid at its maturity.

**"Representative Amount"**

means an amount that is representative for a single transaction in the relevant market at the relevant time.

**"Reserve Reference Rate"**

means on any Determination Date:

- (a) the Rounded Arithmetic Mean of the rates at which deposits in Euros are offered in the Eurozone interbank market at approximately 11:00 a.m. (Brussels time) on the Determination Date by the principal Brussels office of each of four major banks selected by the Issuer (or the Servicer on its behalf) in its absolute discretion for Euros loans for the Relevant Period in the Representative Amount to major banks in the Eurozone interbank market; or
- (b) if the Issuer (or the Servicer on its behalf) certifies that it cannot determine such Rounded Arithmetic Mean as aforesaid, the Reference Rate in effect for the Interest Period ending on the Business Day immediately preceding the relevant Determination Date, as determined by the Agent Bank.

**"Reserved Matter"**

means any proposal:

- (a) (except in accordance with Condition 18 (*Modification and Waiver in relation to the Screen Rate*) and clause 12.5 (*Modification and Waiver in relation to the Screen Rate*) of the Trust Deed) to change any date fixed for payment of principal or interest in respect of the Notes of any class, to modify the amount of principal or interest due on any date in respect of the Notes of any class or to alter the method of calculating the amount of, or date fixed for, any payment in respect of the Notes of any class;
- (b) (except in accordance with Condition 22 (*Substitution of Issuer*) and clause 13 (*Substitution*) of the Trust Deed) to effect the exchange, conversion or substitution of the Notes of any class for, or the conversion of such Notes into, shares, bonds or other obligations or securities of the Issuer or any other person or body corporate formed or to be formed;
- (c) to change the currency in which amounts due in respect of the Notes are payable;
- (d) to alter the Priorities of Payments in respect of the Notes;
- (e) to change the quorum required at any Meeting or the majority required to pass an Extraordinary Resolution;
- (f) to waive of any proposal or actual breach of any of the covenants (including any Event of Default or Potential Event of Default) or provisions contained in or arising pursuant to the Conditions or any Transaction Documents by any party thereto, which would have the effect of any of the foregoing; or
- (g) to amend this definition.

**"Retention"**

means the retention of a material net economic interest of not less than 5 per cent. in the securitisation as required by Article 6 of the Securitisation Regulation.

**"Retention Holder"**

means Dilosk DAC, as Originator.

**"Revenue Ledger"**

means the ledger maintained by the Cash Manager on behalf of the Issuer which records all Revenue Receipts 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 Seller representing:

- (a) payments of interest (including Arrears of Interest and Accrued Interest but excluding Capitalised Arrears and Capitalised Expenses) 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) from defaulting Borrowers under Mortgage Loans

being enforced;

- (c) recoveries of interest and/or principal 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 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 and Capitalised Expenses) as at the relevant transfer date or date of indemnification; and
- (e) any early repayment charges which have been paid by the Borrower in respect of the Mortgage Loans.

**"Revenue Shortfall"**

means, for each Determination Date, the extent to which Available Revenue Receipts, including the application of the General Reserve Fund, are sufficient to pay or provide for payment of senior expenses and interest amounts on the Class A Notes, that is, items (a) to (d) inclusive of the Pre-Enforcement Revenue Priority of Payments in full.

**"Risk Retention U.S. Persons"**

means any "U.S. Person" as defined in the U.S. Risk Retention Rules.

**"Rounded Arithmetic Mean"**

means the arithmetic mean (rounded, if necessary, to the nearest 0.0001 per cent., 0.00005 per cent. being rounded upwards).

**"S&P"**

means Standard & Poor's Credit Market Services Europe Limited.

**"Sanctions"**

means economic, financial or trade sanctions or restrictive measures enacted, imposed, administered or enforced from time to time by (i) the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC), the U.S. Department of State, (ii) the United Nations Security Council, (iii) the European Union, (iv) HM Treasury (or any other person which takes over the administration of this list) under the Consolidated List of Financial Sanctions Targets in the UK displayed on <https://www.gov.uk/government/publications/financial-sanctions-consolidated-list-of-targets> (or any replacement webpage which displays that list), (v) the Minister for Finance of Ireland and the Central Bank or (vi) any other relevant sanctions authority.

**"Screen"**

means:

- (a) Reuters Screen EURIBOR01; or
- (b) such other page as may replace Reuters Screen EURIBOR01 on that service for the purpose of displaying such information; or
- (c) if that service ceases to display such information, such page as displays such information on such service (or, if more than one, that one previously approved in writing by the Trustee) as may replace such screen.

<b>"Screen Rate"</b>	means, in relation to (i) the first Determination Date, the linear interpolation of the offered quotations for euro deposits for the Relevant Period in the Eurozone interbank market displayed on the Screen or (ii) any subsequent Determination Date, the offered quotations for Euro deposits for the Relevant Period which appears on the Screen (in the case of (i) and (ii)) as at or about 11:00 a.m. (Brussels time) on that date (rounded upwards if necessary, to five decimal places).
<b>"Secured Amounts"</b>	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 or the Transaction Documents.
<b>"Secured Creditors"</b>	means the Trustee in its own capacity, any Receiver or any Appointee of the Trustee, each in its own capacity, the Agent Bank, the Registrar, the Paying Agents, the Corporate Services Provider, the Servicer, the Back-Up Servicer Facilitator (and any replacement of the Servicer or the Back-Up Servicer Facilitator), the Cash Manager, the Account Bank, the Collection Account Bank, the Noteholders and any party named as such in a Transaction Document.
<b>"Securities Act"</b>	means the United States Securities Act of 1933, as amended.
<b>"Securitisation Regulation"</b>	means the EU Securitisation Regulation and the associated CRR Amending Regulation.
<b>"Security"</b>	means the security granted by the Issuer to the Trustee under and pursuant to the Irish Deed of Charge and the English Deed of Charge in favour of the Secured Creditors.
<b>"Seller"</b>	means Dilosk DAC acting in its capacity as seller of the Mortgage Loans and their Related Security to the Issuer pursuant to the Mortgage Sale Agreement.
<b>"Seller Security Power of Attorney"</b>	means the 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 Schedule 3 ( <i>Seller Security Power of Attorney</i> ) to the Mortgage Sale Agreement.
<b>"Senior Expenses"</b>	means any senior expenses of the Issuer which rank in priority to the Most Senior Class of Notes in the relevant Priority of Payments.
<b>"Senior Servicing Fee"</b>	has the meaning given to it in Clause 8.1.1(a) of the Servicing Agreement.
<b>"Servicer"</b>	means Dilosk DAC or such other person as may from time to time be appointed as servicer of the relevant Mortgage Loans in the Mortgage Portfolio pursuant to the Servicing Agreement.
<b>"Servicer Report"</b>	means a report to be provided by the Servicer in respect of each Calculation Period in accordance with the terms of the Transaction Documents to enable the Cash Manager to comply with its obligations to calculate the Available Revenue Receipts and Available Principal Receipts and to make certain other determinations on each Determination Date.
<b>"Services"</b>	means the services to be provided by the Servicer set out in the Servicing Agreement including in Schedule 1 ( <i>The Services</i> )

thereto.

<b>"Servicing Agreement"</b>	means the agreement so named dated on or about the Closing Date between the Issuer, the Servicer, the Seller and the Trustee, and/or any successor or replacement servicing agreement entered into by the Issuer from time to time.
<b>"Servicing Fees"</b>	means the Senior Servicing Fee and the Junior Servicing Fee.
<b>"Servicing Standards"</b>	means the standard in accordance with which the Servicer is required to perform its services under the Servicing Agreement as agreed between the Seller, the Issuer and the Servicer as at the Closing Date, such standard to be at least the standard of a Prudent Mortgage Servicer.
<b>"Share Trustee"</b>	means Wilmington Trust SP Services (Dublin) Limited, (registered number 318390), a company incorporated under the laws of Ireland, whose principal office is at Fourth Floor, 3 George's Dock, IFSC Dublin 1, Ireland.
<b>"Shortfall"</b>	means, for each Determination Date, the extent, if any, by which Available Revenue Receipts (other than items (d), (e) and (f) of Available Revenue Receipts) are insufficient to pay or provide for items (a) to (l) of the Pre-Enforcement Revenue Priority of Payments.
<b>"Similar Law"</b>	means any U.S. federal, state, local, non-U.S. or other law, rule or regulation that is substantially similar to the fiduciary responsibility and prohibited transaction provisions of Title I of ERISA or Section 4975 of the Code.
<b>"Similar Plan"</b>	means: <ul style="list-style-type: none"><li>(a) a "governmental plan" within the meaning of Section 3(32) of ERISA;</li><li>(b) a "church plan" within the meaning of Section 3(33) of ERISA that has made no election under Section 410(d) of the Code;</li><li>(c) a "non-U.S. plan" described in Section 4(b)(4) of ERISA; or</li><li>(d) a benefit plan that is not a Benefit Plan Investor.</li></ul>
<b>"South West Region"</b>	means a Nomenclature of Territorial Units for Statistics (NUTS) classification code of IE025 as per the European Central Bank RMBS taxonomy.
<b>"Specified Office"</b>	means, in relation to any Agent: <ul style="list-style-type: none"><li>(a) the office specified against its name in the Notices Details; or</li><li>(b) such other office as such Agent may specify in accordance with Clause 13.8 (<i>Changes in Specified Offices</i>) of the Agency Agreement.</li></ul>
<b>"SPV Criteria"</b>	means the criteria established from time to time by the Rating Agencies for a single purpose company in the Issuer Jurisdiction.



<b>"SR Data Tape"</b>	means certain loan-by-loan information in relation to the Mortgage Portfolio in respect of each Calculation Period as then required by and in accordance with Article 7(1)(a) of the Securitisation Regulation published on a quarterly basis in the form prescribed as at such time under the Securitisation Regulation.
<b>"SR Investor Report"</b>	means the quarterly investor report in respect of each Calculation Period, published as then required by and in accordance with Article 7(1)(e) of the Securitisation Regulation in the form prescribed as at such time under the Securitisation Regulation.
<b>"SR Repository"</b>	means a securitisation repository registered under Article 10 of the Securitisation Regulation.
<b>"Standard Documentation"</b>	means the standard documentation of the Originator, a list of which is set out in the Mortgage Sale Agreement.
<b>"Step-Up Date"</b>	means the Interest Payment Date falling in April 2022.
<b>"Substituted Obligor"</b>	means a single purpose company incorporated in any jurisdiction that meets the SPV Criteria.
<b>"TARGET2 Settlement Day"</b>	means any day on which the TARGET2 system is open for the settlement of payments in euro.
<b>"TARGET2 system"</b>	means the Trans European Automated Real-time Gross Settlement Express Transfer payment system which utilises a single platform and which was launched on 19 November 2007.
<b>"Tax"</b>	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) and " <b>Taxes</b> ", " <b>taxation</b> ", " <b>taxable</b> " and comparable expressions shall be construed accordingly.
<b>"Tax Authority"</b>	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, the Irish Revenue Commissioners).
<b>"Tax Deduction"</b>	means any deduction or withholding on account of Tax other than a FATCA withholding.
<b>"Term Variation"</b>	means the extension of the term of a Repayment Mortgage Loan, subject to satisfaction of the Term Variation Conditions.
<b>"Term Variation Conditions"</b>	means the following conditions: <ul style="list-style-type: none"> <li>(a) the Variation Date falls before the Step-Up Date;</li> <li>(b) the grant of the Term Extension will not result in the aggregate principal balance of all Mortgage Loans that have been the subject of a Term Variation to exceed €2 million;</li> <li>(c) the Term Variation will not cause the term of the Mortgage Loan the subject of the Term Variation to exceed 20 years from the origination date of that</li> </ul>

Mortgage Loan;

- (d) as far as the Servicer is aware, the then current ratings of the Rated Notes then outstanding would not be downgraded, withdrawn or qualified as a result of the grant of such Term Variation;
- (e) no Event of Default has occurred and is continuing;
- (f) no Perfection Trigger Event has occurred;
- (g) the Principal Deficiency Ledger of the Rated Notes does not have a debit balance as at the most recent Interest Payment Date after applying all Available Revenue Receipts on that Interest Payment Date; and
- (h) each Mortgage Loan and its Related Security which is the subject of a Term Variation complies with the representations contained in the Mortgage Sale Agreement required to be given on each Variation Date.

**"Transaction Account"**

means the account in the name of the Issuer held at the 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.

**"Transaction Documents"**

means the Account Bank Agreement, the Servicing Agreement, the Agency Agreement, the Cash Management Agreement, the Collection Account Declaration of Trust, the Corporate Services Agreement, the Irish Deed of Charge, the English Deed of Charge, the Incorporated Terms Memorandum, the Mortgage Sale Agreement, the Seller Security Power of Attorney, the Trust Deed, 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 any other document designated as such by agreement of all relevant parties.

**"Transaction Party"**

means any person who is a party to a Transaction Document and **"Transaction Parties"** means some or all of them.

**"Treaty"**

means the Treaty establishing the European Community, as amended.

**"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, the Irish Deed of Charge and the English Deed of Charge and (unless the context requires otherwise) includes any deed or other document executed in accordance with the provisions of the Trust Deed or (as applicable) the Irish Deed of Charge or the English Deed of Charge and expressed to be supplemental to the Trust Deed, the Irish Deed of Charge or the English Deed of Charge (as applicable).

**"Trustee"**

means BNY Mellon Corporate Trustee Services Limited in its capacity as trustee under the terms of the Trust Documents, or such other person as may be appointed from time to time as trustee (or co-trustee) pursuant to the Trust Documents.

<b>"Unit Trust"</b>	means a unit trust established by a Pension Trustee for the sole purpose of entering into a mortgage loan.
<b>"U.S."</b>	means the United States of America.
<b>"U.S. Risk Retention Rules"</b>	means the rules promulgated under Section 15 of the U.S. Securities Exchange Act of 1934.
<b>"Valuation Report"</b>	means the valuation report or reports for mortgage purposes, obtained by the Originator from a valuer in respect of each Property.
<b>"Variable Rate Mortgage Loans"</b>	means the Mortgage Loans which are subject to a variable rate of interest set by the Seller from time to time.
<b>"Variation Date"</b>	means the date of the granting of any Term Variation.
<b>"Written Resolution"</b>	means a resolution in writing signed by or on behalf of all holders of Notes of the relevant class for the time being outstanding who for the time being are entitled to receive notice of a Meeting in accordance with the Provisions for Meetings of Noteholders, 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.

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