

IMPORTANT NOTICE

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

IMPORTANT: You must read the following before continuing. The following applies to the Prospectus 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 TO SELL OR THE SOLICITATION OF AN OFFER TO BUY THE SECURITIES OF THE ISSUER IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE SECURITIES ACT), OR THE SECURITIES LAWS 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, OR A TRANSACTION NOT SUBJECT TO, 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 OR TO ANY U.S. ADDRESS. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS PROSPECTUS IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR DETERMINED THAT THIS PROSPECTUS IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

IMPORTANT EEA RETAIL INVESTORS - The Notes are not intended to be offered, sold or otherwise made available to, and should not be offered, sold or otherwise made available to, any retail investor in the European Economic Area (“**EEA**”). For these purposes, a “**retail investor**” means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); or (ii) a customer within the meaning of Directive 2002/92/EC, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the “**PRIPs 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 PRIPs Regulation.

AN INVESTMENT IN THE NOTES IS STRUCTURED NOT TO BE SUBJECT TO RESTRICTION UNDER THE U.S. VOLCKER RULE AS AN INVESTMENT IN AN OWNERSHIP INTEREST IN A COVERED FUND.

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.

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 Articles 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 and the Joint Lead Managers.

DILOSK RMBS NO.2 DAC

(incorporated with limited liability in Ireland under number 631508)

Note Class	Initial Principal Amount (EUR)	Issue Price	Interest Rate/ Reference Rate	Relevant Margin prior to the Step-up Date	Step-Up Date and First Optional Redemption Date	Relevant Margin from and including the Step-up Date*	Additional Note Payment (accrues from and including the Step-Up Date)**	Coupon Cap***	Pre-enforcement Redemption Profile	Final Maturity Date	Ratings DBRS/ Moody's
Class A	€180,457,000	99.588%	3-month EURIBOR	0.75%	20 December 2021	1.50%	N/A	6.00%	Pass through amortisation	20 December 2057	AAA/Aaa
Class B	€18,618,000	99.385%	3-month EURIBOR	1.30%	20 December 2021	1.30%	1.00	6.00%		20 December 2057	AA (high)/Aa1
Class C	€14,322,000	99.695%	3-month EURIBOR	2.00%	20 December 2021	2.00%	1.00	6.00%		20 December 2057	AA/A1
Class D	€17,186,000	98.944%	3-month EURIBOR	2.30%	20 December 2021	2.30%	1.00	8.00%		20 December 2057	A/Baa3
Class E	€25,779,000	98.518%	3-month EURIBOR	3.25%	20 December 2021	3.25%	1.50	8.00%		20 December 2057	BB (high)/B3
Class F	€8,593,000	99.270%	3-month EURIBOR	4.50%	20 December 2021	4.50%	1.50	8.00%		20 December 2057	BB/Caa3
Class Z2	€12,890,000	100%	N/A	8.00%	20 December 2021	0.00%	N/A	N/A		20 December 2057	Unrated
Class Z1	€21,486,000	80%	N/A	8.00%	20 December 2021	0.00%	N/A	N/A		20 December 2057	Unrated
Class X	€100,000	0.01%	Class X Note Interest Amount	N/A	20 December 2021	N/A	N/A	N/A		20 December 2057	Unrated
Class R	€2,000,000	0.01%	Class R Note Interest Amount	N/A	20 December 2021	N/A	N/A	N/A	20 December 2057	Unrated	

*The Relevant Margin on the Class A Notes will increase on and from the Interest Payment Date falling in December 2021 (the "Step-Up Date").

** Additional Note Payments can be paid in respect of the Class B Notes, Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes on and from the Interest Payment Date immediately following the Step-Up Date. Payments of Additional Note Payments are subordinated to payments of interest on the Notes. Payments of Additional Note Payments are not rated and may be deferred and non-payment thereof shall not be an Event of Default in any circumstances.

*** The Note Rate on the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes will be capped at the applicable Coupon Cap on and from the Step-Up Date.

Closing Date: The Issuer will issue the €180,457,000 Class A Residential Mortgage Backed Floating Rate Notes due December 2057 (the "Class A Notes"), €18,618,000 Class B

Residential Mortgage Backed Floating Rate Notes due December 2057 (the “**Class B Notes**”), €14,322,000 Class C Residential Mortgage Backed Floating Rate Notes due December 2057 (the “**Class C Notes**”), €17,186,000 Class D Residential Mortgage Backed Floating Rate Notes due December 2057 (the “**Class D Notes**”), €25,779,000 Class E Residential Mortgage Backed Floating Rate Notes due December 2057 (the “**Class E Notes**”), €8,593,000 Class F Residential Mortgage Backed Floating Rate Notes due December 2057 (the “**Class F Notes**”), €21,486,000 Class Z1 Residential Mortgage Backed 8.00 per cent. Fixed Rate Notes due December 2057 (the “**Class Z1 Notes**”), €12,890,000 Class Z2 8.00 per cent. Fixed Rate Notes due December 2057 (the “**Class Z2 Notes**”), €100,000 Class X Notes due December 2057 (the “**Class X Notes**”) and €2,000,000 Class R Notes due December 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 E Notes, the Class F Notes, the Class Z1 Notes, the Class Z2 Notes and the Class X Notes, the “**Notes**”) on or about 16 November 2018 (the “**Closing Date**”).

**Stand-Alone/
Programme
Issuance:**

Stand-alone issuance.

**Underlying
Assets:**

The Issuer will make payments on the Notes from, *inter alia*, payments of principal and revenue on a portfolio comprising mortgage loans originated by Leeds Building Society and Pepper Finance Corporation (Ireland) DAC (formerly GE Capital Woodchester Home Loans Limited) (each, an “**Originator**” and together, the “**Originators**”) and secured over residential properties located in Ireland. The Portfolio will be purchased by the Issuer from the Sellers on the Closing Date. Please refer to the section entitled “*The Portfolio*” for further information.

**Credit
Enhancement:**

Credit enhancement is provided by:

- (a) in respect of each Class of the Rated Notes, the over-collateralisation funded by Notes ranking junior to such Class of Notes in the Priority of Payments;
- (b) excess Available Revenue Receipts; and
- (c) amounts standing to the credit of the General Reserve Fund.

Please refer to sections entitled “*Key Structural Features*” and “*Cashflows and Cash Management*” for further information.

**Liquidity
Support:**

Liquidity support is provided by:

- (a) in respect of the Rated Notes and the Class X Notes, prior to the service of an Enforcement Notice, all amounts standing to the credit of the General Reserve Fund in relation to the General Reserve Fund Second Target Level will be applied as Available Revenue Receipts in accordance with the Pre-Enforcement Revenue Priority of Payments;
- (b) in respect of the Class A Notes and the Class X Notes, prior to the service of an Enforcement Notice, all amounts standing to the credit of the General Reserve Fund in relation to the General Reserve Fund First Target Level and the General Reserve Fund Second Target Level will be applied as Available Revenue Receipts in accordance with the Pre-Enforcement Revenue Priority of Payments; and

- (c) in respect of the most senior outstanding class of Rated Notes at any given time prior to the service of an Enforcement Notice, Available Principal Receipts which may be applied to make up any Senior Class Shortfall.

Please refer to the section entitled “*Key Structural Features*” for further information.

Redemption Provisions:

Information on any optional and mandatory redemption of the Notes is summarised on page (68) (*Transaction Overview – Overview of Terms and Conditions of the Notes*) and is set out in full in Condition 9 (*Final Redemption, Mandatory Redemption in Part and Cancellation*).

Benchmarks:

Interest payable under the Notes may be calculated by reference to EURIBOR, provided by European Money Markets Institute. At the date of this Prospectus, European Money Markets Institute does not appear on the register of administrators and benchmarks established and maintained by European Securities and Markets Authority in accordance with Article 36 of Regulation (EU) 2016/1011 (the “**Benchmarks Regulation**”). As far as the Issuer is aware, the transitional provisions in Article 51 of the Benchmarks Regulation apply, such that European Money Markets Institute is not currently required to obtain authorisation or registration.

Credit Rating Agencies:

DBRS Ratings Limited (“**DBRS**”) and Moody's Investors Services Ltd. (“**Moody's**”, together with DBRS, the “**Rating Agencies**”). As of the date hereof, each of DBRS and Moody's 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 “**CRA Regulation**”).

As such, each of the Rating Agencies is included in the list of credit rating agencies published by the European Securities and Markets Authority (“**ESMA**”) on its website in accordance with the CRA Regulations. Please refer to the section entitled “*Certain Regulatory Disclosures – Credit Rating Agency Regulation*” for further information.

Credit Ratings:

Ratings are expected to be assigned to the Rated Notes as set out above on or before the Closing Date. The ratings reflect the views of the Rating Agencies and are based on the Mortgage Assets, the freehold or leasehold properties which are subject to a Mortgage (the “**Properties**”) and the structural features of the transaction.

The ratings assigned by the Rating Agencies in respect of the Class A Notes address the likelihood of timely payment of interest and ultimate payment of principal due to Noteholders by a date that is not later than the Interest Payment Date falling in December 2057 (the “**Final Maturity Date**”). The ratings assigned by the Rating Agencies in respect of the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes address the likelihood of ultimate payment of interest and ultimate payment of principal due to Noteholders by a date that is not later than the Final Maturity Date (but excluding any Additional Note Payments).

Payments of Additional Note Payments in respect of the Class B Notes, Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes are not rated and the ratings assigned by the Rating Agencies in respect of the Class B Notes, Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes do not address the likelihood of receipt of any amounts in respect of the Additional Note Payments. Additional Note Payments do not apply to the Class A Notes, Class Z1 Notes, Class Z2 Notes, Class X Notes or to the Class R Notes.

None of the Class Z1 Notes, the Class Z2 Notes, the Class X Notes or the Class R Notes will be rated.

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

Listings:

This document comprises a Prospectus for the purposes of Directive 2003/71/EC, as amended (to the extent that such amendments, which includes the amendments made by Directive 2010/71/EC, have been implemented in the relevant member state of the European Economic Area) (the “**Prospectus Directive**”) and relevant implementing measures in Ireland. This Prospectus has been approved by the Central Bank of Ireland (the “**Central Bank**”), as competent authority under the Prospectus Directive) for the purpose of giving information with regard to the issue of the Notes. The Central Bank only approves this Prospectus as meeting the requirements imposed under Irish and European Union (“**EU**”) law pursuant to the Prospectus Directive. Application has been made to The Irish Stock Exchange plc trading as Euronext Dublin (“**Euronext Dublin**”) for the Notes to be admitted to the official list of Euronext Dublin (the “**Official List**”) and to trading on its regulated market (the “**Main Securities Market**”). Such approval relates only to the Notes which are to be admitted to trading on the Main Securities Market which is a regulated market for the purposes of Directive 2014/65/EU of the European Parliament and the Council on markets in financial instruments (as amended, “**MiFID II**”). This Prospectus constitutes a “prospectus” for the purposes of the Prospectus Directive. This Prospectus will be available for viewing on the website of the Irish Central Bank for a period of 12 months (<http://www.centralbank.ie>) and the website of Euronext Dublin (www.ise.ie). References in this Prospectus to Notes being listed (and all related references) shall mean that such Notes have been admitted to the Official List and to trading on the Main Securities Market. Such approval relates only to the Notes which are to be admitted to trading on a regulated market for the purposes of MiFID II and/or which are to be offered to the public in any Member State of the European Economic Area.

Form of Notes:

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

The Class X Notes and the Class R Notes will be issued in dematerialised registered form. The Issuer will maintain a register, to be kept on the Issuer’s behalf by the Registrar, in which the Class X Notes and the Class R Notes will be registered in the name of the relevant Noteholders. The transfer of all or any portion of the interest in the Class X Notes or the Class R Notes may be effected only through registration on the register maintained by the Issuer.

Obligations:

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 person who is a party to a Transaction Document (a “**Transaction Party**”) other than the Issuer.

Retention Undertaking:

On the Closing Date, the Retention Holder will, as a sponsor for the purposes of the CRR, the AIFM Regulation and the Solvency II Regulation (each as defined below), retain a material net economic interest of not less than 5 per cent. in the securitisation in accordance with the text of each of Article 405(1)(a) of Regulation (EU) No 575/2013 (the “**Capital Requirements Regulation**” or “**CRR**”), Article 254(2)(a) of Regulation (EU) No. 2015/35 (the “**Solvency II Regulation**”) and Article 51(1)(a) of Regulation (EU) No 231/2013, referred to as the Alternative Investment Fund Manager Regulation (the “**AIFM Regulation**” or “**AIFMR**”, and together with CRR and Solvency II Regulation, the “**EU Risk Retention Requirements**” (which, in each case, does not

take into account any corresponding national measures) (the “Retention”). As at the Closing Date, the Retention will comprise the Retention Holder holding no less than 5 per cent. of the nominal value of each Class of Notes sold or transferred to investors on the Closing Date, as required by the text of each of Article 405(1)(a) of the CRR, Article 254(2)(a) of the Solvency II Regulation and Article 51(1)(a) of the AIFM Regulation. Any change in the manner in which the interest is held may only be made in accordance with applicable laws and regulations and will be notified to the Noteholders. See the section entitled "*Certain Regulatory Disclosures*" for further information.

On the Closing Date, the Retention Holder will acquire at least 5 per cent. of each of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes, the Class Z1 Notes, the Class Z2 Notes, the Class R Notes and the Class X Notes (the 5 per cent. of the nominal value of each Class of Notes to be held in compliance with its risk retention requirements as described above).

Volcker Rule: The Issuer is of the view that it is not, and solely after giving effect to any offering and sale of the Notes and the application of the proceeds thereof will not be, a “covered fund” for purposes of regulations adopted under Section 13 of the Bank Holding Company Act of 1956, as amended (commonly known as the “**Volcker Rule**”). In reaching this conclusion, although other statutory or regulatory exclusions and/or exemptions under the Investment Company Act of 1940, as amended (the “**Investment Company Act**”) and under the Volcker Rule and its related regulations may be available, the Issuer has relied on the determination that the Issuer would satisfy all of the elements of the exemption from the definition of investment company under the Investment Company Act provided by Section 3(c)(5) thereunder.

Language: 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.

Significant Investors On the Closing Date the Retention Holder will acquire (i) 100 per cent. of the Class X Notes, (ii) 100 per cent. of the Class R Notes (following which the Retention Holder will transfer 95 per cent. of the Class R Notes to the DF5 Seller on the same day) and (iii) at least 5 per cent. of the nominal value of each of the other Classes of Notes in compliance with its risk retention requirements as described above.

A "RISK FACTORS" SECTION BEGINNING ON PAGE 15 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

BARCLAYS BANK PLC

The date of this Prospectus is 13 November 2018

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.

Dilosk Funding No. 4 Designated Activity Company (the “**DF4 Seller**”) accepts responsibility for the information set out in the sections headed “*The DF4 Seller*”, “*Certain Regulatory Disclosures*”, “*The Portfolio*” and “*Statistical Information on the Provisional Mortgage Portfolio*”. To the best of the knowledge and belief of the DF4 Seller (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 DF4 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.

Dilosk Funding No. 5 Designated Activity Company (the “**DF5 Seller**”), accepts responsibility for the information set out in the sections headed “*The DF5 Seller*”, “*Certain Regulatory Disclosures*”, “*The Portfolio*” and “*Statistical Information on the Provisional Mortgage Portfolio*” (the DF5 Seller, together with the DF4 Seller, being the “**Sellers**”, and each a “**Seller**”). To the best of the knowledge and belief of the DF5 Seller (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 DF5 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.

Pepper Finance Corporation (Ireland) DAC (formerly GE Capital Woodchester Home Loans Limited) (the “**Administrator**”) accepts responsibility for the information set out in the section headed “*The Administrator, the Master Servicer, the Managing Sponsor, the Administration Agreement and the Master Servicing Agreement - The Administrator*”. To the best of the knowledge and belief of the Administrator (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 Administrator as to the accuracy or completeness of any information contained in this Prospectus (other than in the section referred to above) or any other information supplied in connection with the Notes or their distribution.

Dilosk DAC (the “**Master Servicer**”) accepts responsibility for the information set out in the section headed “*The Administrator, the Master Servicer, the Managing Sponsor, the Administration Agreement and the Master Servicing Agreement - The Master Servicer*”. To the best of the knowledge and belief of the Master Servicer (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 Master Servicer as to the accuracy or completeness of any information contained in this Prospectus (other than in the section referred to above) or any other information supplied in connection with the Notes or their distribution.

Barclays Bank PLC (the “**Retention Holder**” and “**Managing Sponsor**”) accepts responsibility for the information set out in the section, headed “*The Retention Holder and Managing Sponsor*” and “*The*

Administrator, the Master Servicer, the Managing Sponsor, the Administration Agreement and the Master Servicing Agreement - The Managing Sponsor". To the best of the knowledge and belief of Barclays Bank PLC (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 Barclays Bank PLC as to the accuracy or completeness of any information contained in this Prospectus (other than in the section referred to above) or any other information supplied in connection with the Notes or their distribution.

Pepper Finance Corporation (Ireland) DAC (formerly GE Capital Woodchester Home Loans Limited) (the "**Legal Title Holder**") accepts responsibility for the information set out in the section headed "*The Legal Title Holder*". To the best of the knowledge and belief of the Legal Title Holder (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 Legal Title Holder 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.

Citibank, N.A., London Branch (the "**Account Bank**") accepts responsibility for the information set out in the section headed "*The Account Bank*". 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 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.

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, the Arranger and either of the Joint Lead Managers 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*".

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, either of the Joint Lead Managers, the Trustee, the Paying Agent, the Reference Agent, the Registrar (together with the Paying Agent and the Reference Agent, the "**Agents**"), the Cash Manager or the Account Bank 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, either of the Joint Lead Managers, the Trustee, the Agents, the Cash Manager or the Account Bank 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, either of the Joint Lead Managers, the Trustee, the Agents, the Cash Manager or the Account Bank undertakes or shall undertake to review the financial condition or affairs of the Issuer or to advise any investor or potential investor in the Notes of any information coming to the attention of the Arranger or either of the Joint Lead Managers.

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933 (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, OR A TRANSACTION NOT SUBJECT TO, SUCH REGISTRATION REQUIREMENTS. THE NOTES ARE NOT TRANSFERABLE EXCEPT IN ACCORDANCE WITH THE RESTRICTIONS DESCRIBED HEREIN.

THE NOTES MAY NOT BE PURCHASED BY, OR FOR THE ACCOUNT OR BENEFIT OF, ANY "U.S. PERSON" AS DEFINED IN THE FINAL RULES PROMULGATED UNDER SECTION 15G OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, (THE "**U.S. RISK RETENTION RULES**" AND SUCH US PERSONS, "**RISK RETENTION U.S. PERSONS**"). PROSPECTIVE INVESTORS SHOULD NOTE THAT THE DEFINITION OF "U.S. PERSON" IN THE US RISK RETENTION RULES IS SUBSTANTIALLY SIMILAR TO, BUT NOT IDENTICAL TO, THE DEFINITION OF "US PERSON" IN REGULATIONS UNDER THE SECURITIES ACT. PURCHASERS OF THE NOTES, INCLUDING BENEFICIAL INTERESTS THEREIN, WILL BE DEEMED AND IN CERTAIN CIRCUMSTANCES WILL BE REQUIRED TO HAVE MADE CERTAIN REPRESENTATIONS AND AGREEMENTS, INCLUDING THAT EACH PURCHASER (1) IS NOT A RISK RETENTION U.S. PERSON, (2) IS ACQUIRING SUCH NOTE OR A BENEFICIAL INTEREST THEREIN FOR ITS OWN ACCOUNT, 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. CERTAIN INVESTORS MAY BE REQUIRED TO EXECUTE A WRITTEN CERTIFICATION OF REPRESENTATION LETTER BY THE RETENTION HOLDER IN RESPECT OF THEIR STATUS UNDER THE U.S. RISK RETENTION RULES. SEE "*Risk Factors – U.S. Risk Retention Requirements*".

THE NOTES REPRESENT OBLIGATIONS OF THE ISSUER ONLY AND DO NOT REPRESENT AN INTEREST IN OR OBLIGATION OF THE ARRANGER, EITHER OF THE JOINT LEAD MANAGERS, THE TRUSTEE, THE SELLERS THE ADMINISTRATOR, OR ANY OF THEIR RESPECTIVE AFFILIATES OR ANY OTHER PARTY TO THE TRANSACTION DOCUMENTS (OTHER THAN, FOR THE AVOIDANCE OF DOUBT, THE ISSUER). NEITHER THE NOTES NOR THE PURCHASED RECEIVABLES WILL BE INSURED OR GUARANTEED BY ANY GOVERNMENTAL AGENCY OR INSTRUMENTALITY OR BY THE ARRANGER, EITHER OF THE JOINT LEAD MANAGERS, THE TRUSTEE, THE SELLERS, THE ADMINISTRATOR OR ANY OF THEIR RESPECTIVE AFFILIATES OR ANY OTHER PARTY TO THE TRANSACTION DOCUMENTS (OTHER THAN THE ISSUER) OR BY ANY OTHER PERSON OR ENTITY EXCEPT AS DESCRIBED HEREIN.

None of the Issuer, the Arranger, either of the Joint Lead Managers, the Trustee or any other party to the Transaction Documents 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 directors of the Issuer, the Arranger or either of the Joint Lead Managers or any other party to the Transaction Documents.

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 Arranger or either of the Joint Lead Managers other than as set out in the paragraph headed “*Listings*” on page (6) 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 Cleared 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 registered in the name of a nominee of the Common Safekeeper on the Closing Date.

The Class X Notes and the Class R Notes will be issued in dematerialised registered form and will not be cleared. The Issuer will maintain a register, to be kept on the Issuer’s behalf by Citigroup Global Markets Europe AG (the “**Registrar**”), in which the Class X Notes and the Class R Notes will be registered in the name of the relevant Noteholders on the Closing Date.

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.

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 on European Union (the “**Treaty**”). References in this Prospectus to Ireland mean Ireland (excluding Northern Ireland).

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.

This Prospectus has been approved by the Central Bank under the Prospectus Directive. This Prospectus will be filed with the Companies Registration Office in Ireland in accordance with Regulation 38(1)(b) of the Prospectus Regulations.

MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET

– Solely for the purposes of each manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined 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 manufacturers’ target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers’ target market assessment) and determining appropriate distribution channels.

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. Moreover, past financial performance should not be considered a reliable indicator of future performance and prospective purchasers of the Notes are cautioned that any such statements are not guarantees of performance and involve risks and uncertainties, many of which are beyond the control of the Issuer. 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. Neither the Arranger, either of the Joint Lead Managers nor either of the Sellers have attempted to verify any forward-looking statements or Statistical Information, nor does it make any representations, express or implied, with respect thereto. Prospective purchasers should therefore not place undue reliance on any of these forward-looking statements or Statistical Information. None of the Issuer, the Arranger, either of the Joint Lead Managers or either of the Sellers assumes any obligation to update these forward-looking statements or Statistical Information or to update the reasons for which actual results could differ materially from those anticipated in the forward-looking statements or Statistical Information, as applicable.

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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, either of the Joint Lead Managers or the Trustee. No person other than the Issuer will accept any liability whatsoever in respect of any failure by the Issuer to pay any amount due under the Notes.

Limited source of funds

The ability of the Issuer to meet its obligations to pay principal and interest and Additional Note Payments 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 Portfolio and from any enforcement of Mortgage Loans or any sale of Mortgage Loans, interest earned on the Issuer Accounts and amounts standing to the credit of the General 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. The Issuer will have no recourse to either of the Sellers, save as provided in the relevant Mortgage Sale Agreement (see further the section entitled "*Sale of the Portfolio under each Mortgage Sale Agreement*"). In addition, the Issuer's obligation to pay amounts in respect of interest on the Rated Notes on an on-going basis will be capped at the applicable Coupon Cap for such Interest Payment Date.

Limited recourse

The Notes will be limited recourse obligations of the Issuer. Other than the receipts from the Mortgage Loans in the Portfolio, interest earned on the Transaction Account and amounts standing to the credit of the General

Reserve Fund, the Issuer is not expected to have any other funds available to it to meet its obligations under the Notes. If at any time following:

- (a)
 - (i) the Final Maturity Date or any earlier date upon which all of the Notes of each Class become 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 paragraph(b) above) under such Class of Notes (and any Class of Notes junior to that Class of Notes) shall, on the day following such application in full of the amounts referred to in paragraph(b) above, cease to be due and payable by the Issuer. 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 for the Trustee and shall be paid over to the Trustee immediately upon receipt so that such amount can be applied in accordance with the provisions of the Irish Deed of Charge and the English Deed of Charge.

"Charged Property" means all the property of the Issuer which is subject to the Security.

Deferral of interest payments on the Notes and Additional Note Payments

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 the Notes (other than the Class A 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 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.

If, on any Interest Payment Date after the Step-Up Date, the Issuer has insufficient funds to make payment in full of all amounts in respect of Additional Note Payment Amounts (including interest (if any) accrued but unpaid and/or deferred and accrued interest thereon) payable in respect of the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes after having paid or provided for items of higher

priority in the Pre-Enforcement Revenue Priority of Payments, then the Issuer shall defer payment of the relevant Additional Note Payment Amount until the next Interest Payment Date. Such failure to pay Additional Note Payment Amounts 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 the relevant Additional Note Payment Amount in respect of such Class of Notes is scheduled to be paid in accordance with the Conditions, the deferral of the relevant Additional Note Payment Amount shall continue until the Final Maturity Date.

Credit risk

The Issuer is subject to the continued risk of default in payment by the Borrowers and upon such default in payment, the failure by the Administrator, 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 to which the Interest Payment Date relates. 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, interest and Additional Note Payments 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, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes, the Class Z2 Notes, the Class Z1 Notes, the Class X Notes and the Class R Notes. Payments of principal on the Class B Notes will be made in priority to payments of principal on the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes, the Class Z2 Notes, the Class Z1 Notes, the Class X Notes and the Class R Notes. Payments of principal on the Class C Notes will be made in priority to payments of principal on the Class D Notes, the Class E Notes, the Class F Notes, the Class Z2 Notes, the Class Z1 Notes, the Class X Notes and the Class R Notes. Payments of principal on the Class D Notes will be made in priority to payments of principal on the Class E Notes, the Class F Notes, the Class Z2 Notes, the Class Z1 Notes, the Class X Notes and the Class R Notes. Payments of principal on the Class E Notes will be made in priority to payments of principal on the Class F Notes, the Class Z2 Notes, the Class Z1 Notes, the Class X Notes and the Class R Notes. Payments of principal on the Class Z2 Notes will be made in priority to payments of principal on the Class Z1 Notes, the Class X Notes and the Class R Notes. Payments of principal on the Class X Notes will be made in priority to payments of principal on the Class R Notes.

Prior to the service of an Enforcement Notice by the Trustee on the Issuer, payments of principal on the Class X Notes will be made in accordance with the Pre-Enforcement Revenue Priority of Payments and the Pre-Enforcement Principal Priority of Payments while any of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes, the Class Z2 Notes or the Class Z1 Notes are outstanding, until the Principal Amount Outstanding of the Class X Notes is reduced down to €1. Following the service of an Enforcement Notice by the Trustee on the Issuer, the Class X Notes will be redeemed in accordance with the Post-Enforcement Priority of Payments after the redemption of the Class A Notes, the

Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes, the Class Z2 Notes and the Class Z1 Notes.

Prior to the service of an Enforcement Notice by the Trustee on the Issuer, payments of principal on the Class R Notes will be made in accordance with the Pre-Enforcement Revenue Priority of Payments and the Pre-Enforcement Principal Priority of Payments while any of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, Class E Notes, the Class F Notes, the Class Z2 Note, the Class Z1 Notes or the Class X Notes are outstanding, until the Principal Amount Outstanding of the Class R Notes is reduced down to €1. Following the service of an Enforcement Notice by the Trustee on the Issuer, Class R Notes will be redeemed in accordance with the Post-Enforcement Priority of Payments after the redemption of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes, the Class Z2 Notes, the Class Z1 Notes and the Class X Notes.

Payments of interest on the Class A Notes and the Class X Notes will be made *pari passu* without preference or priority among themselves. Payments of interest on the Class A Notes and the Class X Notes will be made in priority to payments of interest on the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes, the Class Z1 Notes, the Class Z2 Notes, payments of principal on the Class Z2 Notes, the Class X Notes and the Class R Notes and payments of interest on the Class R Notes. Payments of interest on the Class B Notes will be made in priority to payments interest on the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes, the Class Z1 Notes, the Class Z2 Notes, payments of principal on the Class Z2 Notes, the Class X Notes and the Class R Notes and payments of interest on the Class R Notes. Payments of interest on the Class C Notes will be made in priority to payments interest on the Class D Notes, the Class E Notes, the Class F Notes, the Class Z1 Notes, the Class Z2 Notes, payments of principal on the Class Z2 Notes, the Class X Notes and the Class R Notes and payments of interest on the Class R Notes. Payments of interest on the Class D Notes will be made in priority to payments interest on the Class E Notes, the Class F Notes, the Class Z1 Notes, the Class Z2 Notes, payments of principal on the Class Z2 Notes, the Class X Notes and the Class R Notes and payments of interest on the Class R Notes. Payments of interest on the Class E Notes will be made in priority to payments interest on the Class F Notes, the Class Z1 Notes, the Class Z2 Notes, payments of principal on the Class Z2 Notes, the Class X Notes and the Class R Notes and payments of interest on the Class R Notes. Payments of interest on the Class F Notes will be made in priority to payments interest on the Class Z1 Notes, the Class Z2 Notes, payments of principal on the Class Z2 Notes, the Class X Notes and the Class R Notes and payments of interest on the Class R Notes. Payments of interest on the Class Z1 Notes will be made in priority to payments interest on the Class Z2 Notes, payments of principal on the Class Z2 Notes, the Class X Notes and the Class R Notes and payments of interest on the Class R Notes. Payments of interest on the Class X Notes will be made in priority to payments of principal and interest on the Class X Notes. Payments of principal on the Class X Notes will be made in priority to payments of principal and interest on the Class R Notes.

Payment of Additional Note Payments in respect of the Class B Notes, will be made in priority to payments of Additional Note Payments on the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes. Payment of Additional Note Payments in respect of the Class C Notes will be made in priority to payments of Additional Note Payments on the Class D Notes, the Class E Notes and the Class F Notes. Payment of Additional Note Payments in respect of the Class D Notes will be made in priority to payments of Additional Note Payments on the Class E Notes and the Class F Notes. Payment of Additional Note Payments in respect of the Class E Notes will be made in priority to payment of Additional Note Payments on the Class F Notes.

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

Basis risk

The Issuer is subject to:

- (a) the risk of a mismatch between interest on the Variable Rate Mortgage Loans and the Tracker Mortgage Loans being determined on different bases than that on which the interest rate payable on the Notes is determined; and
- (b) the risk that any cash held by or on behalf of the Issuer may earn a rate of return below the rate of interest payable on the Notes, which risk is mitigated by the availability of excess Available Principal Receipts, each of which are available to meet payments of interest due under the Notes and the other expenses of the Issuer.

An increase in the level of three month EURIBOR could adversely impact the ability of the Issuer to make payments on the Notes.

Where interest payable in respect of a Mortgage Loan is set by reference to a standard variable rate (a “**SVR**”), the Administration Agreement contains an obligation on the Administrator to set such SVR at a rate which is equal to the ECB Rate plus the SVR ECB Margin (the “**SVR Floor**”), provided that the Administrator shall only be under an obligation to apply the SVR Floor if it would not be reasonably likely to result in a breach of the applicable Mortgage Conditions or to be contrary to Applicable Law or Regulation, and applying such SVR Floor may be undertaken in accordance with the standards of a Prudent Mortgage Lender. The Administrator intends to make any changes to SVR rates as soon as practicable following a change in the ECB Rate.

There can be no assurance that setting the SVR in relation to the Mortgage Loans in the way described, or adhering to the other aforementioned restrictions, would not have an adverse effect on the ability of the Issuer to make payments under Notes.

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 Asset) on the Mortgage Loans, the sale of any enforced Property 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 prepayment on the Mortgage Loans.

The rate of prepayment of Mortgage Loans is influenced by a wide variety of economic, social and other factors, including prevailing mortgage market interest rates, the availability of alternative financing programmes, local and regional economic conditions and homeowner mobility and local housing markets.

Following enforcement of the Security, there is no guarantee that the Issuer will have sufficient funds to redeem the Notes in full.

The holder of more than 50 per cent. of the Class Z1 Notes then outstanding (the “**Majority Class Z1 Note Holder**” and the “**Portfolio Purchase Option Holder**”) has the right pursuant to the Deed Poll to purchase the Portfolio from the Issuer and thereby effect redemption of the Rated Notes on any Optional Redemption Date.

Pursuant to the CRR Deed of Covenant, the Retention Holder has the right to acquire the entire beneficial interest of the Issuer in the Portfolio upon the occurrence of a Risk Retention Regulatory Change Event and thereby effect redemption of the Notes. See Condition 9.4 (*Mandatory Redemption in full pursuant to a Risk Retention Regulatory Change Option*) for further information.

In the event that the Portfolio Purchase Option Holder does not elect to exercise the Portfolio Purchase Option in respect of eight (8) Interest Payment Dates following the First Optional Redemption Date (being the Interest Payment Date falling in December 2021), the Managing Sponsor has the option to effect a third party sale of the Mortgage Loans by the appointment of a third party portfolio manager by exercising its Sponsor Portfolio Sale Option. Such portfolio manager will seek a third party purchaser or purchasers for the Mortgage Loans. Subject to certain restrictions as detailed in the section "*Early Redemption of the Notes pursuant to the Portfolio Purchase Option, the Risk Retention Regulatory Change or a Sponsor Portfolio Sale*".

In addition, the Issuer may, subject to the Conditions, redeem all of the Notes if the Principal Amount Outstanding of the Notes is less than 10 per cent. of the Principal Amount Outstanding of the Notes on the Closing Date, or a change in tax law results in the Issuer being required to make a tax deduction in respect of any payment in respect of the Notes, or any change in law causing it to become unlawful for the Issuer to make, fund or allow to remain outstanding all or any of the Notes. See Condition 9.3 (*Mandatory redemption in full*) for further information.

Early redemption of the Notes may adversely affect the yield on the 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 ratings of the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes do not address the likelihood of receipt of any amount in respect of Additional Note Payments.

None of the Class Z1 Notes, Class Z2 Notes, Class X Notes or Class R Notes will be rated by the Rating Agencies.

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.

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**").

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 Arranger, either of 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 Arranger, either of 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 indication 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.

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.

Absence of secondary market for the Notes

There can be no assurance that there is an active and liquid 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 may 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.

Risks relating to U.S. Volcker Rule

The Issuer is of the view that it is not, and solely after giving effect to any offering and sale of the Notes and the application of the proceeds thereof will not be, a “covered fund” for purposes of regulations adopted under Section 13 of the Bank Holding Company Act of 1956, as amended (commonly known as the “**Volcker Rule**”). In reaching this conclusion, although other statutory or regulatory exclusions and/or exemptions under the Investment Company Act of 1940, as amended (the “**Investment Company Act**”) and under the Volcker Rule and its related regulations may be available, the Issuer has relied on the determination that the Issuer would satisfy all of the elements of the exemption from the definition of “investment company” under the Investment Company Act provided by Section 3(c)(5) thereunder. If the Issuer is considered a “covered fund”, the liquidity of the market for the Notes may be materially and adversely affected, since banking entities could be prohibited from, or face restrictions in, investing in the Notes.

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 Sellers, the Legal Title Holder, the Administrator and the Issuer Administrator Consultant) and/or any Borrower in respect of the Mortgage Loans.

On 23 June 2016 the UK held a referendum to decide on the UK's membership of the European Union. The UK vote was to leave the European Union and the UK Government invoked Article 50 of the Lisbon Treaty relating to withdrawal on 29 March 2017. There are a number of uncertainties in connection with the future of the UK and its relationship with the European Union. The negotiation of the UK's exit terms is likely to take a

number of years. Until the terms and timing of the UK's exit from the European Union are clearer, it is not possible to determine the impact that the referendum, the UK's departure from the European Union and/or any related matters may have on the business of the Issuer or one or more of the other parties to the Transaction Documents. As such, no assurance can be given that such matters would not adversely affect the ability of the Issuer to satisfy its obligations under the Notes and/or the market value and/or the liquidity of the Notes in the secondary market.

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.

Rights of Noteholders and Secured Creditors

Conflict between Noteholders

The Trust Deed contains 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 E Noteholders, the Class F Noteholders, the Class Z1 Noteholders, the Class Z2 Noteholders, the Class X Noteholders and the Class R Noteholders equally as regards all powers, trusts, 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.

No Extraordinary Resolution to approve any matter which concerns the Administrator, the Master Servicer or the Managing Sponsor including, without limitation, the termination of the appointment thereof or the appointment of a successor administrator or successor thereof shall be effective unless it is sanctioned by an Extraordinary Resolution of the Class X Noteholders, provided that such condition shall not apply in respect of the Administrator or the Master Servicer for so long as there is any debit balance on the Class A Principal Deficiency Sub-Ledger and there has been a debit balance on the Class A Principal Deficiency Sub-Ledger for the immediately preceding 12 consecutive Calculation Periods and the Trustee shall be entitled to rely on a certificate of the Issuer (such certificate to be provided by the Issuer to the Trustee before such matter is approved), without enquiry and without incurring liability to any person, confirming whether or not the circumstances as described above apply.

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 ensure the application of the proceeds of enforcement after the delivery of an Enforcement Notice in accordance with the Post-Enforcement Priority of Payments.

The Sellers will purchase no more than 95 per cent. of each of the Class Z2 Notes, the Class Z1 Notes and the Class R Notes on the Closing Date (see "*Subscription and Sale*"). The Sellers are under no obligation to consider the interests of other Noteholders when exercising its rights under the Notes.

The Mortgage Loans

Title of the Issuer

The sale of the Mortgage Assets will take effect in equity only. Save in the limited circumstances described below under "*Sale of the Portfolio under each Mortgage Sale Agreement*" (such as, *inter alia*, where an Enforcement Notice has been given), neither the Issuer nor the Trustee will obtain legal title to the Mortgage Assets by effecting any registration of their interests in the Mortgage Assets and by giving notice of assignment

to the Borrowers. On and after the Closing Date, Pepper Finance Corporation (Ireland) DAC will hold legal title to the Mortgage Assets and will be the Legal Title Holder.

Prior to the Issuer or the Trustee obtaining legal title to the Mortgage Assets (as described above), the rights of the Issuer and the Trustee may be or may become subject to equities (e.g. rights of set-off between the Borrowers and the Legal Title Holder) and to the interests of third parties who perfect a legal interest, namely, a bona fide purchaser per value from the Legal Title Holder of any such Mortgage Asset without notice of any interest of the Issuer or the Trustee, who may obtain a good title to the Mortgage Asset free of any such interests. Such equities and third party rights may diminish or negate the value of the Issuer's or Trustee's interest in the Mortgage Assets and could acquire priority over the interests of the Issuer and the Trustee. If this occurred, then the Issuer would not have good title to the affected Mortgage Assets and it would not be entitled to payments by a Borrower in respect of that Mortgage Loan.

Also, for so long as neither the Issuer nor the Trustee has obtained legal title, they must join the Legal Title Holder as a party to any legal proceedings which it may wish to take against any Borrower to enforce its rights under the relevant Mortgage Asset. In this respect, the Legal Title Holder will, pursuant to the relevant Mortgage Sale Agreement, undertake for the benefit of the Issuer and the Trustee that it will join in any legal proceedings to the extent necessary to protect, preserve and enforce the Issuer's title to or interest in any in respect of the Mortgage Asset.

Risk inherent in the transfer of Collection Accounts

Borrowers will also have the right to redeem their Mortgages by repaying the Mortgage Loan directly to the Legal Title Holder. However, each Seller and the Legal Title Holder will undertake, pursuant to the relevant Mortgage Sale Agreement, to hold any money repaid to it in respect of Mortgage Loans to the order of the Issuer. In addition the Legal Title Holder is under a contractual obligation to transfer all payment received in relation to the Mortgage Loans to the Collection Accounts, as applicable (from which there is a daily sweep from each Collection Account to the Transaction Account).

It is expected that the Issuer will open an Issuer Collection Account in its name with Barclays Bank PLC on or after the Closing Date into which all payments due by Borrowers under the Mortgage Loans beneficially owned by the Issuer will be made. It is intended that the Legal Title Holder and Bank of Ireland will, after the Issuer Collection Account is opened and prior to such time as all of the Notes have been redeemed, close the BOI Collection Accounts and terminate the Collection Account Declaration of Trust. There can be no assurance that payments due by Borrowers under the Mortgage Loans beneficially owned by the Issuer will not be directed to the BOI Collection Accounts after such BOI Collection Accounts are closed and the Issuer Collection Account is opened. Any delay in collecting payments from Borrowers (as a result of misdirected payments from Borrowers), whether by direct debit or otherwise, could have an adverse effect on the ability of the Issuer to make payments on the Notes.

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

As described above, the sale by each Seller to the Issuer of the Mortgage Assets will be given effect by an equitable assignment. As a result, legal title to the Mortgage Assets sold by a Seller to the Issuer will remain with the Legal Title Holder until the occurrence of certain trigger events under the terms of the relevant 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 Legal Title Holder. Such rights may include rights of set-off existing prior to notification to the Borrowers of the sale of the Mortgage Assets, which arise in relation to transactions made between certain Borrowers and the Legal Title Holder and the rights of Borrowers to redeem their mortgages by repaying the relevant Mortgage Loan directly to the Legal Title Holder. These rights may result in the Issuer receiving a lesser amount than anticipated from the Mortgage Assets. 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

The Issuer may apply amounts standing to the credit of the General Reserve Fund in accordance with the Pre-Enforcement Revenue Priority of Payments.

If, on any Interest Payment Date, there is a Senior Class Shortfall as a result of shortfalls in Available Revenue Receipts (other than item (e) of the definition thereof) relative to amounts due and payable pursuant to items (a), (b), (c), (d) and (e)(i) (inclusive) of the Pre-Enforcement Revenue Priority of Payments and:

- (a) for as long as the Class B Notes are the Most Senior Class of Notes then outstanding, item (h) of the Pre-Enforcement Revenue Priority of Payments;
- (b) for as long as the Class C Notes are the Most Senior Class of Notes then outstanding, item (j) of the Pre-Enforcement Revenue Priority of Payments;
- (c) for as long as the Class D Notes are the Most Senior Class of Notes then outstanding, item (l) of the Pre-Enforcement Revenue Priority of Payments;
- (d) for as long as the Class E Notes are the Most Senior Class of Notes then outstanding, item (n) of the Pre-Enforcement Revenue Priority of Payments; and
- (e) for as long as the Class F Notes are the Most Senior Class of Notes then outstanding, item (p) of the Pre-Enforcement Revenue Priority of Payments,

then, subject to certain conditions set out in "*Key Structural Features*", the Issuer may apply Available Principal Receipts to meet such Senior Class Shortfall in accordance with the Pre-Enforcement Revenue Priority of Payments.

If there insufficient funds to pay interest in respect of any Class of Notes (other than the Class A Notes), the interest in respect of such Class of Notes will not then fall due but will instead be deferred until the next 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. If there are insufficient funds to pay Additional Note Payments in respect of any Class of Notes, the Additional Note Payments in respect of such Class of Notes will not then fall due but will instead be deferred until the next Interest Payment Date or such earlier date as Additional Note Payments 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.

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

- (a) the interest and other net income of the Issuer may not be sufficient, after making the payments to be made in priority thereto, to pay, in full or at all, interest and Additional Note Payments due on the Notes; and
- (b) there may be insufficient funds to repay the Notes on or prior to the Final Maturity Date of the Notes.

The Portfolio

The information in the section headed "*Statistical Information on the Provisional Mortgage Portfolio*" has been extracted from the systems of each Seller as at the Provisional Cut-off Date (the "**Provisional Mortgage Portfolio**") and comprises 1,744 Mortgage Loans with a Current Balance of €290,066,985. The characteristics and the composition of the Portfolio as at the Cut-Off Date will vary from those set out in the tables in this Prospectus as a result Mortgage Assets from the Provisional Mortgage Portfolio being excluded from the Portfolio as a result of repayments and redemptions of Mortgage Loans prior to the Cut-off Date; (ii) the exclusion of Mortgage Loans which became ineligible for inclusion between the Provisional Cut-off Date and the Cut-off Date having been in arrears for more than three months; and (iii) the inclusion of Mortgage Loans which having been ineligible for inclusion on the Provisional Cut-off Date became eligible for inclusion on the Cut-off Date being in arrears for less than three months.

Knowledge of matters represented in Mortgage Loan Warranties

The Sellers were not the originators of the Mortgage Loans comprised in the Portfolio and have each acquired their interest in the Mortgage Assets from the relevant Originator or entities who acquired the relevant Mortgage Loans and Related Security from the relevant Originator or their successors in title.

No assurance can be given that the lending criteria of the relevant Originator in respect of the Mortgage Loans (the "**Lending Criteria**") were applied at the time of origination of the Mortgage Loans or that different criteria were not applied. Additionally, neither of the Sellers has direct knowledge as to whether certain Mortgage Loan Warranties (including the Mortgage Loan Warranties which relate to the origination process) are correct or not. Accordingly, since neither of the Sellers has direct knowledge as to matters relating to the actual origination of the Mortgage Loans, although the Sellers have conducted limited due diligence on the relevant Mortgage Loans certain warranties relating to among other things the origination process are necessarily qualified by reference to the awareness of the relevant Seller. It may be practically difficult for a Seller to detect a breach of warranty in respect of the Mortgage Loans sold by it to the extent that the same relates to a matter outside of the immediate knowledge of such Seller. The Administrator will have limited obligations to monitor compliance with the Mortgage Loan Warranties following the Closing Date and those warranties given by each Seller pursuant to the relevant Mortgage Sale Agreement.

Distance Marketing Regulations

No assurance can be given that the European Communities (Distance Marketing of Consumer Financial Services) Regulations 2004 ("**DMR**") were complied with by the relevant Originator at the time of origination of the Mortgage Loans. Due diligence carried out on the Standard Documentation is inconclusive as to compliance with the DMR. Origination of residential mortgage loans in breach of certain regulations under the DMR would go to enforceability of those residential mortgage loans. Under Regulation 6(6)(b) of the DMR, a service provider can apply to court for an order that an agreement is enforceable notwithstanding a breach of Regulation 6 where the service provider can show that the breach was not deliberate, the customer was not prejudiced by the breach and it would be just and equitable to make such an order.

Administration 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 and the Issuer Account to the Issuer, the Administrator has agreed to service the Portfolio, the Back-Up Administrator Facilitator has agreed to provide back-up administrator facilitation services in relation to the Portfolio, the Cash Manager has agreed to provide cash management services to the Issuer, 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 Administrator and the Master Servicer

The Administrator will be appointed by the Issuer to administer the Mortgage Loans and the Master Servicer will be appointed by the Issuer to provide the Master Services in relation to the Mortgage Loans.

In case the appointment of the Administrator as administrator is terminated in accordance with the provisions of the Administration Agreement, a replacement administrator will be required to be appointed to perform Administration Services in respect of the Mortgage Loans. In this event, the Back-Up Administrator Facilitator shall use its reasonable endeavours (on behalf of the Issuer and each of the Sellers) to appoint a replacement administrator in its place whose appointment is approved by the Issuer and the Trustee. In case the appointment of the Master Servicer as master servicer is terminated in accordance with the provisions of the Master Servicing Agreement, the Administrator will act as sole servicer to the Issuer in relation to the Portfolio in accordance with the terms of the Administration Agreement.

If the appointment of the Administrator is terminated, the collection of payments on the Mortgage Loans and the provision of the Administration Services could be disrupted during the transitional period in which the performance of the Administration Services is transferred to a replacement administrator. Any failure or delay in collection of payments on the relevant Mortgage Loans resulting from a disruption in the administration 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 Administration Agreement, pursuant to which, the Back-Up Administrator Facilitator, in certain circumstances, will assist the Issuer in appointing a replacement administrator.

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

"Administration Services" or **"Services"** means the services to be provided by the Administrator set out in the Administration Agreement.

"Master Services" means the master services to be provided by the Master Servicer set out in the Master Servicing Agreement.

Regulation of Credit Servicing Firms

Credit servicing of loans such as residential mortgage loans is a regulated activity under the Central Bank Act 1997, as amended by the Consumer Protection (Regulation of Credit Servicing Firms) Act 2015 (the **"CBA 1997"**). A firm that carries on credit servicing should be authorised as a "credit servicing firm" pursuant to the CBA 1997.

Where the purchaser of a loan portfolio appoints an appropriately regulated credit servicing firm to service the relevant loans – neither the loan purchaser nor any related securitisation vehicle through which the loans are securitised is required to be regulated. The Issuer has appointed the Administrator to service the Portfolio. The Administrator is a regulated retail credit firm and is authorised to service the Portfolio under the CBA 1997.

The requirement that a servicer be authorised as a credit servicing firm may limit the number of potential replacement services and may make it more difficult or costly to find a replacement servicer if the appointment of the Administrator were terminated, which could adversely affect the timing or the amount of payments on the Notes.

As at the date of this Prospectus, the Irish Parliament (the “**Oireachtas**”) is considering a proposed bill entitled “Consumer Protection (Regulation of Credit Servicing Firms) (Amendment) Bill 2018” (the “**Bill**”) which currently seeks to make certain amendments to the CBA 1997. Under the Bill, it is proposed that the definition of credit servicing is expanded to include:

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

If the Bill is enacted as proposed, a person carrying out any of the above activities will need to be regulated as a credit servicing firm. The Bill as drafted also envisages that there therefore could be multiple parties carrying out credit servicing activities in relation to credit agreements, each of which may be required to be regulated.

Currently the Bill is supported by the Government and the main opposition party. It is not possible to say definitively when the Bill will come into force albeit the Bill’s sponsor has stated his intention is that the Bill should be enacted as soon as possible. The Central Bank of Ireland (the “**CBI**”) has not published any guidelines on the interpretation of the Bill so it cannot be said for certain what activities will definitely fall within and outside the expanded definition of credit servicing. In addition, the Bill is in draft form and subject to amendment (and likely to be amended) before it is finally enacted. The Bill provides a route for those carrying on the business of a “credit servicing firm” immediately before the coming into operation of the Bill (if enacted) and who are not regulated to continue carrying on the business of a “credit servicing firm” until the CBI has granted or refused authorisation to the person, provided that the person applies to the CBI for authorisation no later than 3 months after the Bill being enacted and coming into operation.

The Transaction Documents have been prepared on the basis that to the extent possible neither the Issuer or any other parties to the Transaction Documents (other than the Administrator) conduct any activities which would be considered to be “credit servicing” activities and would require such parties to be regulated if the Bill as drafted comes into force.

It is not possible to predict what further amendments may be made to the Bill before it is enacted or what guidelines may be issued by the CBI in respect of the scope of the Bill. In the event that the Bill is further amended to bring the Issuer or any other party in scope or the CBI take the view that the Issuer or any other party is carrying out “credit servicing” activities, 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 the obtaining of authorisation (in particular by the Issuer) and the amending of the Transaction Documents would not have an adverse affect on the Notes.

In addition, the Transaction Documents contain provisions whereby the Servicer and other parties agree to collaborate with a view to effecting certain amendments to the Transaction Documents if required following the implementation of the Bill.

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.

Certain material interests and potential for conflicts

The Arranger, the Joint Lead Managers and other parties to the transaction have engaged in, and may in the future engage in, investment banking and/or commercial banking or other services for the Issuer and the Sellers in the ordinary course of business. The Arranger, either of the Joint Lead Managers and/or their affiliates may hold some of the Notes from time to time. Other parties to the transaction may also perform multiple roles. Accordingly, conflicts of interest may exist or may arise as a result of parties having previously engaged or in the future engaging in transactions with other parties, having multiple roles or carrying out other transactions for third parties. The parties to the transaction may, pursuant to the Transaction Documents, be replaced by one or more new parties. It cannot be excluded that such a new party could also have a potential conflicting interest, which might ultimately have a negative impact on the ability of the Issuer to perform its obligations in respect of the Notes.

The Portfolio

Collectability of mortgages

The collectability 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. Specifically, the level of protections afforded to Borrowers under the Arrears Code may result in a reduction in the amounts collected under the Mortgage Loans.

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 its Mortgage Loan and the related Property is repossessed, the likelihood of there being a net loss on disposal of the Property is increased by a higher "loan to value" ratio.

In order to enforce a power of sale in respect of a Property, the relevant mortgagee (which may be the Legal Title Holder, the Issuer or the Trustee or a Receiver) 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 and any other liabilities which it could incur if it were to become a mortgagee in possession before seeking possession, provided that the Trustee is never obliged to enter into possession of the Property or become a mortgagee in possession.

Risks associated with rising mortgages rates

The Portfolio will include Mortgage Loans subject to a variable rate of interest set by the Administrator (the “**Variable Rate**”) or set by reference to the ECB Rate (the “**Tracker Rates**”) or set by reference to EURIBOR from time to time. The Variable Rate, Tracker Rates and EURIBOR are subject to fluctuation and consequently the Issuer could be subject to an increased risk of increased levels of default or greater degrees of default in payment by a Borrower under such Mortgage Loans as a result of an increase in the Variable Rate, Tracker Rates or EURIBOR.

Borrowers with a Mortgage Loan subject to a variable rate of interest, will be exposed to increased monthly payments if the related mortgage interest rate adjusts upward. Any increase in the Variable Rate, the Tracker Rates or the EURIBOR would have an effect by increasing levels of default (in particular if this not covered by the security for the Mortgage Loan) and would increase the likelihood of default in respect of the re-performing and performing loans in the Portfolio.

These events, alone or in combination, may contribute to higher delinquency rates and losses on the 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 in certain circumstances 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 or as at the Cut-Off Date. The residential property market in Ireland experienced a severe decline in property values. House prices nationally are recovering from a 49 per cent reduction between 2007 and March 2013. The fall in property prices resulting from the deterioration in the housing market could result in losses being incurred by lenders where the net recovery proceeds are insufficient to redeem the outstanding Mortgage Loans. If the value of the Related Security is reduced this may ultimately result in losses to Noteholders if the Security is required to be enforced and the resulting proceeds are insufficient to make payments on all Notes.

Challenging economic environment

Ireland has recently experienced a challenging economic environment and a period of fiscal adjustment. Following a prolonged recession from 2008 to 2010, the economy grew by 2.2 per cent. in 2011 and remained broadly flat in 2012 and 2013. As part of an EU/IMF financial aid programme negotiated in November 2010 the Irish government committed to reducing the budget deficit to below 3 per cent. of GDP by 2015 through a combination of public expenditure reductions and tax increases (Source: Department of Finance Statement, 28 November 2010). The Government exited this programme in December 2013 having met the fiscal targets set. Real GDP rose by 5.1% in 2016 (Source: Department of Finance, Irish Monthly Economic Bulletin February 2018).

The residential property market has suffered a very significant downturn, as property prices fell in March 2013 by 49% from their peak in 2007. Overall, the national index is 22.9% lower than its highest level in 2007. From the trough in early 2013, prices nationally have increased by 72.2% (Source: CSO Residential Property Price Index December 2017).

The number of mortgage accounts for principal dwelling houses in arrears fell further in Q3 2017. This marks the seventeenth consecutive quarter of decline. 10.0% of total accounts were in arrears at end-Q3 2017, a decline of 1.7% relative to June 2017. Accounts in arrears over 90 days at end-September 2017 was 7.0% of total, reflecting a quarter-on-quarter decline of 2.1%. Buy-to-let mortgage accounts in arrears over 90 days decreased by 3.9% during Q3 2017 and are equivalent to 18.0% of the total outstanding balance on all buy-to-let mortgage accounts (Central Bank of Ireland Statistical Release 14 December 2017).

Risk of losses associated with Interest Only Mortgage Loans

Approximately 44.61% 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 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 Sellers, the Legal Title Holder, the Arranger, either of the Joint Lead Managers, the Managing Sponsor, the Master Servicer or the Administrator 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. Moreover, the Mortgage Conditions in respect of Interest Only Mortgage Loans do not require a Borrower to put in place alternative funding arrangements to provide for the repayment of the relevant Mortgage Loan at maturity.

Borrowers may have insufficient equity to refinance their Mortgage Loans with lenders other than the Legal Title Holder 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.

Self-Certified Loans

Approximately 17,26% of the Current Balance of the Portfolio as at the Provisional Cut-Off Date are loans in respect of which income and employment details of the relevant Borrower are not substantiated by supporting documentation (the "**Self-Certified Loans**"). Self-Certified Loans may suffer higher rates of delinquencies, enforcements and losses than Mortgage Loans in respect of which supporting documentation has been provided in respect of the income or employment details of the Borrower (the "**Verified Loans**"), which delinquencies, enforcements and losses may lead to a reduction in amounts available to the Issuer and, ultimately, affect its ability to make payments under the Notes.

Nature of the Mortgage Loans

Certain of the Mortgage Assets in the Portfolio are currently in arrears and subject to recovery proceedings or restructurings. Such proceedings may involve significant delay, expenses and negotiations with the relevant

Borrowers, each of which may result in lower than anticipated recoveries. To the extent that there are lower than anticipated recoveries, the ability of the Issuer to pay the Notes in full may be adversely affected.

Reliance on sale proceeds for payments on the Notes

Payments on the Notes are partly expected to come from sale proceeds resulting from enforcement of some of the Mortgage Assets. The cash flow realised on the sale of the relevant Property depends on the Administrator's skill and diligence in servicing the Mortgage Assets and managing the enforcement process, the local real estate market, the value of the related real estate assets and several other factors. In addition, as discussed in this Prospectus, current market and political conditions and other factors may cause substantial delays in the ability of the Administrator to enforce the relevant Mortgage Asset and related Property and may adversely affect the amount of proceeds received in respect of a Property.

There can be no assurance as to the amount of time it will take for the Administrator to complete the enforcement process with respect to a real estate asset or as to the timing of Collections in respect of the Mortgage Loans. The ability of the Administrator to enforce the assets to complete the enforcement process with respect to a Property will depend on several factors, including whether the related mortgagor contests the enforcement proceeding and whether the Administrator is in possession of all legal documents necessary to enforcement. The ability of the Administrator to enforce the relevant Mortgage Asset and related Property at any particular time will depend upon prevalent market conditions in the area in which the property is located and the actual presence of purchasers willing to purchase the real estate asset. Bankruptcy and personal insolvency proceedings involving the related Borrower may also make it more difficult for the Administrator to enforce the relevant Mortgage Assets and sell the related Property.

Modifications of the Mortgage Loans may cause cash shortfalls

Under the Administration Agreement, the Administrator respectively may waive, modify or vary certain terms of the Mortgage Loans in favour of the Borrowers. In this respect, the yield on the Notes will be heavily influenced by the ability of the Administrator to modify the terms of the Mortgage Loans in a timely and efficient manner. In some cases, the inability of the Administrator to timely modify the terms of the Mortgage Loans may reduce and/or delay amounts available for payment to the Notes. The Administrator's ability to modify the terms of the Mortgage Loans may be limited due to the difficulty in contacting the Borrowers or creating modifications that are acceptable to the Issuer and the Borrower. In addition, the Administrator may not be able to individually address the needs of each Borrower if it is forced to confront an overwhelming number of requests for modifications.

Modifications of Mortgage Loans in an attempt to maximise the ultimate proceeds of the relevant Mortgage Loan may have the effect of, among other things, reducing or otherwise changing the interest rate, forgiving payments of interest, principal or prepayment charges, extending the final maturity date, capitalising or deferring delinquent interest and other amounts owed under the Mortgage Loans, deferring principal payments, with or without interest, or any combination of these or other modifications.

If the Administrator reduces the interest rate of the Mortgage Loans in connection with a modification, it is intended that the resulting interest shortfall, if any, for the Rated Notes will be covered by the credit enhancement available to the Rated Notes. A modification to the term of the Mortgage Loans may slow the rate of principal payments thereon and may extend the weighted average life of the Notes. If the Administrator defers a portion of the outstanding principal balance of the Mortgage Loans in connection with a modification, this deferred principal balance will be payable upon maturity of the related Mortgage Loans and, to the extent received by the Administrator will be eligible to be applied as Principal Receipts or Revenue Receipts, as applicable. If the Administrator forgives a portion of the outstanding principal balance of a Mortgage Loan, it is intended that the resulting realised loss will be covered by the credit enhancement available to the Rated Notes. If the available credit enhancement for the Rated Notes is exhausted, however, a modification may result in a delay in the payment of principal or, under certain loss scenarios, the failure to pay the remaining principal amount of the Rated Notes upon maturity.

Real estate assets may experience delays in enforcement

While the Administrator expects to enforce the Mortgage Assets serviced by it during the periods of time it is providing services to the Issuer (subject to enforcement being appropriate action to take), delays could arise in connection with the enforcement process (including any delays arising from any delays in the legal process). The rate of enforcement of real estate assets will depend primarily on the prevailing economic conditions in the geographic area in which the assets are located, the relevant real estate market in such geographic area and the ability of prospective purchasers to obtain financing. These delays could increase to the extent that real estate prices and economic conditions decline or as the Administrator confronts a rising number of requests for modifications and determines the mortgagor's eligibility for modification. Delays in enforcement could result in corresponding delays in the receipt of the related proceeds from the relevant sale.

Proceeds from enforcement of Mortgage Assets are expected to be less than the unpaid principal balance of the Mortgage Loans

It is expected that proceeds from enforcement of some of the Mortgage Assets will be less than the unpaid principal balance of the Mortgage Loans, under certain loss scenarios. Net enforcement proceeds on the real estate assets and principal and interest received on the Mortgage Loans, if any, may be insufficient to pay the Rated Notes all principal and interest to which they are entitled.

Procedural expenses may be disproportionate and will reduce proceeds available for payments on the Rated Notes

Enforcement expenses with respect to enforcement and sale of related Property do not necessarily vary directly with the unpaid principal balance of the Mortgage Loan. Therefore, assuming that the Administrator took the same steps in enforcing or collecting/recovering a Mortgage Loan having a small remaining unpaid principal balance as it would have taken in the case of a Mortgage Loan having a large remaining unpaid principal balance, the amount realised after expenses of enforcement or collection/recovery process would be smaller as a percentage of the unpaid principal balance or value of the Mortgage Loan having a small remaining unpaid principal balance or value than would be the case with the Mortgage Loan having a large remaining unpaid principal balance or value, as applicable.

Such expenses such as legal fees, real estate taxes, real estate broker fees and maintenance and preservation expenses will reduce the portion of enforcement proceeds available for payment on the Rated Notes.

Geographic concentration risks

Mortgage Loans and related Properties in the 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 Provisional Cut-Off Date, see "*Statistical Information on the Provisional Mortgage Portfolio – Geographical Distribution of Properties*".

Buildings insurance

The Mortgage Loans contain requirements for the relevant Property to be insured. 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.

Searches, investigations and warranties in relation to the Mortgage Loans

None of the Trustee, the Retention Holder, the Managing Sponsor, the Master Servicer, the Arranger, either of the Joint Lead Managers or the Issuer has undertaken, or will undertake, any investigations, searches or other actions of any nature whatsoever in respect of any Mortgage Asset in the Portfolio and each of the parties to each Mortgage Sale Agreement rely instead on the warranties given therein by the relevant Seller in respect of the Mortgage Assets (see "*The Portfolio – Sale of the Portfolio under each Mortgage Sale Agreement*" for a summary of these). 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. Although each Seller and the Master Servicer undertook certain due diligence in respect of the Mortgage Loans at the time of acquisition and will give certain representations and warranties in respect of the Mortgage Loans sold by it, neither the Sellers nor the Master Servicer was the originator of any of the Mortgage Loans comprised in the Portfolio.

The Sellers were not the originators of the Mortgage Loans comprised in the Portfolio and have acquired their interest in the Mortgage Loans and their Related Security from the Originators or entities who acquired the relevant Mortgage Loans and Related Security from those Originators or their successors in title.

The Sellers and Dilosk DAC do not have direct knowledge as to whether certain Mortgage Loan Warranties (including the Mortgage Loan Warranties which relate to the origination process) are correct or not. Accordingly, since the Sellers and Dilosk DAC do not have direct knowledge as to matters relating to the actual origination of the Mortgage Loans, the relevant Seller and Dilosk DAC may not have actual knowledge of any relevant matters which give rise to a breach of warranty. Therefore, certain Mortgage Loan Warranties relating to, amongst other things, the origination process are necessarily qualified by reference to the awareness of the relevant Seller or, as the case may be, Dilosk DAC. It may be practically difficult for the relevant Seller to detect a breach of warranty in respect of the Mortgage Loans sold by it to the extent that the same relates to a matter outside of the immediate knowledge of such Seller or, as the case may be, Dilosk DAC, as there is no ongoing active involvement of the relevant Originator to monitor or notify any defect in relation to the circumstances of the Mortgage Loans. The Administrator will have limited obligations to monitor compliance with the Mortgage Loan Warranties following the Closing Date. To the extent that the Administrator detects any breach of the Mortgage Loan Warranties, the Administrator shall inform the Issuer and the Trustee in writing of such breach, however none of the Administrator, the Sellers, the Legal Title Holder, the Arranger, either of the Joint Lead Managers, the Trustee or the Issuer will monitor compliance with the Mortgage Loan Warranties.

In the case of a material breach of any of the representations or warranties given by the Sellers and Dilosk DAC on the Closing Date which is not capable of remedy or is not remedied within 30 Business Days of being notified by the Issuer, the Issuer's only remedy in respect of a breach of any Mortgage Loan Warranty will be to claim damages for breach of that Mortgage Loan Warranty. Neither the Sellers nor Dilosk DAC will be required to repurchase or procure the repurchase of any Mortgage Loan which is the subject of any such breach. There can be no assurance that the relevant Seller or Dilosk DAC will have the financial resources to honour its obligations to pay any payment of damages in respect of a breach of warranty. This may affect the quality of the Mortgage Assets and accordingly the ability of the Issuer to make payments due on the Notes.

There are minimum claim thresholds, monetary caps and time limits on claims against a Seller or Dilosk DAC in respect of any breach of any Mortgage Loan Warranty. In particular, the total aggregate liability of the Sellers and/or Dilosk DAC in respect of any Warranty Claims under the Mortgage Sale Agreements shall be limited to not greater than five per cent. of the total Consideration payable by the Issuer to the Sellers in respect of the Portfolio under both of the Mortgage Sale Agreements. Notwithstanding this, neither the Sellers nor Dilosk DAC will have any liability to the Issuer unless the amount of damages to which the Issuer would be entitled

but for such limit as a result of that Warranty Claim is greater than €5,000 per Mortgage Loan that is the subject of that Warranty Claim (unless there are Warranty Claims relating to breaches of the same Mortgage Loan Warranty arising from similar facts where the amount of such claim to which the Issuer would but for such limit be entitled as a result of those Warranty Claims exceeds €20,000 in aggregate). In addition, neither the Sellers nor Dilosk DAC will be liable for any claims relating to a breach of Mortgage Loan Warranty unless the aggregate of all agreed and determined Warranty Claims under both of the Mortgage Sale Agreements exceed €1,000,000. In addition, the relevant Seller and Dilosk DAC will have no liability for any Warranty Claim made by the Issuer after the expiry of the period of 18 months from the Closing Date.

Any amount payable by the relevant Seller or Dilosk DAC to the Issuer in respect of such claim shall be paid within 60 Business Days of receipt by the relevant Seller or Dilosk DAC of written notice of such breach from the Issuer or, if later, the date on which the amount of damages are determined.

An Originator of a Mortgage Loan in the DF4 Portfolio or the DF5 Portfolio may be required, pursuant to the relevant Underlying Agreement, to make indemnity payments or payments of damages to the relevant Seller as a result of a breach of warranty in certain circumstances. These obligations are subject to a time limitation, certain caps and de minimis amounts. There is no guarantee that such Originators will have sufficient funds to pay such amounts to the relevant Seller pursuant to the relevant Underlying Agreement.

In each case, none of the Issuer, the Trustee, the Arranger, either of the Joint Lead Managers, the Noteholders or any other secured party will have recourse to any other person in the event that the relevant Originator, the relevant Seller and/or Dilosk DAC, for whatever reason, fails to meet such obligations, or if the limitations on liability referred to above operate so as to reduce or exclude the liability of the relevant Originator, the relevant Seller and/or Dilosk DAC in respect of any Warranty Claim by the Issuer, or claim by the Sellers under the Underlying Agreements.

Neither of the Sellers originated the Mortgage Loans and therefore no assurance can be given that the Lending Criteria were applied at the time of origination of the Mortgage Loans or whether different criteria were applied at the time.

No additional sources of funds after the First Optional Redemption Date and step-up date

From the Step-Up Date, the Step-Up Coupon will be payable in respect of the Class A Notes and Additional Note Payments will be payable in respect of the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes. 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, principal and/or Additional Note Payments (as applicable) under the Notes (including any Step-Up Coupon on the Class A Notes).

Limited resources of the Sellers

A Seller may be required, pursuant to the relevant Mortgage Sale Agreement, to make indemnity payments or payments of damages to the Issuer as a result of a breach of a Mortgage Loan Warranty in certain circumstances (as more particularly set out in "*The Portfolio – Sale of the Portfolio under each Mortgage Sale Agreement*"). This obligation will be subject to a time limitation, certain aggregate caps and de minimis amounts.

In addition, as a practical matter, the ability of the relevant Seller to make any indemnity payments or otherwise discharge its liabilities under each Mortgage Sale Agreement or any other Transaction Document will be limited.

Each of the Sellers is a special purpose vehicle with limited assets and funds and as such will, after having satisfied its obligations to pay its secured creditors, have limited resources available to it to make any indemnity

payments under each Mortgage Sale Agreement or any other Transaction Document. The obligations of the Sellers are not guaranteed nor will they be the responsibility of any person other than the relevant Seller, and, as such neither the Issuer nor the Trustee will have recourse to any other person in the event that the relevant Seller, for whatever reason, fails to meet its obligations to make indemnity payments or payments of damages to the Issuer under the relevant Mortgage Sale Agreement or otherwise fails to discharge its obligations to make any indemnity payments or payments of damages under the relevant Mortgage Sale Agreement or any other Transaction Document.

The Issuer has also agreed that it will not take any action to wind up either Seller or initiate similar proceedings. This may affect the ability of the Issuer to exercise effectively certain rights under the relevant Mortgage Sale Agreement. The Retention Holder is under no obligation to put either Seller or the Master Servicer in funds for the purposes of funding an indemnity or payment of damages for breach of representation or warranty or otherwise. Therefore, if any Mortgage Loan is found to be in breach of the Mortgage Loan Warranties, the relevant Seller or the Master Servicer may have limited funds available to it to make an indemnity payment or payment of damages to the Issuer, which may have an adverse effect on the Issuer's ability to make payments on the Notes.

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 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 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.

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 acquired a Property with finance provided by a third party and subsequently refinanced such acquisition with a Mortgage Loan, or (ii) the Legal Title Holder 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 the Irish High Court when at least one class of creditors whose interests or claims would be impaired by implementation of the proposals has voted in favour of the proposals and the Irish High 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 Irish High 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 Notes if an examiner were appointed to the Issuer are as follows:

- (a) 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;
- (b) 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
- (c) 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 Irish High 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.

An examiner may also be appointed to any of the Sellers or to the Master Servicer, which may have a material impact on the ability of the Issuer to recover amounts due to it.

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.

Risks Relating to the Administrator

Risk inherent in the Administrator's business

The Administrator's business depends on the ability of the Administrator 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 Administrator fails to perform or observe all or any of its material obligations under the Administration 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 administrator. Depending on market circumstances, it may be difficult to appoint a replacement administrator in such circumstances and the fees charged by any replacement administrator will be payable in priority to all other parties, with the exception of the Trustee and certain administrative costs of the Issuer.

Certain Regulatory Considerations

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.

EU financial transaction tax

On 14 February 2013, the European Commission issued proposals, including a draft Directive (the "**Commission's Proposal**"), for a financial transaction tax ("**FTT**") to be adopted in certain participating EU Member States (including Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia). If the Commission's Proposal was adopted, the FTT would be a tax primarily on "financial institutions" (which would include the Issuer) in relation to "financial transactions" (which would include the conclusion or modification of derivative contracts and the purchase and sale of financial instruments).

Under the Commission's Proposal, the FTT would apply to persons both within and outside of the participating Member States. Generally, it would apply 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 financial transaction is issued in a participating Member State.

The FTT may give rise to tax liabilities for the Issuer with respect to certain transactions (including concluding swap transactions and/or purchases or sales of securities (such as authorised investments)) if it is adopted based on the Commission's Proposal. Any such tax liabilities may reduce amounts available to the Issuer to meet its obligations under the Notes and may result in investors receiving less interest or principal than expected. To the extent that such liabilities may arise at a time when winding up proceedings have been commenced in respect of the Issuer, such liabilities may be regarded as an expense of the liquidation and, as such, be payable out of the floating charge assets of the Issuer (and its general estate) in priority to the claims of Noteholders and other secured creditors. It should also be noted that the FTT could be payable in relation to relevant transactions by investors in respect of the Notes (including secondary market transactions) if the conditions for a charge to arise are satisfied and the FTT is adopted based on the Commission's Proposal. Under the Commission's Proposal, primary market transactions referred to in Article 5(c) of Regulation (EC) No 1287/2006 are exempt.

A joint statement issued in May 2014 by ten of the eleven participating Member States indicated an intention to implement the FTT progressively, such that it would initially extend to transactions involving shares and certain derivatives, with this initial implementation occurring by 1 January 2016. However, full details are not available and further changes could be made prior to adoption. The FTT proposal remains subject to negotiation between the participating Member States. It may therefore be altered prior to any implementation. Additional EU Member States may decide to participate. A publication by the Luxembourg Presidency of the Council of the European Union (the "**Luxembourg Presidency**") on 3 December 2015 set out the "state of play" in relation to the FTT. In that publication, the Luxembourg Presidency concluded that further work was required on a number of open questions that constitute the "building blocks" of the design of the FTT. A meeting of the European Finance Ministers on 8 December 2015 took note of a statement made by 10 of the Participating Member States (excluding Estonia) relating to the scope and timetable for introduction of the FTT. In that statement, the Participating Member States (excluding Estonia) announced agreement on a number of features of the FTT which had been considered in the publication by the Luxembourg Presidency

on 3 December 2015 but indicated that a decision on the remaining open issues would only be made at some point before the end of June 2016. The outcome of the 3475th council meeting on Economic and Financial Affairs held on 17 June 2016, indicated that work will continue on a proposal aimed at introducing an FTT during the second half of 2016. On the 10 October a meeting on the margins of a Eurogroup session in Luxembourg amongst 10 of the participating Member States (excluding Estonia) agreed to push ahead with the FTT, The European Commission has finally been instructed to draft an EU directive authorising an EU FTT which would apply to the 10 participating Member States. Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

Enforcement in respect of the Mortgage Assets

In order to realise its security in respect of a Property, the relevant mortgagee (be it the legal owner, the Administrator, the Issuer as beneficial owner or the Trustee or its Appointee (if the Trustee has taken enforcement action against the Issuer)) will need to obtain possession of such Property. There are two means of obtaining possession under Irish law: (i) by taking physical possession (seldom done in practice) and (ii) by applying for, obtaining and enforcing a court order for possession.

Under section 97 of the Land and Conveyancing Law Reform Act 2009 (as amended) (the “**2009 Act**”) (which applies to mortgages created after 1 December 2009) 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.

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 to 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 will, as mortgagee in possession, have an obligation to account to the mortgagor for the income obtained from such property, be liable for any damage to such property, 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.

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.

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 Arrears 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 lenders to borrowers in respect of their primary residence or in respect of the only residential property in this State owned by the borrower. Neither of the Sellers, as unregulated entities, are obliged to comply with the Arrears Code. However, the Administrator as an authorised retail credit firm will be required by law to administer the Mortgage Loans in accordance with 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. 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 Arrears 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 it. 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) 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 newly introduced 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
- (g) 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 and credit servicing firms 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 the Consumer Protection Code could apply to a mortgage not in respect of a primary residence. Neither of the Sellers, as unregulated entities, are obliged to comply with the Consumer Protection Code. However, the Administrator as an authorised retail credit firm will be required by law to administer the Mortgage Loans in accordance with the Consumer Protection Code.

Centre of Main Interest

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 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 three 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.

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 (as amended, 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, 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.

Neither of the Sellers, as unregulated entities, are obliged to comply with the SME Regulations. However, the Administrator as an authorised retail credit firm will be 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.

Personal Insolvency Act

The Personal Insolvency Act 2012 (as amended) (the "**Personal Insolvency Act**") which was fully commenced on 3 December 2013, 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 (as provided by the Personal Insolvency (Amendment) Act 2015 which commenced 29 September 2015 (the "**Personal Insolvency Amendment Act**", together with the Personal Insolvency Act the "**Personal Insolvency Acts**") following a three-year moratorium period (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% of a debtor's total debt. A debtor can go through a DSA only once in their lifetime;
 - (iii) a Personal Insolvency Arrangement ("**PIA**") for the agreed settlement of both secured and unsecured debt (secured is subject to a cap of €3,000,000 unless the cap is waived by an agreement of all secured creditors and unsecured debt has no limit on quantum), including residential mortgage debt. A PIA will be approved if it is supported by both secured and unsecured creditors representing at least 65% of a debtor's total debt. In addition, over 50% of secured creditors and over 50% of unsecured creditors must vote in favour of a PIA. The Personal Insolvency Amendment Act provides that a borrower who has entered a mortgage restructure is not excluded from applying for a Personal Insolvency Arrangement, should the restructure not succeed in returning the borrower to solvency;
- (b) changes to the existing personal bankruptcy regime to provide that the period for discharge of bankrupts is to be reduced from 12 to three years (although this period was later reduced to one year

by the Personal Insolvency Amendment Act) and that the amount which must be owing before bankruptcy proceedings can be brought is to be increased from the euro equivalent of €1,900 to €20,001; and

- (c) the establishment of a new State-funded independent body to be known as the Insolvency Service of Ireland 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.

Where a PIA is not approved by the creditors, the personal insolvency practitioner (“**PIP**”) may, where so instructed by the debtor, and where the PIP considers that there are reasonable grounds to do so, apply to the appropriate Court for an order confirming the coming into effect of the PIA. Creditors must be notified of the appeal and can lodge a notice of objection. The Court must hold a hearing promptly and may confirm the PIA where it is satisfied as to various matters. In making its determination, the Court will consider (amongst other things):

- (i) the conduct of the debtor and creditors within 2 years prior to the issuing of the protective certificate;
- (ii) submissions by the creditors;
- (iii) any alternative option available to the creditors for the recovery of the debt; and
- (iv) whether the proposed PIA is fair and reasonable to any non-approving class of creditor and is not unfairly prejudicial to any interested party.

There are certain caveats to the appeals process. The PIA can only be appealed where the debt is secured on the debtor’s family home and the debtor was either (i) in arrears on 1 January 2015 or (ii) having been in arrears before 1 January 2015, had entered into an alternative repayment arrangement with the secured creditor. In addition, at least one class of creditor must have voted in favour of the PIA (by a majority of over 50 per cent of the value of the debts owed to that class) at the creditors meeting (provided there is more than one creditor).

The Personal Insolvency Acts provide a framework for personal insolvency and for the settlement and enforcement of debt, including, through the PIA, residential mortgage debt.

DRNs and DSAs both deal with unsecured debt. However, the Personal Insolvency Acts 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, the Borrower 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) (the “**CCA**”) and the European Union (Consumer Mortgage Credit Agreements) Regulations 2016 (the “**Mortgage Credit Regulations**”), which impose 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, 2000 and 2013 (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 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 Administrator's discretion (such as a term permitting the Administrator 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 Legal Title Holder, 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 Portfolio and accordingly the ability of the Issuer to meet its obligations in respect of the Notes.

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

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) credit firms 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 Practice 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 of Ireland (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 Competition and Consumer Protection Commission (“**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.

TRS Scheme

Tax relief at source for mortgage interest was introduced in Ireland in the tax year 2002 under section 244A of the Taxes Consolidation Act 1997 of Ireland (the “**TRS Scheme**”) and the Mortgage Interest (Relief at Source) Regulations 2001 (the “**Regulations**”). The Legal Title Holder has been operating the TRS Scheme based on the Regulations since then. Under the TRS Scheme, mortgage borrowers are permitted to pay interest net of the relevant tax relief to the relevant mortgage lender and the relevant mortgage lender, once it constitutes a qualifying lender, claims a refund of the tax relief directly from an account of the Irish Revenue Commissioners. On the Closing Date, the Legal Title Holder will be the lender with respect to the Mortgage Loans in the Portfolio and will, as the Legal Title Holder of such Mortgage Loans, be the qualifying lender for the purposes of the TRS Scheme.

The operation of the TRS Scheme will result in some timing differences of cash flows on the TRS Loans originated by Pepper Finance Corporation (Ireland) DAC (formerly GE Capital Woodchester Home Loans Limited) as the Legal Title Holder makes claims for a payment of the tax relief granted from the Irish Revenue Commissioners funding account on a direct debiting annual basis while the borrowers receive their TRS credit on a monthly basis. Payment of the tax relief granted from the Irish Revenue Commissioners funding account

via direct debiting for all other TRS Loans in the Portfolio will be on a monthly basis and there will be no negative impact on cash flows for these loans. The Legal Title Holder intends to change its procedures during 2019 so that tax relief for all TRS Loans in the Portfolio is claimed on a monthly basis, and hence there should thereafter be no negative impact on cashflows for any of the Mortgage Loans in the Portfolio. The Revenue Commissioners, given a significant level of non-payment of interest by residential borrowers during Ireland's recent economic downturn, requested that financial institutions change the method by which tax relief at source under the TRS Scheme is being calculated with effect from 1 January 2014. This has resulted in a withdrawal of relief where the underlying interest is not being paid.

In the event of an Enforcement Notice being delivered or the occurrence of such other event that results in a transfer of legal title to the Portfolio to the Issuer or the Trustee as described in "*Sale of the Portfolio under each Mortgage Sale Agreement*", the Legal Title Holder would no longer be the lender with respect to the Portfolio. However, the Regulations provide that the Legal Title Holder can nominate the securitisation vehicle to which the Portfolio was transferred (the Issuer), or its agent (the Trustee or another nominee) as a qualifying lender for the purpose of the TRS Scheme. The power of attorney granted by the Legal Title Holder in favour of the Issuer and the Trustee on the Closing Date in (substantially the same form as that set out in Schedule 4 (*Legal Title Holder Power of Attorney*) to the relevant Mortgage Sale Agreement) (the "**Legal Title Holder Power of Attorney**") will enable the Issuer and, following an Enforcement Notice, the Trustee to make this nomination on behalf of the Legal Title Holder as its attorney. If a new qualifying lender is required to be appointed it may be required to make certain notifications to Irish Revenue Commissioners. In addition, under the terms of the relevant Mortgage Sale Agreement, the parties, including the Legal Title Holder, have agreed that, if requested by the Issuer, they will make any changes to any relevant documents to deal with, or alleviate the burden of, the TRS Scheme, provided that such changes are not materially prejudicial to the interests of the holders of the Most Senior Class of Notes. In determining whether to make any such change, the Trustee will act pursuant to its powers under the Transaction Documents and in determining whether such change is materially prejudicial to the interests of the holders of the Most Senior Class of Notes, the Trustee shall be entitled to seek the advice of an investment bank or other expert of recognised standing or shall act pursuant to an Extraordinary Resolution of the relevant Class or Classes of Noteholders.

Tax treatment of the Issuer

Rules contained in the Finance Act 2016 and Finance Act 2017 restrict the deductibility of interest paid by a "qualifying company" (a "**Qualifying Company**") within the meaning of Section 110 of the Irish Taxes Consolidation Act 1997, as amended (the "**TCA**"). These amendments deny a tax deduction for (1) profit dependent interest, or (2) interest to the extent it exceeds a reasonable commercial return, in each case to the extent it exceeds a reasonable commercial return (the "**Affected Interest**") where such interest is attributed to a "specified property business" carried on by the 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 TCA) 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 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 TCA), is attributable to the specified property business in accordance with the rules, or (d) units in an IREF (being a specified form of investment undertaking within the meaning of Chapter 1B of Part 27 of the TCA). 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, an exemption from these rules is

available where, inter alia, the Affected Interest is paid to: (i) a person who is within the charge to Irish corporation tax in respect of that interest; or (ii) a company resident in an EU/EEA country that is subject to tax without reduction provided that the recipient is not receiving the payment under an arrangement that is intended to avoid tax and provided that it is carrying on a genuine economic activity in an EU/EEA State.

Provided the rate of interest payable on the Rated Notes, the Class Z1 Notes and the Class Z2 Notes does not exceed a reasonable commercial return for the use of the principal advanced under such Notes, such interest will not be Affected Interest and the Issuer's ability to take a deduction for such interest should not be affected by these new provisions. To the extent interest payable under the Class X Notes and Class R Notes is Affected Interest, provided such Notes are and remain held by the Sellers, Barclays Bank PLC or a person who is within the charge to corporation tax in Ireland in respect of interest paid under such Notes, the Affected Interest should not cease to be deductible for the Issuer and should not be subject to dividend withholding tax.

The Sellers have represented in the Subscription Agreement that they are within the charge to corporation tax in Ireland. Barclays Bank PLC has represented in the CRR Deed of Covenant that it is a company satisfying the conditions in section 110 (5A)(d)(i)(III) TCA (i.e. that it is a company resident in an EU/EEA country that is subject to tax without reduction on payments under the Notes, its holding of the Notes does not form part of an arrangement with a main purpose of tax avoidance and it is carrying on a genuine economic activity in an EU/EEA State relevant to its holding of the Notes) on the Closing Date and that it will notify the Issuer if it ceases to satisfy any of the conditions whereupon the Issuer is entitled to deduct from any payment to it under the Class X Notes or the Class R Notes amounts equal to the Tax payable by the Issuer as a result of any payments on the Class X Notes and the Class R Notes being non-deductible in computing the taxable profits of the Issuer. Both Sellers and Barclays Bank PLC have undertaken to only transfer an interest in any of the Class X Notes and Class R Notes to Barclays Bank PLC or a person who is within the charge to corporation tax in Ireland in respect of any interest or other distributions payable under those Notes.

EU Anti-Tax Avoidance Directive

As part of its anti-tax avoidance package, the European Commission published a draft Anti-Tax Avoidance Directive on 28 January 2016, which was formally adopted by the European Council on 12 July 2016 in Council Directive (EU) 2016/1164 (the "**ATAD I**"). The ATAD I must be implemented by each Member State by 2019, subject to derogations for Member States which have equivalent measures in their domestic law.

Amongst the measures contained, the ATAD I is an interest-deductibility limitation rule similar to the recommendation contained in the Base Erosion and Profit Shifting ("**BEPS**") Action 4 proposals. The ATAD I provides that interest costs in excess of the higher of (i) €3,000,000 or (ii) 30 per cent., of an entity's earnings before interest, tax, depreciation and amortisation, will not be deductible in the year in which it is incurred but would remain available for carrying forward. However, the restriction on interest deductibility would only be in respect of the amount by which the borrowing costs exceed "interest revenues and other equivalent taxable revenues from financial assets".

Accordingly, as the Issuer will generally fund interest payments it makes under the Notes from interest payments to which it is entitled under the Mortgage Loans (i.e. such that the Issuer pays limited or no net interest), the restriction may be of limited relevance to the Issuer even if the ATAD I were implemented as originally published. There is also a carve-out in the ATAD I for financial undertakings, although as currently drafted the Issuer would not be treated as a financial undertaking.

In early 2017, the Economic and Financial Affairs Council of the European Union agreed an amendment to ATAD I to provide for minimum standards for counteracting hybrid mismatches involving EU Member States and third countries which the EU Council adopted in May 2017 ("**ATAD II**"). ATAD II requires EU Member States to either delay deduction of payments, expenses or losses, or include payments as taxable income, in case of hybrid mismatches. ATAD II will apply as of January 2020, except for the provision on reverse hybrid mismatches which will apply as of January 2022. In the absence of Irish implementing legislation, the possible implications of the ATAD II on the Issuer or the Notes are unclear.

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 and any Deferred Interest. Please see the section entitled "*Taxation – Ireland Taxation*" in relation to Irish withholding tax.

General Data Protection Regulation

The General Data Protection Regulation (the "GDPR"), applicable across the EU from 25 May 2018, introduces new compliance obligations in relation to the commercial use of customer data (with significant fines of up to 4% of global turnover for certain aspects of non-compliance). The GDPR ascribes a strict timeline to breach notification with companies required to inform the relevant supervisory authority within 72 hours of any data loss. Furthermore, the GDPR provides for extensive individual rights in relation to personal data, including rights of access, correction, deletion, blocking, objection, erasure and data portability. Amongst other requirements, the GDPR requires that companies implement technical and organizational data security measures to ensure a level of security appropriate to the risk involved in the data usage. It is possible that the GDPR will affect the operations of the Issuer, each Seller, the Legal Title Holder and the Administrator.

Minimum Denominations

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

Book-Entry Interests

Unless and until Definitive Notes are issued in exchange for the Book-Entry Interests, holders and beneficial owners of Book-Entry Interests will not be considered the legal owners or holders of the Notes under the Trust Deed. After payment to the 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 Paying Agent to a nominee of the Common Safekeeper for Euroclear and Clearstream, Luxembourg. Upon receipt of any payment from the 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 Notes are issued in accordance with the relevant provisions described herein under "*Terms and Conditions of the Notes*". There can be no assurance that the procedures to be implemented by Euroclear and Clearstream, Luxembourg under such circumstances will be adequate to ensure the timely exercise of remedies under the Trust Deed.

Although Euroclear and Clearstream, Luxembourg have agreed to certain procedures to facilitate transfers of Book-Entry Interests among account holders of Euroclear and Clearstream, Luxembourg, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, the 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 (other than those Secured Creditors who are party to the relevant Transaction Documents), the Trustee may, and in the case of (a)(iii) below shall:

- (a) concur with the Issuer and/or any other person, in making any modification to the Conditions or the Transaction Documents:
 - (i) (including a Reserved Matter) 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 Most Senior Class of Notes then outstanding; or
 - (iii) (other than a Reserved Matter) which is required to enable the Issuer to comply with, implement or reflect: (A) FATCA and/or CRS (or any other similar regime for the reporting and automatic exchange of information); (B) any updated criteria of one or more Rating Agencies which may be published after the Closing Date; (C) the appointment of any additional or replacement account bank and/or the opening of any additional or replacement Issuer Account in accordance with the Transaction Documents; or (D) the appointment of any custodian and/or the opening of any custody account in accordance with the Transaction Documents;
- (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 Most Senior Class of Notes 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 of Notes then outstanding will not be materially prejudiced thereby,

provided always that the Trustee shall not exercise any powers under paragraph (b) or (c) in contravention of any express direction given by an Extraordinary Resolution of the holders of the Most Senior Class of Notes then outstanding or 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 then outstanding (but no such direction or request shall affect any authorisation or waiver or determination previously given or made).

The Trustee shall not be obliged to agree to any matter which, in the reasonable opinion of the Trustee, would have the effect of exposing the Trustee to any Liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction. The Trustee shall not be held liable for the consequences of exercising its discretion or taking any action, step or proceeding (or not exercising its discretion or taking any action, step or proceeding as the case may be) and may do so without having regard to the effect of such action on individual Noteholders or Secured Creditors.

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 another single purpose company incorporated in any jurisdiction that meets the SPV criteria (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 Issuer shall not agree to any amendment to, modification of, or supplement to any of the Transaction Documents, insofar as such amendment, modification or supplement relates to or affects the Pre-Enforcement Revenue Priority of Payments and/or the Post-Enforcement Priority of Payments, or the timing or amount of any payments due to be made pursuant to the Pre-Enforcement Revenue Priority of Payments and/or the Post-Enforcement Priority of Payments in such a way as to have the effect of putting the Administrator in a less beneficial position than it would have been had such amendment, modification or supplement not been made, without the prior written consent of the Administrator. If the Issuer agrees to any amendment to, modification of, or supplement to any of the Transaction Documents, it shall certify to the Trustee, that the aforementioned requirements are complied with.

"Event of Default" means any one of the events specified in Condition 13 (*Events of Default*).

"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.

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 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 May 2018, the Courts and Land and Conveyancing Law Reform Bill secured government approval for drafting. The Courts and Land and Conveyancing Law Reform 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 proposed draft 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. It is expected the Bill will provide, 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) in cases where the enforcing entity is not the original lender, the amount that the enforcing entity paid for the loan.

Furthermore, the Irish Competition and Consumer Protection Commission conducted a study on the mortgage market in Ireland and, on 20 February 2017, commenced a public consultation in respect of the mortgage market. A report published in May 2017 provides 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.

As at the date of this Prospectus, the Oireachtas is considering the Bill which currently seeks to make certain amendments to the CBA 1997. Under the Bill, it is proposed that the definition of credit servicing is expanded to include:

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

If the Bill is enacted as proposed, a person carrying out any of the above activities will need to be regulated as a credit servicing firm. The Bill as drafted also envisages that there therefore could be multiple parties carrying out credit servicing activities in relation to credit agreements, each of which may be required to be regulated. The Bill provides a route for those carrying on the business of a "credit servicing firm" immediately before the coming into operation of the Bill (if enacted) and who are not regulated to continue carrying on the business of a "credit servicing firm" until the CBI has granted or refused authorisation to the person, provided that the person applies to the CBI for authorisation no later than 3 months after the Bill being enacted and coming into operation.

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.

Regulatory initiatives may have an adverse impact on the regulatory treatment 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 position for certain investors in securitisation exposures and/or on the incentives for certain investors to hold asset-backed securities, and may thereby affect the liquidity of such securities. Investors in the Notes are responsible for analysing their own regulatory position and none of the Issuer, the Joint Lead Managers, the Arranger or the Originators makes any representation to any prospective investor or purchaser of the Notes regarding the regulatory treatment of their investment on the Closing Date or at any time in the future.

Investors should be aware and in some cases are required to be aware of the risk retention and due diligence requirements in Europe (the “**EU Risk Retention and Due Diligence Requirements**”) which currently apply, or are expected to apply in the future, in respect of various types of EU regulated investors including institutions for occupational retirement, credit institutions, authorised alternative investment fund managers, investment firms, insurance and reinsurance undertakings and UCITS funds. Amongst other things, such requirements restrict an investor who is subject to the EU Risk Retention and Due Diligence Requirements from investing in securitisations unless: (i) the originator, sponsor or original lender in respect of the relevant securitisation has explicitly disclosed that it will retain, on an on-going basis, a net economic interest of not less than five per cent. in respect of certain specified credit risk tranches or securitised exposures; and (ii) such investor is able to demonstrate that they have undertaken certain due diligence in respect of various matters including but not limited to its note position, the underlying assets and (in the case of certain types of investors) the relevant sponsor or originator. Failure to comply with one or more of the requirements may result in various penalties including, in the case of those investors subject to regulatory capital requirements, the imposition of a punitive capital charge on the Notes acquired by the relevant investor.

Aspects of the requirements and what is or will be required to demonstrate compliance to national regulators remain unclear. Though some aspects of the detail and effect of all of these requirements remain unclear, these requirements and any other changes to the regulation or regulatory treatment of securitisations or of the Notes for investors may negatively impact the regulatory position of individual holders. In addition, such regulations could have a negative impact on the price and liquidity of the Notes in the secondary market.

Each investor should consult with its own legal, accounting, regulatory and other advisors and/or its regulator before committing to acquire any Notes to determine whether, and to what extent, the information set out in this Prospectus and in any investor report provided in relation to the transaction is sufficient for the purpose of satisfying such requirements. Investors are required to independently assess and determine the sufficiency of such information. None of the Issuer, the Administrator, the Arranger, the Joint Lead Managers, the Sellers, the Master Servicer, the Trustee, the Managing Sponsor, the Retention Holder, their respective Affiliates or any other Person makes any representation, warranty or guarantee that any such information is sufficient for such purposes or any other purpose or that the structure of the Notes and the transactions described herein are compliant with the EU Risk Retention and Due Diligence Requirements or any other applicable legal regulatory or other requirements and no such person shall have any liability to any prospective investor or any other person with respect to any deficiency in such information or any failure of the transactions contemplated hereby to comply with or otherwise satisfy such requirements. If a regulator determines that the transaction did not comply or is no longer in compliance with the EU Risk Retention and Due Diligence Requirements or any applicable legal, regulatory or other requirement, then investors may be required by their regulator to set aside additional capital against their investment in the Notes or take other remedial measures in respect of their investment in the Notes. In addition, such regulations could have a negative impact on the price and liquidity of the Notes in the secondary market.

With respect to the commitment of the Retention Holder to retain a material net economic interest in the securitisation, please see the statements set out in “*Certain Regulatory Disclosures*”.

On 30 September 2015, the European Commission (the “**Commission**”) published a proposed regulation to amend the CRR (the “**CRR Amendment Regulation**”) and a proposed regulation aiming to create a general European framework for securitisation and a specific framework for “simple, transparent and standardised” securitisation (the “**STS Securitisation Regulation**”) which are intended, amongst other things, to re-cast the EU risk retention rules as part of wider changes to establish a “Capital Markets Union” in Europe (together, the “**Securitisation Regulations**”). The Securitisation Regulations were published in the Official Journal of the European Union on 28 December 2017 and entered into force on the twentieth day thereafter. The Securitisation Regulations will apply from 1 January 2019 (subject to certain transitional provisions in the CRR Amendment Regulation regarding securitisations the securities of which were issued before 1 January 2019). Investors should be aware that there are material differences between the current EU legal framework governing securitisation and that in the Securitisation Regulations (including changes to the EU Risk Retention and Due Diligence Requirements). If any changes to the Conditions or the Transaction Documents are required as a result of the application of the Securitisation Regulations, the Issuer shall be required to bear the costs of making such changes. It should be noted that any refinancing of the Notes or additional issuance of Notes may, if undertaken after the date of application of the Securitisation Regulations, bring the transaction described herein within the scope of the Securitisation Regulations.

There can therefore be no assurances that the transactions described herein will not be affected by a change in law or regulation relating to the EU Risk Retention and Due Diligence Requirements (including the Securitisation Regulations), including as a result of any changes recommended in future reports or reviews. Investors should therefore make themselves aware of the EU Risk Retention and Due Diligence Requirements, the Securitisation Regulations (and any corresponding implementing rules of their regulator), in addition to any other regulatory requirements that are (or may become) applicable to them and/or with respect to their investment in the Notes.

In particular, investors should note that the Basel Committee on Banking Supervision (“**BCBS**”) has approved a series of significant changes to the Basel regulatory capital and liquidity framework (such changes being referred to by the BCBS as “**Basel III**”), including revisions to the securitisation framework which may result in increased regulatory capital requirements in respect of certain positions. Basel III provides for a substantial strengthening of existing prudential rules, including new 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). BCBS member countries agreed to implement the initial phase of the 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. As implementation of any changes to the Basel framework (including those made via Basel III) requires national legislation, the final rules and the timetable for its implementation in each jurisdiction, as well as the treatment of asset-backed securities, may be subject to some level of national variation. It should also be noted that changes to regulatory capital requirements have been made for insurance and reinsurance undertakings through participating jurisdiction initiatives, such as the Solvency II framework in Europe.

U.S. Risk Retention Requirements

Section 941 of the Dodd-Frank Act amended the Exchange Act to generally require the “securitizer” of a “securitization transaction” to retain at least 5 per cent. of the “credit risk” of “securitized assets”, as such terms are defined for the purposes of that statute, and generally prohibit a securitizer from directly or indirectly eliminating or reducing its credit exposure by hedging or otherwise transferring the credit risk that the securitizer is required to retain. The U.S. Risk Retention Rules came into effect on 24 December 2015 with respect to RMBS securitizations. The U.S. Risk Retention Rules provide that the securitizer of an asset backed securitization is its sponsor. The U.S. Risk Retention Rules also provide for certain exemptions from the risk retention obligation that they generally impose.

The Retention Holder does not intend to retain at least 5 per cent. of the credit risk of the securitized assets in accordance with the U.S. Risk Retention Rules, but rather intends to rely on an exemption provided for in

Section __.20 of the U.S. Risk Retention Rules regarding non-U.S. transactions. Such non-U.S. transactions must meet certain requirements, including that (1) the transaction is not required to be and is not registered under the Securities Act; (2) no more than 10 per cent. of the dollar value (or equivalent amount in the currency in which the securities are issued) of all classes of securities issued in the securitization 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); (3) neither the sponsor nor the issuer is organised under U.S. law or is a branch located in the United States of a non-U.S. entity; and (4) no more than 25 per cent. of the underlying collateral was acquired from a majority-owned affiliate or branch of the sponsor or issuer organised or located in the United States.

The Portfolio will be comprised of Mortgage Loans originated by the relevant Originator, each of which is a company incorporated in Ireland or the United Kingdom.

The Notes provide that they may not be purchased by Risk Retention U.S. Persons unless a waiver is obtained from the Retention Holder. 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 persons who are not "U.S persons" under Regulation S may be U.S. persons under the U.S. Risk Retention Rules. The definition of U.S. person in the U.S. Risk Retention Rules is excerpted below. Particular attention should be paid to clauses (b) and (h)(i) below, which are different than comparable provisions from Regulation S.

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 organisation or entity organised or incorporated under the laws of any State or of the United States¹;
- (c) any estate of which any executor or administrator is a U.S. person (as defined under any other clause of this definition);
- (d) any trust of which any trustee is a U.S. person (as defined under any other clause of this definition);
- (e) any agency or branch of a foreign entity located in the United States;
- (f) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. person (as defined under any other clause of this definition);
- (g) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated, or (if an individual) resident in the United States; and
- (h) any partnership, corporation, limited liability company, or other organisation or entity if:
 - (i) organised or incorporated under the laws of any foreign jurisdiction; and
 - (ii) formed by a U.S. person (as defined under any other clause of this definition) principally for the purpose of investing in securities not registered under the Securities Act²;

1 The comparable provision from Regulation S is "(ii) any partnership or corporation organised or incorporated under the laws of the United States."

2 The comparable provision from Regulation S "(vii)(B) formed by a U.S. person principally for the purpose of investing in securities not registered under the Securities Act, unless it is organised or incorporated, and owned, by accredited investors (as defined in 17 CFR 230.501(a)) who are not natural persons, estates or trusts."

On the Closing Date, the Notes may only be purchased by persons that are not Risk Retention U.S. Persons. Each holder of a Note or a beneficial interest therein acquired in the initial syndication of the Notes, by its acquisition of a Note or a beneficial interest in a Note, will be deemed to represent to the Issuer, the Sellers, the Retention Holder, the Arranger and each of the Joint Lead Managers that it (1) is not a Risk Retention U.S. Person, (2) is acquiring such Note or a beneficial interest therein for its own account, 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. Non-compliance with the U.S. Risk Retention Rules (regardless of the reason for such failure to comply) could give rise to regulatory action which may adversely affect the Notes and the ability of each of the Sellers to perform its obligations under the Transaction Documents. Furthermore, such non-compliance could negatively affect the value and secondary market liquidity of the Notes.

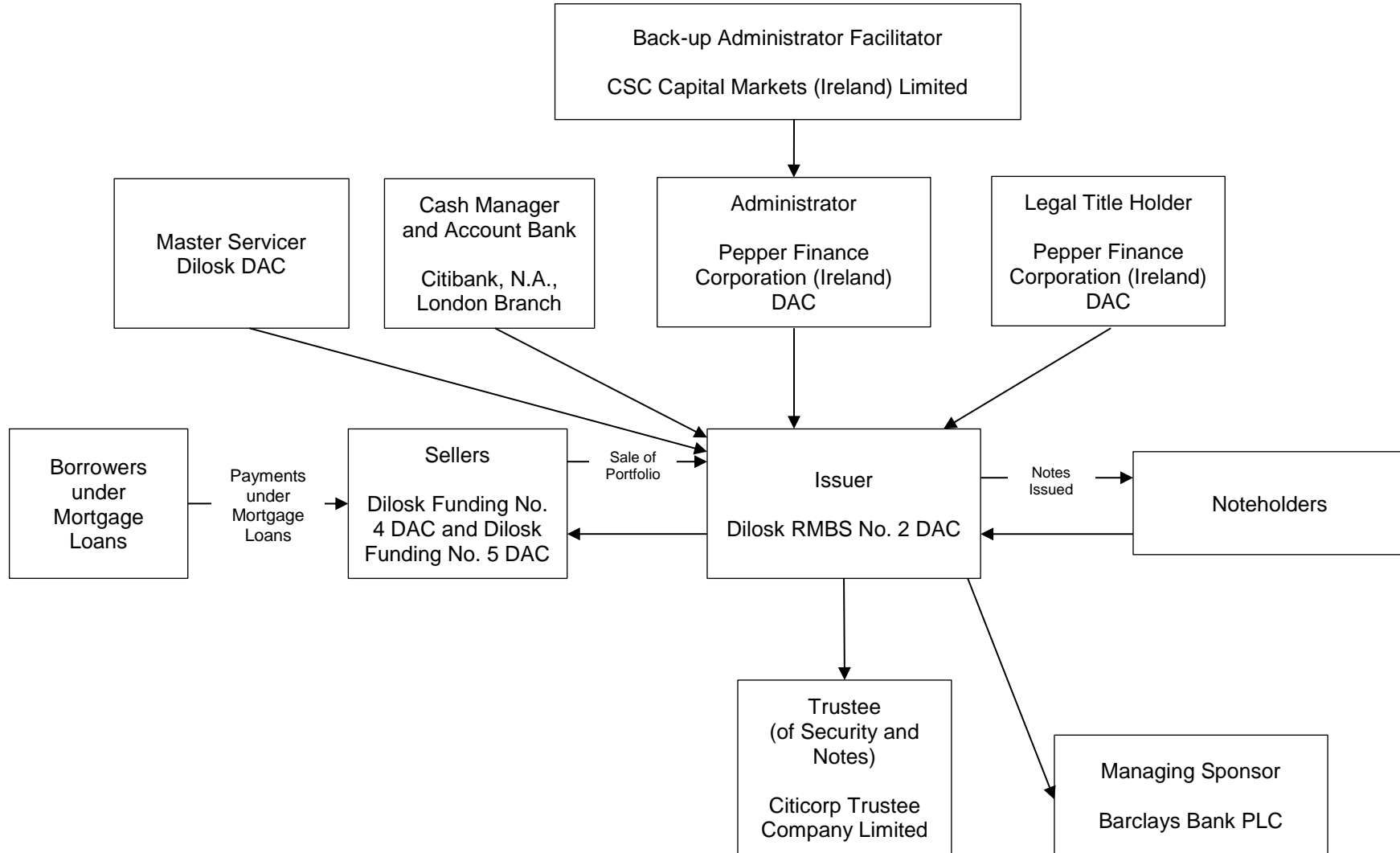
Each of the Sellers, the Retention Holder, the Issuer, the Arranger and the Joint Lead Managers have agreed that none of the Arranger or either of the Joint Lead Managers or any person who controls any of them or any director, officer, employee, agent or Affiliate of the Arranger or either of the Joint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

There can be no assurance that the exemption provided for in Section __.20 of the U.S. Risk Retention Rules regarding non-U.S. transactions will be available to the Retention Holder. Failure on the part of the Retention Holder or the Sellers to comply with the U.S. Risk Retention Rules (regardless of the reason for such failure to comply) could give rise to regulatory action against the Retention Holder or the Sellers which may adversely affect the Notes and the ability of each of the Sellers to perform its obligations under the Transaction Documents. Furthermore, a failure by the Retention Holder or the Sellers to comply with the U.S. Risk Retention Rules could negatively affect the value and secondary market liquidity of the Notes.

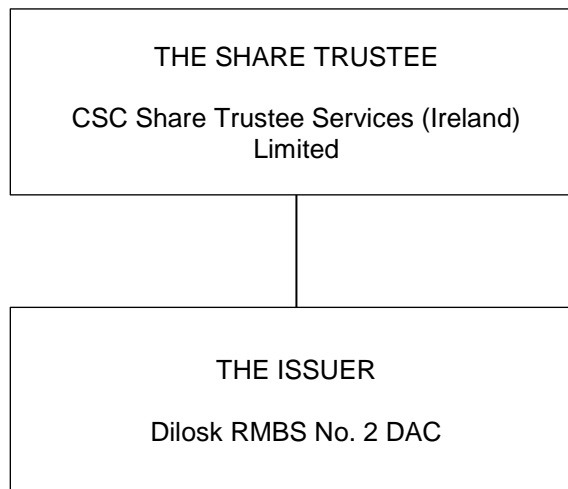
TRANSACTION OVERVIEW

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

DIAGRAMMATIC OVERVIEW OF TRANSACTION

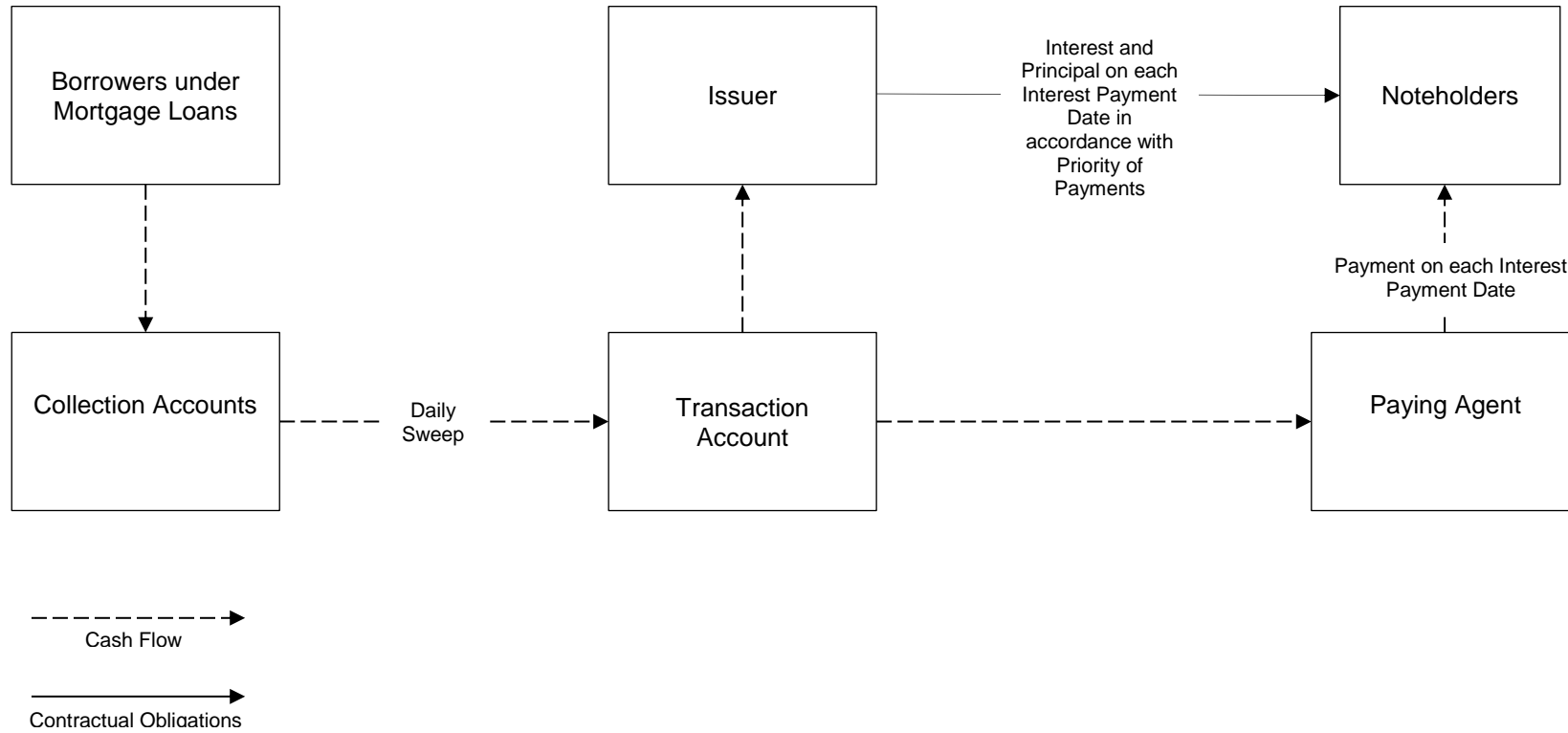


OWNERSHIP STRUCTURE DIAGRAM



The entire issued share capital of the Issuer is legally owned by CSC Share Trustee Services (Ireland) Limited (the “**Share Trustee**”) on discretionary trust, the benefit of which is expressed to be for charitable purposes. The Issuer has no subsidiaries.

DIAGRAMMATIC OVERVIEW OF ON-GOING CASHFLOW AS AT THE CLOSING DATE



TRANSACTION PARTIES ON THE CLOSING DATE

Party	Name	Address	Further Information
Issuer	Dilosk RMBS No.2 Designated Activity Company	28 Fitzwilliam Place, Dublin 2, Ireland	See section entitled " <i>The Issuer</i> " for further information
DF4 Seller	Dilosk Funding No. 4 Designated Activity Company	16 Hume Street, Dublin 2, Ireland	See section entitled " <i>The DF4 Seller</i> " for further information.
DF5 Seller	Dilosk Funding No. 5 Designated Activity Company	16 Hume Street, Dublin 2, Ireland	See section entitled " <i>The DF5 Seller</i> " for further information.
Retention Holder	Barclays Bank PLC	5 The North Colonnade, London, E14 4BB	See section entitled " <i>Retention Holder and Managing Sponsor</i> " for further information.
Managing Sponsor	Barclays Bank PLC	5 The North Colonnade, London, E14 4BB	See section entitled " <i>Retention Holder</i> " for further information.
Legal Title Holder	Pepper Finance Corporation (Ireland) DAC	4th Floor, 2 Park Place, Upper Hatch Street, Dublin 2, Ireland	See section entitled " <i>Legal Title Holder</i> " for further information.
Master Servicer	Dilosk DAC	16 Hume Street, Dublin 2, Ireland	See section entitled " <i>The Administrator, the Master Servicer, the Managing Sponsor, the Administration Agreement and the Master Servicing Agreement</i> " for further information.
Administrator	Pepper Finance Corporation (Ireland) DAC	4th Floor, 2 Park Place, Upper Hatch Street, Dublin 2, Ireland	Administration Agreement See the section entitled " <i>The Administrator, the Master Servicer, the Managing Sponsor, the Administration Agreement and the Master Servicing Agreement</i> " for further information
Back-Up Administrator Facilitator	CSC Capital Markets (Ireland) Limited	28 Fitzwilliam Place, Dublin 2, Ireland	Administration Agreement See section entitled " <i>The Administrator, the Master Servicer, the Managing Sponsor, the Administration Agreement and the Master Servicing Agreement</i> " for further information

Party	Name	Address	Further Information
Cash Manager	Citibank, N.A., London Branch	Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB	Cash Management Agreement See section entitled " <i>Cashflows and Cash Management</i> " for further information
Trustee	Citicorp Trustee Company Limited	Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB	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
Paying Agent / Agent Bank	Citibank, N.A., London Branch	Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB	Agency Agreement See the sections entitled " <i>Terms and Conditions of the Notes</i> " for further information
Reference Agent	Citibank, N.A., London Branch	Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB	See the section entitled " <i>Terms and Conditions of the Notes</i> " for further information
Registrar	Citigroup Global Markets Europe AG	Reuterweg 16, 60323 Frankfurt am Main, Germany	Agency Agreement See the section entitled " <i>Terms and Conditions of the Notes</i> " for further information
Account Bank	Citibank, N.A., London Branch	Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB	Account Bank Agreement See the section entitled " <i>Cashflows and Cash Management</i> " for further information
Collection Account Bank	Bank of Ireland	College Green, Dublin 2	Amended and Restated Collection Account Declaration of Trust See section entitled " <i>The Administrator, the Master Servicer, the Managing Sponsor, the Administration Agreement and the Master Servicing Agreement</i> " for further information.

Party	Name	Address	Further Information
	Barclays Bank Ireland PLC	Two Park Place, Hatch Street, Dublin 2, Ireland	Issuer Collection Account Bank Agreement See section entitled " <i>The Administrator, the Master Servicer, the Managing Sponsor, the Administration Agreement and the Master Servicing Agreement</i> " for further information.
Corporate Services Provider	CSC Capital Markets (Ireland) Limited	28 Fitzwilliam Place, Dublin 2, Ireland	Corporate Services Agreement See the section entitled " <i>The Issuer</i> " for further information
Share Trustee	CSC Share Trustee Services (Ireland) Limited	28 Fitzwilliam Place, Dublin 2, Ireland	Corporate Services Agreement See the section entitled " <i>The Issuer</i> " for further information
Arranger and Joint Lead Manager	NatWest Markets Plc	250 Bishopsgate, London, EC2M 4AA	N/A
Joint Lead Manager	Barclays Bank PLC	5 The North Colonnade, London, E14 4BB	N/A

OVERVIEW OF THE TERMS AND CONDITIONS OF THE NOTES

Please refer to 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

	Class A Notes	Class B Notes	Class C Notes	Class D Notes	Class E Notes	Class F Notes	Class Z2 Notes	Class Z1 Notes	Class X Notes	Class R Notes
<i>Currency</i>	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
<i>Initial Principal Amount</i>	€180,457,000	€18,618,000	€14,322,000	€17,186,000	€25,779,000	€8,593,000	€12,890,000	€21,486,000	€100,000	€2,000,000
<i>Note Credit Enhancement</i>	Subordination of the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes, the Class Z2 Notes, the Class Z1 Notes and availability of the General Reserve Fund	Subordination of the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes, the Class Z2 Notes, the Class Z1 Notes and availability of the General Reserve Fund	Subordination of the Class D Notes, the Class E Notes, the Class F Notes, the Class Z2 Notes, the Class Z1 Notes and availability of the General Reserve Fund	Subordination of the Class E Notes, the Class F Notes, the Class Z2 Notes, the Class Z1 Notes and availability of the General Reserve Fund	Subordination of the Class F Notes, the Class Z2 Notes, the Class Z1 Notes and availability of the General Reserve Fund	Subordination of the Class Z2 Notes, the Class Z1 Notes and availability of the General Reserve Fund			N/A	N/A
<i>Liquidity Support</i>	Availability of amounts credited to the General Reserve Fund Available Principal	Availability of amounts credited to the General Reserve Fund	Availability of amounts credited to the General Reserve Fund	Availability of amounts credited to the General Reserve Fund	Availability of amounts credited to the General Reserve Fund	Availability of amounts credited to the General Reserve Fund Available Principal	N/A	N/A	Availability of amounts credited to the General Reserve Fund	N/A

	Class A Notes	Class B Notes	Class C Notes	Class D Notes	Class E Notes	Class F Notes	Class Z2 Notes	Class Z1 Notes	Class X Notes	Class R Notes
	Receipts applied to make up Senior Class Shortfall	Available Principal Receipts applied to make up Senior Class Shortfall (so long as Class B Notes are the Most Senior Class)	Available Principal Receipts applied to make up Senior Class Shortfall (so long as Class C Notes are the Most Senior Class)	Available Principal Receipts applied to make up Senior Class Shortfall (so long as Class D Notes are the Most Senior Class)	Available Principal Receipts applied to make up Senior Class Shortfall (so long as Class E Notes are the Most Senior Class)	Receipts applied to make up Senior Class Shortfall (so long as Class F Notes are the Most Senior Class)				
	(subject to conditions as set out in "Key Structural Features – Credit Enhancement and Liquidity Support")	(subject to conditions as set out in "Key Structural Features – Credit Enhancement and Liquidity Support")	(subject to conditions as set out in "Key Structural Features – Credit Enhancement and Liquidity Support")	(subject to conditions as set out in "Key Structural Features – Credit Enhancement and Liquidity Support")	(subject to conditions as set out in "Key Structural Features – Credit Enhancement and Liquidity Support")	(subject to conditions as set out in "Key Structural Features – Credit Enhancement and Liquidity Support")	(subject to conditions as set out in "Key Structural Features – Credit Enhancement and Liquidity Support")	(subject to conditions as set out in "Key Structural Features – Credit Enhancement and Liquidity Support")	(subject to conditions as set out in "Key Structural Features – Credit Enhancement and Liquidity Support")	(subject to conditions as set out in "Key Structural Features – Credit Enhancement and Liquidity Support")
<i>Issue Price</i>	99.588%	99.385%	99.695%	98.944%	95.518%	99.270%	100%	80%	0.01%	0.01%
<i>Interest Rate</i>	3 month EURIBOR	3 month EURIBOR	3 month EURIBOR	3 month EURIBOR	3 month EURIBOR	3 month EURIBOR	N/A	N/A	N/A	N/A
<i>Relevant Margin prior to the Step-Up Date</i>	0.75%	1.30%	2.00%	2.30%	3.25%	4.50%	8.00%	8.00%	N/A	N/A
<i>Relevant Margin on and</i>	1.50%	1.30%	2.0%	2.30%	3.25%	4.50%	0.00%	0.00%	N/A	N/A

	Class A Notes	Class B Notes	Class C Notes	Class D Notes	Class E Notes	Class F Notes	Class Z2 Notes	Class Z1 Notes	Class X Notes	Class R Notes
<i>after the Step-Up Date</i>										
<i>Additional Note Payment (accrues from and including the Step-Up Date)</i>	N/A	1.00%	1.00%	1.00%	1.50%	1.50%	N/A	N/A	N/A	N/A
<i>Coupon Cap</i>	6.00%	6.00%	6.00%	8.00%	8.00%	8.00%	N/A	N/A	N/A	N/A
<i>Step-Up Date</i>	The Interest Payment Date falling in December 2021								N/A	N/A
<i>Interest Accrual Method</i>	The actual number of days in a period divided by 360									N/A
<i>Calculation Date</i>	The last day in the calendar month immediately preceding an Interest Payment Date									
<i>Interest Payment Dates</i>	Interest and principal will be payable quarterly in arrear on the Interest Payment Dates falling on the 20 th day of March, June, September and December in each year									
<i>Business Day Convention</i>	Modified Following									
<i>First Interest Payment Date</i>	The Interest Payment Date falling in March 2019									
<i>First Interest Period</i>	The period from the Closing Date to the First Interest Payment Date									

	Class A Notes	Class B Notes	Class C Notes	Class D Notes	Class E Notes	Class F Notes	Class Z2 Notes	Class Z1 Notes	Class X Notes	Class R Notes
<i>Optional Redemption Date</i>	The Interest Payment Date falling in December 2021 (the “ First Optional Redemption Date ”) and each Interest Payment Date thereafter									
<i>Optional Redemption Date Redemption Profile</i>	Pass through redemption on each Interest Payment Date Please refer to Condition 9 (<i>Final Redemption, Mandatory Redemption in Part and Cancellation</i>) for more details									
<i>Other Early Redemption in Full Events</i>	Tax/Illegality/Clean-Up Call/Risk Retention Regulatory Change Option Please refer to Condition 9 (<i>Final Redemption, Mandatory Redemption in Part and Cancellation</i>) for more details									
<i>Final Maturity Date</i>	Interest Payment Date falling in December 2057	Interest Payment Date falling in December 2057	Interest Payment Date falling in December 2057	Interest Payment Date falling in December 2057	Interest Payment Date falling in December 2057	Interest Payment Date falling in December 2057	Interest Payment Date falling in December 2057	Interest Payment Date falling in December 2057	Interest Payment Date falling in December 2057	Interest Payment Date falling in December 2057
<i>Form of the Notes</i>	Registered	Registered	Registered	Registered	Registered	Registered	Registered	Registered	Registered	Registered
<i>Application for Listing</i>	Ireland	Ireland	Ireland	Ireland	Ireland	Ireland	Ireland	Ireland	Ireland	Ireland
<i>ISIN</i>	XS1893602828	XS1893603552	XS1893603636	XS1893603800	XS1893603982	XS1893604287	XS1893605508	XS1893605680	N/A	N/A
<i>Common Code</i>	189360282	189360355	189360363	189360380	189360398	189360428	189360550	189360568	N/A	N/A
<i>IE Identifier</i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	IE00BGHL7D95	IE00BGHL7F10

	Class A Notes	Class B Notes	Class C Notes	Class D Notes	Class E Notes	Class F Notes	Class Z2 Notes	Class Z1 Notes	Class X Notes	Class R Notes
<i>Minimum Denomination</i>	€100,000 and integral multiples of €1,000 in excess thereof									
<i>Expected Ratings</i>	AAA/Aaa	AA (high)/Aa1	AA/A1	A/Baa3	BB (high)/B3	BB/Caa3	Not Rated	Not Rated	Not Rated	Not Rated
<i>(Rating Agency)</i>	DBRS/Moody's	DBRS/Moody's	DBRS/Moody's	DBRS/Moody's	DBRS/Moody's	DBRS/Moody's	N/A	N/A	N/A	N/A

* Additional Note Payments can be paid in respect of the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes on and from the Interest Payment Date immediately following the Step-Up Date.

** Payments of Additional Note Payments are subordinated to payments of interest on the Notes. Payments of Additional Note Payments are not rated and may be deferred and non-payment thereof shall not be an Event of Default in any circumstances.

TRANSACTION OVERVIEW – OVERVIEW OF TERMS AND CONDITIONS OF THE NOTES

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

Issuance of Notes:

The Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes (together with the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes, the "**Rated Notes**"), the Class Z1 Notes, the Class Z2 Notes, (together with the Rated Notes and the Class Z1 Notes, the "**Cleared Notes**"), the Class X Notes and the Class R Notes will be offered pursuant to Regulation S.

The Global Notes will be cleared through Euroclear and/or Clearstream, Luxembourg as set out in "*Description of the Notes in Global Form*".

The Class X Notes and the Class R Notes will be issued in dematerialised registered form and will not be cleared.

Form, registration and transfer of Notes:

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

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

Ownership interests in the Global Notes will be shown on, and transfers thereof will only be effected through, records maintained by Euroclear, Clearstream, Luxembourg and their respective participants. See "*Description of the Notes in Global Form*" below.

Except in the limited circumstances described herein, Notes in definitive, certificated, fully registered form ("**Definitive Notes**") will not be issued in exchange for beneficial interests. See "*Form of Global Note - Exchange for Definitive Notes*".

Transfers of interests in the Notes are subject to certain restrictions and must be made in accordance with the procedures set forth in the Trust Deed.

Each purchaser of Notes in making its purchase will be required to make, or will be deemed to have made, certain acknowledgements, representations and agreements. The transfer of Notes in breach of certain of such representations and agreements will result in affected Notes becoming subject to certain forced transfer provisions. See Condition 4 (*Title*).

The Class X Notes and the Class R Notes will be issued in dematerialised registered form and will not be cleared. The holders of the Class X Notes and the Class R Notes recorded in the Register shall be entitled to payments in respect thereof.

Distributions on the Notes:

On the Closing Date, the Notes may only be purchased by persons that are not Risk Retention U.S. Persons. See "*Risk Factors – U.S. Risk Retention Requirements*".

Ranking of Payments of Interest:

Payment of interest on the Notes will be paid in sequential order in accordance with the relevant Priority of Payments. For a more detailed summary, please refer to the Priority of Payments in the section entitled "*Cashflows and Cash Management*".

The Notes within each individual Class of Notes 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 as the case may be, or to the respective holders thereof, as provided in the terms and conditions of the Notes (the "**Conditions**").

"**Interest Determination Date**" means the date falling two Business Days before each Interest Payment Date or, in the case of the first Interest Period, the Closing Date.

"**Interest Payment Date**" means the 20th day of March, June, September and December 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 Interest Determination Date, the "**related Interest Period**" means the Interest Period following such Interest Determination Date.

Any reference to a "Class" of Notes shall be a reference to the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes, the Class Z1 Notes, the Class Z2 Notes, the Class X Notes and the Class R Notes, as the case may be, and any reference to the holders of Notes shall be a reference to the respective holders thereof (hereinafter referred to as the "**Class A Noteholders**", the "**Class B Noteholders**", the "**Class C Noteholders**", the "**Class D Noteholders**", the "**Class E Noteholders**", the "**Class F Noteholders**", the "**Class Z1 Noteholders**", the "**Class Z2 Noteholders**", the "**Class X Noteholders**" and the "**Class R Noteholders**").

Ranking of Payments of Additional Note Payments:

On and from the Interest Payment Date immediately following the Step-Up Date, the holders of the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes will be entitled to receive, respectively, Additional Note Payments in respect of the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes respectively.

Payment of Additional Note Payments on the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes will be paid in sequential order in accordance with the relevant Priority of Payments.

Any Additional Note Payments not paid on an Interest Payment Date will be deferred until the immediately following Interest Payment Date and will accrue interest at the Relevant Additional Note Payment Margin. Any failure by the Issuer to pay any Additional Note Payment on an Interest Payment Date will not constitute an Event of Default.

The Notes within each individual Class of the Class B Notes, Class C Notes, Class D Notes, Class E Notes and Class F Notes will rank *pro rata* and *pari passu* and rateably among themselves at all times in respect of payments of Additional Note Payments to be made to such individual Class as the case may be, or to the respective holders thereof, as provided in the Conditions.

The ratings on the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes do not address the likelihood of receipt of any Additional Note Payments.

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

Ranking of Payments of Principal:

Prior to the delivery of a notice by the Trustee to the Issuer which declares the Notes to be immediately due and payable (an "**Enforcement Notice**"), Available Principal Receipts will be applied in accordance with the Pre-Enforcement Principal Priority of Payments, first, amounts to be applied as Available Revenue Receipts in an amount equal to any Senior Class Shortfall, second to redeem the Class A Notes, third, to redeem the Class B Notes, fourth, to redeem the Class C Notes, fifth to redeem the Class D Notes, sixth to redeem the Class E Notes, seventh to redeem the Class F Notes, eighth to redeem the Class Z2 Notes, ninth to redeem the Class Z1 Notes, tenth to redeem the Class X Notes until the Principal Amount Outstanding on the Class X Notes is reduced down to €1, eleventh to redeem the Class R Notes until the Principal Amount Outstanding on the Class R Notes is reduced down to €1, and any remainder will be applied as Available Revenue Receipts in accordance with the Pre-Enforcement Revenue Priority of Payments.

Following the delivery of an Enforcement Notice, all monies and all amounts received or recovered will be applied in accordance with the Post-Enforcement Priority of Payments and after having applied amounts to pay higher ranking expenses and other amounts due to prior ranking Secured Creditors, first, to redeem the Class A Notes, second, to redeem the Class B Notes, third, to redeem the Class C Notes, fourth, to redeem the Class D Notes, fifth, to redeem the Class E Notes, sixth to redeem the Class F Notes, seventh to redeem the Class Z2 Notes, eighth to redeem the Class Z1 Notes, ninth to redeem the Class X Notes and thereafter to redeem the Class R Notes.

Prior to the delivery of an Enforcement Notice by the Trustee to the Issuer, payments of principal on the Class X Notes and the Class R Notes will be made in accordance with the Pre-Enforcement Revenue Priority of

Payments and the Pre-Enforcement Principal Priority of Payments. Following the delivery of an Enforcement Notice by the Trustee to the Issuer, the Class X Notes will be redeemed in accordance with the Post-Enforcement Priority of Payments after the redemption of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes, the Class Z2 Notes and the Class Z1 Notes, and the Class R Notes will be redeemed in accordance with the Post-Enforcement Priority of Payments after the redemption of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes, the Class Z2 Notes, the Class Z1 Notes and the Class X Notes.

“Principal Amount Outstanding” means, on any day:

- (a) in relation to a Note, the principal amount of that Note upon issue 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; and
- (b) in relation to a class, the aggregate of the amount in paragraph (a) above 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 paragraph (a) above in respect of all Notes outstanding, regardless of class.

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

Most Senior Class:

The Class A Notes or, if there are no Class A Notes then outstanding, the Class B Notes or, if there are no Class B Notes then outstanding, the Class C Notes or, if there are no Class C Notes then outstanding, the Class D Notes or, if there are no Class D Notes then outstanding, the Class E Notes, or, if there are no Class E Notes then outstanding the Class F Notes, or, if there are no Class F Notes then outstanding, the Class Z2 Notes or, if there are no Class Z2 Notes then outstanding, the Class Z1 Notes or, if there are no Class Z1 Notes then outstanding, the Class X Notes or, if there are no Class X Notes then outstanding, the Class R Notes.

Security:

The Issuer's obligations in respect of the Notes are secured in favour of the Trustee for itself and the other Secured Creditors 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”**. The Irish Security and the English Security (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 assignment of beneficial ownership);

“Certificate of Title” means a solicitor's or licensed conveyancer's report or certificate of title obtained by or on behalf of the relevant

Seller in respect of each Property substantially in the form of the pro-forma set out in the Standard Documentation.

“Issuer Profit Account” means the bank account in the name of the Issuer held with Citibank, N.A., London Branch (or such other bank as the Issuer may determine) which holds the Issuer Profit Amount.

“Mortgage Asset” means the Related Security (together with the benefit of the underlying Mortgage Loan).

“Mortgage Loans” means loans made to Borrowers secured over residential properties located in Ireland.

“Related Security” means, in respect of an underlying 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 Portfolio sold to the Issuer pursuant to the relevant Mortgage Sale Agreement including (without limitation):

- i. 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;
- ii. all estate and interest in the Property secured by such Mortgage Loans vested in the relevant Seller (subject to the Borrower's right of redemption or cesser) (including all proceeds from any sale or utilisation of the Property) and all estate and interest in the Property secured by such Mortgage Loans which is held by, or for the benefit of, any Receiver appointed in respect the relevant Property;
- iii. each right of action of the relevant Seller against any person (including, without limitation, any solicitor, licensed conveyancer, qualified conveyancer, valuer, registrar or registry or other person) in connection with any report, valuation, opinion, certificate or other statement of fact or opinion (including, without limitation, each Certificate of Title and Valuation Report) given or received in connection with all or part of any Mortgage Loan and its Related Security or affecting the decision of the relevant Originator to make or offer to make all or part of the Mortgage Loan;
- iv. 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 lender interest only policies, contingency policies and the lender in possession policy (the **“Insurance Policies”**) deposited, charged, obtained, or held in connection with the Mortgage Loan, Mortgage and/or Property and relevant Mortgage Loan files; and

- v. any other document in existence from time to time which secures or is intended to secure the repayment of such Mortgage Loan (including the benefit of any contract relating to such Mortgage Loan, the terms of which set out the method by which such Mortgage Loan is to be repaid),

together with all right, title, benefit and interest ancillary or supplemental to, and all powers and remedies for enforcing the above;

- (b) first fixed charges over the benefit of each Issuer Account and any bank or other accounts in which the Issuer may at any time have or acquire any benefit (other than the Issuer Profit Account) in accordance with the Account Bank Agreement, the English Deed of Charge or the other Transaction Documents;
- (c) an assignment by way of security of the Issuer's interests in the Insurance Policies;
- (d) an assignment by way of security of the benefit under each relevant Transaction Document (other than the Corporate Services Agreement, the English Deed of Charge, the Irish Deed of Charge, the Trust Deed); and
- (e) a first floating charge over the whole of its undertaking and all its property, assets and rights (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 the Issuer's interest in the Corporate Services Agreement (the "**Excluded Assets**") will not form part of the Security.

"Property" means a freehold or leasehold property which is subject to a Mortgage Loan.

"Valuation Report" means the valuation report or reports for mortgage purposes, obtained by the Originator from a valuer in respect of each Property or a valuation report in respect of a valuation made using a methodology which would be acceptable to a Prudent Mortgage Lender and which has been approved by the relevant officers of the relevant Originator.

"English Security" means the security granted by the Issuer to the Trustee under and pursuant to the English Deed of Charge in favour of the Secured Creditors.

"Irish Security" means the security granted by the Issuer to the Trustee under and pursuant to the Irish Deed of Charge in favour of the Secured Creditors.

Certain other secured amounts owing to Secured Creditors 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 Notes (other than the Class A Notes) may be deferred in accordance with Condition 8.10 (*Deferral of Interest and Additional Note Payments*).

Additional Note Payments Payable on the Notes:

The rates of Additional Note Payments applicable to the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes are described in the sections "*Full Capital Structure of the Notes*" and "*Terms and Conditions of the Notes*".

Deferral of Additional Note Payments

Additional Note Payments due and payable on the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes may be deferred in accordance with Condition 8.10 (*Deferral of Interest and Additional Note Payments*).

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 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 (and, in respect of the Class Z2 Notes, the Class X Notes and the Class R Notes only, Available Revenue Receipts) as fully set out in Condition 9.2 (*Mandatory redemption in part prior to the service of an Enforcement Notice*);
- (c) mandatory redemption in full following the exercise by the Issuer of its early redemption option, as fully set out in Condition 9.3 (*Mandatory redemption in full*) and Condition 9.5 (*Mandatory Redemption for taxation or other reasons*); and
- (d) mandatory redemption in full pursuant to a Risk Retention Regulatory Change Option, as fully set out in Condition 9.4 (*Mandatory redemption in full pursuant to a Risk Retention Regulatory Change Option*).

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 any accrued (and unpaid) interest and any Deferred Interest and Additional Interest on the

Principal Amount Outstanding of the relevant Note and any Additional Note Payments accrued (and unpaid) up to (but excluding) the date of redemption.

Events of Default:

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

- (a) non-payment by the Issuer of principal in respect of the Notes within 7 days following the due date or subject to Condition 8.10 (*Deferral of Interest and Additional Note Payments*) non-payment by the Issuer of interest on the Notes within 14 days following the due date;
- (b) the Issuer defaults in the performance or observance of any of its other obligations under or in respect of the 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;
- (c) Insolvency Event in respect of the Issuer; or
- (d) it is illegal for the Issuer to perform or comply with its obligations under the Notes, the Trust Documents or the other Transaction Documents.

Limited Recourse:

The Notes are 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*).

Transaction Documents:

“Administrator Power of Attorney” means the power of attorney granted by each of the Issuer and the Legal Title Holder in favour of the Administrator on the Closing Date substantially in the form set out in the Administration Agreement.

“Transaction Documents” means the Account Bank Agreement, the Administration Agreement, the Agency Agreement, the Cash Management Agreement, the Amended and Restated Collection Account Declaration of Trust, the Corporate Services Agreement, the Deed Poll, the English Deed of Charge, the Incorporated Terms Memorandum, the Irish Deed of Charge, the Master Servicing Agreement, each Mortgage Sale Agreement, the CRR Deed of Covenant, the Legal Title Holder Power of Attorney, the Administrator Power of Attorney, each Seller Security Power of Attorney, the Trust Deed and such other related documents which are referred to in the terms of the above documents or which relate to the issue of the Notes and any other document designated as such.

Governing Law:

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

The Administration Agreement, the Amended and Restated Collection Account Declaration of Trust, the Corporate Services Agreement, the Irish Deed of Charge, the Master Servicing Agreement, each Mortgage Sale Agreement, the Administrator Power of Attorney, the Legal Title Holder Power of Attorney and each Seller Security Power of Attorney 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. of the Principal Amount Outstanding of the Notes then outstanding of the relevant Class are entitled to request in writing that the Trustee (subject to its being indemnified and/or secured and/or prefunded to its satisfaction) convenes a meeting of Noteholders of any Class or Classes (a "**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 Enforcement Notice has been delivered, 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, the holders of the Most Senior Class of Notes may, (i) if they hold in aggregate not less than 25 per cent. of the Principal Amount Outstanding of the Most Senior Class of Notes then outstanding or (ii) if they pass a resolution 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 (an "**Extraordinary Resolution**"), direct the Trustee in writing to give an Enforcement Notice to the Issuer that all Classes of the Notes are immediately due and repayable at their respective Principal Amount Outstanding together with any accrued interest and any Deferred Interest and subject to the Trustee being indemnified and/or secured and/or prefunded to its satisfaction.

Noteholders Meeting Provisions:

Notice period:	21 clear days for an initial meeting	14 clear days for an 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	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

<p>Noteholders at separate meetings), which requires one or more persons holding or representing in the aggregate not less than 75 per cent. of the Principal Amount Outstanding of the relevant Class or Classes of Notes then outstanding).</p>	<p>proposed separately to each Class of Noteholders at separate meetings), which requires one or more persons holding or representing not less than in aggregate 25 per cent. of the Principal Amount Outstanding of the relevant Class or Classes of Notes then outstanding).</p>
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<p>Required majority for Extraordinary Resolution:</p>	<p>Not less than 75 per cent. of votes cast</p>	<p>Not less than 75 per cent. of votes cast</p>
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Written Resolution: 75 per cent. of the Principal Amount Outstanding of the relevant Class of Notes then outstanding. A resolution in writing signed by or on behalf of all holders of Notes of the relevant class for the time being outstanding, 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 (a **“Written Resolution”**) has the same effect as an Extraordinary Resolution.

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

Reserved Matters:

A Reserved Matter (a **“Reserved Matter”**) means any proposal:

- (a) to change any date fixed for payment of principal or interest in respect of the Notes of any Class (including the Final Maturity Date), 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 14 (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 priority of payment of interest or principal in respect of the Notes;
- (e) to change the quorum required at any Meeting or the majority required to pass (i) an Extraordinary Resolution of holders of the Most Senior Class then outstanding or (ii) an Extraordinary Resolution in relation to a Reserved Matter; or
- (f) to amend this definition,

provided that a Base Rate Modification shall not constitute a Reserved Matter.

**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 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 shall be binding on all other Classes of Notes and would override any resolutions to the contrary of the Classes ranking behind such Class of Notes. A Reserved Matter requires an Extraordinary Resolution of each Class of Notes then outstanding.

No Extraordinary Resolution to approve any matter which concerns the Administrator, the Master Servicer or the Managing Sponsor including, without limitation, the termination of the appointment thereof or the appointment of a successor administrator or successor thereof shall be effective unless it is sanctioned by an Extraordinary Resolution of the Class X Noteholders, provided that such condition shall not apply in respect of the Administrator or the Master Servicer for so long as there is any debit balance on the Class A Principal Deficiency Sub-Ledger and there has been a debit balance on the Class A Principal Deficiency Sub-Ledger for the immediately preceding 12 consecutive Calculation Periods and the Trustee shall be entitled to rely on a certificate of the Issuer (such certificate to be provided by the Issuer to the Trustee before any such matter is approved), without enquiry and without incurring liability to any person, confirming whether or not the circumstances as described above apply.

Sellers as Noteholder:

The Sellers will purchase no more than 95 per cent. of each of the Class Z2 Notes, the Class Z1 Notes and the Class R Notes on the Closing Date.

Relationship between Noteholders and other Secured Creditors

The trust deed entered into on or about the Closing Date between the Issuer and the Trustee (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 ensure the application of the Issuer's funds after the delivery of an Enforcement Notice is in accordance with the Post-Enforcement Priority of Payments.

Provision of Information to the Noteholders

The Cash Manager will publish an investor report (each, an “**Investor Report**”) on a quarterly basis on each Reporting Date containing information in relation to the Notes including, but not limited to, ratings of the Notes, amounts paid by the Issuer pursuant to the relevant Priority of Payments in respect of the relevant Calculation Period, required counterparty information and the compliance of the Retention Holder with Article 405 of the CRR and Article 51 of the AIFMR, to be provided in respect of the Portfolio and the Notes. The Investor Reports will be published on the website of the Cash Manager at <https://sf.citidirect.com>. This website and the contents thereof do not form part of this Prospectus.

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 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 Condition 23 (*Notices*)) 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 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 Notes 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 removal or replacement of the Trustee;
- (iii) 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 16 (Proceedings and Actions by the Trustee), Clause 25 (Appointment of Trustees) and Clause 26 (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;
- (iv) any discretion, power or authority, whether contained in the Trust Deed or provided by law, which the Trustee is required to exercise in or by reference to the interests of the Noteholders or any Class or Classes thereof; and
- (v) any determination by the Trustee as to whether any event, circumstance, matter or thing is, in its opinion, materially prejudicial to the interests of the Noteholders or any Class or Classes thereof,

those Notes (if any) (including without limitation the Retained Interest) which are for the time being held by or on behalf of or for the benefit of the Issuer, the Sellers, the Retention Holder or any of their respective Affiliates (each a “**Relevant Person**”), 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 Relevant Person 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.

Principal Outstanding

Amount

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 of Notes, the aggregate of the amount in paragraph (a) above 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 paragraph (a) above in respect of all Notes outstanding, regardless of Class.

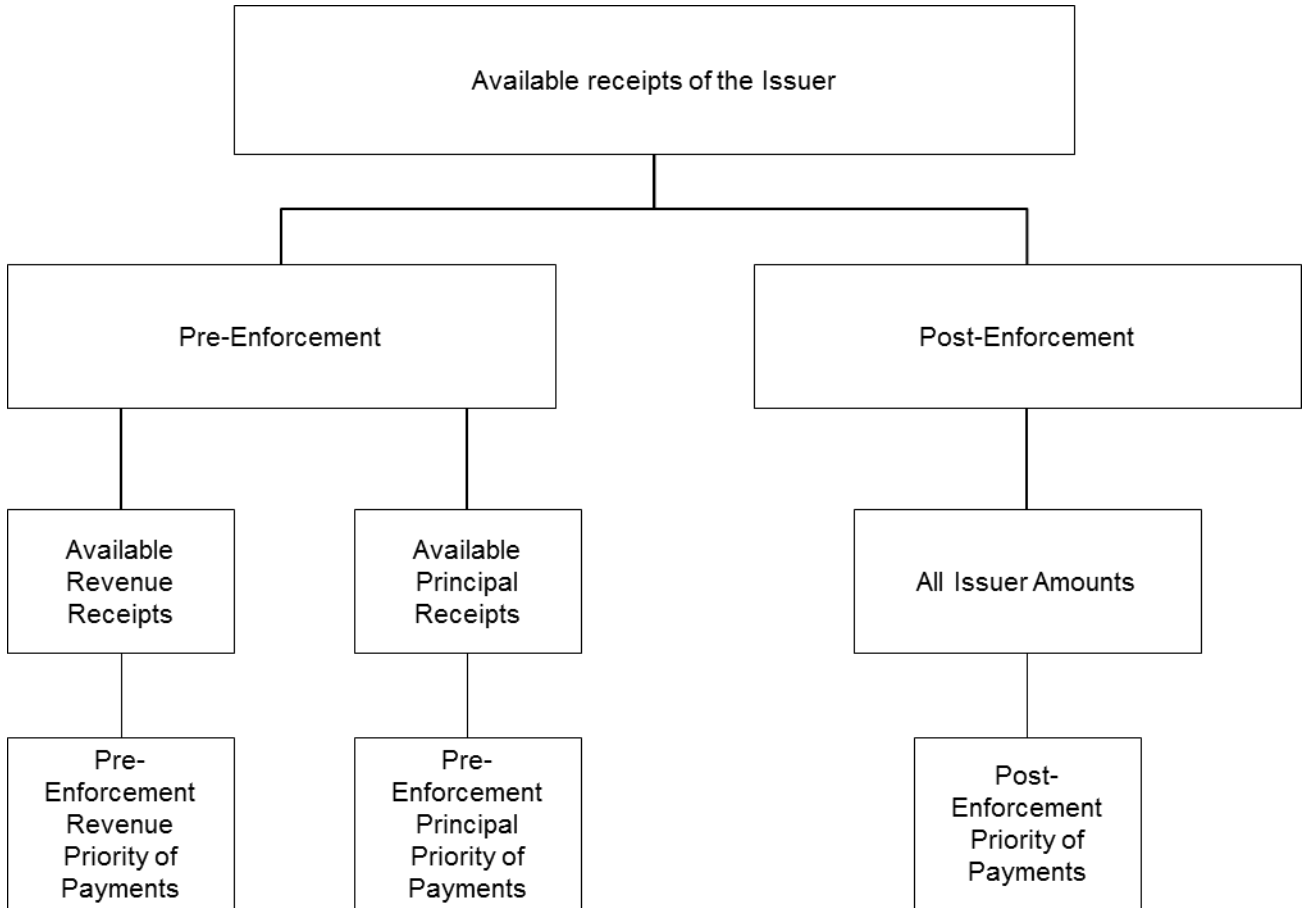
Secured Creditors

means the Trustee in its own capacity, any Receiver or any Appointee appointed by the Trustee, each in its own capacity, the Reference Agent, the Registrar, the Paying Agents, the Corporate Services Provider, the Back-Up Administrator Facilitator, the Administrator (and any replacement of the Administrator), the Managing Sponsor, the Master Servicer, the

Cash Manager, the Account Bank, the Legal Title Holder, the Noteholders and any party named as a Secured Creditor in a Transaction Document.

OVERVIEW OF CREDIT STRUCTURE AND CASHFLOW

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.



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 on each Interest Payment Date in accordance with the Pre-Enforcement Revenue Priority of Payments, as set out below.

"Available Principal Receipts" will, for each Interest Payment Date (without double counting), broadly, include the following:

- (a) all Principal Receipts (as defined in the section "Cashflows and Cash Management") on the Mortgage Loans received by the Issuer during the immediately preceding Calculation Period;
- (b) the amounts (if any) to be credited to the Principal Deficiency Ledger pursuant to items (g), (i), (k), (m), (o), (q) and (s) of the Pre-Enforcement Revenue Priority of Payments on such Interest Payment Date;
- (c) if pursuant to Condition 8.11.3 a Reconciliation Amount is calculated and if the Reconciliation Amount in respect of the relevant Calculation Period is a negative number, an amount equal to the absolute value of such Reconciliation Amount, each as determined in accordance with Condition 8.11 (Determinations and reconciliation); and
- (d) on and from the Step-Up Date, any Available Revenue Receipts applied as Available Principal Receipts in accordance with item (y) of the Pre-enforcement Revenue Priority of Payments,

less:

- (e) the amount of Principal Receipts applied as Principal Deficiency Excess Revenue Amounts pursuant to item (c) of the definition of Available Revenue Receipts; and
- (f) any Reconciliation Amount applied in accordance with item (h) of Available Revenue Receipts.

"Available Revenue Receipts" will, for each Interest Payment Date (without double counting), broadly, include the following:

- (a) interest payable to the Issuer on the Transaction Account received during the immediately preceding Calculation Period;
- (b) the Revenue Receipts (as defined in the section "Cashflows and Cash Management") on the Mortgage Loans received by the Issuer during the immediately preceding Calculation Period;

- (c) the sum of each Principal Deficiency Excess Revenue Amount to be applied on such Interest Payment Date;
 - (d) amounts standing to the credit of the General Reserve Fund Ledger;
 - (e) any Available Principal Receipts applied as Available Revenue Receipts in accordance with item (a) of the Pre-Enforcement Principal Priority of Payments;
 - (f) any Available Principal Receipts applied as Available Revenue Receipts in accordance with item (l) of the Pre-Enforcement Principal Priority of Payments;
 - (g) other net income of the Issuer received during the immediately preceding Calculation Period (other than any Principal Receipts);
 - (h) if pursuant to Condition 8.11.3 a Reconciliation Amount is calculated and if the Reconciliation Amount in respect of the relevant Calculation Period is a negative number, an amount equal to the absolute value of such Reconciliation Amount, each as determined in accordance with Condition 8.11 (Determinations and reconciliation); and
 - (i) any surplus amounts from the proceeds of the Notes, having deducted the payment of the Consideration, the Initial General Reserve Fund Requirement Amount and costs and expenses in relation to the issuance of the Notes,
- less:
- (j) any Reconciliation Amounts applied in accordance with item (c) of Available Principal Receipts.

“**Relevant Redemption Date**” means the date as of which all amounts due under the Rated Notes have been repaid and/or redeemed in full or no amounts remain to be paid under the Rated Notes pursuant to Condition 10 (*Limited Recourse*).

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*”.

Pre-Enforcement Revenue Priority of Payments	Pre-Enforcement Principal Priority of Payments	Post-Enforcement Priority of Payments
(a) <i>First</i> , fees, costs and expenses of the Trustee and any Appointee;	(a) <i>First</i> , an amount to be applied as Available Revenue Receipts in an amount equal to any Senior Class Shortfall;	(a) <i>First</i> , fees, costs and expenses of the Trustee, any Appointee and any Receiver appointed by the Trustee;

- | | | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>(b) <i>second</i>, any costs and fees of the Agents, Account Bank, Master Servicer, Collection Account Banks, Back-Up Administrator Facilitator, Corporate Services Provider, Administrator, Cash Manager, Legal Title Holder, custodian or any replacement or additional account bank and any Insurance Policy premium payments;</p> | <p>(b) <i>second</i>, to redeem the Class A Notes in full;</p> | <p>(b) <i>second</i>, any costs and fees of the Agents, Account Bank, Master Servicer, Collection Account Banks, Back-Up Administrator Facilitator, Corporate Services Provider, Administrator, Cash Manager, Legal Title Holder, custodian or any replacement or additional account bank and any Insurance Policy premium payments;</p> |
| <p>(c) <i>third</i>, any amounts payable by the Issuer to third parties and any VAT or corporation tax or other tax payable by the Issuer;</p> | <p>(c) <i>third</i>, to redeem the Class B Notes in full;</p> | <p>(c) <i>third</i>, any amounts payable by the Issuer to third parties and any corporation tax payable by the Issuer;</p> |
| <p>(d) <i>fourth</i>, the Issuer Profit Amount;</p> | <p>(d) <i>fourth</i>, to redeem the Class C Notes in full;</p> | <p>(d) <i>fourth</i>, the Issuer Profit Amount;</p> |
| <p>(e) <i>fifth</i>, pro rata and <i>pari passu</i> (i) interest due and payable on the Class A Notes and (ii) the Class X Note Interest Amount due and payable on the Class X Notes;</p> | <p>(e) <i>fifth</i>, to redeem the Class D Notes in full;</p> | <p>(e) <i>fifth</i>, pro rata and <i>pari passu</i> (i) interest due and payable on the Class A Notes and (ii) the Class X Note Interest Amount due and payable on the Class X Notes;</p> |
| <p>(f) <i>sixth</i>, top up the General Reserve Fund to the General Reserve Fund First Target Level;</p> | <p>(f) <i>sixth</i>, to redeem the Class E Notes in full;</p> | <p>(f) <i>sixth</i>, to redeem the Class F Notes in full;</p> |
| <p>(g) <i>seventh</i>, an amount sufficient to eliminate any debit on the Class A Principal Deficiency Sub-Ledger;</p> | <p>(g) <i>seventh</i>, to redeem the Class Z2 Notes in full;</p> | <p>(g) <i>seventh</i>, interest due and payable on the Class A Notes in full;</p> |
| <p>(h) <i>eighth</i>, interest due and payable on the Class B Notes (including any Deferred Interest and Additional Interest thereon);</p> | <p>(h) <i>eighth</i>, to redeem the Class Z1 Notes in full; and</p> | <p>(g) <i>seventh</i>, interest due and payable on the Class B Notes (including any Deferred Interest and Additional Interest thereon);</p> |
| <p>(i) <i>ninth</i>, an amount sufficient to eliminate any debit on the Class B</p> | <p>(i) <i>ninth</i>, to redeem the Class X Notes until the Principal Amount Outstanding on the Class X Notes is reduced to €1; and</p> | <p>(h) <i>eighth</i>, to redeem the Class B Notes in full;</p> |
| | <p>(k) <i>eleventh</i>, to redeem the Class R Notes until the Principal Amount Outstanding on the Class R Notes is reduced to €1; and</p> | <p>(i) <i>ninth</i>, interest due and payable on the Class C Notes (including any Deferred Interest and Additional Interest thereon);</p> |
| | <p>(l) <i>twelfth</i>, any remaining amounts to constitute Available Revenue Receipts and to be applied in accordance with the Pre-Enforcement Revenue Priority of Payments.</p> | |

- Principal Deficiency Sub-Ledger;
- (j) *tenth*, interest due and payable on the Class C Notes (including any Deferred Interest and Additional Interest thereon);
 - (k) *eleventh*, an amount sufficient to eliminate any debit on the Class C Principal Deficiency Sub-Ledger;
 - (l) *twelfth*, interest due and payable on the Class D Notes (including any Deferred Interest and Additional Interest thereon);
 - (m) *thirteenth*, an amount sufficient to eliminate any debit on the Class D Principal Deficiency Sub-Ledger;
 - (n) *fourteenth*, interest due and payable on the Class E Notes (including any Deferred Interest and Additional Interest thereon);
 - (o) *fifteenth*, an amount sufficient to eliminate any debit on the Class E Principal Deficiency Sub-Ledger;
 - (p) *sixteenth*, interest due and payable on the Class F Notes (including any Deferred Interest and Additional Interest thereon);
 - (q) *seventeenth*, an amount sufficient to eliminate any debit on the Class F Principal Deficiency Sub-Ledger;
- (j) *tenth*, to redeem the Class C Notes in full;
 - (k) *eleventh*, interest due and payable on the Class D Notes (including any Deferred Interest and Additional Interest thereon);
 - (l) *twelfth*, to redeem the Class D Notes in full;
 - (m) *thirteenth*, an interest due and payable on the Class E Notes (including any Deferred Interest and Additional Interest thereon);
 - (n) *fourteenth*, to redeem the Class E Notes in full;
 - (o) *fifteenth*, interest due and payable on the Class F Notes (including any Deferred Interest and Additional Interest thereon);
 - (p) *sixteenth*, to redeem the Class F Notes in full;
 - (q) *seventeenth*, interest due and payable on the Class Z1 Notes (including any Deferred Interest and Additional Interest thereon);
 - (r) *eighteenth*, interest due and payable on the Class Z2 Notes (including any Deferred Interest and Additional Interest thereon);
 - (s) *nineteenth*, to redeem the Class Z2 Notes in full;
 - (t) *twentieth*, to redeem the Class Z1 Notes in full;

- (r) *eighteenth*, an amount to be credited to the General Reserve Fund up to the General Reserve Fund Second Target Level;
- (s) *nineteenth*, an amount sufficient to eliminate any debit on the Class Z1 Principal Deficiency Sub-Ledger;
- (t) *twentieth*, on and from the Interest Payment Date immediately following the Step-Up Date, amounts due as Class B Additional Note Payment;
- (u) *twenty-first*, on and from the Interest Payment Date immediately following the Step-Up Date, amounts due as Class C Additional Note Payment;
- (v) *twenty-second*, on and from the Interest Payment Date immediately following the Step-Up Date, amounts due as Class D Additional Note Payment;
- (w) *twenty-third*, on and from the Interest Payment Date immediately following the Step-Up Date, amounts due as Class E Additional Note Payment;
- (x) *twenty-fourth*, on and from the Interest Payment Date immediately following the Step-Up Date, amounts due as Class F Additional Note Payment;
- (y) *twenty-fifth*, on and from the Interest Payment Date immediately following the Step-Up Date, amounts due as Class G Additional Note Payment;
- (u) *twenty-first*, on and from the Interest Payment Date immediately following the Step-Up Date, in or towards payment of amounts due and payable as Class B Additional Note Payment to the holders of the Class B Notes;
- (v) *twenty-second*, on and from the Interest Payment Date immediately following the Step-Up Date, in or towards payment of amounts due and payable as Class C Additional Note Payment to the holders of the Class C Notes;
- (w) *twenty-third*, on and from the Interest Payment Date immediately following the Step-Up Date, in or towards payment of amounts due and payable as Class D Additional Note Payment to the holders of the Class D Notes;
- (x) *twenty-fourth*, on and from the Interest Payment Date immediately following the Step-Up Date, in or towards payment of amounts due and payable as Class E Additional Note Payment to the holders of the Class E Notes;
- (y) *twenty-fifth*, on and from the Interest Payment Date immediately following the Step-Up Date, in or towards payment of amounts due and payable as Class F Additional Note Payment to the holders of the Class F Notes;

- Date immediately following the Step-Up Date, until the Rated Notes have been repaid in full, the remainder, if any, to constitute Available Principal Receipts and to be applied in accordance with the Pre-Enforcement Principal Priority of Payments;
- to the holders of the Class F Notes;
- (z) *twenty-sixth*, to redeem the Class X Notes;
 - (aa) *twenty-seventh*, to redeem the Class R Notes; and
 - (bb) *twenty-eighth*, the Class R Note Interest Amount.
- (z) *twenty-sixth*, interest due and payable on the Class Z1 Notes (including any Deferred Interest and Additional Interest thereon);
 - (aa) *twenty-seventh*, interest due and payable on the Class Z2 Notes (including any Deferred Interest and Additional Interest thereon);
 - (bb) *twenty-eighth*, to redeem the Class Z2 Notes until the Class Z2 Notes have been redeemed in full;
 - (cc) *twenty-ninth*, while any of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes, the Class Z1 Notes and the Class Z2 Notes are outstanding, to pay principal amounts due on the Class X Notes until the Principal Amount Outstanding of the Class X Notes is reduced down to €1 and on the final Interest Payment Date, to pay €1 to redeem the Class X Notes until the Class X Notes have been redeemed in full;

- (dd) *thirtieth*, while any of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes, the Class Z1 Notes, the Class Z2 Notes and the Class X Notes are outstanding, to pay principal amounts due on the Class R Notes until the Principal Amount Outstanding of the Class R Notes is reduced down to €1 and on the final Interest Payment Date, to pay €1 to redeem the Class R Notes until the Class R Notes have been redeemed in full; and
- (ee) *thirty-first*, 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;
- a fund will be established by the proceeds of the Class Z2 Notes issuance on the Closing Date (the “**General Reserve Fund**”) up to the Initial General Reserve Fund Required Amount. Such amounts shall be credited to the General Reserve Fund Ledger of the Transaction Account. On each Interest Payment Date prior to the service of an Enforcement Notice, amounts standing to the credit of the General Reserve Fund will be applied in accordance with the Pre-Enforcement Revenue Priority of Payments;
- amounts standing to the credit of the General Reserve Fund will be applied as Available Revenue Receipts in accordance with the Pre-Enforcement Revenue Priority of Payments; and
- availability of Available Principal Receipts to make up any Senior Class Shortfall. See the section entitled “*Key Structural Features*” for

limitations on the use of Principal Receipts for this purpose.

See the sections entitled “*Key Structural Features*” and “*Cashflows and Cash Management*” for further information on this.

Senior Class Shortfall

- (a) On each Determination Date, the Cash Manager shall calculate whether the Available Revenue Receipts (other than item (e) of Available Revenue Receipts) will be sufficient to pay on the relevant Interest Payment Date items (a) to (e)(i) (inclusive) of the Pre-Enforcement Revenue Priority of Payments and:
- (b) for as long as the Class B Notes are the Most Senior Class of Notes then outstanding, item (h) of the Pre-Enforcement Revenue Priority of Payments;
- (c) for as long as the Class C Notes are the Most Senior Class of Notes then outstanding, item (j) of the Pre-Enforcement Revenue Priority of Payments;
- (d) for as long as the Class D Notes are the Most Senior Class of Notes then outstanding, item (l) of the Pre-Enforcement Revenue Priority of Payments;
- (e) for as long as the Class E Notes are the Most Senior Class of Notes then outstanding, item (n) of the Pre-Enforcement Revenue Priority of Payments; and
- (f) for as long as the Class F Notes are the Most Senior Class of Notes then outstanding, item (p) of the Pre-Enforcement Revenue Priority of Payments.
- (g) To the extent that these Available Revenue Receipts and amounts standing to the credit of the General Reserve Fund in relation to the General Reserve Fund Second Target Level and the General Reserve Fund First Target Level are insufficient for this purpose (the amount of such deficit being a “Senior Class Shortfall”), the Cash Manager will, on the relevant Interest Payment Date and on behalf of the Issuer, pay or provide for such Senior Class Shortfall by applying Available Principal Receipts in accordance with 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 Portfolio realised during the preceding Calculation Period;
- (ii) in the case of either x) any Split Mortgage Loan or y) 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, where:

“Loss Provision Amount” means an amount equal to the greater of (a) zero and (b) the difference between the Arrears Deficiency Provision Amount on that Determination Date and the Arrears Deficiency Provision Amount on the preceding Determination Date;

“Arrears Deficiency Provision Amount” means an amount equal to A plus B minus C and if the amount is less than zero, the Arrears Deficiency Provision Amount will be deemed to be zero;

“A” means the sum, for each 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 of the product of a) the Current Balance of that Mortgage Loan and b) the then current Arrears Percentage (as defined in the section entitled “*Key Structural Features – The Principal Deficiency Ledger*”) of that Mortgage Loan;

“B” means for each Split Mortgage Loan an amount equal to the then current principal

balance of the related Warehoused Mortgage Account; and

“C” means €8,594,400

- (iii) Principal Receipts to meet any Senior Class Shortfall on the following Interest Payment Date;
- (iv) Principal Deficiency Excess Revenue Amount on that Determination Date.

On each Determination Date, the Cash Manager will calculate the then current balance of the Principal Deficiency Ledger and will, on the subsequent Interest Payment Date, apply Available Revenue Receipts to cure any debit entries in the order set out in the Pre-Enforcement Revenue Priority of Payments. In the event that it is determined that the debit balance of the Principal Deficiency Ledger was 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, on the Determination Date, shall 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 Determination

Date and the Arrears Deficiency Provision Amount on that Determination Date.

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

Any amounts recorded as debit entries to the Principal Deficiency Ledger shall be debited in the following order:

- (i) *first*, to the Class Z1 Principal Deficiency Sub-Ledger up to a maximum of the Principal Amount Outstanding of the Class Z1 Notes;
- (ii) *second*, to the Class F Principal Deficiency Sub-Ledger up to a maximum of the Principal Amount Outstanding of the Class F Notes;
- (iii) *third*, to the Class E Principal Deficiency Sub-Ledger up to a maximum of the Principal Amount Outstanding of the Class E Notes;
- (iv) *fourth*, to the Class D Principal Deficiency Sub-Ledger up to a maximum of the Principal Amount Outstanding of the Class D Notes;
- (v) *fifth*, to the Class C Principal Deficiency Sub-Ledger up to a maximum of the Principal Amount Outstanding of the Class C Notes;
- (vi) *sixth*, to the Class B Principal Deficiency Sub-Ledger up to a maximum of the Principal Amount Outstanding of the Class B Notes; and
- (vii) *seventh*, to the Class A Principal Deficiency Sub-Ledger up to a maximum of the Principal Amount Outstanding of the Class A Notes.

On each Interest Payment Date, the Issuer shall apply any Available Revenue Receipts available for such purpose in accordance with the Pre-Enforcement Revenue Priority of Payments to

extinguish or reduce any debit balance on the Principal Deficiency Ledger. Such Available Revenue Receipts will be applied on an Interest Payment Date as follows:

- (i) *first*, to the Class A Principal Deficiency Sub-Ledger to reduce the debit balance to zero;
- (ii) *second*, to the Class B Principal Deficiency Sub-Ledger to reduce the debit balance to zero;
- (iii) *third*, to the Class C Principal Deficiency Sub-Ledger to reduce the debit balance to zero;
- (iv) *fourth*, to the Class D Principal Deficiency Sub-Ledger to reduce the debit balance to zero;
- (v) *fifth*, to the Class E Principal Deficiency Sub-Ledger to reduce the debit balance to zero;
- (vi) *sixth*, to the Class F Principal Deficiency Sub-Ledger to reduce the debit balance to zero; and
- (vii) *seventh*, to the Class Z1 Principal Deficiency Sub-Ledger to reduce the debit balance to zero.

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

Collection Accounts

On or about the Closing Date, the Issuer, the Legal Title Holder and the Sellers, amongst others, will enter into a declaration of trust (the "**Amended and Restated Collection Account Declaration of Trust**") over the BOI Collection Accounts in favour of the Issuer and other beneficiaries (or their successors). Amounts credited to the BOI Collection Accounts (in respect of the Portfolio) from (and including) the Closing Date will be transferred from the BOI Collection Accounts into the Transaction Account on each Business Day.

It is expected that the Issuer will open a new Collection Account in its name with Barclays Bank Ireland PLC on or after the Closing Date into which all payments due by Borrowers under the Mortgage Loans beneficially owned by the Issuer will be made (the "**Issuer Collection Account**"). Amounts

credited to the Issuer Collection Account from (and including) the Closing Date will be transferred from the Issuer Collection Account into the Transaction Account on each Business Day.

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.

“BOI Collection Accounts” means the accounts in the name of the Legal Title Holder held with Bank of Ireland into which all payments due by the Borrowers under the Mortgage Loans beneficially owned by the Issuer are made.

“Collection Accounts” means the BOI Collection Account and the Issuer Collection Account into which all payments due by Borrowers under the Mortgage Loans beneficially owned by the Issuer are made.

“Issuer Collection Account Bank Agreement” means the collection account bank agreement to be entered into on or after the Closing Date by the Issuer and Barclays Bank Ireland PLC.

OVERVIEW OF THE PORTFOLIO AND ADMINISTRATION

Please refer to the section entitled "*The Portfolio*", "*Statistical Information on the Provisional Mortgage Portfolio*" and "*The Administrator, the Master Servicer, the Managing Sponsor, the Administration Agreement and the Master 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 Portfolio

The Portfolio consists of mortgage loans which are secured over residential properties located in Ireland (the "**Mortgage Loans**").

The Portfolio consists of two sub-portfolios - the portfolio sold to the Issuer by the DF4 Seller (the "**DF4 Portfolio**") and the portfolio sold to the Issuer by the DF5 Seller (the "**DF5 Portfolio**") on the Closing Date.

The Mortgage Assets are governed by the laws of Ireland.

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

Features of Mortgage Loans

Certain features of the Mortgage Loans comprising the Provisional Mortgage Portfolio as at 31 July 2018 (the "**Provisional Cut-Off Date**") are set out in, and investors should refer to and carefully consider, the section entitled "*The Portfolio – Statistical Information on the Provisional Mortgage Portfolio*". The composition of the Portfolio may change from that of the Provisional Mortgage Portfolio due to: (i) the exclusion of any Mortgage Loans which have been redeemed in full in the period between the Provisional Cut-off Date and the Cut-Off Date; (ii) the exclusion of Mortgage Loans which became ineligible for inclusion between the Provisional Cut-Off Date and the Cut-Off Date on account of being in arrears for more than three months; and (iii) the inclusion of Mortgage Loans which having been ineligible for inclusion on the Provisional Cut-Off Date became eligible for inclusion on the Cut-Off Date being in arrears for less than three months. The Mortgage Loans described below are secured by first priority charges over freehold and leasehold properties in Ireland.

Consideration

The consideration from the Issuer to the Sellers in respect of the sale of the Portfolio shall be the proceeds of the Notes other than the Class Z2 Notes, the Class X Notes and the Class R Notes.

The "**Portfolio**" means the portfolio of Mortgage Assets as at 30 September 2018 (the "**Cut-off Date**") which form the mortgage portfolio that is sold by the Sellers to the Issuer on the Closing Date. The composition of the Portfolio may change from that of the Provisional Mortgage Portfolio due to: (i) the exclusion of any Mortgage Loans which have been redeemed in full in the period between the Provisional Cut-off Date and the Cut-Off Date; (ii) the exclusion of Mortgage Loans which became ineligible for inclusion between the Provisional Cut-Off Date and the Cut-Off Date on account of being in arrears for more than three months; and (iii) the inclusion of Mortgage Loans which having been ineligible for inclusion on the Provisional Cut-Off Date became eligible for inclusion on the Cut-Off Date being in arrears for less than three months.

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 monies to the Borrower thereof prior to the Closing 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 Closing 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 not yet due which 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 retentions made but not released.

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

Representations and Warranties

Each Seller and Dilosk DAC will make certain representations and warranties to the Issuer and the Trustee in relation to the Mortgage Assets comprised in the Portfolio on the Closing Date.

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

- each Mortgage Loan is secured by a first ranking mortgage;
- the relevant Seller has not, and so far as the relevant Seller is aware, none of the Legal Title Holder, the Administrator nor the relevant Originator has, received any notice or claim in writing by any Borrower of any threat to take steps to assert any right of set-off, rescission or counter-claim under or in connection with any of the Mortgage Assets;
- so far as the relevant Seller is aware, in relation to each Mortgage Loan title to the relevant Property is registerable in the Land Registry or Register of Deeds in Ireland and it has been registered;
- each Mortgage Loan is made on the terms, or substantially on the terms, of the Standard Documentation;

- all Mortgage Loans are denominated in euro;
- so far as the relevant Seller is aware, the Mortgage Loans have been originated in accordance with all Applicable Law or Regulation; and
- so far as the relevant Seller is aware, each Mortgage Loan is non-cancellable and constitute(s) a valid and binding obligation of the Borrower enforceable in accordance with its terms.

The Issuer and the Trustee will have the benefit of all or certain of the loan warranties contained in each Mortgage Sale Agreement and given by the relevant Seller and Dilosk DAC as at the Closing Date (the “**Mortgage Loan Warranties**”), as applicable, in relation to the Mortgage Assets contained in the Portfolio.

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

Breach of Warranty

In the case of a material breach of any of the representations or warranties given by the relevant Seller or Dilosk DAC on the Closing Date which is not capable of remedy or is not remedied within 30 Business Days of being notified by the Issuer, the Issuer's only remedy in respect of a breach of any Mortgage Loan Warranty will be to claim damages for breach of that Mortgage Loan Warranty.

The total aggregate liability of the Sellers and/or Dilosk DAC in respect of any breach of any Mortgage Loan Warranty (a “**Warranty Claim**”) under the Mortgage Sale Agreements shall be limited to not greater than five per cent. of the total Consideration payable by the Issuer to the Sellers in respect of the sale of the Portfolio under both of the Mortgage Sale Agreements. Notwithstanding this, neither the Sellers nor Dilosk DAC will have any liability to the Issuer unless the amount of damages to which the Issuer would be entitled but for such limit as a result of that Warranty Claim is greater than €5,000 per Mortgage Loan that is the subject of that Warranty Claim (unless there are Warranty Claims relating to breaches of the same Mortgage Loan Warranty arising from similar facts where the amount of such claim to which the Issuer would but for such limit be entitled as a result of those Warranty Claims exceeds €20,000 in aggregate). In addition, neither the Sellers nor Dilosk DAC will be liable for any claims relating to a breach of Mortgage Loan Warranty unless the aggregate of all agreed and determined Warranty Claims under both of the Mortgage Sale Agreements exceed €1,000,000. In addition, the relevant Seller and Dilosk DAC will have no liability for any Warranty Claim made by the Issuer after the expiry of the period of 18 months from the Closing Date.

Any amount payable by the relevant Seller or the Master Servicer to the Issuer in respect of such claim shall be paid within 60 Business Days of receipt by the relevant Seller and the Master Servicer of written notice of such breach from the Issuer or, if later, the date on which the amount of damages are determined.

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

Perfection Trigger Events

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

Administration of the Portfolio

In accordance with the terms of the Administration Agreement, the Administrator agrees to service on behalf of the Issuer the Mortgage Assets.

The appointment of the Administrator may be terminated by the Issuer and/or the Trustee (subject to the terms of the Administration Agreement) upon the occurrence of an Administrator Termination Event (see "*Administrator Termination Events*" in the "*Non-Ratings Triggers Table*") and the section of this Prospectus headed "*The Administrator, the Master Servicer, the Managing Sponsor, the Administration Agreement and the Master Servicing Agreement*".

For details as to how the *appointment* of the Administrator may be requested to be terminated by the Issuer or terminated by the Administrator, please see the section headed "*The Administrator, the Master Servicer, the Managing Sponsor, the Administration Agreement and the Master Servicing Agreement*".

Purchase of the Portfolio Pursuant to the Portfolio Purchase Option:

Pursuant to the Portfolio Purchase Option, the Portfolio Purchase Option Holder may, pursuant to and subject to the terms of the Deed Poll, require the Issuer to:

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

on any Optional Redemption Date.

See the section entitled "*Early Redemption Of The Notes Pursuant To The Portfolio Purchase Option, The Risk Retention Regulatory Change Or A Sponsor Portfolio Sale*" for more details.

Purchase of Portfolio pursuant to Risk Retention Regulatory Change Option

Pursuant to the agreement dated on or about the Closing Date between the Issuer, the Retention Holder, the Sellers, the Legal Title Holder, the Arranger, the Joint Lead Managers and the Trustee (the "**CRR Deed of**

Covenant”), on any Business Day following the occurrence of a Risk Retention Regulatory Change Event, the Retention Holder has the right (but not any obligation) to acquire the entire beneficial interest of the Issuer in the Portfolio subject to the terms of the CRR Deed of Covenant.

See the section entitled “*Early Redemption of the Notes – Risk Retention Regulatory Change Option*” for further details.

TRIGGERS TABLES

Rating Triggers Table

Transaction Party	Required Ratings on the Closing Date	Possible Effects of Ratings Trigger being Breached Include the Following
Account Bank	<p>(a) long-term unsecured, unsubordinated and unguaranteed debt obligations must be rated at least A2 by Moody's; and</p> <p>(b) long-term senior unsecured debt rating of at least A from DBRS),</p> <p>or 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 Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes, or (in each case) such other credit rating as would not adversely affect the then current rating of the Rated Notes.</p>	<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</i>".</p>
Collection Account Banks	<p>(a) long-term deposit rating of at least Baa2 by Moody's; and</p> <p>(b) long-term senior unsecured debt rating of BBB (either by way of a public rating or, in its absence, by way of a private rating supplied by DBRS),</p> <p>or 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 Class A Notes, the Class B Notes, the Class C Notes, the Class D</p>	<p>The consequences of breach may include the transfer of amounts standing to the credit of each Collection Account to a bank account held with a replacement account bank which has the required rating within 30 calendar days from the date of such breach.</p>

Transaction Party

**Required Ratings on the
Closing Date**

**Possible Effects of Ratings
Trigger being Breached
Include the Following**

Notes, the Class E Notes and the Class F Notes, or (in each case) such other credit rating as would not adversely affect the then current rating of the Rated Notes.

Non-Ratings Triggers Table

Nature of Trigger	Description of Trigger	Consequence of Trigger
<p>Administrator Termination Events</p> <p>See the section entitled “<i>The Administrator, the Master Servicer, the Managing Sponsor, the Administration Agreement and the Master Servicing Agreement</i>” for further information on this.</p>	<p>If the Administrator breaches an obligation under the Administration Agreement to pay any amount due to the Issuer and such breach continues unremedied for a period of five (5) Business Days</p> <p>If the Administrator breaches any other material covenant, obligation, representation or warranty under the Administration Agreement.</p> <p>On the occurrence of an Insolvency Event in relation to the Administrator.</p> <p>If the Administrator ceases to carry on, or resolves to cease to carry on, the business of administering mortgage loans or ceases a substantial portion of such business.</p> <p>In the event of a loss by the Administrator of any regulatory licence or authorisation necessary for it to perform all or a material part of the Administration Services.</p> <p>Any investigation by a Regulator which would materially impact the Administrator’s ability to perform its obligations.</p> <p>Any restriction is applied by a Regulator which would prevent the Administrator from complying with any of its material obligations.</p> <p>In the event of the occurrence of a direct or indirect Change of Control outside of the Administrator Group in respect of the Administrator.</p> <p>If the Administrator commits any act or omission in the performance of the Administration Services that constitutes fraud, wilful default or gross negligence or the Administrator is found guilty of a criminal offence.</p>	<p>Successor Administrator to be appointed.</p>

Nature of Trigger	Description of Trigger	Consequence of Trigger
	<p>If the Administrator fails to deliver a Cash Manager Report on two or more consecutive occasions.</p> <p>In the event of a Material Adverse Effect in relation to the Administrator.</p>	
<p>Perfection Events</p> <p>See the section entitled "<i>Sale of the Sale of the Portfolio under each Mortgage Sale Agreement</i>" for further information on this.</p>	<p>Trigger</p> <p>A requirement of law, court order or a mandatory requirement of any regulatory authority;</p> <p>Insolvency Event in relation to Legal Title Holder or any other entity in which legal title to any Mortgage Loan is vested; or</p> <p>An Enforcement Notice has been delivered.</p>	<p>The legal transfer by the Legal Title Holder to the Issuer of all the Mortgage Assets as soon as reasonably practicable.</p>
<p>Cash Manager Termination Event</p>	<p>Manager</p> <p>Cash Manager payment instruction default (unremedied for a period of five Business Days of the earlier of the Cash Manager becoming aware of such default or receiving written notice from the Issuer or the Trustee);</p> <p>Failure to comply with any other of its covenants or obligations (unremedied for a period of 30 Business Days of the earlier of the Cash Manager becoming aware of such default or receiving written notice from the Issuer or the Trustee);</p> <p>It will become unlawful for the Cash Manager to comply with its obligations; or</p> <p>Insolvency Event in relation to the Cash Manager.</p>	<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.

Type of Fee	Amount of Fee	Priority in Cashflow	Frequency
Administration Fees	In circumstances where the Administrator holds legal title to the Mortgage Assets, 0.38 per cent. per annum (exclusive of VAT) of the aggregate Current Balance of the Mortgage Loans on the last day of that immediately preceding Calculation Period.	Ahead of all outstanding Notes	Quarterly in arrear on each Interest Payment Date.
	In circumstances where the Administrator does not hold legal title to the Mortgage Assets, 0.35 per cent. per annum (exclusive of VAT) of the aggregate Current Balance of the Mortgage Loans on the last day of that Calculation Period.		
Master Servicer Fees	0.1 per cent. per annum (exclusive of VAT) of the aggregate Current Balance of the Mortgage Loans as at the start of the immediately preceding Calculation Period.	Ahead of all outstanding Notes	Quarterly in arrear on each Interest Payment Date.
Other fees and expenses of the Issuer	Estimated at €80,000 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 €10,000.00 (exclusive of any applicable VAT)	Ahead of all outstanding Notes	Quarterly in arrear on each Interest Payment Date.

CERTAIN REGULATORY DISCLOSURES

The following outlines certain matters that may be relevant to some investors. It does not purport to be a comprehensive list of regulatory matters that pertain to investors. All investors are responsible for analysing their own regulatory position.

Capital Requirements Regulation. Article 51 of the AIFMR and Article 254 of the Solvency II Delegated Act

The Retention Holder will, as at the Closing Date retain a material net economic interest of not less than 5 per cent. of the nominal value of each of the tranches in the securitisation sold or transferred to the investors in accordance with the text of each of Article 405(1)(a) of the Capital Requirements Regulation, Article 51(1)(a) of the AIFM Regulation and Article 254(2)(a) of the Solvency II Regulation (which, in each case, does not take into account any corresponding national measures).

As at the Closing Date the retention will comprise the Retention Holder holding no less than 5 per cent. of the nominal value of each Class of Notes sold or transferred to investors on the Closing Date as required by the text of each of Article 405(1)(a) of the CRR, Article 51(1)(a) of the AIFM Regulation and Article 254(2)(a) of the Solvency II Regulation. As to the information to be 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 any other information provided separately (which information shall not form part of this Prospectus) and, after the Closing Date, to the monthly investor reports provided to the Noteholders pursuant to the Cash Management Agreement and published on the following website: <https://sf.citidirect.com>. The website at <https://sf.citidirect.com> and the contents thereof do not form part of this Prospectus.

The Retention Holder will undertake (such undertaking, the “**Risk Retention Undertaking**”) to the Issuer, the Trustee, the Arranger and the Joint Lead Managers in the CRR Deed of Covenant to, on and from the Closing Date and for so long as any Class of Notes is outstanding:

- (a) retain on an-ongoing basis a material net economic interest of not less than 5% of the nominal value of each Class of Notes in accordance with the text of each of Article 405(1)(a) of the CRR, Article 51(1)(a) of the AIFMR and Article 254(2)(a) of the Solvency II Regulation as at the date of this Prospectus (and not taking into account any relevant national measures) (being the “**Retained Interest**”);
- (b) not change the manner or form in which it retains such net economic interest, except permitted under each of the CRR, AIFMR and the Solvency II Regulation;
- (c) at all times promptly confirm upon the written request of the Trustee, the Arranger or the Joint Lead Managers the continued compliance with paragraphs (a), (b) and (f);
- (d) promptly notify the Issuer, the Trustee, the Arranger and the Joint Lead Managers if for any reason it (i) ceases to hold the Retention in accordance with the requirements of the CRR Deed of Covenant or (ii) fails to comply with the covenants set out in the CRR Deed of Covenant in respect of the Retention;
- (e) at all relevant times comply with the disclosure obligations described in Article 409 of the CRR by confirming its risk retention as contemplated by Article 405 of the CRR, Article 51 of the AIFMR and Article 254 of the Solvency II Regulation through the provision of the information in the Prospectus, disclosure in the Investor Reports (as prepared by the Cash Manager) and procuring provision to the Joint Lead Managers and the Issuer of access to any reasonable and relevant additional data and information referred to in Article 409 of the CRR (subject to all applicable laws) provided that the

Retention Holder will not be in breach of such undertaking if it fails to comply due to events, actions or circumstances beyond its control; and

- (f) not sell, hedge or otherwise mitigate (and shall procure that none of its affiliates shall sell, hedge or otherwise mitigate) the credit risk under or associated with such net economic interest, except to the extent permitted under the CRR, the AIFMR or the Solvency II Regulation.

Any change to the manner in which such interest is held will be notified by the Issuer to the Noteholders. The CRR Deed of Covenant further provides that, in advance of the first Interest Payment Date following the UK ceasing to be a member state of the European Union (unless the Issuer reasonably considers this is not required), the Retention Holder will transfer its interest in the Class X Notes and the Class R Notes (only) to an Affiliate within the charge to corporation tax in Ireland (the “**Covenantor Transferee**”), on terms such that the Retention Holder does not, and is not permitted to, transfer the credit risk of the Class X Notes and Class R Notes, and that will bind the Covenantor Transferee to a prohibition on any further transfer of the relevant Class X Notes and the Class R Notes. If such transfer does not occur, the Issuer is entitled to deduct from payments to the Retention Holder amounts equal to the Tax payable by the Issuer as a result of any payments on the Class X Notes and the Class R Notes being non-deductible in computing the taxable profits of the Issuer.

Immediately upon a transfer referred to in the preceding paragraph, the Retention Holder is required to procure that the Covenantor Transferee executes and delivers to the Issuer, the Arranger, the Joint Lead Managers and the Trustee, a deed of covenant in relation to its holding of the Class X Notes and the Class R Notes, in substantially the same form as the CRR Deed of Covenant.

Each prospective investor is required to independently assess and determine the sufficiency of the information described above and in this Prospectus generally for the purposes of complying with each of Part Five of the CRR (including Article 405), Section Five of Chapter III of the AIFM Regulation (including Article 51) and Chapter VIII of the Solvency II Regulation (including Article 254) and any corresponding national measure which may be relevant and none of the Issuer, the Sellers, the Cash Manager, the Administrator, the Managing Sponsor, the Trustee, the Arranger, the Joint Lead Managers or the Retention Holder makes any representation that the information described above or in this Prospectus is sufficient in all circumstances for such purposes.

For further information, please refer to the risk factor entitled “*Certain Regulatory Considerations*”

Credit Rating Agency Regulation

Each of DBRS and Moody's is a credit rating agency established and operating in the European Community and registered under the CRA Regulation.

Volcker Rule

The Issuer is of the view that it is not, and solely after giving effect to any offering and sale of the Notes and the application of the proceeds thereof will not be, a “covered fund” for purposes of the Volcker Rule. In reaching this conclusion, although other statutory or regulatory exclusions and/or exemptions under the Investment Company Act and under the Volcker Rule and its related regulations may be available, the Issuer has relied on the determination that the Issuer would satisfy all of the elements of the exemption from the definition of “investment company” under the Investment Company Act provided by Section 3(c)(5) thereunder. Any prospective investor in the Notes, including a bank or subsidiary or other affiliate thereof, should consult its own legal advisors regarding the Volcker Rule and its effects.

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 aggregate Capital Balance of the Mortgage Loans comprising the Portfolio is €287,319,744.08;
- (b) as of the Cut-Off Date, the amortisation schedule for each Mortgage Loan in the Portfolio mirrors the amortisation schedule calculated for each Mortgage Loan in the Provisional Portfolio as at the Provisional Cut-Off Date by reference to the period commencing on the Cut-Off Date (and assuming, inter alia, the relevant assumptions documented below, including in particular but not limited to paragraphs (c), (d) and (r) together with the interest rate applicable to such Mortgage Loan as of the Provisional Cut-Off Date and its remaining term (calculated using the Provisional Cut-Off Date and the maturity of each Mortgage Loan));
- (c) subject to paragraph (r), the amortisation of any repayment loan is calculated as an annuity loan;
- (d) any loans which repay on a combination repayment and interest-only basis in the Provisional Portfolio are treated as if they are interest-only loans;
- (e) the Portfolio Purchase Option Holder exercises the Portfolio Purchase Option to redeem the Notes on First Optional Redemption Date (being the Interest Payment Date falling in in December 2021), in the first scenario, or the Portfolio Purchase Option Holder does not exercise the Portfolio Purchase Option to redeem the Notes on any Optional Redemption Date in the second scenario;
- (f) the Mortgage Loans are subject to a constant annual rate of prepayment (excluding scheduled principal redemptions) of between 0 and 15 per cent. per annum as shown on the table below;
- (g) 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;
- (h) the characteristics of the Mortgage Loans in the Portfolio will be identical to those of the Mortgage Loans in the Provisional Mortgage Portfolio and the Capital Balance of the Mortgage Loans will be identical to the capital balance of the Provisional Mortgage Portfolio;
- (i) no Enforcement Notice has been served on the Issuer and no Event of Default has occurred;
- (j) no Borrowers are offered and accept different mortgage products by either of the Sellers and neither of the Sellers is required to repurchase any Mortgage Loan in accordance with each Mortgage Sale Agreement;
- (k) the Security is not enforced;
- (l) the Mortgages Loans continue to be fully performing;
- (m) as at the Closing Date, the Principal Amount Outstanding of:
 - i. the Class A Notes represents exactly 63.00%;
 - ii. the Class B Notes represents exactly 6.50%;

- iii. the Class C Notes represents exactly 5.00%;
- iv. the Class D Notes represents exactly 6.00%;
- v. the Class E Notes represents exactly 9.00%;
- vi. the Class F Notes represents exactly 3.00%; and
- vii. the Class Z1 Notes represents exactly 7.50%,

in each case, of the aggregate estimated Capital Balance of the Portfolio as of the Cut-Off Date, calculated in the manner outlined in paragraph (b) hereto;

- (n) each of the (i) Rate of Interest for the Notes are as set forth or described in the table on page 50; (ii) the ECB Rate remains at a rate of 0.00 per cent, and (iii) three-month EURIBOR remains at a rate of -0.321 per cent., in each case for so long as any Notes are outstanding;
- (o) the Notes are issued on or about 9 November 2018;
- (p) subject to paragraph (t), the fees in respect of the Portfolio are equal to the sum of:
 - i. variable fees equal to 0.48 per cent. per annum of the aggregate Capital Balance of the Mortgage Loans at the beginning of each collection period; and
 - ii. fixed fees of €80,000 per annum (inclusive of VAT) (distributed equally through time);
- (q) all collections in respect of the Portfolio arising from the Cut-Off Date will be available in the Transaction Account for application on each relevant Interest Payment Date thereafter;
- (r) subject to paragraph (s), 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:
 - (i) amortisation of the Mortgage Loans calculated pursuant to paragraph (b) above;
 - (ii) accrual of interest on the Mortgage Loans; and
 - (iii) fixed Senior Expenses of the Issuer.
- (s) each Interest Payment Date falls on 20th of March, June, September or December;
- (t) amounts credited to the Transaction Account have a yield of 0 per cent.; and
- (u) the Issuer will not, on the Closing Date, receive any excess proceeds from the issue of the Notes (on account of rounding or otherwise, and other than as contemplated herein) which will be applied to the Principal Ledger of the Transaction Account for application as Available Principal Receipts on the first Interest Payment Date; and
- (v) that the rates of interest payable on the Notes include certain assumptions regarding the Relevant Margins referable thereto.

The actual characteristics and performance of the Mortgage Loans are likely to differ from the assumptions used in constructing the tables set forth below, which are hypothetical in nature and are provided only to give a general sense of how the principal cash flows might behave under varying prepayment scenarios. For

example, it is not expected that the 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 CPR 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 CPR.

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*".

Redemption on the First Optional Redemption Date

Constant annual rate of prepayment of the loans	(Assuming Issuer call on the First Optional Redemption Date)					
	Possible average life (in years) of:					
	Class A Notes	Class B Notes	Class C Notes	Class D Notes	Class E Notes	Class F Notes
0.0%	2.93	3.16	3.16	3.16	3.16	3.16
1.0%	2.86	3.16	3.16	3.16	3.16	3.16
2.0%	2.79	3.16	3.16	3.16	3.16	3.16
3.0%	2.73	3.16	3.16	3.16	3.16	3.16
5.0%	2.59	3.16	3.16	3.16	3.16	3.16
7.5%	2.43	3.16	3.16	3.16	3.16	3.16
10.0%	2.27	3.16	3.16	3.16	3.16	3.16
15.0%	1.97	3.16	3.16	3.16	3.16	3.16

No redemption on the First Optional Redemption Date

Constant annual rate of prepayment of the loans	(Assuming no Issuer call on any Optional Redemption Date)					
	Possible average life (in years) of:					
	Class A Notes	Class B Notes	Class C Notes	Class D Notes	Class E Notes	Class F Notes
0.0%	8.12	15.25	17.24	18.86	20.35	23.35
1.0%	7.19	14.35	15.60	17.78	19.58	22.00
2.0%	6.37	13.78	14.57	16.21	18.92	20.77
3.0%	5.69	12.83	14.00	15.04	18.01	19.90
5.0%	4.64	10.74	12.29	13.74	15.84	18.83
7.5%	3.71	8.92	10.11	11.66	13.93	16.32
10.0%	3.06	7.53	8.65	9.84	12.25	14.39
15.0%	2.24	5.56	6.45	7.48	9.31	11.49

USE OF PROCEEDS

On the Closing Date, the Issuer will use the gross proceeds of: (i) the Notes (other than the Class Z2 Notes, the Class X Notes and the Class R Notes) to pay the Consideration payable by the Issuer for the Portfolio to be acquired from the Sellers, (ii) the Class Z2 Notes to fund the General Reserve Fund up to the Initial General Reserve Fund Required Amount and meet the costs and expenses incurred by the Issuer in respect of the issuance of the Notes and (iii) the Class X Notes and the Class R Notes to meet the costs and expenses incurred by the Issuer in respect of the issuance of the Notes.

The remaining proceeds shall be applied as Available Revenue Receipts in accordance with the Pre-Enforcement Revenue Priority of Payments on the First Interest Payment Date.

RATINGS

The Rated Notes, on issue, (with respect to payments of interest and principal) (but not, for the avoidance of doubt, with respect to payments of Additional Note Payments in respect of the Class B Notes, Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes) are expected to be assigned the following ratings by DBRS and Moody's. None of the Class Z1 Notes, the Class Z2 Notes, the Class R Notes and the Class X Notes will be rated.

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

Class of Notes	DBRS	Moody's
Class A Notes	AAA	Aaa
Class B Notes	AA (high)	Aa1
Class C Notes	AA	A1
Class D Notes	A	Baa3
Class E Notes	BB (high)	B3
Class F Notes	BB	Caa3

The ratings assigned by the Rating Agencies in respect of the Class A Notes address the likelihood of timely payment of interest and ultimate payment of principal due to Noteholders by a date that is not later than the Final Maturity Date. The ratings assigned by the Rating Agencies in respect of the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes address the likelihood of ultimate payment of interest and ultimate payment of principal due to Noteholders by a date that is not later than the Final Maturity Date.

The ratings of the Class B Notes, Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes do not address the likelihood of receipt of any amount in respect of Additional Note Payments.

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

THE ISSUER

Introduction

The Issuer was incorporated and registered in Ireland (under company registration number 631508) as a designated activity company limited by shares under the Companies Act 2014 (as amended) on 2 August 2018. The registered office of the Issuer is at 28 Fitzwilliam Place, Dublin 2, Ireland. The entire issued share capital of the Issuer (one share of €1 each) is held by the Share Trustee, under the terms of a trust established under Irish law by a declaration of trust dated 2 August 2018 on discretionary trust for a number of charitable purposes. The Issuer has been established as a special purpose company for the purpose of acquiring the Mortgage Assets and issuing the Notes. The Issuer has no subsidiaries.

The telephone number of the Issuer is +353 1 566 8890.

CSC Capital Markets (Ireland) 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 entered into on or about the Closing Date 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 28 Fitzwilliam Place, Dublin 2, Ireland.

The principal objects of the Issuer are set out in Clause 3 of its Constitution and amongst other things are to purchase, take transfers of, invest in and acquire by any means loans or other obligations involving the extension of credit and any security therefor and to raise or borrow money and to grant security over its assets for such purposes.

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 Irish Companies Act 2014 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.

Directors

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

Name	Address	Principal Activities
Gerard Brennan	28 Fitzwilliam Place, Dublin 2, Ireland	Company Director
Jonathan Hanly	28 Fitzwilliam Place, Dublin 2, Ireland	Company Director

The Secretary of the Issuer is CSC Capital Markets (Ireland) Limited of 28 Fitzwilliam Place, Dublin 2, Ireland.

Activities

On the Closing Date, the Issuer will acquire from the Sellers a portfolio of residential mortgages originated by the Originators. All Mortgage Assets 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 and the English Deed of Charge and will be limited to the issue of the Notes, the ownership of the Mortgage Assets and other assets referred to herein, the exercise of related rights and powers, and other activities referred to herein or reasonably incidental thereto. These activities will include the collection of payments of principal and interest from Borrowers in respect of Mortgage Loans and the operation of arrears procedures.

Certain of the above activities will be carried on by the Administrator and the Master Servicer on an agency basis on behalf of the Issuer and Trustee under the Administration Agreement. Additionally, the Cash Manager will provide cash management and reporting services to the Issuer and the Trustee pursuant to the Cash Management Agreement. The Issuer (with the consent of the Trustee) or the Trustee may revoke the agency of the Administrator upon the occurrence of certain events of default or insolvency or similar events in relation to the Administrator in accordance with the terms of the Administration Agreement. Following such an event as aforesaid, the Issuer may (with the consent of the Trustee) or the Trustee may, subject to certain conditions, appoint any substitute administrator.

THE RETENTION HOLDER AND MANAGING SPONSOR

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

The Group is a transatlantic consumer and wholesale bank offering products and services across personal, corporate and investment banking, credit cards and wealth management, with a strong presence in the Group’s two home markets of the UK and the US. The Group is focused on two core divisions – Barclays UK and Barclays International.

Both Barclays UK and Barclays International have historically operated within the legal entity Barclays Bank PLC. However, on 1 April 2018 the Barclays UK division formally separated into a new legal entity – Barclays Bank UK PLC (“**BbukPLC**”), which is the Group’s UK ring-fenced bank. BbukPLC offers everyday products and services to retail and consumer customers and small to medium sized enterprises based in the UK. Products and services designed for the Group’s larger corporate, wholesale and international banking clients will continue to be offered by Barclays International from within the Bank. BbukPLC will operate alongside, but have the ability to take decisions independently from, the Bank as part of the Group under Barclays PLC.

The short term unsecured obligations of the Bank are rated A-1 by S&P Global Ratings Limited, P-1 by Moody’s Investors Service Ltd. and F1 by Fitch Ratings Limited and the long-term unsecured unsubordinated obligations of the Bank are rated A by Standard & Poor’s Credit Market Services Europe Limited, A2 by Moody’s Investors Service Ltd. and A by Fitch Ratings Limited.

Based on the Bank Group’s audited financial information for the year ended 31 December 2017, the Bank Group had total assets of £1,129,343m (2016: £1,213,955m), total net loans and advances³ of £401,762m (2016: £436,417m), total deposits⁴ of £467,332m (2016: £472,917m), and total equity of £65,734m (2016: £70,955m) (including non-controlling interests of £1m (2016: £3,522m)). The profit before tax of the Bank Group for the year ended 31 December 2017 was £3,166m (2016: £4,383m) after credit impairment charges and other provisions of £2,336m (2016: £2,373m). The financial information in this paragraph is extracted from the audited consolidated financial statements of the Bank for the year ended 31 December 2017.

Based on the Bank Group’s unaudited financial information for the six months ended 30 June 2018, the Bank Group had total assets of £903,345m (30 June 2017: £1,136,867m), total net loans and advances⁵ of £226,369m (30 June 2017: £427,980m), total deposits of £279,438m (30 June 2017: £488,162m), and total shareholders’ equity of £48,192m (30 June 2017: £66,167m) (including non-controlling interests of £2m (30 June 2017: £84m)). The profit before tax from continuing operations of the Bank Group for the six months ended 30 June 2018 was £725m (30 June 2017: £1,731m) after credit impairment charges and other provisions of £156m (30 June 2017: £656m). The financial information in this paragraph is extracted from the unaudited condensed consolidated interim financial statements of the Bank for the six months ended 30 June 2018.

³ Total net loans and advances include balances relating to both bank and customer accounts.

⁴ Total deposits include deposits from bank and customer accounts.

⁵ Total net loans and advances include balances relating to both bank and customer accounts. As a result of a voluntary change in presentation following the adoption of IFRS 9, ‘loans and advances to banks’ and ‘loans and advances to customers’ have been disaggregated and are now reported in ‘loans and advances at amortised cost’ and ‘cash collateral and settlement balances’.

The Bank is acting as Managing Sponsor and Retention Holder. The Bank has been working on this transaction since 31 May 2018 and has been, or will be, as appropriate, involved in the establishment and management of the securitisation transaction described in this Prospectus. Establishment activities included reviewing and analysing due diligence materials in respect of the Portfolio, reviewing and negotiating the transaction documents and related offering documents, reviewing and negotiating the Mortgage Loan Warranties provided by the Sellers, assessing and advising in respect of the proposed capital structure of the transaction, determining the appropriate retention structure, selecting, appointing and co-ordinating third party service providers in respect of the transaction and engaging with Rating Agencies. Management activities include the establishment of the management structure of the transaction at the Closing Date through the negotiation of the transaction documents, and will include the performance of those functions allocated to the Managing Sponsor as set out in the Administration Agreement. See further "*The Administrator, The Master Servicer, The Managing Sponsor, The Administration Agreement And The Master Servicing Agreement*".

THE DF4 SELLER

Dilosk Funding No. 4 Designated Activity Company (the “**DF4 Seller**”) is a designated activity company incorporated in Ireland on 15 December 2016, registered with the Irish Companies Registration Office under registration number 595031. The registered address of the DF4 Seller is 16 Hume Street, Dublin 2, Ireland.

Pursuant to a mortgage sale agreement dated 9 February 2017 between Windmill Funding DAC, Pepper Finance Corporation (Ireland) DAC and Areo S.á.r.l. (acting solely in relation to its Compartment 26) (“**Areo**”), (the “**DF4 Windmill Mortgage Sale Agreement**”), Areo contracted to purchase the beneficial title to a portfolio of loan facilities from Windmill Funding DAC. Pursuant to a deed of novation dated 21 April 2017, Areo novated the DF4 Mortgage Sale Agreement to the DF4 Seller.

Since its incorporation, the DF4 Seller has not engaged in any material activities other than those incidental to the acquisition of the beneficial title in the Mortgage Loans. DF4 Seller has no employees. As at the date of this Prospectus, the DF4 Seller has prepared financial statements to 31 December 2017.

THE DF5 SELLER

Dilosk Funding No. 5 Designated Activity Company (the “**DF5 Seller**”) is a designated activity company incorporated in Ireland on 18 May 2017, registered with the Irish Companies Registration Office under registration number 604474. The registered address of the DF5 Seller is 16 Hume Street, Dublin 2, Ireland.

Pursuant to a mortgage sale agreement dated 9 May 2017 between Windmill Funding DAC, Pepper Finance Corporation (Ireland) DAC and Areo (the “**DF5 Windmill Mortgage Sale Agreement**”), Areo contracted to purchase the beneficial title to a portfolio of loan facilities from Windmill Funding DAC. Pursuant to a deed of novation dated 28 June 2017, Areo novated the DF5 Mortgage Sale Agreement to the DF5 Seller.

Pursuant to a mortgage sale agreement dated 18 July 2018 between Leeds Building Society and Areo, (the “**DF5 LBS Mortgage Sale Agreement**”), Areo contracted to purchase the beneficial title, and Pepper Finance Corporation (Ireland) DAC acquired the legal title, to a portfolio of loan facilities from Leeds Building Society. Pursuant to a deed of novation dated on or around the Closing Date, Areo novated the DF5 LBS Mortgage Sale Agreement to the DF5 Seller.

Since its incorporation, the DF5 Seller has not engaged in any material activities other than those incidental to the acquisition of the beneficial title in the Mortgage Loans. DF5 Seller has no employees. As at the date of this Prospectus, the Seller has prepared financial statements to 31 December 2017.

THE LEGAL TITLE HOLDER

Pepper Finance Corporation (Ireland) DAC (trading as Pepper Asset Servicing) ("**Pepper**", the "**Administrator**" and the "**Legal Title Holder**") is a designated activity company incorporated in Ireland on 6 August 1971 (registered number 34927). Amongst other services, Pepper Finance Corporation (Ireland) DAC provides third party residential mortgage administration services to its clients on mortgage loans secured by residential real estate located in Ireland.

Pepper Finance Corporation (Ireland) DAC (trading as Pepper Asset Servicing) is a regulated financial services provider, regulated and authorised by the Central Bank of Ireland under the Central Bank Act, 1997 (as amended, the "**1997 Act**") as a retail credit firm authorised to provide credit in Ireland and is deemed a credit servicing firm authorised to provide credit servicing for the Portfolio under the 1997 Act.

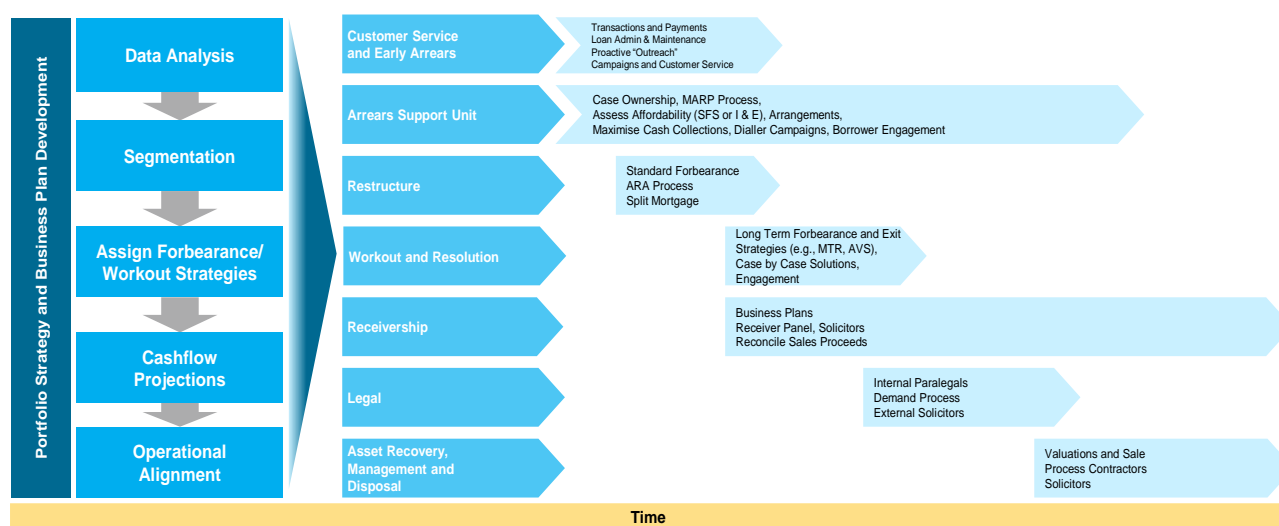
The registered office of Pepper Finance Corporation (Ireland) DAC (trading as Pepper Asset Servicing) is situated at 4th Floor, 2 Park Place, Upper Hatch Street, Dublin 2, Ireland.

Background

Pepper is a regulated loan servicer and asset manager offering end-to-end primary and special servicing capabilities across multiple asset classes. In the first quarter of 2016, Pepper launched its residential mortgage lending programme and, in the third quarter of 2017, Pepper launched its commercial mortgage lending programme. As of December 2017, Pepper has offices in Dublin and Shannon and has approximately 410 staff members (including a large proportion of commercial and operations staff that who have "Accredited Product Adviser" and/or "Qualified Financial Adviser" qualifications). Pepper, as a primary and special servicer for residential mortgages and commercial mortgages, is rated by S&P Global Ratings as "Above Average" with a "Positive Outlook". Pepper is authorised as a retail credit firm with the Central Bank of Ireland.

Servicing and Special Servicing

Under its current servicing policy, Pepper bases its approach to servicing on a portfolio segmentation and portfolio-level business plan as set out below⁶.



Under the framework set by the Arrears Code, Pepper also continuously reviews its existing **MARP** under its current servicing policy. Focus is on accounts that are currently in MARP and those who have exited MARP in order to target specific areas of opportunity within a serviced portfolio and to allocate resources in order to secure optimal performance across the portfolio.

⁶ Source: Pepper.

Under its current special servicing policy, a suite of loan restructuring and forbearance options which Pepper is experienced in and which are integrated into Pepper's post-MARP process, are open to borrowers. Such options include a range of consensual resolution or workout options such as "Mortgage to Rent" "Assisted Voluntary Sale" and "Voluntary Surrender". In case of processes involving legal enforcement and recovery of underlying assets, a dedicated internal legal team (with the assistance of an approved panel of external solicitors) is used to oversee and manage cases in the legal process.

THE PORTFOLIO

The Mortgage Loans

Introduction

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

Each of the Mortgage Loans in the Portfolio was advanced by either Pepper Finance Corporation (Ireland) DAC (formerly GE Capital Woodchester Home Loans Limited) or Leeds Building Society. The Provisional Mortgage Portfolio was drawn up as at 31 July 2018 and was made up of mortgages owned by the Sellers or which a Seller had contractually agreed to purchase. The Portfolio will differ from the Provisional Mortgage Portfolio due to: (i) the exclusion of any Mortgage Loans which have been redeemed in full in the period between the Provisional Cut-off Date and the Cut-Off Date; (ii) the exclusion of Mortgage Loans which became ineligible for inclusion between the Provisional Cut-Off Date and the Cut-Off Date on account of being in arrears for more than three months; and (iii) the inclusion of Mortgage Loans which having been ineligible for inclusion on the Provisional Cut-Off Date became eligible for inclusion on the Cut-Off Date being in arrears for less than three months.

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

Characteristics of the Provisional Mortgage Portfolio

Mortgage Product Types

The Portfolio (as defined below) consists of Mortgage Loans originated by Pepper Finance Corporation (Ireland) DAC (formerly GE Capital Woodchester Home Loans Limited), or Leeds Building Society which are intended for borrowers who are individuals who wish to use the Mortgage Loan as a means to purchase or refinance a residential property situated in Ireland to be used wholly or partly as the Borrower's own residence ("**Owner Occupied Mortgage Loans**").

"**Borrower**" means, in relation to a Mortgage Loan, the individual or individuals specified as such in the relevant mortgage conditions together with the individual or individuals (if any) from time to time assuming an obligation to repay such Mortgage Loan or part of it.

Interest Type

Interest on the Mortgage Loans is charged based on a floating rate of interest based on a variable rate or other discretionary rate.

Types of Interest Rate Terms

The interest rate terms for each Mortgage will comprise any of the following types:

- (a) Mortgage Loans which are subject to a variable rate of interest set by the Legal Title Holder from time to time ("**Variable Rate Mortgage Loans**");
- (b) Mortgage Loans which are ECB-linked mortgages where the applicable rate of interest is calculated by reference to the European Central Bank base rate (the "**ECB Rate**") plus a margin of between 1.10 per cent. per annum and 2.20 per cent. per annum ("**Tracker Mortgage Loans**");

- (c) Mortgage Loans which were but are no longer subject to a fixed rate of interest are treated as and are referred to herein as either Variable Rate Mortgage Loans or Tracker Mortgage Loans; and
- (d) Mortgage Loans which are EURIBOR linked mortgages where the applicable rate of interest is calculated by reference to EURIBOR plus a margin of between 3.00 per cent. per annum and 4.00 per cent. per annum (the “**EURIBOR Rate Mortgage Loans**”).

Types of Repayment Terms

The type of repayment terms contained within each Mortgage Loan comprises 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 payments cover interest only (“**Interest Only Mortgage Loans**”); and
- (c) Mortgage Loans in relation to which certain monthly instalments cover interest only and other monthly instalments cover both interest and principal (“**Part and Part Mortgage Loans**”).

Term

Each Mortgage Loan has an initial term of between 5 and 45 years.

Loan and Arrears Status

The Portfolio comprises of Mortgage Loans which are either performing or re-performing.

Credit Risk Mitigation

Each of the Sellers have applied and will apply certain criteria, policies and procedures regarding the administration of the mortgage portfolio:

- (a) each of the Administrator on behalf of, *inter alios*, the Issuer will have in place and operate effective systems to manage the ongoing administration and monitoring of the Portfolio, including for identifying and managing problem loans;
- (b) each of the Sellers purchased the beneficial interest in their respective contribution to the Portfolio (each as part of a wider portfolio) from the relevant Originator having regard to the diversification of such wider portfolio (of which the Portfolio forms part) based on each of their credit strategy; and
- (c) the Administrator on behalf of, *inter alios*, the Issuer will have a written policy on credit risk mitigation techniques as relates to Mortgage Loans in arrears and default which describes how and when enforcement may occur.

For further information please see “*The Administrator, the Master Servicer, the Managing Sponsor, the Administration Agreement and the Master Servicing Agreement*”.

Split Mortgage Loans

One of the arrears management procedures that the Administrator has established is a facility whereby a Borrower in arrears may be entitled to split their Mortgage Loan (any such Mortgage Loan, a “**Split Mortgage Loan**”). A Split Mortgage Loan is divided into two accounts with a view to reducing the relevant Borrower’s

monthly repayments. The relevant Mortgage Loan is split into (i) a portion of the principal balance on which interest continues to accrue and be charged to the relevant Borrower (the “**Main Mortgage Account**”) and (ii) a portion of the principal balance which is warehoused until the scheduled final repayment date of the relevant Mortgage Loan (the “**Warehoused Mortgage Account**”). Approximately 2.74% per cent. by value of the Mortgage Loans in the Provisional Mortgage Portfolio constitute Split Mortgage Loans with the aggregate balance of the corresponding Warehoused Mortgage Accounts representing approximately 0.91% per cent. by value of the Mortgage Loans in the Provisional Mortgage Portfolio.

The Split Mortgage Loan product is considered by the Administrator once it has been determined that other restructuring proposals do not provide a sustainable solution to the Borrower and that the Split Mortgage Loan is considered preferable to other resolution options offered by the Administrator. The Split Mortgage Loan product is particularly appropriate for vulnerable Borrowers for whom legal enforcement can be challenging. As at the Closing Date, the Split Mortgage Loans contained in the Portfolio were created prior to 31 July 2016.

Under a Split Mortgage Loan the relevant Borrower is not required to repay the balance of the Warehoused Mortgage Account until the end of the mortgage term and the balance of the Warehoused Mortgage Account is debited to the Principal Deficiency Ledger as described further in “*The Administrator, The Master Servicer, The Managing Sponsor, The Administration Agreement And The Master Servicing Agreement*”. This means that, with effect from the date that a Mortgage Loan becomes a Split Mortgage Loan, the relevant Borrower's monthly payments will be lower than they were prior to the split (and in line with what the Borrower can afford to pay over time). This may adversely affect the Issuer's ability to make payments on the Notes but is mitigated by the ability to record as a debit to the Principal Deficiency Ledger an amount equal to the Loss Provision Amount (which takes account of the Warehoused Mortgage Account) and to cure such debit entry by applying Available Revenue Receipts in accordance with the Pre-Enforcement Revenue Priority of Payments.

Throughout the term of the Split Mortgage Loan the Administrator will review the circumstances of the relevant Borrower at three-year intervals. If a Borrower's repayment capability improves, the Administrator reserves the right to reduce the balance of the Warehoused Mortgage Account while increasing the Main Mortgage Account by the same amount.

Borrowers are incentivised to maintain performance on their Main Mortgage Account by the Administrator offering reductions in the balance of the Warehoused Mortgage Account if certain payment metrics are met on the Main Mortgage Account (referred to as “**Match Payments**”). For the avoidance of doubt these reductions are not accompanied by an increase in the balance of the Main Mortgage Account.

There are two forms of Match Payments:

- (a) if for a given Match Period a Borrower makes all payments due on the Main Mortgage Account during that Match Period then an amount equal to five per cent of the contractual payments due during the Match Period is deducted from the balance of the Warehoused Mortgage Account (“**Match Payment 1**”); and
- (b) if for a given Match Period a Borrower qualifies for Match Payment 1 and makes additional overpayments on their Main Mortgage Account during that Match Period then an amount equal to twenty per cent of the overpayment made during the Match Period is deducted from the balance of the Warehoused Mortgage Account (“**Match Payment 2**”).

A “**Match Period**” is a twelve-month period commencing on the date of entry into the Split Mortgage Loan and thereafter each successive twelve-month period commencing on an anniversary of such date.

At the end of the mortgage term, the Borrower will owe the full outstanding balance of the Split Mortgage Loan (including the balance of the relevant Warehoused Mortgage Account at that point in time).

If a Mortgage Loan becomes a Split Mortgage Loan such Mortgage Loan (including both the Main Mortgage Account and Warehoused Mortgage Account parts) shall remain in the Portfolio.

The arrears management procedures permit discretion to be exercised by the appropriate officers of the Administrator in many circumstances. These same procedures (and if different, any arrears management procedures which may be required by a relevant mortgage indemnity insurer), as from time to time varied in accordance with the policies of a Prudent Mortgage Administrator, are required to be used by the Administrator in respect of arrears arising on the Mortgage Loans.

Interest Rate Setting for Loans

Where interest payable in respect of a Mortgage Loan is set by reference to a standard variable rate (a "**SVR**"), the Administration Agreement contains an obligation on the Administrator to set such SVR at a rate which is equal to the ECB Rate plus the SVR ECB Margin (the "**SVR Floor**") provided that the Administrator shall only be under an obligation to apply the SVR Floor if it would not be reasonably likely to result in a breach of the applicable Mortgage Conditions or to be contrary to Applicable Law or Regulation, and applying such SVR Floor may be undertaken in accordance with the standards of a Prudent Mortgage Lender. The Administrator intends to make any changes to SVR rates as soon as practicable following a change in the ECB Rate.

There can be no assurance that setting the SVR in relation to the Mortgage Loans in the way described, or adhering to the other aforementioned restrictions, would not have an adverse effect on the ability of the Issuer to make payments under Notes.

"**SVR ECB Margin**" means the difference between the SVR applicable to the relevant Mortgage Loan as at the Cut-Off Date and the ECB Rate at the Cut-Off Date.

SALE OF THE PORTFOLIO UNDER EACH MORTGAGE SALE AGREEMENT

Mortgage Sale Agreements

The following section contains an overview of the material terms of the DF4 Mortgage Sale Agreement (as defined below) and the DF5 Mortgage Sale Agreement (as defined below) entered into on or about the Closing Date between the respective Sellers, the Issuer, the Master Servicer, the Trustee and the Legal Title Holder in relation to the sale of the beneficial interest in the Portfolio to the Issuer (each a “**Mortgage Sale Agreement**”). The overview does not purport to be complete and is subject to the provisions of each Mortgage Sale Agreement.

Sale of the Portfolio

Pursuant to the terms of a mortgage sale agreement to be entered into between, among others, the DF4 Seller and the Issuer (the “**DF4 Mortgage Sale Agreement**”), the DF4 Seller will sell its beneficial interest in the DF4 Portfolio to the Issuer and pursuant to a mortgage sale agreement to be entered into between, among others, the DF5 Seller and the Issuer (the “**DF5 Mortgage Sale Agreement**”) the DF5 Seller will sell its beneficial interest in the DF5 Portfolio (together with the DF4 Portfolio, the “**Portfolio**”) to the Issuer, in each case, on the Closing Date. The legal title will, in certain circumstances, be required to be transferred to the Issuer, as described under “*Perfection Trigger Events*” below, and the Sellers and the Legal Title Holder will provide certain further assurances to the Issuer and the Trustee as set out in clause 6 of the Mortgage Sale Agreements.

The sale by the Sellers to the Issuer of the Portfolio will be given effect to by a sale of beneficial ownership. The consideration due to the Sellers in respect of the Portfolio will be the Consideration (as defined below).

The Sellers will assign to the Issuer, to the extent permitted by the terms of each Underlying Agreement, as legal and beneficial owner, all rights, title, interest and benefit of the Sellers under the respective Underlying Agreements in respect of any and all representations, warranties, undertakings and indemnities provided to the Sellers under each Underlying Agreement (including without limitation those related to the Mortgage Loans and the Related Security (the “**Underlying Agreement Rights**”).

“**Bell A Mortgage Sale Agreement**” means the mortgage sale agreement dated 9 May 2017 between Windmill Funding Designated Activity Company, Pepper Finance Corporation (Ireland) Designated Activity Company and Areo S.á r.L. acting solely in relation to its compartment 26 and all amendments thereof and supplements thereto, from time to time, novated to the DF5 Seller pursuant to a novation deed dated 29 June 2017 between Windmill Funding DAC, Pepper Finance Corporation (Ireland) DAC, the DF5 Seller and Dilosk DAC.

“**Bell C Mortgage Sale Agreement**” means the mortgage sale agreement dated 9 February 2017 between Windmill Funding Designated Activity Company, Pepper Finance Corporation (Ireland) Designated Activity Company and Areo S.á r.L. acting solely in relation to its compartment 26 and all amendments thereof and supplements thereto, from time to time, novated to the DF4 Seller pursuant to a novation deed dated 21 April 2017 between Windmill Funding DAC, Pepper Finance Corporation (Ireland) DAC, the DF4 Seller and Dilosk DAC.

“**Mondello Mortgage Sale Agreement**” means the mortgage sale agreement dated 18 July 2018 between Leeds Building Society and Areo S.á r.L. acting solely in relation to its compartment 26 and all amendments thereof and supplements thereto, from time to time, novated to the DF5 Seller pursuant to a novation deed dated on or around the Closing Date between Leeds Building Society, Areo S.á r.L. acting solely in relation to its compartment 26, the DF5 Seller and Dilosk DAC.

“**Underlying Agreements**” means the Bell A Mortgage Sale Agreement, the Bell C Mortgage Sale Agreement and the Mondello Mortgage Sale Agreement (and each an “**Underlying Agreement**”).

Sale of Mortgage Assets

“**Consideration**” means, in relation to the sale of the Portfolio, €280,615,876.52 being the proceeds of the Notes other than the Class Z2 Notes, the Class X Notes and the Class R Notes.

“**Current Balance**” means for each Mortgage Loan, 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:

- 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 to the Borrower thereof prior to the Closing Date in relation to any Mortgage Loan comprised in the Portfolio 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 Closing 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 retentions made but not released.

Conditions to Sale

The sale of Mortgage Loans and their Related Security to the Issuer will be subject to various conditions being satisfied on (in the case of the sale of the Portfolio) the Closing Date.

Perfection Trigger Events

Under each Mortgage Sale Agreement, the Issuer (with the consent of the Trustee) or the Trustee (following delivery of an Enforcement Notice) may by notice in writing (a “**Perfection Notice**”) to the Sellers and the Legal Title Holder (with a copy to the Trustee of Issuer, as applicable) require the Legal Title Holder to transfer by way of the assignment to the Issuer of the legal title to the Mortgage Assets following the occurrence of any of the following events (each a “**Perfection Trigger Event**”), where:

- (a) the Legal Title Holder is obliged to transfer the legal title by law, by court order or by a mandatory requirement of any regulatory authority;
- (b) an Enforcement Notice has been given; or
- (c) any Insolvency Event in relation to the Legal Title Holder or any other entity in which legal title to any Mortgage Asset is vested.

Each of the Legal Title Holder and the Issuer agrees to notify the other and the Trustee in writing immediately after it becomes aware of the occurrence of a Perfection Trigger Event specified above.

Promptly following the delivery to the relevant Seller and the Legal Title Holder of a Perfection Notice, the relevant Seller and the Legal Title Holder will do such acts, matters and things as the Issuer (or following the delivery of an Enforcement Notice, the Trustee) reasonably requires the relevant Seller and the Legal Title

Holder to do, including (provided always that the obligations on the Seller under the relevant Mortgage Sale Agreement shall be limited only to those obligations that are within its power and control to perform);

- (a) those acts, matters and things in order to perfect the transfer and assignment of Mortgages any other matters;
- (b) providing a bulk transfer of Direct Debit mandates, to the extent this is possible under the Direct Debiting Scheme or any replacement direct debiting scheme; and
- (c) in the case of all Borrowers who do not make payment by direct debit, ensuring that such Borrowers are instructed to make all payments under the Mortgage Loans directly to the Transaction Account or such replacement bank account as the Issuer (with the prior written consent of the Trustee) requires, in order to give effect to the terms of the assignments contemplated in this Agreement.

Should a Perfection Notice be sent, the Legal Title Holder shall give notice to each Borrower or any other relevant person of the sale and transfer of that Borrower's Mortgage Assets to the Issuer (or its nominee) and the charge by the Issuer to the Trustee of the Issuer's interest in that Borrower's Mortgage Assets pursuant to the English Deed of Charge and/or the Irish Deed of Charge.

The above rights are supported by irrevocable powers of attorney (including each Seller Security Power of Attorney and the Legal Title Holder Power of Attorney) given, *inter alia*, by each Seller and the Legal Title Holder in favour of the Trustee.

For so long as neither the Issuer nor the Trustee have obtained legal title to the Mortgage Assets the Legal Title Holder and the Sellers will undertake in the relevant Mortgage Sale Agreement for the benefit of the Issuer and the Trustee that it will not do anything which might prejudice the respective interests of the Issuer and the Trustee and join any legal proceedings to the extent necessary to protect, preserve and enforce the Issuer's title or interest in any Mortgage Asset.

Save as described above, the Issuer shall not submit or require the submission of any notice, form, request or application to or pay any fee for the registration of, or the noting of any interest, at the Land Registry or the Registry of Deeds, as the case may be, in relation to, the Issuer's interests in the Portfolio.

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 Portfolio, but each is relying entirely on the representations and warranties to be given by each Seller and the Master Servicer contained in the relevant Mortgage Sale Agreement.

"Direct Debiting Scheme" means the scheme for the manual or automated debiting of bank accounts administered and governed by the Irish Retail Electronic Payments Clearing Company Ltd. ("**IRECC**") and/or any replacement scheme;

"Perfection Notice" means a notice in writing from the Issuer to the Legal Title Holder (with a copy to the Trustee) requiring the Legal Title Holder to complete the transfer of legal title to the Mortgage Loans following a Perfection Trigger Event and pursuant to Clause 7.1 (*Perfection Trigger Events*) of each Mortgage Sale Agreement;

"Insolvency Event" means, in relation to the Issuer, each Seller, the Legal Title Holder, the Administrator, the Cash Manager, the Reference Agent, the Paying Agent, the Registrar, the Account Bank and each Collection Account Bank (as applicable):

- (a) an order is made or an effective resolution passed for the winding up of the relevant entity, (except in the case of the Issuer, a winding-up for the purposes of or pursuant to an

amalgamation or reconstruction the terms of which have previously been approved by an Extraordinary Resolution of the Most Senior Class of Notes); or

- (b) the relevant entity, otherwise than for the purposes of such amalgamation or reconstruction of the Issuer as is referred to in paragraph (a), ceases or through an authorised action of its board of directors, threatens to cease to carry on all or substantially all of its business or is deemed 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 2014; or
- (c) the relevant entity is unable to pay its debts as they fall due or it is deemed under section 123 of the Insolvency Act 1986 to be unable to pay its debts or announces an intention to suspend making payments with respect to any class of undisputed debts; or
- (d) the appointment of an insolvency official in relation to the relevant entity or in relation to the whole or any part of the undertaking or assets of such relevant entity; or
- (e) proceedings shall be initiated against the relevant entity under any applicable liquidation, insolvency, bankruptcy, composition, administration, examination, court protection, reorganisation (other than a reorganisation where the relevant entity is solvent) or other similar laws and such proceedings are not being disputed in good faith with a reasonable prospect of success or an order appointing an examiner shall be granted or the appointment of an examiner or administrator takes effect or an examiner, administrator or other receiver, liquidator, trustee in sequestration or other similar official shall be appointed in relation to the relevant entity or in relation to the whole or any substantial part of the undertaking or assets of the relevant entity.

Warranties and Consequences of Breach of Warranty

Each Mortgage Sale Agreement will contain certain representations and warranties given by the relevant Seller(s) and Dilosk DAC to the Issuer and the Trustee in relation to the Portfolio transferred or assigned to the Issuer pursuant to the relevant Mortgage Sale Agreement.

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

In the case of breach of any of the representations or warranties given by the Sellers and Dilosk DAC on the Closing Date which has or would have a material adverse effect on the relevant Mortgage Asset and which is not capable of remedy or is not remedied within 30 Business Days of being notified by the Issuer to the relevant Seller and Dilosk DAC, then the relevant Seller or Dilosk DAC will have no liability to the Issuer for any breach of any Mortgage Loan Warranty unless the Issuer has given to the relevant Seller and Dilosk DAC (with a copy to the Trustee) written notice on or before the date falling 18 months after the Closing Date in relation to a Mortgage Loan comprised in the Portfolio (the "**Warranty Expiry Date**") (time being of the essence) and, subject to the terms of the relevant Mortgage Sale Agreement and, in particular, the financial criteria and other requirements of the relevant Mortgage Sale Agreement, the Issuer and the Trustee's only remedy in respect of a claim in respect of a breach of any Mortgage Loan Warranty will be to claim damages for breach of that Mortgage Loan Warranty. Neither the Sellers nor Dilosk DAC will be required to repurchase or procure the repurchase of any Mortgage Loan which is the subject of any such breach. There can be no assurance that the relevant Seller or Dilosk DAC will have the financial resources to honour its obligations to pay any payment of damages in respect of a breach of warranty. This may affect the quality of the Mortgage Assets and accordingly the ability of the Issuer to make payments due on the Notes.

The total aggregate liability of the Sellers and/or Dilosk DAC in respect of Warranty Claims under the Mortgage Sale Agreements shall be limited to not greater than five per cent. of the total Consideration payable by the

Issuer to the Sellers in respect of the sale of the Portfolio under both of the Mortgage Sale Agreements. Notwithstanding this, neither the Sellers nor Dilosk DAC will have any liability to the Issuer in respect of a Mortgage Loan Warranty unless in each case the amount of damages to which the Issuer would but for this, be entitled as a result of that Warranty Claim but for such limit exceeds €5,000 per Mortgage Loan that is the subject of that Warranty Claim (unless there are Warranty Claims relating to breaches of the same Mortgage Loan Warranty arising from similar facts where the amount of such claim to which the Issuer would but for such limit be entitled as a result of those Warranty Claims exceeds €20,000 in aggregate). In addition, neither the Sellers nor Dilosk DAC will be liable for any claims relating to a breach of a Mortgage Loan Warranty: unless the aggregate of all agreed and determined Warranty Claims under both of the Mortgage Sale Agreements exceed €1,000,000. In addition, the relevant Seller and Dilosk DAC will have no liability for any Warranty Claim made by the Issuer after the expiry of the period of 18 months from the Closing Date.

However, the liability of the Sellers or Dilosk DAC in relation to any Warranty Claim shall terminate on the Warranty Expiry Date except in respect of claims of which notice is given to the Seller before the Warranty Expiry Date (time being of the essence in each case). The liability of a Seller or Dilosk DAC in respect of any Warranty Claim shall in any event terminate if proceedings in respect of it have not been commenced within 12 months of the date of such notice.

The Issuer shall have no claim for damages for any breach of a Mortgage Loan Warranty:

- (a) to the extent that such claim arises or is increased as a result of any legislation not in force at the Closing Date or of any change or changes in legislation whether or not such change or changes purport to be effective retrospectively in whole or in part; or
- (b) to the extent that such liability is caused by any act or thing, omission, transaction or arrangement of the Issuer.

Neither Seller nor Dilosk DAC shall have any liability to the Issuer in respect of any claims under or in respect of the relevant Mortgage Sale Agreement (including without limitation Warranty Claims) for or in respect of loss of profit or any indirect or consequential losses.

Any amount payable by the relevant Seller and/or Dilosk DAC to the Issuer in respect of such claim shall be paid within 60 Business Days of receipt by the relevant Seller and Dilosk DAC of written notice of such breach from the Issuer or, if later, the date on which the amount of damages are determined.

If a Mortgage Loan has never existed, or has ceased to exist, the relevant Seller and/or Dilosk DAC shall indemnify the Issuer and the Trustee against any loss suffered by reason of any representation or warranty relating to or otherwise affecting that Mortgage Loan being untrue or incorrect by reference to the facts subsisting as at the date on which the relevant representation or warranty was given, provided that the amount of such indemnity shall not exceed the Current Balance of the Mortgage Loan which would have been payable by the Borrower in respect of such Mortgage Loan in relation to such Mortgage Loan had the Mortgage Loan existed and complied with each of the Mortgage Loan Warranties in relation to such Mortgage Loan on the Closing Date. The limitations of the liability of the relevant Seller and/or Dilosk DAC described above shall apply to any such indemnity payment.

Representations and Warranties

The representations and warranties of each Seller and Dilosk DAC pursuant to the relevant Mortgage Sale Agreement and referred to above include, but are not limited to, statements to the following effect:

- (a) each Mortgage Loan is secured by a valid, subsisting, non-cancellable and first ranking legal mortgage over the relevant Property situated in Ireland (subject only to stamping at the Revenue Commissioners, where applicable, and to any registration which may be pending at the Land Registry

or Registry of Deeds and (in those cases) there is nothing to prevent that registration or recording being effected);

- (b) the relevant Seller has not, and so far as the relevant Seller is aware, none of the Legal Title Holder, the Administrator nor the relevant Originator has, received any notice or claim in writing by any Borrower of any threat to take steps to assert any right of set-off, rescission or counter-claim under or in connection with any of the Mortgage Assets;
- (c) so far as the relevant Seller is aware, in relation to each Mortgage Loan title to the relevant Property is registerable in the Land Registry or Register of Deeds in Ireland and it has been registered;
- (d) in relation to each Mortgage Loan, the final repayment date will not fall beyond 3 years prior to the Final Maturity Date of the Notes;
- (e) each Mortgage Loan has been made on the terms, or substantially on the terms, of the Standard Documentation (save to the extent as may be required to comply with any Applicable Law or Regulation or to any changes that would have been made by a Prudent Mortgage Lender);
- (f) all Mortgage Loans are denominated in euro;
- (g) so far as the relevant Seller is aware, each Mortgage Loan has been originated in accordance with all Applicable Law or Regulation;
- (h) all Mortgage Loans are secured over residential property located in Ireland;
- (i) all Mortgage Loans are made to a Borrower who is an individual and, so far as the relevant Seller is aware, aged 18 years or older at the date of entering into the relevant Mortgage Loan and its Related Security;
- (j) in relation to the Portfolio, as of the Cut-Off Date, the details of the Mortgage Loans as set out in the "Current Balance" field of the Data Tape were true and accurate;
- (k) in relation to the Portfolio, as of the Cut-Off Date, the details of the Mortgage Loans as set out in the (i) "Occupancy Type", (ii) "Interest Rate Type", (iii) "Current Interest Rate", (iv) "Maturity Date", (iv) "Arrears Balance" and (v) "Repayment Method" fields of the Data Tape were, to the relevant Seller's knowledge, true and accurate in all material respects, and the relevant Seller has not, and so far as the relevant Seller is aware, none of the Legal Title Holder, the Administrator nor the relevant Originator has, received any notice in writing from any Borrower asserting otherwise;
- (l) the relevant Seller is the beneficial owner of the Mortgage Assets and the Legal Title Holder is the legal owner of the Mortgage Assets, in each case free from Encumbrances. Neither the relevant Seller nor, as far as the relevant Seller is aware, the Legal Title Holder has made any prior sale, transfer, assignment, assignation, sub participation of its rights and interest in the Mortgage Assets;
- (m) the relevant Seller has not, and, and so far as the relevant Seller is aware, none of the Legal Title Holder, the Administrator nor the relevant Originator has, waived in writing any rights under the Mortgage Assets against any Borrower nor entered into any arrangements with any Borrower or any other person where that has materially restricted the relevant Seller's ability to enforce the terms of any Mortgage Assets other than those prescribed by Applicable Law or Regulation;
- (n) the relevant Seller has, since its acquisition of the Mortgage Loans, kept or procured the keeping of full and proper accounts, books and records showing clearly all material transactions, payments, receipts, proceedings and notices relating to such Mortgage Loans and all such accounts, books and records are up to date and in the possession of such Seller or held to its order;

- (o) the relevant Seller, and so far as the relevant Seller is aware, the Legal Title Holder has no obligation to make any further advances to any Borrower pursuant to any of the Mortgage Loans (other than Mortgage Loan ID 80036919);
- (p) no fraud has been committed by the relevant Seller nor, to the relevant Seller's knowledge, the relevant Originator, in respect of the Mortgage Loan and the Related Security;
- (q) so far as the relevant Seller is aware, each Mortgage Loan is non-cancellable and constitutes a valid and binding obligation of the Borrower enforceable in accordance with its terms and secures the repayment of all advances, interest, costs and expenses payable by the Borrower, except that (1) enforceability may be limited by (i) the bankruptcy or insolvency of that Borrower; or (ii) general equitable principles; or (iii) invalidation of obligations by reason of fraud, misrepresentation, illegality, mistake or duress and (2) no warranty is given in relation to any obligation of any Borrower to pay prepayment charges, mortgage administration exit fees or charges payable in the event of Borrower default, and each related Mortgage Loan secures the repayment of all advances, interest, costs and expenses payable by the relevant Borrower (other than, in relation to any prepayment charges);
- (r) the relevant Seller may freely assign or otherwise transfer its interests in respect of the Mortgage Loans without breaching any term or conditions applying to any such Mortgage Loan;
- (s) the Originators and the Administrator have, to the best of the relevant Seller's knowledge information and belief, from the date of acquisition of the Mortgage Assets, complied in all material respects with the requirements of the Consumer Protection Code, the Consumer Protection Act 2007 and the Code of Conduct on Mortgage Arrears in relation to the Mortgage Assets;
- (t) no Mortgage Loan was made after the entry into force of Directive 2014/17/EU;
- (u) the relevant Seller is not, and so far as the relevant Seller is aware, neither the Legal Title Holder nor the relevant Originator, is in default of its or their obligations under the relevant Mortgage Conditions where such default could reasonably be expected to have a material adverse effect on the validity of the Mortgage Loan Transaction Security; and
- (v) to the relevant Seller's knowledge, each Borrower was resident in the European Economic Area at the time of the origination of its Mortgage Loan(s).

"Data Tape" means a CD-ROM containing the particulars of the Mortgage Assets in the Portfolio.

"EURIBOR" means the Euro Interbank Offered Rates.

"Interest Only Mortgage Loans" are Mortgage Loans in relation to which monthly payments cover interest only.

"Mortgage Loan Transaction Security" means any security interest granted to secure any Mortgage Loan.

"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.

"Repayment Mortgage Loans" are 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.

"Standard Documentation" means the standard documentation of the Originators, a list of which is set out in Schedule 8 of the Incorporated Terms Memorandum.

“Tracker Mortgage Loans” are Mortgage Loans where the applicable rate of interest is calculated by reference to the ECB Rate plus a margin.

“Variable Rate Mortgage Loans” are Mortgage Loans which are subject to a variable rate of interest set by the Administrator from time to time.

Governing Law

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

EARLY REDEMPTION OF THE NOTES PURSUANT TO THE PORTFOLIO PURCHASE OPTION, THE RISK RETENTION REGULATORY CHANGE OR A SPONSOR PORTFOLIO SALE

The Portfolio may be sold by the Issuer (a) pursuant to the Portfolio Purchase Option or (b) pursuant to the Risk Retention Regulatory Change Option or (c) pursuant to the Sponsor Portfolio Sale. The Issuer will undertake not to dispose of the Portfolio in any other circumstances (other than in relation to an enforcement of the Security as contemplated pursuant to the terms of the Administration Agreement).

Portfolio Purchase Option

Pursuant to and subject to the terms of the Deed Poll, the Issuer will grant to the Portfolio Purchase Option Holder the following rights (collectively, the “**Portfolio Purchase Option**”):

- (a) the right to require the Issuer to sell and transfer to the Portfolio Purchase Option Holder or a Third Party Purchaser (as identified in the Exercise Notice, the “**Beneficial Title Transferee**”) the beneficial title to all (but not some) of the Mortgage Assets comprising the Portfolio (the “**Whole Beneficial Title**”) in consideration for the Portfolio Purchase Price; and
- (b) the right to require the Issuer to (if applicable) transfer the legal title to all (but not some) of the Mortgage Assets comprising the Portfolio (the “**Whole Legal Title**”), or if, at the time the Portfolio Purchase Option is exercised, the Issuer does not hold legal title, the right to require the Issuer to procure that the Legal Title Holder transfers legal title, to the Portfolio Purchase Option Holder, a Third Party Purchaser or any nominee of the Portfolio Purchase Option Holder specified as such in the Exercise Notice (as identified in the Exercise Notice, the “**Legal Title Transferee**”).

The Portfolio Purchase Option may be exercised by the Portfolio Purchase Option Holder on any Interest Payment Date on or following the First Optional Redemption Date at any time or within 10 Business Days of receipt of an offer from the Retention Holder to acquire the beneficial interest of the Issuer in the Portfolio by it giving not fewer than five Business Days’ notice to the Issuer, with a copy to the Trustee, each of the Sellers, the Legal Title Holder, the Administrator, the Master Servicer, the Cash Manager and each of the Rating Agencies (such notice, an “**Exercise Notice**”). The Exercise Notice will specify that the Portfolio Purchase Option Holder wishes to exercise the Portfolio Purchase Option on the requested Optional Redemption Date on which the purchase by the Beneficial Title Transferee of the Whole Beneficial Title is expected to be completed pursuant to the terms of the Deed Poll (such date, the “**Portfolio Purchase Completion Date**”). If the Whole Legal Title is required to be transferred to the Legal Title Transferee such transfer may occur on a date falling after the Portfolio Purchase Completion Date.

If the transfer of beneficial title has not been completed on the next Optional Redemption Date, that Exercise Notice shall be deemed to have been cancelled. Following such cancellation, the Portfolio Purchase Option Holder’s right to exercise the Portfolio Purchase Option shall be suspended for a period of 90 days from the service of such Exercise Notice.

On the Portfolio Purchase Completion Date, the Rated Notes will be redeemed in full as more fully described in the section entitled “*Redemption of the Notes*” below.

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

- (a) either:
 - (i) the Beneficial Title Transferee and (if applicable) the Legal Title Transferee is a person who can avail of an exemption from withholding tax in accordance with Section 246(3) of the TCA; or

- (ii) the Issuer, having received tax advice from an appropriately qualified and experienced Irish tax adviser in the form and substance satisfactory to it (acting reasonably), or such other comfort as may reasonably be required by it (including, without limitation, any clearance or other confirmation granted by the Irish tax authorities) ("**Tax Advice**"), is satisfied that sale of the Whole Beneficial Title and (if applicable) transfer of the Whole Legal Title will not create or increase any liabilities of the Issuer to Irish tax or any tax imposed by the jurisdiction of the Beneficial Title Transferee and (if applicable) the Legal Title Transferee and that any such sale will not result in any materially adverse tax consequences for the Issuer and/or the Issuer's ability to repay the Notes in full. The costs relating to such Tax Advice shall be borne by the Portfolio Purchase Option Holder;
- (b) either:
- (i) the Legal Title Transferee has all the appropriate licences, approvals, authorisations, consents, permissions and registrations required to administer residential mortgage loans such as the Mortgage Assets comprising the Portfolio (the "**Relevant Authorisations**"); or
 - (ii) the Beneficial Title Transferee has appointed a servicer who has the Relevant Authorisations and that the Legal Title Holder has confirmed in writing that it will hold legal title to the Mortgage Assets comprising the Portfolio on trust for the Beneficial Title Transferee; and
- (c) the Beneficial Title Transferee shall not be permitted to transfer the beneficial interest in any of the Mortgage Assets comprising the Portfolio to a further purchaser until the transfer of the Whole Legal Title is perfected unless such transfer of beneficial interest is made to a person who can avail of an exemption from withholding tax in accordance with Section 246(3) of the TCA.

Portfolio Purchase Price

The purchase price for the Mortgage Assets comprising the Portfolio pursuant to the Portfolio Purchase Option (the "**Portfolio Purchase Price**") shall be an amount equal to (without double counting):

- (a) the amount required by the Issuer to pay in full all amounts payable or that will become payable under items (a) to (e) (inclusive), items (h), (j), (l), (n) and (p) and on and from the Interest Payment Date immediately following the Step-Up Date items (t) to (x) (inclusive) of the Pre-Enforcement Revenue Priority of Payments on the Interest Payment Date falling on or immediately following the Portfolio Purchase Completion Date; plus
- (b) the amount required by the Issuer to redeem all of the Rated Notes then outstanding in full together with accrued but unpaid interest, Deferred Interest and any Additional Note Payments accrued (and unpaid) up to, but excluding, such Interest Payment Date on such Notes on the Portfolio Purchase Completion Date (being also an Interest Payment Date); plus
- (c) 5 per cent. of the amount required by the Issuer to redeem all of the Class Z1 Notes then outstanding in full together with accrued and unpaid interest on such Class Z1 Notes on the Portfolio Purchase Completion Date (being also an Interest Payment Date); less
- (d) an amount equal to 95 per cent. of the balance standing to the credit of the General Reserve Fund on the Portfolio Purchase Completion Date (being also an Interest Payment Date) (the amount equal to 5 per cent. of such balance shall be referred to as the "**Residual Reserve Amount**"); less
- (e) any Available Revenue Receipts and Available Principal Receipts otherwise available to the Issuer for application on the Interest Payment Date falling on the Portfolio Purchase Completion Date; less

- (f) any other amounts standing to the credit of the Transaction Account as at the most recent Cash Manager Report).

In connection with the exercise of the Portfolio Purchase Option, the Beneficial Title Transferee will agree with the Issuer to (i) deposit an amount equal to the Portfolio Purchase Price in either an escrow account in the name of the Beneficial Title Transferee or in any other account as may be agreed between the Issuer and the Beneficial Title Transferee; or (ii) provide irrevocable payment instructions for an amount equal to the Portfolio Purchase Price for value on the Portfolio Purchase Completion Date to the Transaction Account or such other account as may be agreed between the Issuer and Beneficial Title Transferee, provided that such deposit shall be made or irrevocable payment instructions shall be given no later than (x) the Business Day prior to the Portfolio Purchase Completion Date or (y) such other date as the Issuer, at its sole discretion and the Beneficial Title Transferee may agree, provided further that the Portfolio Purchase Price or irrevocable payment instructions (as applicable) must be received by the Issuer in sufficient time to enable the Issuer to provide notice of redemption of the Notes to the Noteholders pursuant to Conditions 9.3 (*Mandatory redemption in full*) or 9.5 (*Mandatory redemption for taxation or other reasons*) (as applicable); and/or (iii) take any other action as may be agreed by the Beneficial Title Transferee, the Issuer and the Trustee in relation to the payment of the Portfolio Purchase Price.

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

Additional Class X Payment

On the Portfolio Purchase Completion Date, an amount equal to the sum of 5 per cent. of the amount required by the Issuer to redeem all of the Class Z1 Notes then outstanding in full together with accrued and unpaid interest on such Class Z1 Notes (the “**Class Z1 Amount**”) and the Residual Reserve Amount will be due and payable to the Class X Noteholders (such amount, the “**Additional Class X Payment Amount**”).

Redemption of the Notes

On the Portfolio Purchase Completion Date (being also an Interest Payment Date), the Portfolio Purchase Price, the amounts standing to the credit of the General Reserve Fund Ledger together with any Available Revenue Receipts and Available Principal Receipts otherwise available to the Issuer for application the Portfolio Purchase Completion Date will be used to redeem the Rated Notes at an amount equal to the Principal Amount Outstanding of the relevant Rated Note to be redeemed together with accrued interest and Deferred Interest, Additional Interest and any Additional Note Payments accrued (and unpaid) up to, but excluding, such Interest Payment Date.

Any Principal Receipts and Revenue Receipts received on the Mortgage Loans or interest on the Issuer Accounts received by the Issuer from and excluding the Calculation Date immediately prior to the Portfolio Purchase Completion Date will be payable, to or for the account of the Beneficial Title Transferee and the Issuer shall transfer all such amounts to or for the account of the Beneficial Title Transferee as soon as reasonably practicable following the Portfolio Purchase Completion Date.

As used herein:

“**Deed Poll**” means the deed poll dated on or about the Closing Date, executed by the Issuer, in favour of the Portfolio Purchase Option Holder from time to time.

“**First Optional Redemption Date**” means the Interest Payment Date falling in December 2021.

“Majority Class Z1 Note Holder” means, at any given time, a holder of more than 50 per cent. of the Class Z1 Notes.

“Optional Redemption Date” means the First Optional Redemption Date and each Interest Payment Date thereafter.

“Portfolio Purchase Option Holder” means the Majority Class Z1 Note Holder.

“Third Party Purchaser” means a third party purchaser of the beneficial title to the Mortgage Assets as nominated by the Portfolio Purchase Option Holder in the Exercise Notice.

Risk Retention Regulatory Change Option

Pursuant to the CRR Deed of Covenant, the Retention Holder (or any of its delegates) shall have the right (but not any obligation) to acquire the entire beneficial interest of the Issuer in the Portfolio upon the occurrence of a Risk Retention Regulatory Change Event in accordance with the terms of Condition 9.4 (*Mandatory Redemption in full pursuant to a Risk Retention Regulatory Change Option*) (the **“Risk Retention Regulatory Change Option”**). Before the Retention Holder acquires the entire beneficial interest of the Issuer in the Portfolio following its exercise of the Risk Retention Regulatory Change Option, it shall first offer to dispose of such interest to the Portfolio Purchase Option Holder. The Portfolio Purchase Option Holder may, within 2 Business Days of receipt of such offer from the Retention Holder, exercise the Portfolio Purchase Option and purchase the Mortgage Loans comprising the Portfolio in accordance with and subject to the terms of the Deed Poll. If the Portfolio Purchase Option Holder does not exercise the Portfolio Purchase Option within 2 Business Days following receipt of such offer, the Retention Holder may exercise the Risk Retention Regulatory Change Option and purchase the Mortgage Loans comprising the Portfolio in accordance with and subject to the terms of the CRR Deed of Covenant. The price payable by or on behalf of the Retention Holder to the Issuer to acquire the beneficial interest of the entire Portfolio from the Issuer shall equal the Risk Retention Regulatory Change Option Purchase Price.

The Retention Holder exercising the Risk Retention Regulatory Change Option and purchasing the Mortgage Loans comprising the Portfolio will be required to deposit an amount equal to the Risk Retention Regulatory Change Option Purchase Price in the Transaction Account on the date of sale of the beneficial interest in the Mortgage Loans no later than the day falling two Business Days immediately preceding the Interest Payment Date on which the Notes are to be redeemed or take such other action agreed with the Trustee. On such Interest Payment Date, the Risk Retention Regulatory Change Option Purchase Price, together with any Available Revenue Receipts and Available Principal Receipts otherwise available to the Issuer for application on such Interest Payment Date will be applied in accordance with the Post-Enforcement Priority of Payments.

To the extent that the purchaser of the Mortgage Loans holds any of the Notes, it may set off from the Risk Retention Regulatory Change Option Purchase Price an amount equal to the amounts due to it as Noteholder on the Interest Payment Date on which the Notes are to be redeemed.

Following the exercise of the Risk Retention Regulatory Change Option, the Issuer will give not more than 40 nor less than five Business Days' notice to the Noteholders in accordance with Condition 23 (*Notices*) and the Trustee stating that the Notes will be redeemed on the Interest Payment Date immediately following the exercise of such option by the Retention Holder.

“Risk Retention Regulatory Change Event” means any change in or the adoption of any new law, rule or regulation or any determination of a relevant regulator which as a matter of law:

- (a) has a binding effect on the Retention Holder after the Closing Date which would impose a positive obligation on it to subscribe for Notes over and above those required to be maintained by it under its Risk Retention Undertaking or otherwise imposes additional material obligations on the Retention

Holder in order to maintain compliance with the EU Risk Retention Requirements and/or the U.S. Risk Retention Rules; or

- (b) results in the Retention Holder no longer being able to qualify as an eligible retainer of the Retained Interest for purposes of the EU Risk Retention Requirements; and the Retention Holder is not able to transfer the Retained Interest to one of its affiliates without violating the EU Risk Retention Requirements or any other applicable law, or incurring any additional material costs or obligations in connection with any such transfer, in any case, as determined by the Retention Holder, in its sole discretion.

“Risk Retention Regulatory Change Option Completion Date” means the Interest Payment Date on which the purchase of the Mortgage Loans by the relevant purchaser is expected to occur in connection with the exercise of the Risk Retention Regulatory Change Option.

“Risk Retention Regulatory Change Option Purchase Price” means the higher of:

- (a) an amount equal to:
 - (i) the aggregate Principal Amount Outstanding of the Notes (other than the Class R Notes) plus accrued and unpaid interest thereon in respect of the Principal Amount Outstanding of the Notes (other than the Class R Notes), Additional Interest and Deferred Interest and any Additional Note Payments accrued (and unpaid) as at the Interest Payment Date on the Risk Retention Regulatory Change Option Completion Date; plus
 - (ii) any fees, costs, amounts and expenses of the Issuer payable senior to the Notes in the Post-Enforcement Priority of Payments; plus
 - (iii) the Issuer's costs and expenses associated with transferring its interests in any Mortgage Assets to the Retention Holder or its nominee (if any) and an amount agreed between the Issuer and the Retention Holder in respect of costs anticipated to be incurred by the Issuer after the Risk Retention Regulatory Change Option Completion Date; less
 - (iv) the balance standing to the credit of the Transaction Account (but disregarding amounts standing to the credit of the General Reserve Fund Ledger to the extent needed to repay Principal Amount Outstanding of the Class R Notes) as at the most recent Cash Manager Report; and
- (b) an amount equal to the current value of all (but not some only) of the Mortgage Loans in the Portfolio as at the most recent Cash Manager Report.

The Risk Retention Regulatory Change Option Purchase Price shall be determined by the Cash Manager calculating such price and giving notice of it to the Retention Holder.

Clean-Up Call

The Issuer may, subject to certain conditions, redeem all of the Notes on any Interest Payment Date on which the aggregate Principal Amount Outstanding of the Notes (as of the immediately preceding Determination Date), is less than or equal to 10 per cent. of the original aggregate Principal Amount Outstanding of the Notes on the Closing Date (such right, the **“Clean-Up Call”**).

Market Sale of Portfolio

In the event that the Portfolio Purchase Option Holder does not elect to exercise the Portfolio Purchase Option in respect of eight (8) Interest Payment Dates following the First Optional Redemption Date, the Managing Sponsor may at its option, appoint a third-party portfolio manager to seek one or more purchasers of the

Portfolio and direct the Issuer to sell the Portfolio to that purchaser (such option, the “**Sponsor Portfolio Sale Option**” and such sale, the “**Sponsor Portfolio Sale**”).

A third party shall be appointed as a portfolio manager by the Managing Sponsor on an arm's length basis and on the basis that it is incentivised to achieve the best price for the sale of the Mortgage Loans which shall be at least the Minimum Portfolio Sale Price, taking into account any fees and terms of the portfolio manager (if such terms are commercially available in the market) to advise the Managing Sponsor in relation to the sale of the Mortgage Loans to market participants. Any fees, costs and expenses due to the portfolio manager shall be payable by the Managing Sponsor only and (for the avoidance of doubt) shall not be due from the Issuer or the Trustee.

The Managing Sponsor may agree the terms of any sale of the Portfolio by the Issuer (acting at the direction of the Managing Sponsor) provided that the sale of the Portfolio is for an amount not less than the Minimum Portfolio Sale Price.

The “**Minimum Portfolio Sale Price**” shall be equal to an amount not less than:

- (a) the aggregate principal amount outstanding of the Rated Notes, the Class Z1 Notes and the Class Z2 Notes plus accrued and unpaid interest thereon in respect of the principal amount outstanding of the Rated Notes only and any Additional Note Payments accrued (and unpaid) calculated as at the Interest Payment Date on which the Sponsor Portfolio Sale is expected to be completed; plus
- (b) any fees, costs, amounts and expenses of the Issuer payable senior to the Class X Notes in the Pre-Enforcement Revenue Priority of Payments; less
- (c) any amounts (including relating to collections in respect of Mortgage Loans) standing to the credit of the Transaction Account as at the most recent Cash Manager Report; less
- (d) to the extent not covered by (c) above, any amounts standing to the credit of the General Reserve Fund Ledger.

A purchaser of the Mortgage Loans pursuant to the Sponsor Portfolio Sale will be required to deposit the Market Purchase Price into the Transaction Account on the date of transfer of the beneficial title to the Mortgage Loans no later than 10 Business Days prior to the Interest Payment Date on which the relevant Notes are to be redeemed or take such other action as may be agreed with the Trustee. Upon completion of transfer of the beneficial title to the Mortgage Loans on that Interest Payment Date, the Market Purchase Price will immediately be applied in accordance with the relevant Priority of Payments.

The Sponsor Portfolio Sale Option may only be exercised by notice to the Issuer with a copy to the Trustee and also to the Sellers and the Legal Title Holder, Moody's and DBRS at any time for effect on any Interest Payment Date on or following the First Optional Redemption Date until the Final Redemption Date.

Redemption of the Notes

On the Interest Payment Date falling on or immediately following the Sponsor Portfolio Sale Completion Date, the Market Purchase Price, the amounts standing to the credit of the General Reserve Fund Ledger, together with all Available Revenue Receipts and Available Principal Receipts otherwise available to the Issuer for application on the Interest Payment Date falling on or immediately following the Sponsor Portfolio Sale Completion Date, will be used to redeem the Notes at an amount equal to the Principal Amount Outstanding of the relevant Note to be redeemed together with accrued interest and Deferred Interest and any Additional Note Payments accrued (and unpaid) up to, but excluding, such Interest Payment Date.

Any Revenue Receipts and Principal Receipts received on the Mortgage Loans or interest on the Issuer Accounts received by the Issuer from but excluding the Calculation Date immediately prior to the Sponsor Portfolio Sale Completion Date to and including Sponsor Portfolio Sale Completion Date, will be payable to or

for the account of the Beneficial Title Transferee as soon as reasonably practicable following the Sponsor Portfolio Sale Completion Date.

“Market Purchase Price” means the full amount of the purchase price for the Mortgage Loans pursuant to a Sponsor Portfolio Sale.

“Sponsor Portfolio Sale Completion Date” means the date on which all conditions to completion of the sale and transfer of the Mortgage Assets pursuant to the Sponsor Portfolio Sale Option have been satisfied.

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 €290,066,985 as at 31 July 2018 (the "Provisional Cut-off Date").

The Portfolio of €286,440,926.15 as at the Cut-off Date was determined on or prior to such date by the Sellers in accordance with the procedures as described in "The Portfolio".

The information contained in this section has not been updated to reflect any decrease in the size of the Portfolio from that of the Provisional Mortgage Portfolio. The composition of the Portfolio may differ from that of the Provisional Mortgage Portfolio on account of the exclusion of Mortgage Loans which have been redeemed in full in the period from the Provisional Cut-Off Date to the Cut-Off Date; (ii) the exclusion of Mortgage Loans which became ineligible for inclusion between the Provisional Cut-Off Date and the Cut-Off Date having been in arrears for more than three months; and (iii) the inclusion of Mortgage Loans which having been ineligible for inclusion on the Provisional Cut-Off Date became eligible for inclusion on the Cut-Off Date being in arrears for less than three months.

Except as otherwise indicated, these tables have been prepared using the Capital 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:

Overview	
Total Capital Balance (€)	290,066,985
Total No. Mortgage Loans	1,744
Overview Loans	
Provisional Cut-off Date	31 July 2018
Number of Loan Parts	1,810
Number of Loans	1,744
Number of Borrowers	1,744
Average Original Balance per Property (€)	197,197
Average Capital Balance per Property (€)	166,323
Average Original Balance by Loan Part (€)	190,006
Average Capital Balance by Loan Part (€)	160,258
Min Capital Balance (€)	0.40
Max Capital Balance (€)	1,126,586
WA Original Term (Years)	28.28
WA Remaining Term (Years)	17.32
WA Seasoning (Years)	10.98
Interest-Only Mortgage Loans	44.56%
Owner Occupied Mortgage Loans	100.00%
MIA>1	5.49%

"Loan Parts" means one or more of the loan parts of which a mortgage loan consists.

1. Originators of Mortgage Loans

The following table shows the outstanding Capital Balances of Mortgage Loans in the Provisional Mortgage Portfolio originated by each of the relevant Originators as at the Provisional Cut-Off Date.

Originator	Capital Loan Part Balance (€)	Capital Loan Part Balance (%)	Number of Loan Parts	Number of Loan Parts (%)
GE Capital Woodchester Home Loans Limited	132,391,534	45.64%	1,092	60.33%
Leeds Building Society	157,675,451	54.36%	718	39.67%
Total	290,066,985	100.00%	1,810	100.00%

2. Capital Balances of Mortgage Loans

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

As at the Provisional Cut-Off Date, in relation to the Mortgage Loans in the Provisional Mortgage Portfolio, the minimum capital mortgage loan balance was €0.40; the maximum capital mortgage loan balance was €1,126,586 and the average capital mortgage loan balance was €166,323.

Capital Balance (€)	Capital Balance (€)	Capital Balance (%)	Number of Loans	Number of Loans (%)
<=100,000	32,764,899	11.30%	573	32.86%
100,001 to 150,000	44,249,866	15.26%	356	20.41%
150,001 to 200,000	49,252,405	16.98%	282	16.17%
200,001 to 250,000	50,637,670	17.46%	228	13.07%
250,001 to 300,000	31,411,105	10.83%	115	6.59%
300,001 to 350,000	22,193,947	7.65%	69	3.96%
350,001 to 400,000	16,007,900	5.52%	43	2.47%
400,001 to 450,000	7,661,862	2.64%	18	1.03%
450,001 to 500,000	8,463,756	2.92%	18	1.03%
500,001 to 550,000	7,227,997	2.49%	14	0.80%
550,001 >=	20,195,579	6.96%	28	1.61%
Total:	290,066,985	100.00%	1,744	100.00%
Arithmetic Average	166,323			
Minimum	0.40			
Maximum	1,126,586			

3. Original LTV

The following table shows the range of original LTV ratios, which are calculated by dividing the Capital Balance of a Mortgage Loan as at the relevant date of origination by the 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 number of Mortgage Loans in the Provisional Mortgage Portfolio.

Original LTV	Capital Balance (€)	Capital Balance (%)	Number of Loans	Number of Loans (%)
<= 40.00%	41,528,198	14.32%	479	27.47%
40.01% to 45.00%	15,557,869	5.36%	104	5.96%
45.01% to 50.00%	19,734,674	6.80%	136	7.80%
50.01% to 55.00%	21,628,088	7.46%	112	6.42%
55.01% to 60.00%	24,340,868	8.39%	144	8.26%
60.01% to 65.00%	25,232,759	8.70%	131	7.51%
65.01% to 70.00%	24,899,086	8.58%	124	7.11%
70.01% to 75.00%	33,988,454	11.72%	155	8.89%
75.01% to 80.00%	57,100,828	19.69%	229	13.13%
80.01% to 85.00%	7,373,227	2.54%	39	2.24%
85.01% to 90.00%	10,462,613	3.61%	49	2.81%
90.01% >=	8,220,323	2.83%	42	2.41%
Total:	290,066,985	100.00%	1,744	100.00%
WA	61.96%			
Min	0.00%			
Max	143.33%			

4. Current LTV

The following table shows the range of non-indexed current LTV ratios, which are calculated by dividing the Capital Balance of a Mortgage Loan as at the Provisional Cut-off Date by the non-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 number of Mortgage Loans in the Provisional Mortgage Portfolio.

Current LTV	Capital Balance (€)	Capital Balance (%)	Number of Loans	Number of Loans (%)
<= 40.00%	67,903,740	23.41%	750	43.00%
40.01% to 45.00%	19,582,649	6.75%	109	6.25%
45.01% to 50.00%	21,432,929	7.39%	122	7.00%
50.01% to 55.00%	24,687,723	8.51%	116	6.65%
55.01% to 60.00%	19,579,288	6.75%	93	5.33%
60.01% to 65.00%	29,322,700	10.11%	134	7.68%
65.01% to 70.00%	21,918,093	7.56%	99	5.68%
70.01% to 75.00%	29,172,237	10.06%	113	6.48%
75.01% to 80.00%	27,229,053	9.39%	102	5.85%
80.01% to 85.00%	21,135,480	7.29%	74	4.24%
85.01% to 90.00%	4,262,887	1.47%	17	0.97%
90.01% >=	3,840,206	1.32%	15	0.86%
Total:	290,066,985	100.00%	1,744	100.00%
WA	55.76%			
Min	0.00%			
Max	152.55%			

5. Current LTV (Indexed)⁷

The following table shows the range of indexed current LTV ratios, which are calculated by dividing the Capital 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 number of Mortgage Loans in the Provisional Mortgage Portfolio.

⁷ The indexed values are sourced from Central Statistics Office (CSO) Ireland. Original property valuations falling before 2005 were indexed from 2005, due to the availability of information only from the specified year.

Current LTV (Indexed)	Current Balance (€)	Total Current Balance (%)	Number of Loans	Number of Loans (%)
<= 40.00%	49,384,362	17.03%	649	37.21%
40.01% to 45.00%	11,483,772	3.96%	86	4.93%
45.01% to 50.00%	12,535,005	4.32%	94	5.39%
50.01% to 55.00%	16,993,668	5.86%	96	5.50%
55.01% to 60.00%	17,353,834	5.98%	90	5.16%
60.01% to 65.00%	13,150,771	4.53%	75	4.30%
65.01% to 70.00%	19,393,404	6.69%	84	4.82%
70.01% to 75.00%	17,331,618	5.98%	83	4.76%
75.01% to 80.00%	19,098,690	6.58%	82	4.70%
80.01% to 85.00%	18,482,683	6.37%	82	4.70%
85.01% to 90.00%	21,691,878	7.48%	90	5.16%
90.01% to 95.00%	17,711,389	6.11%	68	3.90%
95.01% to 100.00%	17,739,989	6.12%	65	3.73%
100.01% to 105.00%	23,279,110	8.03%	81	4.64%
105.01% to 110.00%	8,935,997	3.08%	34	1.95%
110.01% >=	5,500,814	1.90%	22	1.26%
Total:	290,066,985	100.00%	1,744	100.00%
WA	68.89%			
Min	0.00%			
Max	195.06%			

6. Origination Date

The following table shows the range of dates on which the Mortgage Loans were originated.

Origination Year	Capital Loan Part Balance (€)	Capital Loan Part Balance (%)	Number of Loan Parts	Number of Loan Parts (%)
2003	2,645,529	0.91%	48	2.65%
2004	3,462,747	1.19%	55	3.04%
2005	9,396,364	3.24%	106	5.86%
2006	27,100,748	9.34%	243	13.43%
2007	163,782,293	56.46%	820	45.30%
2008	77,552,700	26.74%	483	26.69%
2009	6,096,048	2.10%	54	2.98%
2010	30,556	0.01%	1	0.06%
Total:	290,066,985	100.00%	1,810	100.00%

7. Property Original Valuation

The following table shows the range of original valuations of the Properties in the Provisional Mortgage Portfolio as at the date of origination of the relevant Mortgage Loan.

Original Value - Allocated RE (€)	Capital Loan Part Balance (€)	Capital Loan Part Balance (%)	Number of Loan Parts	Number of Loan Parts (%)
<= 200,000	19,777,077	6.82%	272	15.03%
200,001 to 250,000	25,175,474	8.68%	233	12.87%
250,001 to 300,000	37,857,169	13.05%	305	16.85%
300,001 to 350,000	43,551,976	15.01%	280	15.47%
350,001 to 400,000	38,233,046	13.18%	228	12.60%
400,001 to 450,000	22,002,644	7.59%	125	6.91%
450,001 to 500,000	19,474,302	6.71%	97	5.36%
500,001 to 550,000	9,565,410	3.30%	42	2.32%
550,001 to 600,000	12,244,915	4.22%	53	2.93%
600,001 to 650,000	9,626,818	3.32%	32	1.77%
650,001 to 700,000	8,694,855	3.00%	31	1.71%
700,001 to 750,000	5,858,496	2.02%	21	1.16%
750,001 to 800,000	6,251,377	2.16%	16	0.88%
800,001 to 850,000	3,390,188	1.17%	10	0.55%
850,001 to 900,000	3,503,011	1.21%	11	0.61%
900,001 >=	24,860,228	8.57%	54	2.98%
Total:	290,066,985	100.00%	1,810	100.00%
Arithmetic Average	377,288			
Min	0.00			
Max	3,850,000			

8. 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 Sellers offer, see "*The Portfolio – Characteristics of 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.

Repayment Method	Capital Loan Part Balance (€)	Capital Loan Part Balance (%)	Number of Loan Parts	Number of Loan Parts (%)
Interest Only	129,244,117	44.56%	500	27.62%
Part and Part	629,822	0.22%	3	0.17%
Repayment	160,193,046	55.23%	1,307	72.21%
Total:	290,066,985	100.00%	1,810	100.00%

9. Interest Rate Index Type

The following table shows the interest rate index type of Mortgage Loans 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.

Interest Rate Index	Capital Loan Part Balance (€)	Capital Loan Part Balance (%)	Number of Loan Parts	Number of Loan Parts (%)
ECB Base Rate	153,368,155	52.87%	677	37.40%
Euribor Tracker	2,154,948	0.74%	25	1.38%
SVR	134,543,882	46.38%	1,108	61.22%
Total:	290,066,985	100.00%	1,810	100.00%

10. Seasoning of Mortgage Loans

The following table shows the number of months since the date of origination of the Mortgage Loans 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.

Seasoning (in years)	Capital Loan Part Balance (€)	Capital Loan Part Balance (%)	Number of Loan Parts	Number of Loan Parts (%)
10.00 <=	31,695,588	10.93%	202	11.16%
10.01 to 11.00	125,368,098	43.22%	706	39.01%
11.01 to 12.00	107,870,854	37.19%	592	32.71%
12.01 to 13.00	14,688,577	5.06%	157	8.67%
13.01 to 14.00	6,503,257	2.24%	80	4.42%
14.01 to 15.00	2,927,908	1.01%	51	2.82%
15.01 >=	1,012,702	0.35%	22	1.22%
Total:	290,066,985	100.00%	1,810	100.00%
WA	10.98			
Min	8.55			
Max	15.28			

In relation to the Mortgage Loans in the Provisional Mortgage Portfolio, the weighted average seasoning was 10.98 years.

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.

Years to Maturity	Capital Loan Part Balance (€)	Capital Loan Part Balance (%)	Number of Loan Parts	Number of Loan Parts (%)
<= 8.00	32,827,387	11.32%	364	20.11%
8.01 to 9.00	11,452,759	3.95%	69	3.81%
9.01 to 10.00	10,755,521	3.71%	86	4.75%
10.01 to 11.00	7,972,799	2.75%	63	3.48%
11.01 to 12.00	6,615,470	2.28%	52	2.87%
12.01 to 13.00	10,584,685	3.65%	74	4.09%
13.01 to 14.00	19,926,398	6.87%	99	5.47%
14.01 to 15.00	19,853,243	6.84%	104	5.75%
15.01 to 16.00	9,979,330	3.44%	71	3.92%
16.01 to 17.00	5,943,893	2.05%	49	2.71%
17.01 to 18.00	10,028,875	3.46%	68	3.76%
18.01 to 19.00	19,368,474	6.68%	101	5.58%
19.01 to 20.00	25,744,521	8.88%	134	7.40%
20.01 to 21.00	7,958,127	2.74%	37	2.04%
21.01 to 22.00	4,895,941	1.69%	29	1.60%
22.01 to 23.00	2,878,580	0.99%	16	0.88%
23.01 to 24.00	22,472,041	7.75%	111	6.13%
24.01 to 25.00	18,100,612	6.24%	82	4.53%
25.01 >=	42,708,330	14.72%	201	11.10%
Total:	290,066,985	100.00%	1,810	100.00%
WA	17.32			
Min	0.00			
Max	34.39			

12. Current Interest Rate

The following table shows the current interest rate in respect of the Mortgage Loans in the Provisional Mortgage Portfolio as of the Provisional Cut-off Date. The figures in this table have been calculated on the basis of the Mortgage Loans in the Provisional Mortgage Portfolio.

Current Interest Rate	Capital Loan Part Balance (€)	Capital Loan Part Balance (%)	Number of Loan Parts	Number of Loan Parts (%)
<= 1.00%	12,000	0.00%	1	0.06%
1.01% to 1.50%	140,604,958	48.47%	610	33.70%
1.51% to 2.00%	8,662,767	2.99%	49	2.71%
2.01% to 2.50%	4,100,430	1.41%	18	0.99%
2.51% to 3.00%	1,435,505	0.49%	14	0.77%
3.01% to 3.50%	775,035	0.27%	9	0.50%
3.51% to 4.00%	5,904,146	2.04%	46	2.54%
4.01% to 4.50%	19,685,536	6.79%	150	8.29%
4.51% to 5.00%	44,411,386	15.31%	313	17.29%
5.01% to 5.50%	27,946,766	9.63%	219	12.10%
5.51% to 6.00%	17,598,504	6.07%	170	9.39%
6.01% >=	18,929,952	6.53%	211	11.66%
Total:	290,066,985	100.00%	1,810	100.00%
WA	3.04%			
Min	0.00%			
Max	7.90%			

13. **Arrears Status**

The following table shows the number of months for which the Mortgage Loans in the Provisional Mortgage Portfolio have been in arrears as of the Provisional Cut-off Date. The figures in this table have been calculated on the basis of the Mortgage Loans in the Provisional Mortgage Portfolio.

Months in Arrears	Capital Loan Part Balance (€)	Capital Loan Part Balance (%)	Number of Loan Parts	Number of Loan Parts (%)
<= 0.00	241,369,138	83.21%	1,492	82.43%
0.01 to 1.00	32,761,998	11.29%	220	12.15%
1.01 to 2.00	10,642,390	3.67%	65	3.59%
2.01 to 3.00	5,293,458	1.82%	33	1.82%
Total:	290,066,985	100.00%	1,810	100.00%
WA	0.17			
Min	0.00			
Max	2.98			

14. **Occupancy Type**

The following table shows the distribution of Owner Occupied Mortgage Loans as at the relevant date of origination in the Provisional Mortgage Portfolio as of the Provisional Cut-off Date. The figures in this table have been calculated on the basis of the Mortgage Loans in the Provisional Mortgage Portfolio.

Occupancy Type	Capital Balance (€)	Capital Balance (%)	Number of Loans	Number of Loans (%)
Owner Occupied	290,066,985	100.00%	1,744	100.00%
Total:	290,066,985	100.00%	1,744	100.00%

15. **Pay Rate (Six Month Average Pay Rate)**

The following table shows the six month average pay rate in respect of the Mortgage Loans in the Provisional Mortgage Portfolio as of the Provisional Cut-off Date. The figures in this table have been calculated on the basis of the Mortgage Loans in the Provisional Mortgage Portfolio. For this table, the cases where payments were made and the expected repayment was equal to zero, have been treated as 100% pay rate

Six Month Average Pay Rate	Capital Loan Part Balance (€)	Capital Loan Part Balance (%)	Number of Loan Parts	Number of Loan Parts (%)
<= 90.00%	27,653,833	9.53%	162	8.95%
90.01% to 95.00%	4,877,686	1.68%	38	2.10%
95.01% to 100.00%	159,629,011	55.03%	980	54.14%
100.01% to 105.00%	45,137,637	15.56%	331	18.29%
105.01% to 110.00%	8,395,675	2.89%	49	2.71%
110.01% to 115.00%	5,234,958	1.80%	29	1.60%
115.01% to 120.00%	10,686,145	3.68%	64	3.54%
120.01% to 125.00%	3,126,108	1.08%	14	0.77%
125.01% >=	25,325,932	8.73%	143	7.90%
Total:	290,066,985	100.00%	1,810	100.00%

16. **Last Restructure Type**

The following table shows the various restructuring actions taken in respect of the Mortgage Loans in the Provisional Mortgage Portfolio as of the Provisional Cut-off Date. The figures in this table have been calculated on the basis of the Mortgage Loans in the Provisional Mortgage Portfolio.

Restructure Type	Capital Loan Part Balance (€)	Capital Loan Part Balance (%)	Number of Loan Parts	Number of Loan Parts (%)
Arrears Capitalisation	58,515,782	20.17%	388	21.44%
Arrears Capitalisation and Interest Only	4,223,812	1.46%	21	1.16%
Interest Only	16,549,804	5.71%	85	4.70%
No Restructure	156,400,570	53.92%	962	53.15%
Payment Break Only	119,929	0.04%	1	0.06%
Payment Break and Reduced NMI	176,619	0.06%	1	0.06%
Rate Reduction	1,891,436	0.65%	12	0.66%
Rate Reduction and Interest Only	853,877	0.29%	1	0.06%
Rate Reduction and Reduced NMI	3,541,319	1.22%	20	1.10%
Rate Reduction and Reduced NMI and Term Extension	6,788,009	2.34%	45	2.49%
Reduced NMI	26,405,198	9.10%	170	9.39%
Reduced NMI Rate Reduction and Term Extension	284,665	0.10%	2	0.11%
Reduced NMI and Rate Reduction	284,310	0.10%	1	0.06%
Reduced NMI and Term Extension	2,701,398	0.93%	23	1.27%
Split Mortgage	7,837,943	2.70%	34	1.88%
Term Extension	3,492,315	1.20%	44	2.43%
Total:	290,066,985	100.00%	1,810	100.00%

17. Geographical Distribution of Properties

The following table shows the distribution of Properties securing the Mortgage Loans 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.

Region	Capital Balance (€)	Capital Balance (%)	Number of Loans	Number of Loans (%)
Border Region	23,667,106	8.16%	162	9.29%
Dublin Region	90,010,410	31.03%	418	23.97%
Mid-East Region	47,977,611	16.54%	247	14.16%
Mid-West Region	15,309,262	5.28%	113	6.48%
Midlands Region	18,986,926	6.55%	137	7.86%
South-East Region	37,697,210	13.00%	272	15.60%
South-West Region	37,743,705	13.01%	251	14.39%
West Region	18,674,755	6.44%	144	8.26%
Total:	290,066,985	100.00%	1,744	100.00%

18. Months Current

The following table shows the number of months since the Mortgage Loans in the Provisional Mortgage Portfolio have stopped being in arrears 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. For this table, arrears are assumed to be the case when the arrears balance for a particular month is greater or equal to the expected payment for that month

Months Current	Capital Loan Part Balance (€)	Capital Loan Part Balance (%)	Number of Loan Parts	Number of Loan Parts (%)
<= 0	19,697,826	6.79%	124	6.85%
1 to 12	30,290,010	10.44%	200	11.05%
13 to 24	22,407,197	7.72%	134	7.40%
25 to 36	32,519,180	11.21%	205	11.33%
37 to 48	58,264,633	20.09%	298	16.46%
49 to 60	24,622,436	8.49%	165	9.12%
61 >=	102,265,702	35.26%	684	37.79%
Total:	290,066,985	100.00%	1,810	100.00%

19. Income Verification

The following table shows the number Self-Certified Loans and Verified Loans as at origination 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.

Income Verification for Primary Income	Capital Loan Part Balance (€)	Capital Loan Part Balance (%)	Number of Loan Parts	Number of Loan Parts (%)
Self-certified with affordability confirmation	50,075,965	17.26%	355	19.61%
Verified	239,991,020	82.74%	1,455	80.39%
Total:	290,066,985	100.00%	1,810	100.00%

THE ADMINISTRATOR, THE MASTER SERVICER, THE MANAGING SPONSOR, THE ADMINISTRATION AGREEMENT AND THE MASTER SERVICING AGREEMENT

THE ADMINISTRATOR

Pepper Finance Corporation (Ireland) DAC (trading as Pepper Asset Servicing) (Pepper, the “**Administrator**” and the “**Legal Title Holder**”) is a designated activity company incorporated in Ireland on 6 August 1971 (registered number 34927). Amongst other services, Pepper Finance Corporation (Ireland) DAC provides third party residential mortgage administration services to its clients on mortgage loans secured by residential real estate located in Ireland.

Pepper Finance Corporation (Ireland) DAC (trading as Pepper Asset Servicing) is a regulated financial services provider, regulated and authorised by the Central Bank of Ireland under the CBA 1997 as a retail credit firm authorised to provide credit in Ireland and is deemed a credit servicing firm authorised to provide credit servicing for the Portfolio under the CBA 1997.

The registered office of Pepper Finance Corporation (Ireland) DAC (trading as Pepper Asset Servicing) is situated at 4th Floor, 2 Park Place, Upper Hatch Street, Dublin 2, Ireland.

THE MASTER SERVICER

Dilosk DAC (trading as "Dilosk" and "ICS Mortgages") was incorporated in Ireland (under company registration number 531010) as a private company limited by shares under the Companies Acts, 1963 to 2013 (as replaced by the Companies Act 2014) on 2 August 2013.

The registered office of Dilosk DAC is at 16 Hume Street, Dublin 2, Ireland. The issued share capital of Dilosk DAC is owned 30% by institutional investors and 70% by private shareholders.

Dilosk DAC was established as a new and alternative residential mortgage lender in the Irish market and trades under the ICS Mortgages brand. Dilosk DAC 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 DAC is the origination and funding of residential mortgage loans in Ireland with a focus on Buy-To-Let (“**BTL**”) mortgages. Dilosk DAC commenced new BTL lending origination in early 2017 and origination is conducted through a direct channel and a nationwide intermediary network.

Dilosk DAC is regulated by the Central Bank of Ireland and is authorised to operate as a retail credit firm under Section 31 of the Central Bank Act 1997.

THE MANAGING SPONSOR

The Managing Sponsor will be appointed pursuant to the Administration Agreement to provide certain services (the “**Managing Sponsor Services**”) to the Issuer, which will include:

- a) accepting its appointment as Joint Lead Manager;
- b) following a Perfection Trigger Event, if the Issuer fails to do so within a reasonable period of time, and at the Issuer’s expense, procuring such registrations and notices as it considers necessary to protect

and perfecting the Issuer's or the Trustee's interests in the Mortgage Assets and require the Legal Title Holder to transfer by way of assignment of the legal title to the Mortgage Assets in favour of the Issuer;

- c) if requested to consent to any modification to the Conditions or Transaction Documents in respect of which its consent is required, consulting with the requesting party and considering any proposed modification in good faith acting in a commercially reasonable manner;
- d) following the occurrence of any of the events or circumstances set out in Condition 18.1.1, consulting with the Issuer in respect of any potential Alternative Base Rate and, if requested, proposing a base rate which it reasonably determines is practicable in the context of the Transaction;
- e) assisting the Back-Up Administrator Facilitator, if required, in the identification and appointment of a replacement long-term servicer of the Portfolio;
- f) reviewing Investor Reports produced by the Cash Manager in respect of the Transaction and bringing any manifest errors to the attention of the Cash Manager, Master Servicer and Administrator;
- g) reviewing Cash Manager Reports produced by the Administrator in respect of the Portfolio and bringing any manifest errors to the attention of the Cash Manager, Master Servicer and Administrator;
- h) if required, attending quarterly meetings with the Administrator in respect of the Portfolio to discuss any issues arising in the performance of their obligations;
- i) assisting in the commissioning of an annual third-party audit of the Administrator's and the Master Servicer's performance of their respective obligations in respect of the Portfolio, discussing the outcome of such audit at an annual meeting with the Administrator and Master Servicer and, if applicable, bringing any default by the Administrator or Master Servicer in respect of its obligations that is identified by such audit (including any Administrator Termination Event or Master Servicer Termination Event) to the attention of the Issuer and the Trustee; and
- j) if required, assisting the Issuer in connection with any refinancing of the Portfolio in connection with the exercise of the Portfolio Purchase Option or the Sponsor Portfolio Sale Option (including assisting the facilitation of any refinancing transaction) (provided that, for the avoidance of doubt, nothing in this paragraph j) shall require the Managing Sponsor to provide any form of commitment for funding or to subscribe for any securities of any form).

The Managing Sponsor will be entitled to delegate the performance of the Managing Sponsor Services to its affiliates, but if it does so it will be required to give notice of that delegation to the Issuer and the Trustee. The Managing Sponsor will not be liable in respect of its obligations under the Administration Agreement except as a result of its fraud, negligence or wilful default. In the case of a material breach of its obligations under the Administration Agreement, or in the case of its fraud, negligence or wilful default, the Managing Sponsor's appointment may be terminated by the Issuer or (after the delivery of an Enforcement Notice) the Trustee. The Managing Sponsor will receive the Class X Notes in consideration of its provision of the Managing Sponsor Services.

THE ADMINISTRATION AGREEMENT

Introduction

The Issuer, the Legal Title Holder, the Trustee, the Administrator, the Back-Up Administrator Facilitator and the Managing Sponsor will enter into the administration agreement on or about the Closing Date (the "**Administration Agreement**").

Appointment of the Administrator

On the Closing Date, Pepper Finance Corporation (Ireland) Designated Activity Company (trading as Pepper Asset Servicing) (in such capacity, the “**Administrator**”) will be appointed by the Issuer under the Administration Agreement as its lawful agent to administer the Mortgage Assets under the terms and conditions of the Administration Agreement. Subject to the terms Administration Agreement, the Administrator shall have the full power, authority and right to do or cause to be done any and all things necessary, or incidental to the proper performance its duties.

Following the service of an Enforcement Notice by the Trustee to the Issuer, the Administrator will, instead of complying the instructions of the Issuer, act in accordance with the instructions given by the Trustee.

The Administrator, as lawful agent of the Issuer, will provide the Administration Services in accordance with the terms and conditions of the Administration Agreement from the Closing Date until the effective date of any termination of the Administration Agreement pursuant to the terms of the Administration Agreement.

In performing its obligations under the Administration Agreement, the Administrator will, subject to the terms and conditions of the Administration Agreement and the Mortgage Documents, and subject to the Administrator complying at all times with the terms of the Administration Agreement, the Mortgage Documents, any other legally binding restrictions applicable to the Administrator, have the full power, authority and right to do or cause to be done any and all things necessary, or incidental to the proper performance of the Administration Services to the standard of a Prudent Mortgage Administrator.

In performing the Administration Services the Administrator will act strictly in accordance with the Administration Agreement and the Mortgage Documents.

The Administrator will, upon and subject to the Mortgage Conditions, and any other legally binding restrictions applicable to it, have the full power, authority and right to do or cause to be done any and all things which it reasonably considers necessary, convenient or incidental to the provision of the Administration Services, provided however that nothing in the Administration Agreement shall be construed so as to give the Administrator any power, rights, authorities or discretions in respect of (1) the operating and financial policies of the Issuer (and the Administrator shall acknowledge that all powers to determine such policies (including the determination of whether or not any particular policy or course of action is for the benefit of the Issuer) are, and shall at all times remain, vested in the Issuer and its directors) and (2) any business or undertaking of the Issuer to the extent that such matter does not form part of the Administration Services.

The Administrator will comply with certain regulatory requirements mandated by law to which the Administrator is subject.

The Administrator will make all necessary administrative regulatory returns and filings on behalf of the Issuer. All non-administrative queries received in relation to same, shall be copied for information purposes to the Issuer.

“**Administration Services**” means the services provided by the Administrator in accordance with the Administration Agreement including in Schedule 2(Service Specification).

“**Mortgage Documents**” means the applicable loan agreements, mortgage deeds and other agreements and documents evidencing each of the Mortgage Assets.

“**Mortgage Conditions**” means the mortgage and lending conditions forming part of the Standard Documentation, applicable from time to time.

Appointment of the Legal Title Holder

On closing the Issuer will appoint Pepper, to hold legal title to the Mortgage Loans, the Related Security, all other relevant rights, title, interest and benefit of the Legal Title Holder in the Portfolio on trust for the Issuer from the Closing Date to the date of transfer and perfection of transfer of the said legal title to the Issuer.

However, at any time from (i) the date of the Administration Agreement in the case of a transfer of legal title arising on the delivery date of a Perfection Notice following the occurrence of a Perfection Trigger Event; or (ii) the date falling six (6) months from the Closing Date, in the case of any other requested transfer of legal title, the Issuer may (by not less than thirty (30) but not more than sixty (60) days' notice to the Legal Title Holder designating a Legal Title Transfer Date), subject to Trustee consent, request the Legal Title Holder to effectuate a transfer of the legal title to the Mortgage Loans and the Related Security to the Issuer or a nominee of the Issuer (as applicable) on the Legal Title Transfer Date under and pursuant to the terms of the Administration Agreement, by delivery to the Issuer or its nominee (as applicable) of the Transfer Documents duly executed by the Legal Title Holder.

Administration Services to be performed in respect of Mortgage Assets

Pursuant to the terms of the Administration Agreement, the Administrator will undertake to manage, administrate, collect and recover, in the name and on behalf of the Issuer, the Mortgage Assets in accordance with:

- (a) the standards of a Prudent Mortgage Administrator;
- (b) the terms and conditions of the Administration Agreement (including the Schedules);
- (c) the relevant Service Specification (as set out in Schedule 2 of the Administration Agreement);
- (d) Applicable Law or Regulation;
- (e) Good Industry Practice;
- (f) any alternative resolution strategies taken in relation to any particular Mortgage Assets; and
- (g) the outcome of any consultation with the Issuer.

Operation of Accounts

Pursuant to the terms of the Administration Agreement, the Administrator shall

- (a) maintain the Collection Accounts with the Collection Account Bank and will not have authority to make withdrawals from the Collection Accounts other than in accordance with terms of the Administration Agreement;
- (b) ensure that all collections are paid into the Collection Accounts in accordance with the terms of the Administration Agreement;
- (c) execute such documentation as the Issuer requires from time to time, including the Amended and Restated Declaration of Trust, to evidence that all amounts standing to the credit of the Collection Accounts are held on trust pursuant to the Amended and Restated Declaration of Trust by the Administrator for the Issuer, the DF4 Seller and the DF5 Seller;
- (d) not without the prior written consent of the Issuer or the Master Servicer open or maintain any other account (other than the Issuer Collection Account) in respect of the Mortgage Assets and/or into which collections are paid or close any Collection Account (provided that the BOI Collection Accounts may be closed only once the Issuer Collection Account has been opened);

- (e) ensure that account statements for the Collection Accounts is provided to the Issuer on a monthly basis and further provide such account statements for the Collection Accounts (in an electronic format) to the Issuer and, upon request, the Trustee upon receipt; and
- (f) account to the Issuer and the Sellers (where applicable in respect of Mortgage Loans beneficially owned by the Sellers after the date of the Administration Agreement) for all interest paid by the Collection Account Bank in respect of the Collection Accounts on a monthly basis.

The Administrator shall ensure that the collections are paid (whether by direct debit, cheque or cash deposit) directly into the relevant Collection Accounts and that no monies other than the collections are paid into the Collection Account save for monies held on trust for the Sellers (or either of them) pursuant to the Amended and Restated Declaration of Trust.

On or before the date of this Agreement the Issuer shall establish the Transaction Account.

The Administrator will acknowledge and agree that it will ensure that all amounts standing to the credit of the Collection Accounts that relate to collections received in respect of the Mortgage Loans beneficially owned by the Issuer are transferred to the Transaction Account on a daily basis.

Records

The Administrator shall keep and maintain Records, on a Mortgage Loan by Mortgage Loan basis, on a computer system (where electronically available), for the purposes of identifying amounts paid by each Borrower, any amount due by a Borrower, and the balance from time to time outstanding on a Borrower's account, and such other records as are required by the Service Specification, provided that, at all times the Administrator shall keep and identify separately all Records and amounts, including:

- (a) all monies received or paid by the Administrator in respect of the Mortgage Assets or otherwise on behalf of the Issuer into the Transaction Account;
- (b) all Title Deeds;
- (c) all Mortgage Documents; and
- (d) any other Records whatever, including information stored electronically, in respect of the Mortgage Assets.

"Records" means books of account, statements, transaction slips and vouchers, file notes, commentaries, financial and management reports, records and files that relate to the Mortgage Loans or relating to the Administration Services to be kept by the Administrator whether electronically (and in such case in machine-readable form and format) or otherwise.

"Title Deeds" means the deeds of title and ancillary documents relating to the Mortgage Loans.

Setting of Discretionary Rates on Mortgage Loans

Where interest payable in respect of a Mortgage Loan is set by reference to a standard variable rate (a "**SVR**"), the Administrator shall set such SVR at a rate which is equal to the ECB Rate plus the SVR ECB Margin (the "**SVR Floor**") provided that the Administrator shall only be under an obligation to apply the SVR Floor if it would not be reasonably likely to result in a breach of the applicable Mortgage Conditions or to be contrary to Applicable Law or Regulation, and applying such SVR Floor may be undertaken in accordance with the standards of a Prudent Mortgage Lender

“**SVR ECB Margin**” means the difference between the SVR applicable to the relevant Mortgage Loan as at the Cut-Off Date and the ECB Rate at the Cut-Off Date.

“**Quarterly Report**” means a report prepared by the Administrator pursuant to the Administration Agreement, in a form acceptable to the parties thereto.

“**Service Specification**” means the specifications of services set out in 2 as included in the Administration Agreement.

Sub-contracting and Delegation

The Administrator shall not sub-contract or delegate the performance of any of its obligations under the Administration Agreement to any sub-servicer, agent, delegate the performance of any of its obligations under the Administration Agreement to any sub-servicer, agent, delegate, sub-contractor or service provider without the prior written consent of the Issuer or the Master Servicer.

Remuneration of the Administrator

The Issuer shall pay or procure to pay to the Administrator on the Closing Date an administration set up fee of two hundred and fifteen thousand euro (€215,000).

The Issuer shall further pay to the Administrator (whether Administrator or Administrator and Legal Title Holder) for the Administration Services a fee, which shall be calculated in relation to each Calculation Period, equal to:

- (a) in circumstances where the Legal Title Holder holds legal title to the Mortgage Assets, zero point three eight per cent. (0.38%) per annum on the aggregate Current Balance of the Mortgage Loans (the “**Current Balance**”) on the last day of that Calculation Period; or
- (b) in circumstances where the Legal Title Holder does not legal title to the Mortgage Assets, zero point three five per cent. (0.35%) per annum on the aggregate Current Balance of the Mortgage Loans on the last day of that Calculation Period,

(the “**Administration Fee**”).

The Administration Fee shall be calculated, in relation to each relevant Calculation Period, on the basis of the number of days elapsed in that Calculation Period and a three hundred and sixty-five (365) day year. These fees shall be payable quarterly in arrears on each Interest Payment Date.

Limit on Liability of the Administrator

Nothing the Administration Agreement shall limit or exclude the liability of the Issuer or the Administrator in respect of:

- (a) death or personal injury caused by its negligence or that of its personnel;
- (b) fraud (including fraudulent misrepresentation) made by such Party; or
- (c) any liability which cannot be excluded or limited by Applicable Law or Regulation.

Subject to the terms of the Administration Agreement and except in respect of:

- (a) the Administrator’s fraud, gross negligence, or wilful default in the performance of its obligations under the Administration Agreement; or

- (b) as to any sum for which the Administrator fails to account to the Issuer for which it holds or should hold on trust for the Issuer,

any and all liability of the Administrator arising out of or in connection with the Administration Agreement and/or any other Transaction Document, whether arising in contract, tort (including negligence) or otherwise shall be limited to the higher of EUR five hundred thousand (€500,000.00) or two times all fees paid to the Administrator as at the date of determination under the Administration Agreement.

“Applicable Law or Regulation” means all applicable statutes, statutory instruments, orders, rules, regulations, common law or law of equity, court orders, judgments or decrees, codes of practice, regulatory policies and guidelines (whether or not having the force of law) in force from time to time but, for the avoidance of doubt, in reference to the obligations of the Administrator under the Administration Agreement, shall not include any such items of or arising from any jurisdictions other than Ireland which may apply by virtue of the nature or structure of the Issuer, its direct or indirect equity holders or controllers, its holdings, management structure or similar items.

“Good Industry Practice” means generally accepted good practices in the residential mortgage administration industry (as applicable), using that degree of skill, care, diligence, prudence, foresight, efficiency and practice which would be expected from a leading service provider within that industry (as applicable).

“Prudent Mortgage Administrator” means a prudent mortgage administration servicer that manages, administers and services mortgage loans in Ireland, in accordance with Applicable Law or Regulation and Good Industry Practice.

Termination of the appointment of the Administrator

Termination for cause

- (a) The Issuer may at any time, while any breach or event referred to below is continuing (each an **“Administrator Termination Event”**), by notice in writing to the Administrator, terminate the Administration Agreement with effect from the date (no earlier than the date of that notice) specified in that notice in the following circumstances:
- (i) if the Administrator breaches an obligation under the Administration Agreement to pay any amount due to the Issuer and such breach continues unremedied for a period of five (5) Business Days after the date of receipt by the Administrator of written notice from the Issuer requiring the same to be remedied;
 - (ii) if the Administrator breaches any other material covenant, obligation, representation or warranty under the Administration Agreement and the Administrator does not remedy that breach, if capable of remedy, within twenty (20) Business Days after the date of receipt by the Administrator of written notice from the Issuer requiring the Administrator’s non-compliance to be remedied;
 - (iii) on the occurrence of an Insolvency Event in relation to the Administrator;
 - (iv) if the Administrator ceases to carry on, or resolves to cease to carry on, the business of administering mortgage loans or ceases a substantial portion of such business;
 - (v) subject to the terms of the Administration Agreement, in the event of a loss by the Administrator of any regulatory licence or authorisation necessary for it to perform all or a material part of the Administration Services in accordance with the Administration Agreement;

- (vi) any investigation by a Regulator which would materially impact the Administrator's ability to perform its obligations under the Administration Agreement;
- (vii) subject to the terms of the Administration Agreement, any restriction is applied by a Regulator which would prevent the Administrator from complying with any of its material obligations under the Administration Agreement;
- (viii) in the event of the occurrence of a direct or indirect Change of Control outside of the Administrator Group in respect of the Administrator, provided that if the Administrator has notified the Issuer in writing that any such Change of Control has taken place, the Issuer must deliver a termination notice within twenty (20) Business Days following receipt of such notice and, if the Issuer has not delivered a termination notice within such time period, the Issuer will be deemed to have consented to the Change of Control specified in the written notice from the Administrator;
- (ix) if the Administrator commits any act or omission in the performance of the Administration Services that constitutes fraud, wilful default or gross negligence or the Administrator is found guilty of a criminal offence;
- (x) if the Administrator fails to deliver a Quarterly Report on two or more consecutive occasions;
or
- (xi) in the event of a Material Adverse Effect in relation to the Administrator.

The Administrator shall promptly notify the Issuer and the Trustee in writing of the occurrence of an Insolvency Event in respect of the Administrator or any event which had or could reasonably be expected to have a Material Adverse Effect in relation to the Administrator.

Administrator Resignation Event

Subject to the terms of the Administration Agreement, the Administration Agreement may be terminated by the Administrator upon the written notice of termination given by the Administrator to the Issuer and the Back-Up Administrator Facilitator upon the occurrence of the following (each an "**Administrator Resignation Event**") at once or at any time thereafter:

- (a) Subject to amounts being available under the relevant Priority of Payments, a default is made by the Issuer in the payment of Fees or any amounts owing to the Administrator under the Administration Agreement and such default continues unremedied by the Issuer for two (2) months;
- (b) if the Issuer breaches any other material covenant or obligation under the Administration Agreement and either the Issuer does not remedy that breach, if capable of remedy, within twenty (20) Business Days after the date of receipt by the Issuer of written notice from the Administrator requiring the Issuer's non-compliance to be remedied; or
- (c) the occurrence of an Insolvency Event in respect of the Issuer,

with effect from a date which shall be the later of (i) the date specified in the termination notice and (ii) the earlier of (x) the expiry of 120 days from the date on notice of termination has been given to the Issuer by the Administrator under Clause 15.2 of the Administration Agreement and (y) the appointment by the Issuer of a Successor Administrator. In the event of termination of the Administration Agreement for the reasons above, the Administrator shall be entitled to receive a termination fee as set out in the Administration Agreement and the Issuer shall be deemed to have also terminated the appointment of the Legal Title Holder and all Fees accrued and due to the Administrator at the time of termination shall be immediately payable by the Issuer.

Mutual termination

Illegality, licences and authorisation

The Administration Agreement may be terminated by any of the parties thereto upon giving 120 days' written notice to the other parties if reasonably practicable in the circumstances given the effective or occurrence date of the event, and otherwise on such shorter notice period that is reasonably practicable under the circumstances, without further liability arising between the parties if a change of Applicable Law or Regulation or other event outside the control of the parties has occurred which:

- (a) renders the performance of Administration Agreement or the Administration Services (or any part thereof but only provided that such part of the Administration Services is material to providing the Administration Services) illegal;
- (b) causes the loss of all or any necessary regulatory authorisations, approvals, licences, consents and permissions necessary for the provision of the Administration Services; or
- (c) requires the obtaining by any party to the Administration Agreement of new or additional regulatory authorisations, approvals, licences, consents and permissions or necessitates material alterations to the Administration Services or the loan administration system of the Administrator, which requirement or necessity imposes a material financial and/or administrative burden on any such party,

and, as to any such items, the parties to the Administration Agreement are unable to agree mutually acceptable terms in light of any such illegality or loss of licences or authorisations or any mutually acceptable resolution, accommodation, modification or work-around, in any case to avoid or address any such illegality or loss of licences or authorisations.

Termination for Convenience

At any time from the date falling 6 (six) months from the Closing Date, the Issuer may, with the prior consent of the Trustee by not less than thirty (30) days' notice require the termination of the appointment of the Administrator under the Administration Agreement and appoint a Successor Administrator.

Requirement to appoint a successor administrator following termination

No termination of the appointment of the Administrator following a request by the Issuer under the Administration Agreement will be effective until a successor administrator has been appointed in accordance with the terms of the Administration Agreement.

Termination by Trustee

The Trustee may, after the delivery of an Enforcement Notice, by notice in writing to the Administrator (with a copy to the Issuer) terminate the appointment of the Administrator under the Administration Agreement with effect from the date specified in that notice.

Appointment of a Successor Administrator

If the Administrator's appointment is terminated in accordance with the Terms of the Administration Agreement, the Back-Up Administrator Facilitator shall use its reasonable endeavors (on behalf of the Issuer and each of the Sellers) to appoint a Successor Administrator who shall assume the role of the Administrator to the Issuer and whose appointment is approved by the Issuer and the Trustee.

Governing law

The Administration Agreement and any non-contractual obligations arising out of or in connection with the Administration Agreement are governed by, and construed in accordance with Irish law.

THE MASTER SERVICING AGREEMENT

Introduction

The Issuer, the Trustee, the Administrator and the Master Servicer will enter into the master servicing agreement on or about the Closing Date (the “**Master Servicing Agreement**”).

Appointment of the Master Servicer

On the Closing Date, Dilosk Designated Activity Company (in such capacity, the “**Master Servicer**”) will be appointed by the Issuer under the Master Servicing Agreement to provide the Master Services.

Following the service of an Enforcement Notice by the Trustee to the Issuer, the Master Servicer will comply at all times with any instruction given by the Trustee or any Appointee Receiver and no other party. The Master Servicer must be notified if the Issuer receives an Enforcement notice.

Each of the parties to the Master Servicing Agreement acknowledges and agrees that following any termination of the Master Servicing Agreement, the Administrator shall (so far as possible) take any instructions from the Issuer in accordance with the terms of the Administration Agreement (or following receipt by the Issuer of an Enforcement Notice to the Trustee or any Receiver or Appointee) that would otherwise be the responsibility of the Master Servicer in accordance with the terms of the Master Servicing Agreement.

Master Services to be performed in respect of Mortgage Loans

Supply of Master Services

- (a) The Master Servicer will provide the Master Services to the Issuer, or to the Trustee following receipt by the Issuer of an Enforcement Notice which has been notified to the Master Servicer, with effect from the Closing Date in respect of the Portfolio, subject to and in accordance with the provisions of the Master Servicing Agreement.
- (b) The Master Servicer will use reasonable endeavours to maximise the net recovery, and will use reasonable endeavours to procure that the Administrator maximises the net recovery, to the Issuer from the Mortgage Loans.

Service Levels

- (a) The Master Servicer will undertake to perform the Master Services at all times exercising the standard of skill and care and with sufficient staff (of appropriate skill and ability) to be expected of a Prudent Mortgage Administrator and in accordance with Applicable Law or Regulation.
- (b) The Master Servicer will use reasonable endeavours to procure that the Administrator performs its duties and obligations to the standard of skill and care and with sufficient staff (of appropriate skill and ability) to be expected of a Prudent Mortgage Administrator.
- (c) The Master Servicer will agree to take any action in respect of the Mortgage Loans which the Issuer reasonably requests to remedy or prevent any material adverse impact on the reputation of the Issuer, provided it is in accordance with all Applicable Law or Regulation.

“Master Services” means the services provided by the Master Servicer in accordance with the Master Servicing Agreement, including in Schedule 1 (Master Services).

Operation of Accounts

- (a) The Master Servicer shall monitor all cash flows in to and out of the Collection Accounts and shall request monthly written statements from (i) the Issuer with respect to the Transaction Account and (ii) the Administrator and the Issuer with respect to the Collections Accounts. The Master Servicer will review the Quarterly Reports and the Cash Manager Reports to be prepared by the Administrator to enable it to monitor all cash flows in to and out of the Collection Accounts.
- (b) The Master Servicer will liaise with the Cash Manager in respect to the payment of Available Revenue Receipts and Available Principal Receipts on each Interest Payment Date in accordance with the provisions of the Cash Management Agreement (subject to having available funds in the Transaction Account and subject to the Priorities of Payment).

Sub-Contracting

Subject to the terms of the Master Servicing Agreement, the Master Servicer shall not subcontract or delegate the performance of any of its obligations under the Master Servicing Agreement to subcontractors and delegates without the prior written consent of the Issuer, or following receipt by the Issuer of an Enforcement Notice, the Trustee.

Termination of the appointment of the Administrator

Voluntary Termination

The Master Servicer may not terminate the Master Servicing Agreement prior to six (6) months after the Closing Date. Thereafter, the Master Servicer may terminate the Master Servicing Agreement upon giving three (3) months prior written notice to the Issuer with a copy to the Administrator and the Trustee.

The Issuer may not terminate the Master Servicing Agreement prior to six (6) months after the Closing Date and thereafter, the Issuer may request to terminate the Master Servicing Agreement upon giving three (3) months prior written notice to the other parties. Following receipt by the Issuer of an Enforcement Notice, the Trustee may terminate the Master Servicing Agreement upon giving three (3) months prior written notice to the other parties thereto.

Partial Termination

If default is made by the Master Servicer in the performance or observance of any of the Master Services, and such default continues unremedied for a period of fifteen (15) days after receipt by the Master Servicer of written notice from the Issuer or (following receipt by the Issuer of an Enforcement Notice) the Trustee with a copy to the Administrator requiring the same to be remedied then the Issuer or (following receipt by the Issuer of an Enforcement Notice) the Trustee may terminate the relevant Master Service (or Master Services).

Causes for Immediate Termination

The Issuer or (following receipt by the Issuer of an Enforcement Notice) the Trustee may terminate the Master Servicing Agreement forthwith upon notice in writing if any of the following events (each a **“Termination Event”**) shall occur:

- (a) if the Master Servicer commits a breach of any fundamental term of the Master Servicing Agreement including, without limitation, any covenant set out in Clause 12 (Covenants); or

- (b) if default is made by the Master Servicer in the performance or observance of any of its other covenants and obligations under the Master Servicing Agreement, which is materially prejudicial to the interests of the Issuer and (except where such default is incapable of remedy, when no such continuation and/or notice as is hereinafter mentioned will be required) such default continues unremedied for a period of thirty (30) days after receipt by the Master Servicer of written notice from the Issuer, or following receipt by the Issuer of an Enforcement Notice, the Trustee requiring the same to be remedied; or
- (c) if the Master Servicer breaches any of the terms of the Master Servicing Agreement in such a manner which in the opinion of the Issuer, or following receipt by the Issuer of an Enforcement Notice, the Trustee (in each case acting reasonably) they consider that the Master Servicer's conduct is inconsistent with it having the intention or ability to give effect to the terms of the Master Servicing Agreement; or
- (d) if the Master Servicer loses any regulatory approval which is necessary in order to provide some or all of the Master Services;
- (e) if an order is made or an effective resolution passed for winding-up of the Master Servicer;
- (f) if the Master Servicer is unable to pay its debts within the meaning of Sections 509 or 570 of the Companies Act 2014 of Ireland (provided, however, for the purposes of determining whether the Master Servicer is unable to pay its debts the reference to €10,000 in Section 570(a)(i) and the reference to €20,000 in Section 570(b)(i) shall be deemed to be €50,000,000) or the Master Servicer convenes a meeting or compounds with its creditors or if an order is made or a resolution is passed for its winding up (otherwise than for the purposes of solvent amalgamation or reconstruction where the resultant entity assumes all the obligations of that party) or it is placed in examinership or if an order is made or petition filed for the appointment of an administrator or examiner to it or if a receiver is appointed over any of its assets or undertakings or if circumstances arise which entitle the Court to make a winding-up order or if the Master Servicer takes or suffers any analogous action; or
- (g) if proceedings are initiated against the Master Servicer under any applicable liquidation, administration, insolvency, composition, reorganisation (other than a reorganisation the terms of which have been previously approved by the Issuer, or following receipt by the Issuer of an Enforcement Notice, the Trustee and where the Master Servicer is solvent or a petition being presented alleging non-payment of, or an inability to pay, an amount less than €50,000,00, or any petition which is frivolous or vexatious and is withdrawn within thirty (30) Business Days of the commencement thereof) or other similar laws, save where such proceedings are being contested in good faith by the Master Servicer, or an administrative or other receiver, administrator or other similar official is appointed in relation to the Master Servicer in relation to the whole or any part of the undertaking or assets of the Master Servicer or an encumbrance shall take possession of the whole or any substantial part of the undertaking or assets of the Master Servicer, or a distress, execution, attachment, sequestration or diligence or other process shall be levied or enforced upon or sued out against the whole or any substantial part of the undertaking or assets of the Master Servicer and in any of the foregoing cases it shall not be discharged within fifteen (15) days; or if the Master Servicer shall initiate or consent to judicial proceedings relating to itself under any applicable liquidation, administration, insolvency, composition, reorganisation or other similar laws or shall make a conveyance or assignment for the benefit of its creditors generally,
- (h) if the Master Servicer makes a general assignment, arrangement or composition with or for the benefit of its creditors; and
- (i) if the Master Servicer causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified under (b) to (d) above (inclusive).

In the event that the appointment of Dilosk Designated Activity Company as Master Servicer is terminated in accordance with the terms of the Master Servicing Agreement, the Administrator will act as the sole servicer of the Issuer in relation to the Portfolio.

Limit on Liability of the Master Servicer

The Master Servicer shall have no liability for any obligation of any Borrower under any Mortgage Loan.

The Master Servicer will undertake to the Issuer to indemnify the Issuer and the Trustee against all proceedings, costs, liabilities, damages, claims and expenses which the Issuer or the Trustee may suffer or incur as a direct and foreseeable result of the Master Servicer's negligence, wilful default or fraud, but shall not be liable for any indirect or consequential losses or Liabilities which the Issuer or Trustee may suffer or incur as a result of such negligence, wilful default or fraud, subject to the terms of the Master Servicing Agreement.

For the avoidance of doubt, the Master Servicer's aggregate liability for losses and liabilities referred to under the Master Servicing Agreement will be capped at €1,000,000 but shall remain uncapped for any liability incurred as a direct and foreseeable result of the Master Servicer's negligence, wilful default or fraud.

Governing Law

The Master Servicing Agreement and any non-contractual obligations arising out of or in connection with the Master Servicing Agreement are governed by, and construed in accordance with Irish law.

THE ACCOUNT BANK

Pursuant to an agreement dated on or about the Closing Date between the Issuer, the Cash Manager, the Account Bank and the Trustee (the “**Account Bank Agreement**”), Citibank, N.A., London Branch in its capacity as Account Bank, has agreed to maintain the Transaction Account (such account, together with any other additional or replacement account in the name of the Issuer opened in accordance with the Transaction Documents, the “**Issuer Accounts**”) on behalf of the Issuer.

Citibank, N.A. is a national association formed through its Articles of Association; it obtained its charter, 1461, 17 July 1865, and is governed by the laws of the United States, having its principal business office situated at 388 Greenwich Street, New York, NY 10013, USA and having in Great Britain a principal branch office situated at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB with foreign company number FC001835 and branch number BR001018.

The London Branch of Citibank, N.A. is authorised and regulated by the Office of the Comptroller of the Currency (USA) and is authorised by the Prudential Regulation Authority. It is subject to regulation by the Financial Conduct Authority and to limited regulation by the Prudential Regulation Authority.

The Account Bank Agreement

If the long-term unsecured, unsubordinated and unguaranteed debt obligations rating of the Account Bank falls below A2 by Moody's or if the long-term senior unsecured debt rating of the Account Bank falls below BBB from DBRS or 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 Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and, the Class E Notes, the Class F Notes or (in each case) such other credit rating as would not adversely affect the then current rating of the Rated Notes (the “**Minimum Account Bank Rating**”), the Issuer shall, within 30 calendar days, use reasonable endeavours to transfer the Transaction Account to another bank that satisfies the Rating Agencies' criteria in accordance with the Rating Agencies' criteria.

The Issuer Accounts will bear or charge interest at the rate agreed from time to time between the Issuer and the Account Bank. If a negative interest rate is applied to an Issuer Account by the Account Bank, the relevant charged interest will be billed to the Issuer by the Account Bank in the form of a utilisation fee and will be paid concurrently with the fees payable by the Issuer to the Account Bank, subject to the applicable Priority of Payments.

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:

- (a) Available Revenue Receipts are expected to exceed interest due and payable on the Rated Notes and Senior Expenses of the Issuer (including €1,000 per annum payable in an amount of €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 (the “**Issuer Profit Amount**”).
- (b) Amounts standing to the credit of the General Reserve Fund will be applied as Available Revenue Receipts in accordance with the Pre-Enforcement Revenue Priority of Payments.
- (c) Any Senior Class Shortfall on any Interest Payment Date may be funded by applying Available Principal Receipts.
- (d) Prior to the delivery of an Enforcement Notice, Available Revenue Receipts will be applied, in accordance with the Pre-Enforcement Revenue Priority of Payments and Available Principal Receipts will be applied in accordance with the Pre-Enforcement Principal Priority of Payments. Following the delivery of an Enforcement Notice, all monies and all amounts received or recovered will be applied in accordance with the Post-Enforcement Priority of Payments.
- (e) At all times:
 - (i) payments of principal on the Class A Notes will be made in priority to payments of principal on the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes, the Class Z2 Notes, the Class Z1 Notes, the Class X Notes and the Class R Notes;
 - (ii) payments of principal on the Class B Notes will be made in priority to payments of principal on the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes, the Class Z2 Notes, the Class Z1 Notes, the Class X Notes and the Class R Notes;
 - (iii) payments of principal on the Class C Notes will be made in priority to payments of principal on the Class D Notes, the Class E Notes, the Class F Notes, the Class Z2 Notes, the Class Z1 Notes the Class X Notes and the Class R Notes;
 - (iv) payments of principal on the Class D Notes will be made in priority to payments of principal on the Class E Notes, the Class F Notes, the Class Z2 Notes, the Class Z1 Notes, the Class X Notes and the Class R Notes;
 - (v) payments of principal on the Class E Notes will be made in priority to payments of principal on the Class F Notes, the Class Z2 Notes, the Class Z1 Notes, the Class X Notes and the Class R Notes;
 - (vi) payments of principal on the Class F Notes will be made in priority to payments of principal on the Class Z2 Notes, the Class Z1 Notes, the Class X Notes and the Class R Notes;
 - (vii) payments of principal on the Class Z2 Notes will be made in priority to payments of principal on the Class Z1 Notes, the Class X Notes and the Class R Notes;

- (viii) payments of principal on the Class Z1 Notes will be made in priority to payments of principal on the Class X Notes and the Class R Notes; and
 - (ix) payments of principal on the Class X Notes will be made in priority to payments of principal on the Class R Notes.
- (f) Prior to the service of an Enforcement Notice by the Trustee on the Issuer, payments of principal on the Class X Notes will be made in accordance with the Pre-Enforcement Revenue Priority of Payments and the Pre-Enforcement Principal Priority of Payments, while any of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes, the Class Z2 Notes or the Class Z1 Notes are outstanding, until the Principal Amount Outstanding of the Class X Notes is reduced down to €1. Following the service of an Enforcement Notice by the Trustee on the Issuer, the Class X Notes will be redeemed in accordance with the Post-Enforcement Priority of Payments after the redemption of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes, the Class Z2 Notes and the Class Z1 Notes, until the Principal Amount Outstanding of the Class X Notes is reduced down to €1.
- (g) Prior to the service of an Enforcement Notice by the Trustee on the Issuer, payments of principal on the Class R Notes will be made in accordance with the Pre-Enforcement Revenue Priority of Payments and the Pre-Enforcement Principal Priority of Payments, while any of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, Class E Notes, the Class F Notes, the Class Z2 Notes or the Class Z1 Notes are outstanding, until the Principal Amount Outstanding of the Class R Notes is reduced down to €1. Following the service of an Enforcement Notice by the Trustee on the Issuer, Class R Notes will be redeemed in accordance with the Post-Enforcement Priority of Payments after the redemption of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes, the Class Z2 Notes, the Class Z1 Notes and the Class X Notes, until the Principal Amount Outstanding of the Class R Notes is reduced down to €1.
- (h) At all times:
- (i) payments of interest on the Class A Notes and the Class X Notes will rank *pari passu* without preference or priority among themselves and will be made in priority to payments of interest on the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes, the Class Z1 Notes, the Class Z2 Notes, payments of principal on the Class Z2 Notes, the Class X Notes and the Class R Notes and payments of interest on the Class R Notes;
 - (ii) payments of interest on the Class B Notes will be made in priority to payments of interest on the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes, the Class Z1 Notes, the Class Z2 Notes, payments of principal on the Class Z2 Notes, the Class X Notes and the Class R Notes and payments of interest on the Class R Notes;
 - (iii) payments of interest on the Class C Notes will be made in priority to payments of interest on the Class D Notes, the Class E Notes, the Class F Notes, the Class Z1 Notes, the Class Z2 Notes, payments of principal on the Class Z2 Notes, the Class X Notes and the Class R Notes and payments of interest on the Class R Notes;
 - (iv) payments of interest on the Class D Notes will be made in priority to payments of interest on the Class E Notes, the Class F Notes, the Class Z1 Notes, the Class Z2 Notes, payments of principal on the Class Z2 Notes, the Class X Notes and the Class R Notes and payments of interest on the Class R Notes;
 - (v) payments of interest on the Class E Notes will be made in priority to payments interest on the Class F Notes, the Class Z1 Notes, the Class Z2 Notes, payments of principal on the Class

Z2 Notes, the Class X Notes and the Class R Notes and payments of interest on the Class R Notes;

- (vi) payments of interest on the Class F Notes will be made in priority to payments of principal and interest on the Class Z1 Notes and the Class Z2 Notes, payments of principal on the Class Z2 Notes, the Class X Notes and the Class R Notes and payments of interest on the Class R Notes;
- (vii) payments of interest on the Class Z1 Notes will be made in priority to payments of interest on the Class Z2 Notes, payments of principal on the Class X Notes and the Class R Notes and payments of interest on the Class R Notes;
- (viii) payments of interest on the Class Z2 Notes will be made in priority to payments of principal on the Class Z2 Notes, the Class X Notes and the Class R Notes and payments of interest on the Class R Notes; and
- (ix) payments of principal on the Class X Notes will be made in priority to payments of principal and interest on the Class R Notes.

For the purposes of this paragraph and where used elsewhere in this Prospectus:

“First Interest Payment Date” means the Interest Payment Date falling in March 2019.

“Senior Expenses” means any senior expenses of the Issuer which rank in priority to the Class A Notes in the relevant Priority of Payments.

Each of these factors is considered in more detail below.

Credit support for the Notes provided by Available Revenue Receipts

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. See *"Key Structural Features" – The Principal Deficiency Ledger*.

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 items (f) and (r) of the Pre-Enforcement Revenue Priority of Payments, such excess is available to replenish and increase the General Reserve Fund up to an amount equal to the General Reserve Fund Required Amount.

Liquidity support provided by use of general reserve fund

On each Interest Payment Date, the Cash Manager on behalf of the Issuer shall apply amounts standing to the credit of the General Reserve Fund in accordance with the Pre-Enforcement Revenue Priority of Payments. See section entitled *"Cashflows and Cash Management"*.

Liquidity support provided by use of Available Principal Receipts to fund Senior Class Shortfall

On each Determination Date, the Cash Manager shall determine the amount of Senior Class Shortfall, if any. To the extent that there is a Senior Class Shortfall, the Cash Manager on behalf of the Issuer shall, on the relevant Interest Payment Date, pay or provide for such Senior Class Shortfall by applying Available Principal Receipts, if any in accordance with the Pre-Enforcement Principal Priority of Payments. See section entitled *"Cashflows and Cash Management"*.

Payment of the Notes in sequential order and deferral of payments on the Notes

Payments of interest and principal on the Classes of Notes will be paid in accordance with the relevant Priority of Payments.

Subject to certain conditions under Condition 8.10 (*Deferral of Interest and Additional Note Payments*), any shortfall in payments of interest on Notes (other than in respect of the Class A 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 the relevant Class of Notes will be increased to take account of any deferral of such amounts for the 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.

Similarly, any shortfall in payments of Additional Note Payments on Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F 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 relevant Additional Note Payments will be made (including interest (if any) accrued but unpaid and/or deferred and accrued interest thereon). 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 Additional Note Payments on any Class of Notes, then the relevant Noteholders may not receive all Additional Note Payments.

The Principal Deficiency Ledger

On each Determination Date, the Cash Manager will determine (based on information provided by the Administrator with respect to the Portfolio):

- (i) any Losses on the Mortgage Loans in the Portfolio;
- (ii) any Mortgage Loan that has become a Split Mortgage Loan; 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.

In the case of a Mortgage Loan that becomes a Split Mortgage Loan, for the purposes of determining the interest amount payable in respect of such Mortgage Loan, the Current Balance of such Mortgage Loan will be deemed to be reduced by the principal balance of the related Warehoused Mortgage Account. Approximately 2.74% per cent. by value of the Mortgage Loans in the Provisional Mortgage Portfolio constitute Split Mortgage Loans with the aggregate balance of the corresponding Warehoused Mortgage Accounts representing approximately 0.91% per cent. by value of the Mortgage Loans in the Provisional Mortgage Portfolio. The Split Mortgage Loan product is considered by the Administrator once it has been determined that other restructuring proposals do not provide a sustainable solution to the Borrower and that the Split Mortgage Loan is considered preferable to other resolution options offered by the Administrator. The Split Mortgage Loan product is particularly appropriate for vulnerable Borrowers for whom legal enforcement can be challenging. As at the Closing Date, the Split Mortgage Loans contained in the Portfolio were created prior to 31 July 2016..

A Principal Deficiency Ledger, comprising seven sub-ledgers (one relating to each class of Notes (other than the Class Z2 Notes, the Class X Notes and the Class R Notes)), will be established on the Closing Date. The Principal Deficiency Ledger will record as debit items any losses or deemed principal losses in respect of the Portfolio, including the following:

- (i) any Losses on the Mortgage Loans in the Portfolio realised during the preceding Calculation Period;
- (ii) in the case of either (x) any Split Mortgage Loan or (y) 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, where:

“Loss Provision Amount” means an amount equal to the greater of (a) zero and (b) the difference between the Arrears Deficiency Provision Amount on that Determination Date and the Arrears Deficiency Provision Amount on the preceding Determination Date.

“Arrears Deficiency Provision Amount” means an amount equal to A plus B minus C, and if the amount is less than zero, the Arrears Deficiency Provision Amount will be deemed to be zero;

“A” means the sum, for each 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, of the product of a) the Current Balance of that Mortgage Loans and b) the then current Arrears Percentage of that Mortgage Loan;

“B” means for each Split Mortgage Loan an amount equal to the then current principal balance of the related Warehoused Mortgage Account; and

“C” means €8,594,400

- (iii) Principal Receipts to meet any Senior Class Shortfall on the following Interest Payment Date;
- (iv) Principal Deficiency Excess Revenue Amount on that Determination Date.

Debits recorded on the Class A Principal Deficiency Sub-Ledger shall be recorded in respect of the Class A Notes. Debits recorded on the Class B Principal Deficiency Sub-Ledger shall be recorded in respect of the Class B Notes. Debits recorded on the Class C Principal Deficiency Sub-Ledger shall be recorded in respect of the Class C Notes. Debits recorded on the Class D Principal Deficiency Sub-Ledger shall be recorded in respect of the Class D Notes. Debits recorded on the Class E Principal Deficiency Sub-Ledger shall be recorded in respect of the Class E Notes. Debits recorded on the Class F Principal Deficiency Sub-Ledger shall be recorded in respect of the Class F Notes. Debits recorded on the Class Z1 Principal Deficiency Sub-Ledger shall be recorded in respect of the Class Z1 Notes.

Any amounts recorded as debit entries to the Principal Deficiency Ledger shall be debited in the following order:

- (a) *first*, to the Class Z1 Principal Deficiency Sub-Ledger up to a maximum of the Principal Amount Outstanding of the Class Z1 Notes;
- (b) *second*, to the Class F Principal Deficiency Sub-Ledger up to a maximum of the Principal Amount Outstanding of the Class F Notes;
- (c) *third*, to the Class E Principal Deficiency Sub-Ledger up to a maximum of the Principal Amount Outstanding of the Class E Notes;
- (d) *fourth*, to the Class D Principal Deficiency Sub-Ledger up to a maximum of the Principal Amount Outstanding of the Class D Notes;

- (e) *fifth*, to the Class C Principal Deficiency Sub-Ledger up to a maximum of the Principal Amount Outstanding of the Class C Notes;
- (f) *sixth*, to the Class B Principal Deficiency Sub-Ledger up to a maximum of the Principal Amount Outstanding of the Class B Notes; and
- (g) *seventh*, to the Class A Principal Deficiency Sub-Ledger up to a maximum of the Principal Amount Outstanding of the Class A Notes.

Amounts allocated to the Principal Deficiency Ledger shall be reduced to the extent of Available Revenue Receipts available for such purpose on each Interest Payment Date in accordance with the Pre-Enforcement Revenue Priority of Payments as follows:

- (i) *first*, to the Class A Principal Deficiency Sub-Ledger to reduce the debit balance to zero;
- (ii) *second*, to the Class B Principal Deficiency Sub-Ledger to reduce the debit balance to zero;
- (iii) *third*, to the Class C Principal Deficiency Sub-Ledger to reduce the debit balance to zero;
- (iv) *fourth*, to the Class D Principal Deficiency Sub-Ledger to reduce the debit balance to zero;
- (v) *fifth*, to the Class E Principal Deficiency Sub-Ledger to reduce the debit balance to zero;
- (vi) *sixth*, to the Class F Principal Deficiency Sub-Ledger to reduce the debit balance to zero; and
- (vii) *seventh*, to the Class Z1 Principal Deficiency Sub-Ledger to reduce the debit balance to zero.

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

In the event that it is determined that the debit balance of the Principal Deficiency Ledger was 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 are applied to cure a debit entry on the Principal Deficiency Ledger will be excessive for such purpose. In such circumstances the Cash Manager, on the Determination Date, shall 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**".

"**Arrears Percentage**" means:

- (a) for Mortgage Loans in respect of which the aggregate of the amounts due and unpaid in accordance with the scheduled interest and principal instalments for such Mortgage Loans exceed an amount equal to between 180 days and 269 days of scheduled interest and principal instalments for such Mortgage Loans, 20 per cent.;

- (b) for Mortgage Loans in respect of which the aggregate of the amounts due and unpaid in accordance with the scheduled interest and principal instalments for such Mortgage Loans exceed an amount equal to between 270 days and 359 days of scheduled interest and principal instalments for such Mortgage Loans, 35 per cent.; and
- (c) for Mortgage Loans in respect of which the aggregate of the amounts due and unpaid in accordance with the scheduled interest and principal instalments for such Mortgage Loans exceed an amount equal to more than 359 days of scheduled interest and principal instalments for such Mortgage Loans, 50 per cent.

“Class A Principal Deficiency Sub-Ledger” means the sub-ledger of the Principal Deficiency Ledger relating to the Class A Notes.

“Class B Principal Deficiency Sub-Ledger” means the sub-ledger of the Principal Deficiency Ledger relating to the Class B Notes.

“Class C Principal Deficiency Sub-Ledger” means the sub-ledger of the Principal Deficiency Ledger relating to the Class C Notes.

“Class D Principal Deficiency Sub-Ledger” means the sub-ledger of the Principal Deficiency Ledger relating to the Class D Notes.

“Class E Principal Deficiency Sub-Ledger” means the sub-ledger of the Principal Deficiency Ledger relating to the Class E Notes.

“Class F Principal Deficiency Sub-Ledger” means the sub-ledger of the Principal Deficiency Ledger relating to the Class F Notes.

“Class Z1 Principal Deficiency Sub-Ledger” means the sub-ledger of the Principal Deficiency Ledger relating to the Class Z1 Notes.

“Losses” means any losses as determined by the Administrator in accordance with its then current procedures, arising in relation to a Mortgage Loan in the Portfolio which causes a shortfall in the amount available to pay principal on the Notes (including, without limitation, any write downs under the Personal Insolvency Act or any loss as a result of an exercise of any set-off by any Borrower in respect of its Mortgage Loan) or otherwise;

“Main Mortgage Account” means, in relation to a Split Mortgage Loan, that portion of the principal balance on which interest continues to be charged.

“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, the Class E Principal Deficiency Sub-Ledger, the Class F Principal Deficiency Sub-Ledger and the Class Z1 Principal Deficiency Sub-Ledger maintained by the Cash Manager on behalf of the Issuer.

“Split Mortgage Loan” means any Mortgage Loan that has been split into a Main Mortgage Account and a Warehoused Mortgage Account (and, for the avoidance of doubt, the Main Mortgage Account and the Warehoused Mortgage Account do not constitute separate or new Mortgage Loans) as part of the Sellers’ arrears management procedures, with interest payable only in respect of the Main Mortgage Account.

“Warehoused Mortgage Account” means, in respect of a Split Mortgage Loan, the portion of the principal balance that is warehoused until the final redemption date of the Mortgage Loan with the principal balance being payable on such final redemption date.

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 an agreement entered into on or about the Closing Date between the Cash Manager, the Issuer and the Trustee (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*".

The Cash Manager will provide the Issuer, and the Trustee with the Investor Report by not later than 5.00pm on each Reporting Date, provided that the Administrator shall have delivered the Cash Manager Report by no later than 10.00 a.m. on the sixth Business Day immediately preceding that Reporting Date, such obligation to provide the Investor Report will be deemed to be discharged if the Cash Manager publishes the Investor Report on <https://sf.citidirect.com> by 5.00 p.m. on each Reporting Date.

"**Cash Manager Report**" means the report to be delivered by the Administrator to the Cash Manager and which will contain sufficient information to enable the Cash Manager to prepare the Investor Report.

"**Reporting Date**" means the Business Day after each Interest Payment Date.

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 received by the Issuer in any Calculation Period shall be credited by the Cash Manager to the ledger created for such purpose (the "**Revenue Ledger**") on the Transaction Account.

"**Revenue Receipts**" means payments received by the Issuer directly or from the Sellers 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 from defaulting Borrowers under Mortgage Loans in respect of which enforcement procedures have been completed;
- (d) the proceeds of any payment attributable to interest in relation to any Mortgage Loan by the relevant Seller (without double counting), including (without limitation) the proceeds of any payment that are attributable to a breach of any of the representations, warranties, indemnities or any other payment given in respect of such Mortgage Loan by: (i) the relevant Seller pursuant to the relevant Mortgage Sale Agreement; (ii) Leeds Building Society pursuant to the DF5 LBS Mortgage Sale Agreement; (iii) Windmill Funding DAC and/or Pepper Finance Corporation (Ireland) DAC pursuant to the DF4 Windmill Mortgage Sale Agreement; or (iv) Windmill Funding DAC and/or Pepper Finance Corporation (Ireland) DAC pursuant to the DF5 Windmill Mortgage Sale Agreement; and
- (e) any early repayment charges which have been paid by a Borrower in respect of any 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 the determination date to and including the determination date.

"**Arrears of Interest**" means as at any date (the "**determination date**") on or after the Closing Date and in relation to any Mortgage Loan, interest (which has not been capitalised) on such Mortgage Loan which is currently due, payable and unpaid.

"**Capitalised Arrears**" means, in relation to a Mortgage Loan, on any date, amounts (excluding Arrears of Interest) 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 with the Borrower's consent or in accordance with the relevant Sellers' normal charging practices and any applicable regulatory obligations.

"**Capital Balance**" means in respect of a Mortgage Loan at any date the principal balance of that Mortgage Loan.

"**Monthly Payment Date**" means the date on which interest (and principal in relation to a Repayment Mortgage Loan) is due to be paid by a Borrower on a Mortgage Loan 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.

Definition of Available Revenue Receipts

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

- (a) interest payable to the Issuer on the Transaction Account received during the immediately preceding Calculation Period;
- (b) the Revenue Receipts on the Mortgage Loans received by the Issuer during the immediately preceding Calculation Period;
- (c) the sum of each Principal Deficiency Excess Revenue Amount to be applied on such Interest Payment Date;
- (d) amounts standing to the credit of the General Reserve Fund Ledger;
- (e) any Available Principal Receipts applied as Available Revenue Receipts in accordance with item (a) of the Pre-Enforcement Principal Priority of Payments;
- (f) any Available Principal Receipts applied as Available Revenue Receipts in accordance with item (l) of the Pre-Enforcement Principal Priority of Payments;
- (g) other net income of the Issuer received during the immediately preceding Calculation Period (other than any Principal Receipts);
- (h) if pursuant to Condition 8.11.3 a Reconciliation Amount is calculated and if the Reconciliation Amount in respect of the relevant Calculation Period is a negative number, an amount equal to the absolute value of such Reconciliation Amount, each as determined in accordance with Condition 8.11 (*Determinations and reconciliation*); and
- (i) any surplus amounts from the proceeds of the Notes, having deducted the payment of the Consideration, the Initial General Reserve Fund Requirement Amount and costs and expenses in relation to the issuance of the Notes,

less:

- (j) any Reconciliation Amounts applied in accordance with item (c) of Available Principal Receipts.

“**Calculation Date**” means the last 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 Cut-off Date) to (and including) the next (or first) Calculation Date and, in relation to an Interest Payment Date, the “**relevant Calculation Period**” means, unless the context otherwise requires, the Calculation Period ending immediately before such Interest Payment Date.

“**Determination Date**” means the day that is three Business Days before an Interest Payment Date.

General Reserve Fund and General Reserve Fund Ledger

The Cash Manager will maintain a ledger on the Transaction Account pursuant to the Cash Management Agreement to record the balance from time to time of the General Reserve Fund (the “**General Reserve Fund Ledger**”).

On the Closing Date, the General Reserve Fund will be established by the proceeds of the issuance of the Class Z2 Notes to €8,593,230 (the “**Initial General Reserve Fund Required Amount**”) and replenished on each Interest Payment Date up to the aggregate of the General Reserve Fund First Target Level and the General Reserve Fund Second Target Level (the “**General Reserve Fund Required Amount**”) in accordance with the Pre-Enforcement Revenue Priority of Payments. On the Closing Date, the General Reserve Fund Required Amount will be credited to the Transaction Account (with a corresponding credit to the General Reserve Fund Ledger). After the Closing 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.

On each Interest Payment Date, amounts standing to the credit of the General Reserve Fund Ledger will be applied as Available Revenue Receipts in accordance with the relevant Priority of Payments.

“**General Reserve Fund First Target Level**” means (a) on any Interest Payment Date prior to the redemption of the Class A Notes, an amount equal to 1.5% of the Principal Amount Outstanding of the Class A Notes (prior to application of the Priorities of Payment for that Interest Payment Date) and (b) upon redemption of all Class A Notes in full, zero.

“**General Reserve Fund Second Target Level**” means (a) on any Interest Payment Date prior to the redemption of the Rated Notes, an amount equal to 3.0% of the Principal Amount Outstanding of the Rated Notes together with the Class Z1 Notes as at the Closing Date less the balance of the General Reserve Fund First Target Level at the same Interest Payment Date following the application of funds according to limb (f) of the Pre-Enforcement Revenue Priority of Payments and (b) upon redemption of all Rated Notes in full, zero.

Application of Available Principal Receipts and General Reserve Fund to Senior Class Shortfall

On each Determination Date, the Cash Manager shall calculate the amount of any Senior Class Shortfall.

If the Cash Manager determines that there would be Senior Class Shortfall, it shall provide for that Senior Class Shortfall by applying Available Principal Receipts (if any) and, the Cash Manager shall make a corresponding entry in the Principal Deficiency Ledger.

“**Senior Class Shortfall**” means the amount calculated by the Cash Manager on each Determination Date being the amount by which Available Revenue Receipts (excluding limb (e) of the definition of Available Revenue Receipts) and amounts standing to the credit of the General Reserve Fund in relation to the General Reserve Fund Second Target Level and the General Reserve Fund First Target Level are insufficient to pay or provide for payment of items (a) to (e)(i) (inclusive) of the definition of Pre-Enforcement Revenue Priority of Payments and:

- (a) for as long as the Class B Notes are the Most Senior Class of Notes then outstanding, item (h) of the Pre-Enforcement Revenue Priority of Payments;
- (b) for as long as the Class C Notes are the Most Senior Class of Notes then outstanding, item (j) of the Pre-Enforcement Revenue Priority of Payments;
- (c) for as long as the Class D Notes are the Most Senior Class of Notes then outstanding, item (l) of the Pre-Enforcement Revenue Priority of Payments;
- (d) for as long as the Class E Notes are the Most Senior Class of Notes then outstanding, item (n) of the Pre-Enforcement Revenue Priority of Payments; and
- (e) for as long as the Class F Notes are the Most Senior Class of Notes then outstanding, item (p) of the Pre-Enforcement Revenue Priority of Payments.

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), (b) and (c) 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 application of 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 and all other amounts then due and payable or to become due and payable in the immediately succeeding Interest Period to the Trustee or any delegate, agent, nominee, custodian, attorney or manager appointed by the Trustee pursuant to the provisions of the Trust Deed and the other Transaction Documents (an “**Appointee**”) together with (if payable) VAT thereon as provided therein;
- (b) *second*, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof of:
 - (i) any amounts then due and payable to the Reference Agent, the Registrar and the Paying Agent, together with any successor or additional paying agents appointed from time to time in connection with the Notes under the Agency Agreement (the “**Paying Agents**”) and any costs, charges, liabilities and expenses then due or to become due and payable in the immediately succeeding Interest Period to them under the provisions of the Agency Agreement, together with (if payable) VAT thereon as provided therein;
 - (ii) any amounts then due and payable to the Account Bank under the Account Bank Agreement and any costs, charges, liabilities and expenses then due or to become due and payable in the immediately succeeding Interest Period to it under the provisions of the Account Bank Agreement, together with (if payable) VAT thereon as provided therein;
 - (iii) any amounts then due and payable to any custodian or any replacement or additional account bank and any costs, charges, liabilities and expenses then due or to become due and payable in the immediately succeeding Interest Period to it under the provisions of the Transaction Documents, together with (if payable) VAT thereon as provided therein;
 - (iv) any amounts due and payable to the Administrator and any costs, charges, liabilities and expenses then due and payable to the Administrator or any such amount to become due and payable to the Administrator in the immediately succeeding Interest Period under the provisions of the Administration Agreement, together with (if payable) VAT thereon as provided therein;
 - (v) any amounts due and payable to the Master Servicer and any costs, charges, liabilities and expenses then due and payable to the Master Servicer or any such amount to become due and payable to the Master Servicer in the immediately succeeding Interest Period under the provisions of the Administration Agreement, together with (if payable) VAT thereon as provided therein;
 - (vi) any amounts then due and payable to the Cash Manager and any costs, charges, liabilities and expenses then due and payable to the Cash Manager or any such amount to become due and payable to the Cash Manager in the immediately succeeding Interest Period under the provisions of the Cash Management Agreement, together with (if payable) VAT thereon as provided therein;

- (vii) any amounts then due and payable to the Corporate Services Provider and any costs, charges, liabilities and expenses then due and payable or to become due and payable in the immediately succeeding Interest Period to the Corporate Services Provider under the provisions of the Corporate Services Agreement, together with (if payable) VAT thereon as provided therein;
 - (viii) any amounts then due and payable to the Back-Up Administrator Facilitator and any costs, charges, liabilities and expenses then due and payable to the Back-Up Administrator Facilitator or any such amount to become due and payable to the Back-Up Administrator Facilitator in the immediately succeeding Interest Period, together with (if payable) VAT thereon
 - (ix) any amounts then due and payable to the Legal Title Holder and any costs, charges, liabilities and expenses then due and payable to the Legal Title Holder or any such amount to become due and payable to the Legal Title Holder in the immediately succeeding Interest Period, together with (if payable) VAT thereon;
 - (x) any amounts then due and payable to a Collection Account Bank and any costs, charges, liabilities and expenses then due and payable to a Collection Account Bank or any such amount to become due and payable to a Collection Account Bank in the immediately succeeding Interest Period under the provisions of the Issuer Collection Account Bank Agreement or the Amended and Restated Collection Account Declaration of Trust together with (if payable) VAT thereon; and
 - (xi) any premium payments then due and payable under any Insurance Policy;
- (c) *third*, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof of any amounts due and payable by the Issuer to third parties and incurred without breach by the Issuer of the Transaction Documents to which it is a party (and for which payment has not been provided for elsewhere) in respect of amounts necessary to provide for any such amounts expected to become due and payable by the Issuer in the immediately succeeding Interest Period including, but not limited to, audit fees, legal fees, tax compliance fees and anticipated wind-up costs of the Issuer and any amounts required to pay or discharge any liability of the Issuer to VAT or corporation tax or other tax;
 - (d) *fourth*, the Issuer Profit Amount;
 - (e) *fifth*, pro rata and pari passu (i) in or towards payment of amounts of interest due and payable on the Class A Notes to the holders of the Class A Notes and (ii) in or towards payment of the Class X Note Interest Amount due and payable on the Class X Notes to the holders of the Class X Notes;
 - (f) *sixth*, top up the General Reserve Fund to the General Reserve Fund First Target Level;
 - (g) *seventh*, to credit the Class A Principal Deficiency Sub-Ledger in an amount sufficient to eliminate any debit thereon;
 - (h) *eighth*, in or towards payment of amounts of interest due and payable on the Class B Notes to the holders of the Class B Notes (including any Deferred Interest and Additional Interest thereon);
 - (i) *ninth*, to credit the Class B Principal Deficiency Sub-Ledger in an amount sufficient to eliminate any debit thereon;
 - (j) *tenth*, in or towards payment of amounts of interest due and payable on the Class C Notes to the holders of the Class C Notes (including any Deferred Interest and Additional Interest thereon);

- (k) *eleventh*, to credit the Class C Principal Deficiency Sub-Ledger in an amount sufficient to eliminate any debit thereon;
- (l) *twelfth*, in or towards payment of amounts of interest due and payable on the Class D Notes to the holders of the Class D Notes (including any Deferred Interest and Additional Interest thereon);
- (m) *thirteenth*, to credit the Class D Principal Deficiency Sub-Ledger in an amount sufficient to eliminate any debit thereon;
- (n) *fourteenth*, in or towards payment of amounts of interest due and payable on the Class E Notes to the holders of the Class E Notes (including any Deferred Interest and Additional Interest thereon);
- (o) *fifteenth*, to credit the Class E Principal Deficiency Sub-Ledger in an amount sufficient to eliminate any debit thereon;
- (p) *sixteenth*, in or towards payment of amounts of interest due and payable on the Class F Notes to the holders of the Class F Notes (including any Deferred Interest and Additional Interest thereon);
- (q) *seventeenth*, to credit the Class F Principal Deficiency Sub-Ledger in an amount sufficient to eliminate any debit thereon;
- (r) *eighteenth*, top up the General Reserve Fund to the General Reserve Fund Second Target Level;
- (s) *nineteenth*, to credit the Class Z1 Principal Deficiency Sub-Ledger in an amount sufficient to eliminate any debit thereon;
- (t) *twentieth*, on and from the Interest Payment Date immediately following the Step-Up Date, in or towards payment of amounts due and payable as Class B Additional Note Payment to the holders of the Class B Notes;
- (u) *twenty-first*, on and from the Interest Payment Date immediately following the Step-Up Date, in or towards payment of amounts due and payable as Class C Additional Note Payment to the holders of the Class C Notes;
- (v) *twenty-second*, on and from the Interest Payment Date immediately following the Step-Up Date, in or towards payment of amounts due and payable as Class D Additional Note Payment to the holders of the Class D Notes;
- (w) *twenty-third*, on and from the Interest Payment Date immediately following the Step-Up Date, in or towards payment of amounts due and payable as Class E Additional Note Payment to the holders of the Class E Notes;
- (x) *twenty-fourth*, on and from the Interest Payment Date immediately following the Step-Up Date, in or towards payment of amounts due and payable as Class F Additional Note Payment to the holders of the Class F Notes;
- (y) *twenty-fifth*, on and from the Step-Up Date until the Rated Notes have been repaid in full, the remainder, if any, to constitute Available Principal Receipts and to be applied in accordance with the Pre-Enforcement Principal Priority of Payments;
- (z) *twenty-sixth*, in or towards payment of amounts of interest due and payable on the Class Z1 Notes to the holders of the Class Z1 Notes (including any Deferred Interest and Additional Interest thereon);

- (aa) *twenty-seventh*, in or towards payment of amounts of interest due and payable on the Class Z2 Notes to the holders of the Class Z2 Notes (including any Deferred Interest and Additional Interest thereon);
- (bb) *twenty-eighth*, to redeem the Class Z2 Notes until the Class Z2 Notes have been redeemed in full;
- (cc) *twenty-ninth*, while any of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes, the Class Z1 Notes and the Class Z2 Notes are outstanding, to pay principal amounts due on the Class X Notes until the Principal Amount Outstanding of the Class X Notes is reduced down to €1 and on the final Interest Payment Date, to pay €1 to redeem the Class X Notes until the Class X Notes have been redeemed in full;
- (dd) *thirtieth*, while any of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes, the Class Z1 Notes, the Class Z2 Notes and the Class X Notes are outstanding, to pay principal amounts due on the Class R Notes until the Principal Amount Outstanding of the Class R Notes is reduced down to €1 and on the final Interest Payment Date, to pay €1 to redeem the Class R Notes until the Class R Notes have been redeemed in full; and
- (ee) *thirty-first*, in or towards payment of the Class R Note Interest Amount.

APPLICATION OF PRINCIPAL RECEIPTS PRIOR TO SERVICE OF AN ENFORCEMENT NOTICE

Definition of Principal Receipts

Principal Receipts received by the Issuer in any Calculation Period shall be credited by the Cash Manager to the ledger created for such purpose (the “**Principal Ledger**”) on the Transaction Account.

“**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);
- (c) any payment pursuant to any Insurance Policy in respect of a Property in connection with a Mortgage Loan in the Portfolio;
- (d) recoveries of principal on redemption (including partial redemption) of any Mortgage Loan; and
- (e) the proceeds of any payment attributable to principal in relation to any Mortgage Loan by the relevant Seller, including (without limitation) the proceeds of any payment that are attributable to a breach of any of the representations, warranties, indemnities or any other payment given in respect of such Mortgage Loan by: (i) the relevant Seller pursuant to the relevant Mortgage Sale Agreement; (ii) Leeds Building Society pursuant to the DF5 LBS Mortgage Sale Agreement; (iii) Windmill Funding DAC and/or Pepper Finance Corporation (Ireland) DAC pursuant to the DF4 Windmill Mortgage Sale Agreement; or (iv) Windmill Funding DAC and/or Pepper Finance Corporation (Ireland) DAC pursuant to the DF5 Windmill Mortgage Sale Agreement.

“**Capitalised Expenses**” means for any Mortgage Loan at any date, expenses which have become 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.

Definition of Available Principal Receipts

“**Available Principal Receipts**” means for any Interest Payment Date (without double counting):

- (a) all Principal Receipts on the Mortgage Loans received by the Issuer during the immediately preceding Calculation Period;
- (b) the amounts (if any) to be credited to the Principal Deficiency Ledger pursuant items (g), (i), (k), (m), (o), (q) and (s) of the Pre-Enforcement Revenue Priority of Payments on such Interest Payment Date;
- (c) if pursuant to Condition 8.11.3 a Reconciliation Amount is calculated and if the Reconciliation Amount in respect of the relevant Calculation Period is a negative number, an amount equal to the absolute value of such Reconciliation Amount, each as determined in accordance with Condition 8.11 (Determinations and reconciliation); and
- (d) on and from the Step-Up Date, any Available Revenue Receipts applied as Available Principal Receipts in accordance with item (y) of the Pre-enforcement Revenue Priority of Payments,

less:

- (e) the amount of Principal Receipts applied as Principal Deficiency Excess Revenue Amounts pursuant to item (c) of the definition of Available Revenue Receipts; and
- (f) any Reconciliation Amount applied in accordance with item (h) of Available Revenue Receipts.

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 Available Principal Receipts prior to the service of an Enforcement Notice by the Trustee on the Issuer

On each Interest Payment Date prior to the service of an Enforcement Notice on the Issuer by the Trustee, the Cash Manager (on behalf of the Issuer) shall apply Available Principal 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 Principal Priority of Payments**”):

- (a) *first*, an amount to be applied as Available Revenue Receipts in an amount equal to any Senior Class Shortfall;
- (b) *second*, to redeem the Class A Notes until the Class A Notes have been redeemed in full;
- (c) *third*, to redeem the Class B Notes until the Class B Notes have been redeemed in full;
- (d) *fourth*, to redeem the Class C Notes until the Class C Notes have been redeemed in full;
- (e) *fifth*, to redeem the Class D Notes until the Class D Notes have been redeemed in full;
- (f) *sixth*, to redeem the Class E Notes until the Class E Notes have been redeemed in full;
- (g) *seventh*, to redeem the Class F Notes until the Class F Notes have been redeemed in full;
- (h) *eighth*, to redeem the Class Z2 Notes until the Class Z2 Notes have been redeemed in full;
- (i) *ninth*, to redeem the Class Z1 Notes until the Class Z1 Notes have been redeemed in full;

- (j) *tenth*, to redeem the Class X Notes until the Principal Amount Outstanding on the Class X Notes is reduced down to €1;
- (k) *eleventh*, to redeem the Class R Notes until the Principal Amount Outstanding on the Class R Notes is reduced down to €1; and
- (l) *twelfth*, the remainder, if any, to constitute Available Revenue Receipts and to be applied in accordance with the Pre-Enforcement Revenue Priority of Payments.

APPLICATION OF COLLECTIONS 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 Trustee (or the Cash Manager on its behalf 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:
 - (i) any fees, costs, charges, liabilities, expenses and all other amounts then due and payable to the Trustee or any Appointee, under the provisions of the Trust Deed and the other Transaction Documents, together with (if payable) VAT thereon as provided therein; and
 - (ii) any fees, costs, charges, liabilities, expenses and all other amounts then due and payable to any receiver, manager, receiver or manager, or administrative receiver (a “**Receiver**”) appointed by the Trustee or any Appointee under the provisions of the Irish Deed of Charge or the English Deed of Charge, as applicable and the other Transaction Documents, together with (if payable) VAT thereon as provided therein;
- (b) *second*, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof of:
 - (i) any amounts then due and payable to the Reference Agent, the Registrar and the Paying Agents and any costs, charges, liabilities and expenses then due and payable to them under the provisions of the Agency Agreement, together with (if payable) VAT thereon as provided therein;
 - (ii) any amounts then due and payable to the Account Bank under the Account Bank Agreement and any costs, charges, liabilities and expenses then due and payable to it under the provisions of the Account Bank Agreement, together with (if payable) VAT thereon as provided therein;
 - (iii) any amounts then due and payable to any custodian or any replacement or additional account bank and any costs, charges, liabilities and expenses then due and payable to it under the provisions of the Transaction Documents, together with (if payable) VAT thereon as provided therein;
 - (iv) any amounts then due and payable to the Back-Up Administrator Facilitator and any costs, charges, liabilities and expenses then due and payable to the Back-Up Administrator Facilitator under the provisions of the Administration Agreement, together with VAT thereon as provided therein;

- (v) any amounts then due and payable to the Corporate Services Provider and any costs, charges, liabilities and expenses then due and payable to the Corporate Services Provider under the provisions of the Corporate Services Agreement, together with VAT thereon as provided therein;
 - (vi) any amounts due and payable to the Administrator and any costs, charges, liabilities and expenses then due and payable to the Administrator under the provisions of the Administration Agreement, together with (if payable) VAT thereon as provided therein;
 - (vii) any amounts due and payable to the Master Servicer and any costs, charges, liabilities and expenses then due and payable to the Master Servicer under the provisions of the Administration Agreement, together with (if payable) VAT thereon as provided therein;
 - (viii) any amounts then due and payable to the Cash Manager and any costs, charges, liabilities and expenses then due and payable to the Cash Manager under the provisions of the Cash Management Agreement, together with (if payable) VAT thereon as provided therein;
 - (ix) any amounts then due and payable to a Collection Account Bank and any costs, charges, liabilities and expenses then due and payable to a Collection Account Bank, together with (if payable) VAT thereon as provided therein;
 - (x) any amounts then due and payable to the Legal Title Holder and any costs, charges, liabilities and expenses then due and payable to the Legal Title Holder or any such amount to become due and payable to the Legal Title Holder in the immediately succeeding Interest Period, together with (if payable) VAT thereon; and
 - (xi) any premium payments then due and payable under any Insurance Policy;
- (c) *third*, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof of:
- (i) any amounts due and payable by the Issuer to third parties and incurred without breach by the Issuer of the Transaction Documents to which it is a party (and for which payment has not been provided for elsewhere), including, but not limited to, audit fees, legal fees, tax compliance fees and anticipated wind-up costs of the Issuer; and
 - (ii) any amounts required by the Issuer to pay or discharge any liability of the Issuer to corporation tax (which cannot be made out of the Issuer Profit Amount retained previously by the Issuer);
- (d) *fourth*, the Issuer Profit Amount;
- (e) *fifth*, *pro rata* and *pari passu* to pay interest due and payable on the Class A Notes to the holders of the Class A Notes and to pay the Class X Note Interest Amount to the holders of the Class X Notes;
- (f) *sixth*, to pay principal due and payable on the Class A Notes until the Class A Notes have been redeemed in full;
- (g) *seventh*, to pay interest due and payable on the Class B Notes to the holders of the Class B Notes (including any Deferred Interest and Additional Interest thereon);
- (h) *eighth*, to pay principal due and payable on the Class B Notes until the Class B Notes have been redeemed in full;

- (i) *ninth*, to pay interest due and payable on the Class C Notes to the holders of the Class C Notes (including any Deferred Interest and Additional Interest thereon);
- (j) *tenth*, to pay principal due and payable on the Class C Notes until the Class C Notes have been redeemed in full;
- (k) *eleventh*, to pay interest due and payable on the Class D Notes to the holders of the Class D Notes (including any Deferred Interest and Additional Interest thereon);
- (l) *twelfth*, to pay principal due and payable on the Class D Notes until the Class D Notes have been redeemed in full;
- (m) *thirteenth*, to pay interest due and payable on the Class E Notes to the holders of the Class E Notes (including any Deferred Interest and Additional Interest thereon);
- (n) *fourteenth*, to pay principal due and payable on the Class E Notes until the Class E Notes have been redeemed in full;
- (o) *fifteenth*, to pay interest due and payable on the Class F Notes to the holders of the Class F Notes (including any Deferred Interest and Additional Interest thereon);
- (p) *sixteenth*, to pay principal due and payable on the Class F Notes until the Class F Notes have been redeemed in full;
- (q) *seventeenth*, to pay interest due and payable on the Class Z1 Notes to the holders of the Class Z1 Notes (including any Deferred Interest and Additional Interest thereon);
- (r) *eighteenth*, to pay interest due and payable on the Class Z2 Notes to the holders of 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 until the Class Z2 Notes have been redeemed in full;
- (t) *twentieth*, to pay principal due and payable on the Class Z1 Notes until the Class Z1 Notes have been redeemed in full;
- (u) *twenty-first*, to pay on and from the Interest Payment Date immediately following the Step-Up Date amounts due and payable as Class B Additional Note Payment to the holders of the Class B Notes;
- (v) *twenty-second*, to pay on and from the Interest Payment Date immediately following the Step-Up Date amounts due and payable as Class C Additional Note Payment to the holders of the Class C Notes;
- (w) *twenty-third*, to pay on and from the Interest Payment Date immediately following the Step-Up Date amounts due and payable as Class D Additional Note Payment to the holders of the Class D Notes;
- (x) *twenty-fourth*, to pay on and from the Interest Payment Date immediately following the Step-Up Date amounts due and payable as Class E Additional Note Payment to the holders of the Class E Notes;
- (y) *twenty-fifth*, to pay on and from the Interest Payment Date immediately following the Step-Up Date amounts due and payable as Class F Additional Note Payment to the holders of the Class F Notes;
- (z) *twenty-sixth*, to pay principal due and payable on the Class X Notes until the Class X Notes have been redeemed in full;

- (aa) *twenty-seventh*, to pay principal due and payable on the Class R Notes until the Class R Notes have been redeemed in full; and
- (bb) *twenty-eighth*, to pay the Class R Note Interest Amount.

“**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;

“**Benefit**” means 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;

“**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.

“**Charged Accounts**” means the Issuer Accounts and any bank or other account in which the Issuer may at any time acquire a Benefit and over which the Issuer has created an Encumbrance in favour of the Trustee pursuant to the English Deed of Charge or the Irish Deed of Charge (other than the Issuer Profit Account).

DESCRIPTION OF THE NOTES IN GLOBAL FORM

General

The Cleared 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 of the Notes.

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 the rules of Euroclear or Clearstream, Luxembourg so permit integral multiples of €1,000 in excess thereof (a “**Minimum Denomination**”). Ownership of Book-Entry Interests is limited to persons that have accounts with Euroclear or Clearstream, Luxembourg (“**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 Notes*”, below, Participants or Indirect Participants will not be entitled to have Cleared Notes registered in their names, will not receive or be entitled to receive physical delivery of Cleared 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 Cleared 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 Cleared 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 Notes are issued in accordance with the Conditions. There can be no assurance that the procedures to be implemented by Euroclear or Clearstream, Luxembourg under such circumstances will be adequate to ensure the timely exercise of remedies under the Trust Deed.

Unless and until Book-Entry Interests in the Global Notes are exchanged for Definitive Notes, the Global Notes registered in the name of the Common Safekeeper 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 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 Cleared Notes held through Euroclear or Clearstream, Luxembourg to purchasers of book-entry interests in the Cleared 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 Citibank, N.A., London Branch as the 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 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 Cleared 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 Cleared 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, either of 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 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 Paying Agent for cancellation. Appropriate entries will be made in the register on which the names and addresses of the holders of the Cleared Notes and the particulars of the Cleared Notes shall be entered and kept by the Issuer at the specified office (the "**Specified Office**") of the Registrar (the "**Register**"). The redemption price payable in connection with the redemption of Book-Entry Interests will be equal to the amount received by the

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 Paying Agent will mark down the schedule to such Global Note by the principal amount so redeemed.

Cancellation

All Cleared Notes redeemed in full will be cancelled forthwith by the Issuer and may not be reissued or resold.

Transfers and transfer restrictions

All transfer of Book-Entry Interests will be recorded with the book-entry systems maintained by Euroclear or Clearstream, Luxembourg, 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. None of 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 Cleared 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 and certificates held within such clearing system and their records will reflect only the identity of the direct participants to whose accounts such notes are credited, which may or may not be the beneficial owners. Participants will remain responsible for keeping account of their holdings on behalf of their customers. Conveyance of notices and other communications by the clearing systems to direct participants, by direct participants to indirect participants, and by direct participants and indirect participants to beneficial owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

All transfers of Book-Entry Interests will be recorded in accordance with the book-entry systems maintained by Euroclear or Clearstream, Luxembourg, as applicable, pursuant to customary procedures established by each respective system and its Participants. See "*General*", above.

Issuance of Definitive Notes

Holders of Book-Entry Interests in the Global Note will be entitled to receive notes evidencing definitive notes in registered form ("**Definitive Notes**") in exchange for their respective holdings of Book-Entry Interests if (a) both Euroclear and Clearstream, Luxembourg are closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announce an intention permanently to cease business and do so cease to do business and no alternative clearing system satisfactory to the Trustee 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 Cleared Notes which would not be required were the Cleared Notes in definitive form.

Any Definitive Note 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 Paying Agent based on the instructions of Euroclear or Clearstream, Luxembourg. It is expected that such instructions will be based upon directions received by Euroclear or Clearstream, Luxembourg from their Participants with respect to ownership of the relevant Book-Entry Interests. Holders of Definitive Notes issued in exchange for Book-Entry Interests in a Global Note will not be entitled to exchange such Definitive Note, for Book-Entry Interests in a Global Note. Any Cleared 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 Cleared Note or, as the case may be, the due date for redemption. Definitive Notes will not be issued in a denomination that is not an integral multiple of the Minimum Denomination or for any amount in excess thereof, in integral multiples of €1,000. As the Cleared Notes have a denomination consisting of the Minimum Denomination plus a higher integral multiple of another smaller amount, it is possible that the Cleared Notes may be traded in amounts in excess of €100,000 (or its equivalent) that are not integral multiples of €100,000 (or its equivalent). In such case a Noteholder who, as a result of trading such amounts, holds a principal amount of less than the Minimum Denomination may not receive a Definitive Note in respect of such holding (should Definitive Notes be issued) and would need to purchase a principal amount of Cleared 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 of 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 Paying Agent 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 Cleared Notes and shall be deemed to be given on the date on which it was so sent and (so long as the relevant Cleared Notes are admitted to trading and listed on the Official List) any notice shall be published by the Issuer 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*) (the "**Notices Condition**").

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 Cleared Notes were to be represented by Definitive Notes, the Conditions set out on the reverse of each of such Definitive Note would be as follows. While the Cleared 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.

1. General

- 1.1 The € 180,457,000 Class A Residential Mortgage Backed Floating Rate Notes due 2057 (the “**Class A Notes**”), the € 18,618,000 Class B Residential Mortgage Backed Floating Rate Notes due 2057 (the “**Class B Notes**”), the € 14,322,000 Class C Residential Mortgage Backed Floating Rate Notes due 2057 (the “**Class C Notes**”), the €17,186,000 Class D Residential Mortgage Backed Floating Rate Notes due 2057 (the “**Class D Notes**”), the €25,779,000 Class E Residential Mortgage Backed Floating Rate Notes due 2057 (the “**Class E Notes**”), the €8,593,000 Class F Residential Mortgage Backed Floating Rate Notes due 2057 (the “**Class F Notes**”) and, together with the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes, the “**Rated Notes**”), the €21,486,000 Class Z1 Residential Mortgage Backed 8.00 per cent. Fixed Rate Notes due 2057 (the “**Class Z1 Notes**”), the €12,890,000 Class Z2 8.00 per cent. Fixed Rate Notes due 2057 (the “**Class Z2 Notes**”, and together with the Rated Notes and the Class Z1 Notes, the “**Cleared Notes**”), the €100,000 Class X Notes due 2057 (the “**Class X Notes**”) and the €2,000,000 Class R Notes due 2057 (the “**Class R Notes**”, and together with the Rated Notes and the Class Z1 Notes, the Class Z2 Notes and the Class X Notes, the “**Notes**”) will be issued by Dilosk RMBS No. 2 DAC (registered number 631508) (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 subject to 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, the Incorporated Terms Memorandum and the Memorandum and Articles of Association 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, Citigroup Centre, Canada Square, Canary Wharf, London E14 5 LB, and at the Specified Office of the Paying Agent, the initial Specified Office of which is set out below:

Citibank, N.A., London Branch
Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB

2. **Definitions and Interpretation**

2.1 Definitions

Capitalised terms not otherwise defined in these Conditions shall bear the meaning given to them in the Incorporated Terms Memorandum available as described above.

2.2 Interpretation

These Conditions shall be construed in accordance with the principles of construction set out in the Incorporated Terms Memorandum.

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:

2.7.1 a “**Section**” shall be construed as a reference to a Section of such Transaction Document;

2.7.2 a “**Part**” shall be construed as a reference to a Part of such Transaction Document;

2.7.3 a “**Schedule**” shall be construed as a reference to a Schedule of such Transaction Document;

2.7.4 a “**Clause**” shall be construed as a reference to a Clause of a Part or Section (as applicable) of such Transaction Document; and

2.7.5 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 Cleared Notes are in registered form in the Minimum Denomination for such Notes, without principal receipts, interest coupons or talons attached. Definitive Notes will be issued in the denomination of €100,000 and any amount in excess thereof in integral multiples of €1,000.
- 3.2 The Principal Amount Outstanding of the Cleared 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 “**Cleared Notes**” shall include (i) in relation to any Cleared 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 Note issued in exchange for a Global Note.
- 3.3 For so long as any Cleared 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 or Clearstream, Luxembourg, as appropriate.
- 3.4 For so long as the Cleared Notes are represented by a Global Note and Euroclear and Clearstream, Luxembourg so permit, the Cleared Notes shall be tradable only in minimal amounts of €100,000 and integral multiples of €1,000 thereafter.
- 3.5 Certificates evidencing definitive registered Cleared Notes in an aggregate principal amount equal to the Principal Amount Outstanding of the Global Notes (the “**Definitive Notes**”) will be issued in registered form and serially numbered in the circumstances referred to below. Definitive Notes, 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 Cleared Notes are represented by a Global Note:
- 3.6.1 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
- 3.6.2 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 Cleared Notes which would not be required if the Cleared 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 Notes to Noteholders whose accounts with the relevant clearing systems are credited with interests in that Global Note in exchange for those interests within 30 days of the relevant event but not earlier than the Exchange Date. The Global Note will not be exchangeable for Definitive Notes in any other circumstances.
- 3.7 The Class X Notes and the Class R Notes will be issued in dematerialised registered form and will not be cleared. Each of the Class X Notes and the Class R Notes has a minimum denomination of €100,000 and higher integral multiples of €1,000. No certificates evidencing entitlement to the Class

X Notes and the Class R Notes will be issued. The holders of Class X Notes or of Class R Notes recorded in the Register shall be entitled to payments in respect thereof.

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 Class X Notes, the Class R Notes, the Global Note and any Definitive Notes and entries on the Register relating thereto will be made subject to any restrictions on transfers set forth on such Notes and the detailed regulations concerning transfers of such Notes contained in these Conditions, 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 Class X Note, a Class R Note, a Global Note or the transfer of a Definitive Note be made absent compliance with the regulations referred to above (and subject to the Issuer or its agents being able to obtain any information required in order to satisfy any automatic exchange of information obligations under any applicable law), and any purported transfer in violation of such regulations or automatic exchange of information requirements 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 Paying Agent in the UK or the Registrar to any holder of a Note who so requests (and who provides evidence of such holding where the Cleared Notes are in global form) and will be available upon request at the Specified Office of the Registrar or the Paying Agent.
- 4.5 A Definitive Note, may be transferred in whole or in part upon the surrender of the relevant Definitive Note, together with the form of transfer endorsed on it duly completed and executed, at the Specified Office of the Registrar or the Paying Agent. In the case of a transfer of part only of a Definitive Note, a new Definitive Note, in respect of the balance remaining will be issued to the transferor by or by order of the Registrar.
- 4.6 Each new Definitive Note, to be issued upon transfer of Definitive Notes will, within five Business Days of receipt of such request for transfer, be available for delivery at the Specified Office of the Registrar or the Paying Agent stipulated in the request for transfer, or be mailed at the risk of the holder entitled to the Definitive Note, to such address as may be specified in such request.
- 4.7 Registration of Definitive Notes on transfer will be effected without charge by or on behalf of the Issuer or the Registrar, but upon payment of (or the giving of such indemnity as the Registrar may require in respect of) any tax or other governmental charges which may be imposed in relation to it.
- 4.8 No holder of a Definitive Note, may require the transfer of such Note to be registered during the period of 15 days ending on the due date for any payment of principal or interest on such Note.
- 4.9 No holder of a Definitive Note may transfer such Note to any person other than the Retention Holder or a person within the charge to corporation tax in Ireland in respect of interest payable on the 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:* Other than in respect of the priority of principal payments in certain circumstances as set out in Condition 5.5 (*Priority of principal payments*), the Class A Notes will at all times rank without preference or priority *pari passu* as to payment of interest and principal amongst themselves and, in relation to the Class X Notes, will at all times rank without preference or priority *pari passu* with the Class X Notes as to payment of interest. The Class B Notes will at all times rank without preference or priority *pari passu* as to payment of interest and principal amongst themselves. The Class C Notes will at all times rank without preference or priority *pari passu* as to payment of interest and principal amongst themselves. The Class D Notes will at all times rank without preference or priority *pari passu* as to payment of interest and principal amongst themselves. The Class E Notes will at all times rank without preference or priority *pari passu* as to payment of interest and principal amongst themselves. The Class F Notes will at all times rank without preference or priority *pari passu* as to payment of interest and principal amongst themselves. The Class Z1 Notes will at all times rank without preference or priority *pari passu* as to payment of interest and principal amongst themselves. The Class Z2 Notes will at all times rank without preference or priority *pari passu* as to payment of interest and principal amongst themselves. The Class X Notes will at all times rank without preference or priority *pari passu* as to payment of interest and principal amongst themselves. The Class R Notes will at all times rank without preference or priority *pari passu* as to payment of interest and principal 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 and the Class X Notes will at all times rank without reference or priority *pari passu* amongst themselves; payments of interest on the Class A Notes and the Class X Notes will at all times rank in priority to payments of interest on the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes, the Class Z1 Notes, the Class Z2 Notes, payments of principal on the Class Z2 Notes, the Class X Notes and the Class R Notes and payments of interest on the Class R Notes; payments of interest on the Class B Notes will rank in priority to payments of interest on the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes, the Class Z1 Notes, the Class Z2 Notes, payments of principal on the Class Z2 Notes, the Class X Notes and the Class R Notes and payments of interest on the Class R Notes; payments of interest on the Class C Notes will rank in priority to payments of interest on the Class D Notes , the Class E Notes, the Class F Notes, the Class Z1 Notes, the Class Z2 Notes, payments of principal on the Class Z2 Notes, the Class X Notes and the Class R Notes and payments of interest on the Class R Notes; payments of interest on the Class D Notes will rank in priority to payments of interest on the Class E Notes, the Class F Notes, the Class Z1 Notes, the Class Z2 Notes, payments of principal on the Class Z2 Notes, the Class X Notes and the Class R Notes and payments of interest on the Class R Notes; payments of interest on the Class E Notes will rank in priority to payments of interest on the Class F Notes, the Class Z1 Notes, the Class Z2 Notes, payments of principal on the Class Z2 Notes, the Class X Notes and the Class R Notes and payments of interest on the Class R Notes; payments of interest on the Class F Notes will rank in priority to payments of interest on the Class Z1 Notes, the Class Z2 Notes, payments of principal on the Class Z2 Notes, the Class X Notes and the Class R Notes and payments of interest on the Class R Notes; payments of interest on the Class Z1 Notes will rank in priority to payments of interest on the Class Z2 Notes, payments of principal on the Class Z2 Notes, the Class X Notes and Class R Notes and payments of interest on the Class R Notes; payments of interest on the Class Z2 Notes will rank in priority to payments of principal on the Class Z2 Notes and the Class X Notes and the Class R Notes and payments of interest on the Class R Notes; payments of principal on the Class X Notes will rank in priority payments of principal and interest on the Class R Notes, in each case 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 rank in priority to payments of principal on the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes, the Class Z2 Notes, the Class Z1 Notes, the Class X Notes and the Class R Notes; payments of principal on the Class B Notes will rank in priority to payments of principal on the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes, the Class Z2 Notes the Class Z1 Notes, the Class X Notes and the Class R Notes; payments of principal on the Class C Notes will rank in priority to payments of principal on the Class D Notes, the Class E Notes, the Class F Notes, the Class Z2 Notes, the Class Z1 Notes, the Class X Notes and the Class R Notes; payments of principal on the Class D Notes will rank in priority to payments of principal on the Class E Notes, the Class F Notes, the Class Z2 Notes the Class Z1 Notes, the Class X Notes and the Class R Notes; payments of principal on the Class E Notes will rank in priority to payments of principal on the Class F Notes, the Class Z2 Notes the Class Z1 Notes, the Class X Notes and the Class R Notes; payments of principal on the Class F Notes will rank in priority to payments of principal on the Class Z2 Notes, the Class Z1 Notes, the Class X Notes and the Class R Notes; payments of principal on the Class Z2 Notes will rank in priority to payments of principal on the Class Z1 Notes, the Class X Notes and the Class R Notes; payments of principal on the Class Z1 Notes will rank in priority to payments of principal on the Class X Notes and the Class R Notes; payments of principal on the Class X Notes will rank in priority to payments of principal on the Class R Notes, in each case, in accordance with the Priority of Payments.

Prior to the service of an Enforcement Notice by the Trustee on the Issuer, payments of principal on the Class X Notes will be made in accordance with the Pre-Enforcement Revenue Priority of Payments and the Pre-Enforcement Principal Priority of Payments, while any of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes, the Class Z2 Notes or the Class Z1 Notes are outstanding, until the Principal Amount Outstanding of the Class X Notes is reduced down to €1. Following the service of an Enforcement Notice by the Trustee on the Issuer, the Class X Notes will be redeemed in accordance with the Post-Enforcement Priority of Payments after the redemption of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes, the Class Z2 Notes and the Class Z1 Notes.

Prior to the service of an Enforcement Notice by the Trustee on the Issuer, payments of principal on the Class R Notes will be made in accordance with the Pre-Enforcement Revenue Priority of Payments and the Pre-Enforcement Principal Priority of Payments, while any of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, Class E Notes, the Class F Notes, the Class Z2 Note or the Class Z1 Notes are outstanding, until the Principal Amount Outstanding of the Class R Notes is reduced down to €1. Following the service of an Enforcement Notice by the Trustee on the Issuer, Class R Notes will be redeemed in accordance with the Post-Enforcement Priority of Payments after the redemption of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes, the Class Z2 Notes, the Class Z1 Notes and the Class X Notes,.

- 5.6 *Priority of Additional Note Payments:* Payments of Additional Note Payments on the Class B Notes will rank in priority to payments of Additional Note Payments on the Class C Notes, Class D Notes, the Class E Notes and the Class F Notes; payments of Additional Note Payments on the Class C Notes will rank in priority to payments of Additional Note Payments on the Class D Notes, the Class E Notes and the Class F Notes; payments of Additional Note Payments on the Class D Notes will rank in priority to payments of Additional Note Payments on the Class E Notes and the Class F Notes; payments of Additional Note Payments on the Class E Notes will rank in priority to payments of Additional Note Payments on the Class F Notes, each case, in accordance with the Pre-Enforcement Revenue Priority of Payments or the Post-Enforcement Priority of Payments, as applicable.

5.7 *Priority of Payments:* Prior to the delivery of an Enforcement Notice, the Issuer is required to apply Available Revenue Receipts in accordance with the Pre-Enforcement Revenue Priority of Payments and Available Principal Receipts in accordance with the Pre-Enforcement Principal Priority of Payments and thereafter, in accordance with the Post-Enforcement Priority of Payments.

6. **Security**

6.1 *Security:* The Notes are secured by the Security in favour of the Trustee for itself and the other Secured Creditors.

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 gives 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 (except as contemplated in the Transaction Documents) 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 and Additional Note Payments**

8.1 *Accrual of interest and Additional Note Payments and the additional class X payment*

8.1.1 *Interest accrual:* Each Note bears interest on its Principal Amount Outstanding, from (and including) the Closing Date.

8.1.2 *Additional Note Payment accrual:* Each of the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes then outstanding shall accrue an Additional Note Payment from (and including) the Step-Up Date.

8.1.3 *Additional class X payment:* The Class X Noteholder, if any, on the Portfolio Purchase Completion Date shall be entitled to receive an amount equal to the Additional Class X Payment Amount from the Issuer.

8.2 *Cessation of interest and Additional Note Payments:*

8.2.1 *Cessation of interest:* Each Note other than the Class R Notes (or, in the case of the redemption of part only of a Note, that part only of such Note) shall cease to bear interest from its due date for redemption unless, upon due presentation, payment of the principal is improperly withheld or refused or default is otherwise made in respect of the payment, in which case, it will continue to bear interest in accordance with this Condition 8 (*Interest and Additional Note Payments*) (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 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.

The Class R Notes shall cease to bear interest from the date on which the Class R Notes are redeemed in full.

8.2.2 *Cessation of Additional Note Payments:* Each of the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes (or, in the case of the redemption of part only of a Note, that part only of such Note) shall cease to bear its respective Additional Note Payment 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, the relevant Additional Note Payment (including any default interest due thereon) shall continue to accrue as provided in these Conditions 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 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 (other than the Class X Notes and the Class R Notes) is payable in Euro 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 such Interest Payment Date.

Interest on the Class X Notes is payable in Euro on each Interest Payment Date commencing on the First Interest Payment Date, in an amount equal to the Class X Note Interest Amount for the Interest Period ending on such Interest Payment Date. No interest on the Class X Notes is payable for any Interest Period that extends beyond the Relevant Redemption Date.

Interest on the Class R Notes is payable in Euro on each Interest Payment Date commencing on the First Interest Payment Date, in an amount equal to the Class R Note Interest Amount for the Interest Period ending on such Interest Payment Date.

8.4 *Determination of Note Rate, Interest Amount, Class X Note Interest Amount, Class R Note Interest Amount, Additional Class X Payment Amount and Interest Payment Date:* Upon each Interest Determination Date, the Issuer shall determine (or shall cause the Reference Agent to determine):

8.4.1 the Note Rate for each relevant Class for the related Interest Period;

8.4.2 the Interest Amount for each relevant Class for the related Interest Period; and

8.4.3 the Interest Payment Date next following the related Interest Period,

and by no later than close of business one Business Day after such Interest Determination Date notify the Issuer (where applicable), the Administrator, the Cash Manager, the Trustee, the Registrar and the Paying Agents and for so long as the Notes are listed on Euronext Dublin, the Issuer shall notify Euronext Dublin.

Upon each Determination Date the Issuer shall determine (or cause the Cash Manager to determine) the Class X Note Interest Amount and by no later than close of business one Business Day after such Interest Determination Date notify the Issuer (where applicable), the Administrator, the Trustee, the Registrar and the Paying Agents.

Upon the Additional Class X Determination Date, the Issuer shall determine (or cause the Cash Manager to determine) the Additional Class X Payment Amount and by no later than close of business one Business Day after such Additional Class X Determination Date notify the Issuer (where applicable), the Administrator, the Trustee, the Registrar and the Paying Agents. Upon each Determination Date the Issuer shall determine (or cause the Cash Manager to determine) the Class R Note Interest Amount and by no later than close of business one Business Day after such Determination Date notify the Issuer (where applicable), the Administrator, the Trustee, the Registrar and the Paying Agents.

As used herein:

“Additional Class X Determination Date” means the day that is three Business Days before the Portfolio Purchase Completion Date.

“Additional Class X Payment Amount” means the sum of the Class Z1 Amount and the Residual Reserve Amount.

“Business Day” means a day on which commercial banks and foreign exchange markets settle payments in London and Dublin which is a TARGET Day.

“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 by the Trustee, the amount by which Available Revenue Receipts exceed the amounts required to satisfy items (a) to (dd) of the Pre-Enforcement Revenue Priority of Payments; and
- (b) following the delivery of an Enforcement Notice on the Issuer by the Trustee, the amount by which the amounts available to be applied in accordance with the Post-Enforcement Priority of Payments exceeds the amounts required to satisfy items (a) to (aa) of the Post-Enforcement Priority of Payments on that Interest Payment Date.

“Class X Note Interest Amount” means, in respect of any Interest Payment Date:

- (a) prior to the delivery of an Enforcement Notice on the Issuer by the Trustee, the amount (rounded down to the nearest € 0.01) equal to:

$$(A \times B \times C) / D$$

Where:

“A” = 0.0011

“B” = the aggregate Current Balance of the Mortgage Loans calculated as of the immediately preceding Calculation Date

“C” = the actual number of days in the relevant Interest Period

“D” = 360

- (b) following the delivery of an Enforcement Notice on the Issuer by the Trustee, for any date on which amounts are to be applied in accordance with the Post-Enforcement Priority of Payments, any Class X Note Interest Amount calculated in accordance with paragraph (a) above which has accrued but is unpaid on the date of the Enforcement Notice.

"Coupon Cap" means:

- (a) for the Class A Notes, 6 per cent. per annum;
- (b) for the Class B Notes, 6 per cent. per annum;
- (c) for the Class C Notes, 6 per cent. per annum;
- (d) for the Class D Notes, 8 per cent. per annum;
- (e) for the Class E Notes, 8 per cent. per annum; and
- (f) for the Class F Notes, 8 per cent. per annum.

"Day Count Fraction" means, in respect of an Interest Period, the actual number of days in such period divided by 360.

"Interest Amount" means in respect of a Note (other than the Class X Notes and the Class R Notes) for any Interest Period the amount of interest calculated on the related Interest Determination Date in respect of such Note for such Interest Period by:

- (a) multiplying the Principal Amount Outstanding of such Note on the Interest Payment Date relating to such Interest Determination Date by the relevant Note Rate; and
- (b) then multiplying the amount so calculated in paragraph (a) above by the relevant Day Count Fraction and rounding the resultant figure to the nearest Minimum Amount.

"Note Rate" means:

- (a) in respect of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes for each Interest Period, the Reference Rate determined as at the related Interest Determination Date plus the Relevant Margin in respect of such Class, provided that (i) if the Reference Rate plus the Relevant Margin for the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and/or the Class F Notes is less than zero, the Note Rate will be deemed to be zero for such Class or (ii) if the Reference Rate plus the Relevant Margin for the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and/or the Class F Notes exceeds the Coupon Cap, the relevant Note Rate will be deemed to be equal to the relevant Coupon Cap;
- (b) in respect of the Class Z1 Notes for each Interest Period, the Relevant Margin in respect of such Class; and
- (c) in respect of the Class Z2 Notes for each Interest Period, the Relevant Margin in respect of such Class.

"Reference Bank" means, the principal London office of four major banks in the Eurozone interbank market, selected by the Issuer at the relevant time;

"Reference Rate" means, on any Interest Determination Date, the floating rate determined by the Reference Agent 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 Reference Agent 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.

"Relevant Margin" means:

- (a) for the Class A Notes, 0.75 per cent. per annum (the **"Class A Initial Margin"**) up to and excluding the Step-Up Date and thereafter 1.50 per cent. per annum;
- (b) for the Class B Notes, 1.30 per cent. per annum;
- (c) for the Class C Notes, 2.0 per cent. per annum;
- (d) for the Class D Notes, 2.30 per cent. per annum;
- (e) for the Class E Notes, 3.25 per cent. per annum;
- (f) for the Class F Notes, 4.50 per cent. per annum;
- (g) for the Class Z1 Notes, 8.0 per cent. per annum up to and excluding the Step-Up Date and thereafter 0.00 per cent. per annum; and
- (h) for the Class Z2 Notes, 8.0 per cent. per annum up to and excluding the Step-Up Date and thereafter 0.00 per cent. per annum.

"Relevant Period" means the length in months of the related Interest Period.

"Reserve Reference Rate" means on any Interest Determination Date:

- (a) the Rounded Arithmetic Mean of the rates at which deposits in Euros are offered in the London interbank market at approximately 11.00 a.m. (Brussels time) on the Interest Determination Date by the principal London office of each of four major banks selected by the Issuer in its absolute discretion for Euro loans for the Relevant Period in the Representative Amount to major banks in the Eurozone interbank market; or
- (b) if the Reference Agent 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 Interest Determination Date.

"Screen Rate" means, in relation to

- (a) the first Interest Determination Date, the rate (rounded upwards if necessary, to five decimal places) which results from interpolating the linear basis between:
 - (i) the offered quotations for Euro deposits for the longest period in the Eurozone interbank market, which is less than the Relevant Period and, which appears on the Screen as at or about 11.00 a.m. (Brussels time) on the relevant Interest Payment Date; and

(ii) the offered quotations for Euro deposits for the shortest period in the Eurozone interbank market, which exceeds the Relevant Period and, which appears on the Screen as at or about 11.00 a.m. (Brussels time) on the relevant Interest Payment Date; and

(b) any subsequent Interest Determination Date, the offered quotations for Euro deposits for the Relevant Period which appears on the Screen as at or about 11.00 a.m. (Brussels time) on that date (rounded upwards if necessary, to five decimal places).

"**TARGET2**" means the Trans-European Automated Real-time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007.

"**TARGET Day**" means any day on which TARGET2 is open for the settlement of payments in euro.

For the avoidance of doubt, only Class A Notes will have a different Relevant Margin on and after the Step-Up Date.

8.5 *Determination of Additional Note Payments:* Upon each Interest Determination Date (from and including the Interest Determination Date immediately prior to the Step-Up Date) the Issuer shall determine (or shall cause the Reference Agent to determine) the amount of each Additional Note Payment (the "**Additional Note Payment Amounts**") in respect of each of the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes for the Interest Period ending on the next following Interest Payment Date and payable in arrear on the Interest Payment Date at the end of such Interest Period and by no later than close of business one Business Day after such Interest Determination Date notify the Issuer (where applicable), the Administrator, the Cash Manager, the Trustee, the Registrar and the Paying Agents and for so long as the Notes are listed on Euronext Dublin, the Issuer shall notify Euronext Dublin.

For the purposes of determining any Additional Note Payment Amount in accordance with this Condition 8.5 (*Determination of Additional Note Payments*), the following calculations apply:

(i) *Current Additional Note Payment*

An amount (rounded downwards to the nearest €0.01) equal to the product of:

$A \times B \times (C/D)$

Where:

A = Relevant Additional Note Payment Margin

B = the Principal Amount Outstanding of the relevant Class of Notes as at the immediately preceding Interest Payment Date (taking into account redemptions (if any) on that Interest Payment Date) and any unpaid interest amount at the end of the same period

C = the number of days in the relevant Interest Period

D = 360

(ii) *Unpaid Additional Note Payment Interest Amount*

An amount (rounded downwards to the nearest €0.01) equal to the product of:

$$A \times (B + C + D) \times (E/F)$$

Where:

A = in respect of any relevant Interest Period, the aggregate of all Unpaid Additional Note Payments of the relevant Class of Notes which remain unpaid by the Issuer on the immediately preceding Interest Payment Date (taking into account any amount paid on that Interest Payment Date)

B = Relevant Additional Note Payment Margin

C = Screen Rate

D = Relevant Margin

E = the number of days in the relevant Interest Period

F = 360

“Additional Note Payments” means the Class B Additional Note Payment, the Class C Additional Note Payment, the Class D Additional Note Payment, the Class E Additional Note Payment and the Class F Additional Note Payment, and each an **“Additional Note Payment”** as the context so requires;

“Class B Additional Note Payment” means, in relation to the Class B Notes, in respect of any Interest Payment Date the aggregate of:

- (a) the Class B Current Additional Note Payment;
- (b) the Class B Unpaid Additional Note Payments (if any); and
- (c) the Class B Unpaid Additional Note Payment Interest Amount (if any);

“Class B Current Additional Note Payment” means, in relation to the Class B Notes, (i) in respect of any Interest Payment Date falling on or prior to the Step-Up Date, zero and (ii) in respect of any Interest Payment Date falling after the Step-Up Date, an amount calculated in accordance with this Condition 8.5 (*Determination of Additional Note Payments*) in respect of the Class B Notes;

“Class B Unpaid Additional Note Payments” means, in relation to an Interest Payment Date, any Class B Current Additional Note Payment and any Class B Unpaid Additional Note Payment Interest Amount which has not yet been paid in full on any previous Interest Payment Date and in respect of which the Issuer has deferred payment in accordance with the provisions of Condition 8.10 (*Deferral of Interest and Additional Note Payments*);

“Class B Unpaid Additional Note Payment Interest Amount” means an amount of interest that shall accrue in respect of the Class B Unpaid Additional Note Payment and calculated in accordance with this Condition 8.5 (*Determination of Additional Note Payments*);

“Class C Additional Note Payment” means, in relation to the Class C Notes, in respect of any Interest Payment Date the aggregate of:

- (a) the Class C Current Additional Note Payment;
- (b) the Class C Unpaid Additional Note Payments (if any); and
- (c) the Class C Unpaid Additional Note Payment Interest Amount (if any);

“Class C Current Additional Note Payment” means, in relation to the Class C Notes, (i) in respect of any Interest Payment Date falling on or prior to the Step-Up Date, zero and (ii) in respect of any Interest Payment Date falling after the Step-Up Date, an amount calculated in accordance with this Condition 8.5 (*Determination of Additional Note Payments*) in respect of the Class C Notes;

“Class C Unpaid Additional Note Payments” means, in relation to an Interest Payment Date, any Class C Current Additional Note Payment and any Class C Unpaid Additional Note Payment Interest Amount which has not yet been paid in full on any previous Interest Payment Date and in respect of which the Issuer has deferred payment in accordance with the provisions of Condition 8.10 (*Deferral of Interest and Additional Note Payments*);

“Class C Unpaid Additional Note Payment Interest Amount” means an amount of interest that shall accrue in respect of the Class C Unpaid Additional Note Payment and calculated in accordance with this Condition 8.5 (*Determination of Additional Note Payments*);

“Class D Additional Note Payment” means, in relation to the Class D Notes, in respect of any Interest Payment Date the aggregate of:

- (a) the Class D Current Additional Note Payment;
- (b) the Class D Unpaid Additional Note Payments (if any); and
- (c) the Class D Unpaid Additional Note Payment Interest Amount (if any);

“Class D Current Additional Note Payment” means, in relation to the Class D Notes, (i) in respect of any Interest Payment Date falling on or prior to the Step-Up Date, zero and (ii) in respect of any Interest Payment Date falling after the Step-Up Date, an amount calculated in accordance with this Condition 8.5 (*Determination of Additional Note Payments*) in respect of the Class D Notes;

“Class D Unpaid Additional Note Payments” means, in relation to an Interest Payment Date, any Class D Current Additional Note Payment and any Class D Unpaid Additional Note Payment Interest Amount which has not yet been paid in full on any previous Interest Payment Date and in respect of which the Issuer has deferred payment in accordance with the provisions of Condition 8.10 (*Deferral of Interest and Additional Note Payments*);

“Class D Unpaid Additional Note Payment Interest Amount” means an amount of interest that shall accrue in respect of the Class D Unpaid Additional Note Payment and calculated in accordance with this Condition 8.5 (*Determination of Additional Note Payments*);

“Class E Additional Note Payment” means, in relation to the Class E Notes, in respect of any Interest Payment Date the aggregate of:

- (a) the Class E Current Additional Note Payment;
- (b) the Class E Unpaid Additional Note Payments (if any); and
- (c) the Class E Unpaid Additional Note Payment Interest Amount (if any);

“Class E Current Additional Note Payment” means, in relation to the Class E Notes, (i) in respect of any Interest Payment Date falling on or prior to the Step-Up Date, zero and (ii) in respect of any Interest Payment Date falling after the Step-Up Date, an amount calculated in accordance with this Condition 8.5 (*Determination of Additional Note Payments*) in respect of the Class E Notes;

“Class E Unpaid Additional Note Payments” means, in relation to an Interest Payment Date, any Class E Current Additional Note Payment and any Class E Unpaid Additional Note Payment Interest Amount which has not yet been paid in full on any previous Interest Payment Date and in respect of which the Issuer has deferred payment in accordance with the provisions of Condition 8.10 (*Deferral of Interest and Additional Note Payments*);

“Class E Unpaid Additional Note Payment Interest Amount” means an amount of interest that shall accrue in respect of the Class E Unpaid Additional Note Payment and calculated in accordance with this Condition 8.5 (*Determination of Additional Note Payments*);

“Class F Additional Note Payment” means, in relation to the Class F Notes, in respect of any Interest Payment Date the aggregate of:

- (a) the Class F Current Additional Note Payment;
- (b) the Class F Unpaid Additional Note Payments (if any); and
- (c) the Class F Unpaid Additional Note Payment Interest Amount (if any);

“Class F Current Additional Note Payment” means, in relation to the Class F Notes, (i) in respect of any Interest Payment Date falling on or prior to the Step-Up Date, zero and (ii) in respect of any Interest Payment Date falling after the Step-Up Date, an amount calculated in accordance with this Condition 8.5 (*Determination of Additional Note Payments*) in respect of the Class F Notes;

“Class F Unpaid Additional Note Payments” means, in relation to an Interest Payment Date, any Class F Current Additional Note Payment and any Class F Unpaid Additional Note Payment Interest Amount which has not yet been paid in full on any previous Interest Payment Date and in respect of which the Issuer has deferred payment of in accordance with the provisions of Condition 8.10 (*Deferral of Interest and Additional Note Payments*);

“Class F Unpaid Additional Note Payment Interest Amount” means an amount of interest that shall accrue in respect of the Class F Unpaid Additional Note Payment and calculated in accordance with this Condition 8.5 (*Determination of Additional Note Payments*);

“Current Additional Note Payments” means the Class C Current Additional Note Payment, the Class D Current Additional Note Payment, the Class E Current Additional Note Payment and the Class F Current Additional Note Payment, and each a Current Additional Note Payment as the context so requires;

“Relevant Additional Note Payment Margin” means:

- (a) in respect of the Class B Notes, 1.00 per cent. per annum;
- (b) in respect of the Class C Notes, 1.00 per cent. per annum;
- (c) in respect of the Class D Notes, 1.00 per cent. per annum;
- (d) in respect of the Class E Notes, 1.50 per cent. per annum; and
- (e) in respect of the Class F Notes, 1.50 per cent. per annum;

For the avoidance of doubt, no Relevant Additional Note Payment Margin applies to the Class A Notes.

“Unpaid Additional Note Payments” means the Class B Unpaid Additional Note Payments, the Class C Unpaid Additional Note Payments, the Class D Unpaid Additional Note Payments, the Class E Unpaid Additional Note Payments and the Class F Unpaid Additional Note Payments and each an **“Unpaid Additional Note Payment”** as the context so requires.

- 8.6 *Publication of Note Rate, Interest Amount, Additional Note Payment Amounts and Interest Payment Date:* As soon as practicable after receiving each notification of the Note Rate, the Interest Amount, the Class X Note Interest Amount, the Class R Note Interest Amount, the Additional Note Payment Amounts (if any) and the Interest Payment Date in accordance with Condition 8.4 (*Determination of Note Rate, Interest Amount, Class X Note Interest Amount, Class R Note Interest Amount, Additional Class X Payment 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, Class X Note Interest Amount, the Class R Note Interest Amount, the Additional Note Payment Amounts (if any) and the next following Interest Payment Date to be published in accordance with Condition 23 (*Notices*).
- 8.7 *Amendments to publications:* The Note Rate, Interest Amount for each Class, the Class R Note Interest Amount, the Additional Note Payment Amounts (if any) 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.
- 8.8 *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 and Additional Note Payments*), whether by the Reference Banks (or any of them), the Paying Agents, the Registrar, the Reference Agent, the Cash Manager or the Trustee shall (in the absence of any manifest error) be binding on the Issuer and all Noteholders and (in the absence of manifest error) no liability to 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 and Additional Note Payments*). The Trustee shall have no liability to any person in connection with the exercise or non-exercise of its powers, duties and discretions under this Condition 8 (*Interest and Additional Note Payments*).
- 8.9 *Reference Banks and Reference Agent:* The Issuer shall ensure that, so long as any of the Notes remains outstanding there shall at all times be a Reference Agent and a Paying Agent. The Issuer shall ensure that, so long as any of the Notes remains outstanding that it shall select four Reference Banks at the relevant time.
- 8.10 *Deferral of Interest and Additional Note Payments*
- 8.10.1 To the extent that funds available to the Issuer to pay interest on the Notes of any Class 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 (other than the Class A 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.
- 8.10.2 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 Additional Note Payments*)) 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.

- 8.10.3 If, on any Interest Payment Date after the Step-Up Date, the Issuer has insufficient funds to make payment in full of all amounts in respect of Additional Note Payment Amounts, (including interest (if any) accrued but unpaid and/or deferred pursuant to this Condition 8.10.3 and accrued interest thereon) payable in respect of the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes after having paid or provided for items of higher priority in the Pre-Enforcement Revenue Priority of Payments, then the Issuer shall defer payment of the relevant Additional Note Payment Amount (which shall accrue interest as calculated in accordance with Condition 8.5(ii)) until the next Interest Payment Date.
- 8.10.4 Payment of any amounts of Deferred Interest, Additional Interest and any Additional Note Payments 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 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.

8.11 Determinations and reconciliation

8.11.1 If the relevant Cash Manager Report in respect of the relevant Calculation Period is not prepared and delivered prior to the due date for such delivery, then the Cash Manager shall use the Cash Manager Reports in respect of the three most recent Calculation Periods (or, where there are not at least three previous Cash Manager Reports, all previous Cash Manager Reports) for the purposes of calculating the amounts available to the Issuer to make payments, as set out in this Condition 8.11 (*Determinations and reconciliation*). If the Cash Manager Report relating to the relevant Calculation Period is subsequently received, the Cash Manager shall make the reconciliation calculations and reconciliation payments as set out in Condition 8.11.3. Any:

- (a) calculations properly done on the basis of such previous Cash Manager Reports;
- (b) payments made under any of the Notes and Transaction Documents in accordance with such calculations;
- (c) reconciliation calculations; and
- (d) reconciliation payments made as a result of such reconciliation calculations,

each in accordance with Condition(s) 8.11.2, 8.11.3 and/or 8.11.4 shall be deemed to be done in accordance with the provisions of the Transaction Documents and will not in themselves lead to an Event of Default and no Liability will attach to the Cash Manager in connection with the exercise by it of its powers, duties and discretion for such purposes.

8.11.2 If the relevant Cash Manager Report in respect of the relevant Calculation Period is not prepared and delivered prior to the due date for such delivery, the Cash Manager shall:

- (a) determine the Interest Determination Ratio by reference to the three most recently received Cash Manager Reports (or, where there are not at least three previous Cash Manager Reports, all previous Cash Manager Reports);
- (b) calculate the Revenue Receipts for such relevant Calculation Period as the product of:
 - (i) the Interest Determination Ratio; and

- (ii) all payments received by the Issuer during such relevant Calculation Period;
and
- (c) calculate the Principal Receipts for such relevant Calculation Period as the product of:
 - (i) one minus the Interest Determination Ratio; and
 - (ii) all payments received by the Issuer during such relevant Calculation Period.

8.11.3 Following any relevant Calculation Period in respect of which the corresponding Cash Manager Report was not delivered to the Cash Manager on the due date for such delivery, upon subsequent delivery of the Cash Manager Report in respect of such relevant Calculation Period, the Cash Manager shall reconcile the calculations made in accordance with Condition 8.11.2 to the actual collections set out in such Cash Manager Report as follows:

- (a) if the Reconciliation Amount is a positive number, the Cash Manager shall on the immediately following Interest Payment Date pay or provide for such amount by allocating Available Revenue Receipts as Available Principal Receipts; and
- (b) if the Reconciliation Amount is a negative number, the Cash Manager shall on the immediately following Interest Payment Date pay or provide for such amount by allocating Available Principal Receipts as Available Revenue Receipts.

8.11.4 If Available Revenue Receipts or Available Principal Receipts, as the case may be, are insufficient to pay or provide for the applicable Reconciliation Amount in full on the immediately following Interest Payment Date, the Cash Manager shall reallocate Available Revenue Receipts or Available Principal Receipts (as applicable) in accordance with Condition 8.11.3 in respect of each subsequent Calculation Period (such Reconciliation Amounts to be applied accordingly on the immediately following Interest Payment Date) until such Reconciliation Amount is paid or provided for in full.

8.11.5 If the Cash Manager is required to provide for a Reconciliation Amount in determining Available Revenue Receipts and Available Principal Receipts in respect of any Interest Payment Date, the Cash Manager shall pay or provide for such Reconciliation Amount in accordance with the terms of this Condition 8.11 (*Determinations and reconciliation*) and the Cash Manager shall promptly notify the Issuer and the Trustee of such Reconciliation Amount.

In this Condition 8.11 (*Determinations and reconciliation*):

“Interest Determination Ratio” means: (i) the aggregate Revenue Receipts calculated in the three preceding Cash Manager Reports (or such smaller number of preceding Cash Manager Reports as may be available on the date the Interest Determination Ratio is calculated); divided by (ii) the aggregate of the Revenue Receipts and the Principal Receipts calculated in such Cash Manager Reports; and

“Reconciliation Amount” means in respect of a relevant Calculation Period: (i) the actual Principal Receipts as determined in accordance with the available Cash Manager Reports; less (ii) the Principal Receipts in respect of such relevant Calculation Period, determined in accordance with Condition 8.11.2(c).

9. Final Redemption, Mandatory Redemption in Part 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 and Cancellation*), the Issuer shall redeem the Notes in each Class at their Principal Amount Outstanding together with any accrued interest and any Deferred Interest on the Final Maturity Date.

9.2 *Mandatory redemption in part prior to the service of an Enforcement Notice:*

9.2.1 On each Interest Payment Date prior to the delivery of an Enforcement Notice, the Issuer is required to apply Available Principal Receipts towards the redemption of the Notes to the extent that there are such amounts available to do so in accordance with the Pre-Enforcement Principal Priority of Payments.

9.2.2 On each Interest Payment Date prior to the delivery of an Enforcement Notice, the Issuer is required to apply Available Revenue Receipts in accordance with the Pre-Enforcement Revenue Priority of Payments, while any of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes, the Class Z2 Notes or the Class Z1 Notes are outstanding, to redeem the Class X Notes until the Principal Amount Outstanding of the Class X Notes is reduced down to €1.

9.2.3 On each Interest Payment Date prior to the delivery of an Enforcement Notice, the Issuer is required to apply Available Revenue Receipts in accordance with the Pre-Enforcement Revenue Priority of Payments, while any of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes, the Class Z2 Notes, the Class Z1 Notes or the Class X Notes are outstanding, to redeem the Class R Notes until the Principal Amount Outstanding of the Class R Notes is reduced down to €1.

9.2.4 On each Interest Payment Date prior to the delivery of an Enforcement Notice, the Issuer is required to apply Available Revenue Receipts in accordance with the Pre-Enforcement Revenue Priority of Payments, while any of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes or the Class Z1 Notes are outstanding, to redeem the Class Z2 Notes.

9.2.5 On each Interest Payment Date prior to the delivery of an Enforcement Notice, the Issuer is required to apply Available Revenue Receipts in accordance with the Pre-Enforcement Revenue Priority of Payments.

9.3 *Mandatory redemption in full:*

The Issuer shall redeem all (but not some only) of the relevant Notes in each Class at their Principal Amount Outstanding together with any accrued interest and any Deferred Interest, Additional Interest and any Additional Note Payments accrued (and unpaid) up to but excluding the relevant Interest Payment Date:

9.3.1 on giving not more than 30 days' nor fewer than five Business Days' notice to the Noteholders in accordance with Condition 23 (*Notices*) and the Trustee, on any Interest Payment Date on or after the Portfolio Purchase Completion Date or the Sponsor Portfolio Sale Completion Date (as the case may be) and following the sale of the Mortgage Assets comprising the Portfolio in accordance with the provisions of the Deed Poll, the Portfolio Purchase Price or the Market Purchase Price (as the case may be); or

9.3.2 on giving not more than 60 days' nor fewer than 14 Business Days' notice to the Noteholders in accordance with Condition 23 (*Notices*) and the Trustee, on any Interest Payment Date

following the sale of the Mortgage Assets comprising the Portfolio in accordance with these Conditions where the aggregate Principal Amount Outstanding of all Notes is less than or equal to 10 per cent. of the aggregate Principal Amount Outstanding of all Notes on the Closing Date, and the Sellers have exercised their optional repurchase right in relation to the Mortgage Assets, under clause 10 (*Clean-up Call*) of the respective Mortgage Sale Agreements.

9.4 *Mandatory Redemption in full pursuant to a Risk Retention Regulatory Change Option:* On the specified Interest Payment Date falling on or immediately following the Risk Retention Regulatory Change Option Completion Date, the full amount of the Risk Retention Regulatory Change Option Purchase Price, together with all amounts standing to the credit of the General Reserve Fund Ledger and any Available Revenue Receipts and Available Principal Receipts otherwise available to the Issuer for application on the Interest Payment Date falling on or immediately following the Risk Retention Regulatory Change Option Completion Date will be used to redeem each Note at an amount equal to the Principal Amount Outstanding of such Note together with accrued and unpaid interest, Additional Interest, Deferred Interest and any Additional Note Payments accrued (and unpaid) up to but excluding the Interest Payment Date immediately following the Risk Retention Regulatory Change Option Completion Date.

9.5 *Mandatory Redemption for taxation or other reasons*

If:

9.5.1 by reason of a change in tax law (or the application or official interpretation thereof), which change becomes effective on or after the Closing Date, on or before the next Interest Payment Date the Issuer or the Paying Agents would be required to deduct or withhold from any payment of principal or interest on any Notes (other than because the relevant holder has some connection with Ireland other than the holding of such Notes) any amount for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of Ireland or any political sub-division thereof or any authority thereof or therein having power to tax; or

9.5.2 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 9.5.1 or 9.5.2, 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:

9.5.2.1 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

9.5.2.2 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 9.5.1 or 9.5.2 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 Assets comprising the Portfolio are sold pursuant to the Deed Poll following the occurrence of a Redemption Event, the consideration received by the Issuer for such sale together with 95 per cent. of the amounts standing to the credit of the General Reserve Fund Ledger, together with any Available Revenue Receipts and Available Principal Receipts otherwise available to the Issuer for application on the Interest Payment Date falling on or immediately following the date that sale becomes effective will be used to redeem each Note at an amount equal to the Principal Amount Outstanding of such Note together with accrued interest and Deferred Interest and any Additional Note Payments accrued (and unpaid) up to, but excluding, such Interest Payment Date. The Issuer shall give not more than 60 days' nor fewer than 30 Business Days' notice of any such redemption of the Notes to the Noteholders in accordance with Condition 23 (*Notices*) and the Trustee.

9.6 *Calculation of Note Principal Payment, Principal Amount Outstanding and Pool Factor.* On each Interest Determination Date, the Issuer shall calculate (or cause the Cash Manager to calculate):

9.6.1 the aggregate of any Note Principal Payment due in relation to each Note in each Class on the Interest Payment Date immediately succeeding such Interest Determination Date;

9.6.2 the Principal Amount Outstanding of each Note in each Class on the Interest Payment Date immediately succeeding such Interest Determination Date (after deducting any Note Principal Payment due to be made on that Interest Payment Date in relation to such Class); and

9.6.3 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 9.6.2 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 Reference Agent, the Registrar and for so long as the Notes are listed on Euronext Dublin, Euronext Dublin by not less than two Business Days prior to the relevant Interest Payment Date.

9.7 *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.

9.8 *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 in full*) and Condition 9.5 (*Mandatory Redemption 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 Condition 23 (*Notices*) 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 in full*), Condition 9.5 (*Mandatory Redemption 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 in accordance with the terms of these Conditions.
- 9.11 *No purchase by the Issuer:* The Issuer will not be permitted to purchase any of the Notes.
- 9.12 *Cancellation of 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:

10.1.1

- (a) the Final Maturity Date or any earlier date upon which all of the Notes of each Class become due and payable; or
- (b) the service of an Enforcement Notice; and

- 10.1.2 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 Condition 10.1.2 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 Condition 10.1.2, cease to be due and payable by the Issuer. For the purposes of this Condition 10 (*Limited Recourse*), “**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**

- 11.10 Principal, interest and Additional Note Payments: Payments of principal, interest and any Additional Note Payments shall be made by cheque drawn in Euro or, upon application by a Noteholder to the Specified Office of the Paying Agent not later than the fifteenth day before the due date for payment, by transfer to an account in Euro, 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.

- 11.11 **Record Date:** Each payment in respect of a Note will be made to the person shown as the Noteholder in the Register at the opening of business in the place of the Registrar's Specified Office on the fifteenth day before the due date for such payment (the "**Record Date**") (being, for this purpose, a day on which banks are open for business in the city in which the Specified Office of the Registrar is located). Where payment in respect of a Note is to be made by cheque, the cheque will be mailed to the address shown as the address of the Noteholder in the Register at the opening of business on the relevant 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.
- 11.12 **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 in the place of payment. No commissions or expenses shall be charged to the Noteholders in respect of such payments.
- 11.13 **Partial payments:** If the 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.
- 11.14 **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, interest and any Additional Note Payments 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:** None of the Issuer, the Trustee or the Paying Agents will be obliged to pay any additional amounts to the Noteholders as a result of any such Tax Deduction. None of the Issuer, the Trustee or the Paying Agent shall have any obligation to pay additional amounts or otherwise indemnify a holder for any FATCA withholding deducted or withheld by the Issuer, the Trustee, a Paying Agent or any other party as a result of any person not being entitled to receive payments free of FATCA withholding.
- 12.3 **Provision of information:** Each Noteholder is deemed to agree that the Issuer and any other relevant party on its behalf may (i) request such forms, self-certifications, documentation and any other information from the Noteholder which the Issuer may reasonably require in order for it to comply with

its automatic exchange of information obligations, including those under FATCA and CRS, (ii) provide any such information or documentation collected from an investor and any other information concerning any investment in the Notes to the relevant tax authorities and (iii) take such other steps as they deem necessary or helpful to comply with its automatic exchange obligations under any applicable law.

13. **Events of Default**

13.1 *Events of Default*: Subject to the other provisions of this Condition 13 (*Events of Default*), each of the following events shall be treated as an “**Event of Default**”:

13.1.1 *Non-payment*: subject to Condition 8.10 (*Deferral of Interest and Additional Note Payments*) the Issuer fails to pay any amount of principal in respect of the 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 Notes within fourteen days following the due date for payment of such interest; or

13.1.2 *Breach of other obligations*: the Issuer defaults in the performance or observance of any of its other obligations under or in respect of the 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

13.1.3 *Insolvency Event*: an Insolvency Event in respect of the Issuer occurs; or

13.1.4 *Illegality*: 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, Trust Documents or any of the other Transaction Documents.

13.2 *Delivery of Enforcement Notice*: If an Event of Default occurs, the Trustee may at its discretion and shall, subject in each case to it being indemnified and/or secured and/or prefunded to its satisfaction:

13.2.1 if so requested in writing by the holders of at least 25 per cent. of the Principal Amount Outstanding of the Most Senior Class of Notes outstanding; or

13.2.2 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:

13.3.1 in the case of the occurrence of any of the events mentioned in Condition 13.1.2 (*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

13.3.2 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 and any Deferred Interest any Additional Note Payments accrued (and unpaid).

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:

14.1.1 so requested in writing by the holders of at least 25 per cent. of the Principal Amount Outstanding of the Most Senior Class of outstanding Notes; or

14.1.2 so directed by an Extraordinary Resolution of the Noteholders of the Most Senior Class of outstanding Notes,

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:

14.2.1 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

14.2.2 such action is sanctioned by an Extraordinary Resolution of the Noteholders of the Notes ranking senior to such other Class.

14.3 *Restrictions on disposal of Issuer's assets*: If an Enforcement Notice has been delivered by the Trustee otherwise than by reason of non-payment of any amount due in respect of the Notes, the Trustee shall not be entitled to dispose of the Charged Property or any part thereof unless either:

14.3.1 the Cash Manager certifies to the Trustee (on which certificate the Trustee shall be entitled to rely without liability and without enquiry) that a sufficient amount would be realised to allow payment in full of all amounts owing to the Noteholders of each Class after payment of all other claims ranking in priority to the Notes in accordance with the Post-Enforcement Priority of Payments; or

14.3.2 the Trustee has obtained the written advice of an investment bank or other financial adviser selected by the Trustee, in its absolute discretion and at the expense of the Issuer, (and if the Trustee is unable to obtain such advice having made reasonable efforts to do so, this Condition 14.3.2 shall not apply) and upon which advice the Trustee shall be entitled to rely absolutely and without incurring any liability to any person, which shall be binding on the Noteholders and the other Secured Creditors that the cash flow prospectively receivable by the Issuer will not (or that there is a significant risk that it will not) be sufficient, having regard to any other relevant actual, contingent or prospective liabilities of the Issuer, to discharge in full in due course all amounts due in respect of the Notes of each Class after payment of all other claims ranking in priority to the Notes in accordance with the Post-Enforcement Priority of Payments and the Trustee shall have no liability to any person for the consequences of any such opinion reached in accordance with this Condition 14.3.2; and

The Trustee shall not be bound to make the determination, or seek the written advice of an investment bank or other financial adviser in accordance with Condition 14.3.2 unless the Trustee shall have been indemnified and/or secured and/or prefunded to its satisfaction against all Liabilities to which it may thereby become liable, or which it may incur by so doing and shall have no liability to anyone for not so doing.

15. No Action by Noteholders or Any Other Secured Creditor

15.1 *Only* the Trustee may pursue the remedies available under the general law or under the Trust Documents to enforce the Security and no Noteholder 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 time and such failure is continuing. 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) are entitled:

15.1.1 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;

15.1.2 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;

15.1.3 until the date falling two years after the Final Discharge Date, to initiate or join any person in initiating any insolvency proceeding in relation to the Issuer; or

15.1.4 to take or join in the taking of any steps, actions or proceedings which would result in the Priority 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:

16.2.1 an Extraordinary Resolution which in the opinion of the Trustee affects the interests of the holders of one Class of Notes shall be transacted at a separate meeting of the holders of the holders of that Class of Notes;

16.2.2 an Extraordinary Resolution which in the opinion of the Trustee affects the interests of the holders of more than one Class of Notes but does not give rise to an actual or potential conflict of interest between the holders of any of Classes of the Notes so affected shall be transacted either at separate meetings of the holders of each Class of Notes so affected or at a single meeting of the holders of the Class of Notes so affected as the Trustee shall determine in its absolute discretion; and

16.2.3 an Extraordinary Resolution which in the opinion of the Trustee affects the holders of more than one Class of Notes and gives rise to any actual or potential conflict of interest between the holders of any of the Classes of Notes so affected shall be transacted at separate meetings of the holders of each Class of Notes so affected.

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 ten per cent. of the aggregate Principal Amount Outstanding of the outstanding Notes of that Class. However, so long as no Note Enforcement Notice has been delivered, 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:

16.4.1 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 outstanding 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 outstanding Notes so held or represented in such Class or Classes; and

16.4.2 an Extraordinary Resolution relating to a Reserved Matter (which must be proposed separately to each Class of Noteholders at separate meetings) will be one or more persons holding or representing in aggregate 75 per cent. of the Principal Amount Outstanding of the outstanding Notes in the relevant Class or Classes or, at any adjourned meeting, one or more persons holding or representing not less than in aggregate 25 per cent. of the Principal Amount Outstanding of the outstanding Notes in the relevant class or classes.

16.5 *Relationship between classes:* In relation to each Class of Notes:

16.5.1 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);

16.5.2 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);

16.5.3 subject to Condition 16.5.5 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;

16.5.4 subject to Condition 16.5.5 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; and

16.5.5 no Extraordinary Resolution to approve any matter which concerns the Administrator, the Master Servicer or the Managing Sponsor including, without limitation, the termination of the appointment thereof or the appointment of a successor administrator or successor thereof shall be effective unless it is sanctioned by an Extraordinary Resolution of the Class X Noteholders, provided that this Condition 16.5.5 shall not apply in respect of the Administrator or the Master Servicer for so long as there is any debit balance on the Class A Principal Deficiency Sub-Ledger and there has been a debit balance on the Class A Principal Deficiency Sub-Ledger for the immediately preceding 12 consecutive Calculation Periods and the

Trustee shall be entitled to rely on a certificate of the Issuer (such certificate to be provided by the Issuer to the Trustee before any such matter is approved), without enquiry and without incurring liability to any person, confirming whether or not the circumstances as described above apply.

16.6 *Resolutions in writing:* a Written Resolution and an Electronic Consent shall take effect as if it were an *Extraordinary* Resolution.

17. **Modification and Waiver**

17.1 *Modification:* the Trustee may at any time and from time to time, and in the case of Condition 17.1.3 shall, without the consent or sanction of the Noteholders or any other Secured Creditors (other than those Secured Creditors who are party to the relevant Transaction Documents), concur with the Issuer and any other relevant parties in making:

17.1.1 any modification to these Conditions, the Trust Documents, the Notes or the other Transaction Documents in relation to which its consent is required (other than in respect of a Reserved Matter or any provisions of the Trust Documents referred to in the definition of a Reserved Matter) which, in the opinion of the Trustee, will not be materially prejudicial to the holders of the Most Senior Class of outstanding Notes;

17.1.2 any modification to these Conditions, the Trust Documents or the other Transaction Documents in relation to which its consent is required (including a Reserved Matter), if, in the opinion of the Trustee, such modification is of a formal, minor or technical nature or is made to correct a manifest error; or

17.1.3 any amendments to the Trust Deed, the Conditions, the Notes or the other Transaction Documents (other than in respect of a Reserved Matter) to enable the Issuer to comply with, implement or reflect:

- (a) FATCA and/or CRS (or any other similar regime for the reporting and automatic exchange of information);
- (b) any updated criteria of one or more Rating Agencies which may be published after the Closing Date;
- (c) the appointment of any additional or replacement account bank and/or the opening of any additional or replacement Issuer Account in accordance with the Transaction Documents;
- (d) the appointment of any custodian and/or the opening of any custody account in accordance with the Transaction Documents; or
- (e) the requirements of the bill proposed by the Irish Parliament entitled "Consumer Protections (Regulation of Credit Servicing Firms) (Amendment) Bill 2018" (the "**Bill**") or the legislation subsequently enacted therefrom, or for the purpose of ensuring that the Issuer or the Trustee do not need to obtain a licence or become regulated as a Credit Servicing Firm (as defined in the Bill) or in any other capacity in order to exercise or carry out their respective rights, functions or duties under the Transaction Documents,

provided that the Issuer certifies to the Trustee that such amendments are required solely for such purpose and have been drafted solely to such effect and regardless of whether or not

such amendments are materially prejudicial to the Most Senior Class or any other Class of outstanding Notes;

- 17.3 *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 outstanding Notes will not be materially prejudiced by such authorisation or waiver.
- 17.4 The Issuer shall not agree to any amendment to, modification of, or supplement to any of the Transaction Documents, insofar as such amendment, modification or supplement relates to or affects the Pre-Enforcement Revenue Priority of Payments or the Post-Enforcement Priority of Payments, or the timing or amount of any payments due to be made pursuant to the Pre-Enforcement Revenue Priority of Payments or the Post-Enforcement Priority of Payments in such a way as to have the effect of putting the Administrator in a less beneficial position than it would have been had such amendment, modification or supplement not been made, without the prior written consent of the Administrator. If the Issuer agrees to any amendment to, modification of, or supplement to any of the Transaction Documents, it shall certify to the Trustee, that the requirements of the first sentence of this Clause 17.4 are complied with.
- 17.5 *Restriction on power to waive*: The Trustee shall not exercise any powers conferred upon it by Condition 17.3 (*Waiver* .) in contravention of any express direction by an Extraordinary Resolution of the holders of the Most Senior Class of outstanding Notes 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 outstanding Notes, but so that no such direction or request shall affect any authorisation, waiver or determination previously given or made.
- 17.6 *Notification*: 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 Condition 23 (Notices) and the Transaction Documents, as soon as practicable after it has been made.
- 17.7 *Binding nature*: Any authorisation, waiver, determination or modification referred to in Condition 17.1 (*Modification*) or Condition 17.3 (*Waiver*) shall be binding on the Noteholders and the other Secured Creditors.

The Trustee shall not be obliged to agree to any matter which, in the opinion of the Trustee, would have the effect of exposing the Trustee to any Liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction. The Trustee shall not be held liable for the consequences of exercising its discretion or taking any action, step or proceeding (or not exercising its discretion or taking any action, step or proceeding as the case may be) and may do so without having regard to the effect of such action on individual Noteholders or Secured Creditors.

In the case of a request for consent to a waiver, modification, substitution or any other matter, the Trustee shall be entitled to obtain legal, financial or other expert advice, at the expense of the Issuer, and rely on such advice in connection with determining whether or not to give such consent as it sees fit.

“Outstanding” means, in relation to the Notes, all the Notes other than:

- (i) those which have been redeemed in full and cancelled in accordance with the Conditions;
- (ii) those in respect of which the date for redemption, in accordance with the provisions of the Conditions, has occurred and for which the redemption monies (including all interest accrued

thereon to such date for redemption) have been duly paid to, or to the order of, the Trustee or the 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 Condition 23 (*Notices*)) and remain available for payment in accordance with the Conditions;

- (iii) those which have been redeemed or surrendered for cancellation as provided in Condition 9 (*Final Redemption, Mandatory Redemption in Part and Cancellation*) and notice of the cancellation of which has been given to the Trustee;
- (iv) those which have become void under the Conditions;
- (v) those mutilated or defaced Notes which have been surrendered or cancelled and those Notes which are alleged to have been lost, stolen or destroyed and in all cases in respect of which replacement Notes have been issued pursuant to the Conditions; and
- (vi) any Global Note, to the extent that it shall have been exchanged for the related Definitive Notes pursuant to the provisions contained therein and the Conditions;

provided that for each of the following purposes, namely:

- (a) the right to attend and vote at any meeting of Noteholders;
- (b) the removal or replacement of the Trustee;
- (c) 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 16 (*Proceedings and Actions by the Trustee*), Clause 25 (*Appointment of Trustees*) and Clause 26 (*Notice of a New Trustee*) of the Trust Deed and Condition 13 (*Events of Default*), Condition 14 (*Enforcement*), Condition 16 (*Meetings of Noteholders*) and Condition 17 (*Modification and Waiver*) and the Provisions for Meetings of Noteholders;
- (d) any discretion, power or authority, whether contained in the Trust Deed or provided by law, which the Trustee is required to exercise in or by reference to the interests of the Noteholders or any Class or Classes thereof; and
- (e) any determination by the Trustee as to whether any event, circumstance, matter or thing is, in its opinion, materially prejudicial to the interests of the Noteholders or any Class or Classes thereof,

those Notes (if any) (including without limitation the Retained Interest) which are for the time being held by or on behalf of or for the benefit of the Issuer, the Sellers, the Retention Holder or any of their respective Affiliates (each a “**Relevant Person**”), 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 Relevant Person 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.

18 Base Rate Modification

- 18.1** Notwithstanding the provisions of Condition 17 (*Modification and Waiver*), the Trustee shall be obliged 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 in making any amendments to the Trust Deed, the Conditions, the Notes or the other Transaction Documents to which it is a party or in relation to which it holds Security or entering into any new supplemental documents that the Issuer considers necessary

or advisable to enable the Issuer to comply with, implement or reflect a change to the base rate that applies in respect of the Notes from EURIBOR (the “**Applicable Base Rate**”) to an alternative base rate (any such rate, an “**Alternative Base Rate**”) and making such other amendments to these Conditions or any other Transaction Document as are necessary or advisable in the reasonable judgment of the Issuer to facilitate the changes envisaged pursuant to this Condition 18 (*Base Rate Modification*) (for the avoidance of doubt, this may include changing the base rate referred to in any interest rate hedging agreement, for the purpose of aligning any such hedging agreement with the proposed Base Rate Modification pursuant to Condition 18.1.12(d), or modifications to when the rate of interest applicable to any Class of Notes is calculated and/or notified to Noteholders or other such consequential modifications) (a “**Base Rate Modification**”), provided that the Issuer certifies to the Trustee in writing that:

18.1.1 the Base Rate Modification is being undertaken due to any one or more of the following:

- (a) a material disruption to the Applicable Base Rate, a material change in the methodology of calculating the Applicable Base Rate or the Applicable Base Rate ceasing to exist or be published, or the administrator of the Applicable Base Rate having used a fallback methodology for calculating the Applicable Base Rate for a period of at least 30 calendar days; or
- (b) the insolvency or cessation of business of the administrator of the Applicable Base Rate (in circumstances where no successor administrator has been appointed); or
- (c) a public statement by the administrator of the Applicable Base Rate that it will cease publishing the Applicable Base Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Applicable Base Rate) with effect from a date no later than 6 months after the proposed effective date of such Base Rate Modification; or
- (d) a public statement by the supervisor of the administrator of the Applicable Base Rate that the Applicable Base Rate has been or will be permanently or indefinitely discontinued or there will be a material change in the methodology of calculating the Applicable Base Rate with effect from a date no later than 6 months after the proposed effective date of such Base Rate Modification; or
- (e) a public statement by the supervisor of the administrator of the Applicable Base Rate that means the Applicable Base Rate will be prohibited from being used or that its use is subject to restrictions or adverse consequences with effect from a date no later than 6 months after the proposed effective date of such Base Rate Modification; or
- (f) a change in the generally accepted market practice in the publicly listed asset backed floating rate notes market to refer to a base rate endorsed in a public statement by the supervisor of the administrator of the Applicable Base Rate despite the continued existence of the Applicable Base Rate; or
- (g) it having become unlawful and/or impossible and/or impracticable for any Paying Agent, Calculation Agent, the Issuer or the Cash Manager to calculate any payments due to be made to any Noteholder using the Applicable Base Rate; or
- (h) it being the reasonable expectation of the Issuer that any of the events specified in subparagraphs (a), (b) or (g) will occur or exist within six months of the proposed effective date of such Base Rate Modification; or
- (i) a Base Rate Modification is being proposed pursuant to Condition 18.4; and

18.1.2 the Alternative Base Rate is any one or more of the following:

- (a) a base rate with an equivalent term to the Applicable Base Rate as published, endorsed, approved or recognised as a replacement to the Applicable Base 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 Alternative Base Rate together with a specified adjustment factor which may increase or decrease the relevant Alternative Base 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 Base Rate Modification; or
- (c) such other base rate as the Issuer reasonably determines, provided that this option may only be used if the Issuer certifies to the Trustee that, in the reasonable opinion of the Issuer neither Condition 18.1.2(a) nor Condition 18.1.2(b) are applicable and/or practicable in the context of the Transaction, and sets out the rationale in the Base Rate Modification Certificate for choosing the proposed Alternative Base Rate; and

18.1.3 the same Alternative Base Rate will be applied to all Classes of Notes issued in the same currency; and

18.1.4 the details of and the rationale for any Note Rate Maintenance Adjustment proposed in accordance with Condition 18.1.12(f) are as set out in the Base Rate Modification Noteholder Notice; and

18.1.5 the modifications proposed are required solely for the purpose of applying the Alternative Base Rate and making consequential modifications to any Transaction Document which are, as reasonably determined by the Issuer necessary or advisable, and the modifications have been drafted solely to such effect; and

18.1.6 the consent of each Secured Creditor which has a right to consent to such modification pursuant to the provisions of the Transaction Documents has been obtained (evidence of which shall be provided by the Issuer to the Trustee with the Base Rate Modification Certificate) and no other consents are required to be obtained in relation to the Base Rate Modification; and

18.1.7 the Seller or the Administrator has agreed to pay, or to put the Issuer in funds to pay, all fees, costs and expenses (including legal fees and any initial or ongoing costs associated with the Base Rate Modification) incurred by the Issuer and the Trustee or any other Transaction Party in connection with the Base Rate Modification,

(the certificate to be provided by the Issuer, being a “**Base Rate Modification Certificate**”), provided that:

18.1.8 the Base Rate Modification Certificate shall be provided to the Trustee in draft form not less than five Business Days prior to the date on which the Base Rate Modification Certificate is sent to Noteholders; and

18.1.9 the Base Rate Modification Certificate shall be provided to the Trustee in final form not less than two Business Days prior to the date on which the Base Rate Modification takes effect; and

18.1.10 a copy of the Base Rate Modification Noteholder Notice provided to Noteholders pursuant to Condition 18.1.12 shall be appended to the Base Rate Modification Certificate,

and provided further that:

18.1.11 either:

- (a) the Issuer has obtained from each of the Rating Agencies written confirmation (or certifies in the Base Rate Modification Certificate that it has been unable to obtain written confirmation, but has received oral confirmation from an appropriately authorised person at each of the Rating Agencies) that the proposed Base Rate Modification would not result in (x) a downgrade, withdrawal or suspension of the then current ratings assigned to any Class of Notes by such Rating Agency or (y) such Rating Agency placing any Notes on rating watch negative (or equivalent) and, if relevant, it has provided a copy of any written confirmation to the Trustee with the Base Rate Modification Certificate; or
- (b) the Issuer certifies in the Base Rate Modification Certificate that it has given the Rating Agencies at least 10 Business Days prior written notice of the proposed modification and none of the Rating Agencies has indicated that such modification would result in (x) a downgrade, withdrawal or suspension of the then current ratings assigned to any Class of the Notes by such Rating Agency or (y) such Rating Agency placing any Notes on rating watch negative (or equivalent); and

18.1.12 the Issuer has provided written notice of the proposed Base Rate Modification to the Noteholders of each Class, at least 40 calendar days' prior to the date on which it is proposed that the Base Rate Modification would take effect, in accordance with Condition 23 (*Notices*) and by publication on Bloomberg on the "Company Filings" screen relating to the Notes (such notice, the "**Base Rate Modification Noteholder Notice**") confirming the following:

- (a) the period during which Noteholders of the Most Senior Class of Notes or the Class R Notes on the date specified to be the Base Rate Modification Record Date, which shall be five Business Days from the date of the Base Rate Modification Noteholder Notice (the "**Base Rate Modification Record Date**"), may object to the proposed Base Rate Modification (which notice period shall commence at least 40 calendar days prior to the date on which it is proposed that the Base Rate Modification would take effect and continue for a period not less than 30 calendar days) and the method by which they may object; and
- (b) the sub-paragraph(s) of Condition 18.1.1 under which the Base Rate Modification is being proposed; and
- (c) which Alternative Base Rate is proposed to be adopted pursuant to Condition 18.1.2, and, where Condition 18.1.2(c) is being applied, the rationale for choosing the proposed Alternative Base Rate; and
- (d) details of any consequential modifications that the Issuer has agreed will be made to any hedging agreement to which it is a party for the purpose of aligning any such hedging agreement with the proposed Base Rate Modification, if the proposed Base Rate Modification takes effect. The Issuer shall use reasonable endeavours to agree modifications to each hedging agreement where commercially appropriate so that the Transaction is hedged following the Base Rate Modification to a similar extent as prior to the Base Rate Modification and that such modifications shall take effect no later than 30 calendar days from the date on which the Base Rate Modification takes effect. If (i) no modifications are proposed to be made to hedging agreements; and/or (ii) modifications will be made to hedging agreements but will not result in the Transaction being similarly hedged; and/or (iii) modifications to any hedging agreement would take effect later than 30 calendar days from the date on which the Base Rate Modification

takes effect, the Issuer shall set out in the Base Rate Modification Noteholder Notice the rationale for this;¹⁴ and

- (e) details of any consequential modifications that the Issuer has agreed for margin maintenance purposes (for example, modifications to any standard variable rate (“SVR”) covenant or similar such covenant in relation to the interest rate(s) on the underlying portfolio of assets, to the extent that the SVR covenant or similar such covenant is linked to the Applicable Base Rate, or modifications in respect of any margin reserve fund requirement) for the purpose of aligning any such rates with the proposed Base Rate Modification, if the proposed Base Rate Modification takes effect. The Issuer shall use reasonable endeavours to agree such modifications where commercially appropriate to maintain an equivalent level of protection as provided by any SVR covenant or margin reserve fund requirement prior to the proposed Base Rate Modification and that such modifications shall take effect no later than 30 calendar days from the date on which the Base Rate Modification takes effect. If (i) no such modifications are proposed to be made; and/or (ii) such modifications will be made but will not result in an equivalent level of protection; and/or (iii) such modifications would take effect later than 30 calendar days from the date on which the Base Rate Modification takes effect, the Issuer shall set out in the Base Rate Modification Noteholder Notice the rationale for this; and
- (f) details of the adjustment which the Issuer proposes to make (if any) to the margin payable on each Class of Notes which are the subject of the Base Rate Modification in order to, so far as reasonably and commercially practicable, preserve what would have been the expected rate of interest applicable to each such Class of Notes had no such Base Rate Modification been effected (the “**Note Rate Maintenance Adjustment**”), provided that:
 - (iii) 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 Applicable Base Rate to the Alternative Base Rate, then the Issuer shall propose that note rate maintenance adjustment mechanism as the Note Rate Maintenance Adjustment, or otherwise the Issuer shall set out in the Base Rate Modification Noteholder Notice the rationale for concluding that this is not a commercial and reasonable approach in relation to the Notes and the proposed Base Rate Modification; or
 - (iv) 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 Applicable Base Rate to the Alternative Base Rate, then the Issuer shall propose that note rate maintenance adjustment mechanism as the Note Rate Maintenance Adjustment, or otherwise the Issuer shall set out in the Base Rate Modification Noteholder Notice the rationale for concluding that this is not a commercial and reasonable approach in relation to the Notes and the proposed Base Rate Modification; or
 - (v) in the event that neither Condition 18.1.12(f)(iii) nor (iv) apply, the Issuer shall use reasonable endeavours to propose an alternative Note Rate Maintenance Adjustment as reasonably determined by the Issuer and shall set out the

rationale for the proposal or otherwise the Issuer shall set out in the Base Rate Modification Noteholder Notice the rationale for concluding that this is not a commercial and reasonable approach in relation to the Notes and the proposed Base Rate Modification; and

- (vi) 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 Base 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
- (vii) for the avoidance of doubt, the Note Rate Maintenance Adjustment may effect an increase or a decrease to the margin or may be set at zero; and

18.1.13 details of (i) other amendments which the Issuer proposes to make (if any) to these Conditions or any other Transaction Document and (ii) any new, supplemental or additional documents into which the Issuer proposes to enter to facilitate the changes envisaged pursuant to this Condition 18 (*Base Rate Modification*); and

18.1.14 Noteholders representing at least 10 per cent. of the aggregate Principal Amount Outstanding of the Most Senior Class of Notes or the Class R Notes outstanding on the Base Rate Modification Record Date have not contacted the Issuer in writing (or otherwise in accordance with the then current practice of any applicable clearing system through which such Notes may be held) within such notification period notifying the Issuer that such Noteholders do not consent to the Base Rate Modification.

If Noteholders representing at least 10 per cent. of the aggregate Principal Amount Outstanding of the Most Senior Class of Notes or the Class R Notes outstanding on the Base Rate Modification Record Date have notified the Issuer 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 is passed in favour of such modification in accordance with Condition 16 (*Meetings of Noteholders*) provided that (A) 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 and the Class R 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, and (B) in other circumstances, such Extraordinary Resolution shall be passed by Noteholders of the Most Senior Class of Notes and the Class R Notes then outstanding.

Objections made in writing other than through the applicable clearing system must be accompanied by evidence to the Issuer's satisfaction (having regard to prevailing market

practices) of the relevant Noteholder's holding of the Notes on the Base Rate Modification Record Date.

18.2 Other than where specifically provided in this Condition 18 (*Base Rate Modification*) or any Transaction Document:

18.2.1 when implementing any modification pursuant to this Condition 18 (*Base Rate Modification*), 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 Base Rate Modification Certificate or evidence provided to it by the Issuer or the relevant Transaction Party pursuant to this Condition 18 (*Base Rate 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

18.2.2 the Trustee shall not be obliged to agree to any modification which, in the sole opinion of the Trustee would have the effect of (A) exposing the Trustee to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction or (B) increasing the obligations or duties, or decreasing the rights or protection, of the Trustee in the Transaction Documents and/or these Conditions.

18.3 Any Base Rate Modification shall be binding on all Noteholders and shall be notified by the Issuer as soon as reasonably practicable to:

18.3.1 so long as any of the Notes rated by the Rating Agencies remains outstanding, each Rating Agency;

18.3.2 the Secured Creditors; and

18.3.3 the Noteholders in accordance with Condition 16 (*Meetings of Noteholders*).

18.4 Following the making of a Base Rate Modification, if it becomes generally accepted market practice in the publicly listed asset backed floating rate notes market to use a base rate of interest which is different from the Alternative Base Rate which had already been adopted by the Issuer in respect of the Notes pursuant to a Base Rate Modification, the Issuer is entitled to propose a further Base Rate Modification pursuant to this Condition 18 (*Base Rate Modification*).

18.5 For the avoidance of doubt, if this Condition 18 (*Base Rate Modification*) has already been used to change the base rate for all Classes of Notes issued in one currency, it may be used again to change the base rate for all Classes of Notes issued in another currency.

19 Prescription

19.1 *Principal*: Claims for principal in respect of Notes shall become void where application for payment is made more than ten years after the due date therefor.

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 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 Liability which may be suffered as a result of the Charged Property or any documents of title relating thereto being uninsured or inadequately insured or being held by or to the order of the Administrator 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 shall:

21.3.1 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

21.3.2 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 outstanding Notes and will not have regard to any lower ranking Class of Notes 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 proceeds of enforcement 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 (save as otherwise provided in the Trust Deed and the Agency Agreement) 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 paying agents, reference agent or registrar and additional or successor paying agents at any time, having given not less than 30 days' notice to such Agent.

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:

21.1.1 the consent of the Issuer; and

21.1.2 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 Transaction Documents, the Notes and the Secured Amounts.

22.2 *Notice of substitution of Issuer.* Promptly after any substitution of the Issuer in accordance with this Condition 22 (*Substitution of Issuer*), the Substituted Obligor shall cause notice of such substitution to be given to the Noteholders and the other Secured Creditors in accordance with Condition 23 (*Notices*) and the other relevant Transaction Documents.

22.3 *Change of law.* In the case of a substitution pursuant to this Condition 22 (*Substitution of Issuer*), 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 outstanding Notes and provided that the Rating Agencies are notified by the Issuer. For the avoidance of doubt, a Transaction Document cannot be amended without the written agreement of all the parties thereto and the prior written consent of the Trustee.

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 or any other consequence of any such substitution upon individual Noteholders.

23 Notices

For so long as the relevant Cleared 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 Cleared Notes and shall be deemed to be given on the date on which it was so sent. If the Cleared Notes are in definitive form, 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 Cleared 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, and any notice so published shall be deemed to have been given on the date of publication.

24 Non-Responsive Rating Agency

24.1 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:

24.1.1 (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

24.1.2 the Issuer has otherwise received no indication 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 24.1.1 has occurred and the condition in Condition 24.1.2 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 Administration Agreement, the Amended and Restated Collection Account Declaration of Trust, the Corporate Services Agreement, the Irish Deed of Charge, the Master Servicing Agreement, each Mortgage Sale Agreement, the Administrator Power of Attorney, the Legal Title Holder Power of Attorney and each Seller Security Power of Attorney (together, the “**Irish Law Transaction Documents**”)), the Notes (the “**English Law Transaction Documents**”) and all non-contractual obligations arising from or connected with them are governed by English law. The Irish Law Transaction Documents and all non-contractual obligations arising from or connected with them are governed by Irish law.

25.2 *Jurisdiction:* The courts of Ireland (the “**Irish Courts**”) 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 of the Irish Law Transaction Documents) and accordingly, any legal action or proceedings arising out of or in connection with the Irish Law Transaction Documents may be brought in the Irish Courts. The Issuer has in each of the Irish Law Transaction Documents to which it is a party irrevocably submitted to the jurisdiction of the Irish Courts. The courts of England and Wales (the “**English Courts**”) 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 the English Courts. The Issuer has in each of the English Law Transaction Documents to which it is a party irrevocably submitted to the jurisdiction of the English Courts. This clause is for the benefit of the Trustee and the Noteholders and to the extent allowed by law shall not limit the right of any of them to take proceedings in any other court of competent jurisdiction.

TAXATION

Ireland Taxation

The following is a summary based on the laws and practices currently in force in Ireland regarding the tax position of investors beneficially owning their Notes and should be treated with appropriate caution. Particular rules may apply to certain classes of taxpayers holding Notes. The summary does not constitute tax or legal advice and the comments below are of a general nature only and does not discuss all aspects of Irish taxation that may be relevant to any particular holder of Notes. 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. However, an exemption from withholding on interest payments exists under Section 64 of the TCA for certain interest bearing securities issued by a body corporate (such as the Issuer) which are quoted on a recognised stock exchange (which would include Euronext Dublin) (“**quoted Eurobonds**”).

Any interest paid on such quoted Eurobonds can be paid free of withholding tax provided:

1. the person by or through whom the payment is made is not in Ireland; or
2. the payment is made by or through a person in Ireland, and either:
 - 2.1 the quoted Eurobond is held in a clearing system recognised by the Irish Revenue Commissioners (e.g. Euroclear and Clearstream); or
 - 2.2 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.

So long as the Notes are quoted on a recognised stock exchange and are held in a recognised clearing system such as Euroclear or Clearstream (or, if not so held, payments on the Notes are made through a paying agent not in Ireland), 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, 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 and provided the interest is paid to a person resident in either (i) a member state of the European Union (other than Ireland) or (ii) a country with which Ireland has signed a comprehensive double taxation agreement (such a country mentioned in either (i) or (ii) being a “**Relevant Territory**”). For this purpose, residence is determined by reference to the law of the country in which the recipient claims to be resident. This exemption from withholding tax will not apply, however, if the interest is paid to a company in connection with a trade or business carried on by it through a branch or agency located in Ireland.

In certain limited circumstances a payment of interest by the Issuer which is considered dependent on the results of the Issuer's business or which represents more than a reasonable commercial return can be re-characterised as a distribution subject to dividend withholding tax.

A payment of profit dependent or excessive interest on the Notes will not be re-characterised as a distribution to which dividend withholding tax could apply where, broadly, the Noteholder is:

- (i) an Irish tax resident person;
- (ii) a person who in respect of the interest is subject, under the laws of a Relevant Territory, to a tax which generally applies to profits, income or gains received from sources outside that territory without any reduction computed by reference to the amount of the payment;
- (iii) for so long as the Notes remain quoted Eurobonds, 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 TCA) where the aggregate value of such assets, loans, advances or agreements represents 75% or more of the assets of the Issuer (such a person falling within this category of person being a **"Specified Person"**); or
- (iv) an exempt pension fund, government body or other resident in a Relevant Territory person (which is not a Specified Person).

Notwithstanding the above, where profit-dependent or excessive interest is attributable to a "specified property business" carried on by the Qualifying Company (the **"Affected Interest"**) this Affected Interest will be re-characterised 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). 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 TCA) 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 TCA), is attributable to the specified property business in accordance with the rules, or (d) units in an IREF (being a specified form of investment undertaking within the meaning of Chapter 1B of Part 27 of the TCA). The legislation treats the holding of such assets as a separate business to the rest of the Qualifying Company's activities.

Affected Interest will not be recharacterised where, *inter alia*, it is paid to: (i) a person who, if an individual, is within the charge to income tax in Ireland or if a company is within the charge to corporation tax in Ireland in respect of that income or (ii) a company resident in a an EU/EEA country that is subject to tax without reduction provided that the recipient is not receiving the payment under an arrangement that is intended to avoid tax and provided that it is carrying on a genuine economic activity in an EU/EEA state.

Provided the rate of interest payable on the Rated Notes, the Class Z1 Notes and the Class Z2 Notes does not exceed a reasonable commercial return for the use of the principal advanced under these Notes, such interest should not be Affected Interest and the Issuer's ability to take a deduction for such interest should not be affected. To the extent interest payable under the Class R Notes or the Class X Notes is Affected Interest, provided these Notes are and remain held by the Sellers, Barclay's Bank plc or a person who is within the charge to corporation tax in Ireland in respect of interest paid under such Notes, the Affected Interest should not cease to be deductible for the Issuer and should not be subject to dividend withholding tax.

The Sellers have represented in the Subscription Agreement that they are within the charge to corporation tax in Ireland. Barclays Bank PLC has represented in the CRR Deed of Covenant that it is a company satisfying the conditions in section 110 (5A)(d)(i)(III) TCA (i.e. that it is a company resident in an EU/EEA country that is subject to tax without reduction on payments under the Notes, its holding of the Notes does not form part of an arrangement with a main purpose of tax avoidance and it is carrying on a genuine economic activity in an EU/EEA State relevant to its holding of the Notes) on the Closing Date and that it will notify the Issuer if it

ceases to satisfy any of the conditions whereupon the Issuer is entitled to deduct from any payment to it under the Class X Notes or the Class R Notes amounts equal to the Tax payable by the Issuer as a result of any payments on the Class X Notes and the Class R Notes being non-deductible in computing the taxable profits of the Issuer. Both Sellers and Barclays Bank PLC have undertaken to only transfer an interest in any of the Class X Notes and Class R Notes to Barclays Bank PLC or a person who is within the charge to corporation tax in Ireland in respect of any interest or other distributions payable under those Notes.

Encashment Tax

In certain circumstances, Irish tax will be required to be withheld at the standard rate of income tax (currently 20%) from interest on any quoted Eurobond, where such interest is collected by a bank or other agent in Ireland on behalf of any Noteholder that is Irish resident. Encashment tax does not apply where the Noteholder is not resident in Ireland and has made a declaration in the prescribed form of the encashment agent or bank.

Taxation of Noteholders

Notwithstanding that a Noteholder may receive payments of interest, premium or discount on the Notes free of Irish withholding tax, the Noteholder may still be liable to pay Irish income or corporation tax (and in the case of individuals, the universal social charge) on such interest if (i) such interest has an Irish source, (ii) the Noteholder is resident or (in the case of a person other than a body corporate) ordinarily resident in Ireland for tax purposes (in which case there would also be a social insurance (PRSI) liability for an individual in receipt of interest on the Notes), or (iii) the Notes are attributed to a branch or agency in Ireland. Ireland operates a self-assessment system in respect of income tax and corporation tax, and each person must assess its own liability to Irish tax.

However, interest on the Notes will be exempt from Irish income tax if the recipient of the interest is resident in a Relevant Territory provided either (i) the Notes are quoted Eurobonds and are exempt from withholding tax as set out above (ii) in the event of the Notes not being or ceasing to be quoted Eurobonds exempt from withholding tax, if the Issuer is a Qualifying Company, or (iii) if the Issuer has ceased to be a Qualifying Company, the recipient of the interest is a company resident in a Relevant Territory which imposes a tax that generally applies to interest receivable in that Relevant Territory by companies from sources outside that Relevant Territory.

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.

Noteholders receiving interest on the Notes which does not fall within any of the above exemptions may be liable to Irish income tax, the universal social charge and pay related social insurance 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 such holder is (i) resident or ordinarily resident in Ireland or, (ii) carries on a trade in Ireland through a permanent establishment, branch or agency in respect of which the Notes are used or held or, (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 rights.

Capital Acquisitions Tax

A gift or inheritance comprising of Notes will be within the charge to capital acquisitions tax if either (i) the disponent or the donee/successor in relation to the gift or inheritance is resident or ordinarily resident in Ireland or (ii) if the Notes are regarded as property situate in Ireland.

Bearer Notes are generally regarded as situated where they are physically located at any particular time. Registered Notes are generally regarded as situated where the principal register of Noteholders is maintained or is required to be maintained, but the Notes may be regarded as situated in Ireland regardless of their physical location or the location of the register where they secure a debt due by an Irish resident debtor and/or they are secured over Irish property. Accordingly, if such Notes are comprised in a gift or inheritance, the gift or inheritance may be within the charge to tax regardless of the residence status of the disponent or the donee/successor.

Stamp Duty

Provided the Issuer remains a Qualifying Company no stamp duty or similar tax is imposed in Ireland on the issue, transfer or redemption of the Notes provided the money raised on the issue of the Notes is used in the course of the Issuer's business.

Automatic Exchange of Information

Irish reporting financial institutions, which may include the Issuer, may have reporting obligations in respect of certain investors under both FATCA and CRS (see below).

Information Exchange and the Implementation of FATCA in Ireland

The Issuer may be obliged to report certain information in respect of U.S. investors (Noteholders) in the Issuer to the Irish Revenue Commissioners who will then share that information with the U.S. tax authorities.

Under US legislation, Sections 1471 to 1474 of the United States Internal Revenue Code of 1986 (as amended) ("**FATCA**"), a 30 per cent. US withholding tax may be imposed on certain "withholdable payments" unless the payee enters into and complies with an agreement with the

U.S. Internal Revenue Service ("**IRS**") to collect and provide to the IRS substantial information regarding direct and indirect owners and account holders.

Ireland has signed an Intergovernmental Agreement ("**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 (which came into operation on 1 July 2014) (the "**Irish Regulations**") implementing the information disclosure obligations Irish financial institutions such as the Issuer are required to report certain information with respect to U.S. account holders and non-financial entities controlled by US persons to the Revenue Commissioners. The Revenue Commissioners will provide that information annually to the IRS. Aside from where the Notes are listed (see below) the Issuer must obtain the necessary information from investors 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 holder and beneficial owner of the Notes. It should be noted that the Irish Regulations require the 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. However, 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 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.

While the IGA and Irish Regulations should serve to reduce the burden of compliance with FATCA, and accordingly the risk of a FATCA withholding on payments to the Issuer in respect of its assets, no assurance can be given in this regard. As such, Noteholders should obtain independent tax advice in relation to the potential impact of FATCA before investing.

FATCA IS PARTICULARLY COMPLEX AND ITS APPLICATION TO THE ISSUER, THE NOTES AND THE HOLDERS IS SUBJECT TO CHANGE. EACH HOLDER OF NOTES SHOULD CONSULT ITS OWN TAX ADVISER TO OBTAIN A MORE DETAILED EXPLANATION OF FATCA AND TO LEARN HOW FATCA MIGHT AFFECT EACH HOLDER IN ITS PARTICULAR CIRCUMSTANCE.

Common Reporting Standard (CRS)

“**CRS**” means the common reporting standard comprised in the Standard for Automatic Exchange of Financial Account Information in Tax Matters approved on 15 July 2014 by the Council of the Organisation for Economic Cooperation and Development (the “**Standard**”) and any treaty, law, or regulation of any other jurisdiction which facilitates the implementation of the Standard including Council Directive 2014/107/EU on the Administrative Cooperation in the Field of Taxation (“**DAC II**”)

The CRS framework was first released by the OECD in February 2014 as a result of the G20 members endorsing a global model of automatic exchange of information in order to increase tax transparency. On 21 July 2014, the Standard was published by the OECD and this includes the CRS.

The goal of the CRS is to provide for the annual automatic exchange between governments of financial account information reported to them by local reporting financial institutions (as defined) (“**FIs**”) relating to account holders who are tax resident in other participating jurisdictions.

DAC II implements measures similar to the CRS in a European context and created a mandatory obligation for all Member States to exchange financial account information in respect of residents in other Member States on an annual basis which commenced in 2017 in respect of the 2016 calendar year (or from 2018 in the case of Austria).

Ireland is a signatory jurisdiction to a Multilateral Competent Authority Agreement on the automatic exchange of financial account information in respect of the CRS while Sections 891F and 891E of the TCA contain measures necessary to implement the CRS internationally and across the European Union, respectively. The Returns of Certain Information by Reporting Financial Institutions Regulations 2015 (the “**Regulations**”), giving effect to the CRS from 1 January 2016 came into operation on 31 December 2015.

Over 95 jurisdictions have committed to exchanging information under the CRS and a group of 50 countries, including Ireland, have committed to the early adoption of the CRS from 1 January 2016 (known as the “**Early Adopter Group**”), with the first data exchanges expected to take place in September 2017. All Member States are members of the Early Adopter Group.

The Irish Revenue Commissioners have issued regulations to implement the requirements of the CRS and DAC II into Irish law under which Irish FIs (such as the Issuer) will be obliged to make a single return in respect of CRS and DAC II. For the purpose of complying with its obligations under CRS and DAC II, an Irish FI (such as the Issuer) shall be entitled to require Noteholders to provide any information regarding their and, in certain circumstances, their controlling persons’ tax status, identity or residence in order to satisfy any reporting requirements which the Issuer may have as a result of CRS and DAC II and Noteholders will be deemed, by their holding, to have authorised the automatic disclosure of such information by the Issuer or any nominated service provider) or any other person to the Irish Revenue Commissioners. The information will be provided to the Irish Revenue Commissioners who will exchange the information with the tax authorities of other participating jurisdictions, as applicable. Failure by an Irish FI to comply with its CRS and DAC II obligations may result in the Issuer being deemed to be non-compliant in respect of its CRS obligations and monetary penalties may be imposed on a non-compliant FI under Irish legislation.

The Issuer (or any nominated service provider) will agree that information (including the identity of any Noteholder) supplied for the purposes of CRS and DAC II compliance is intended for the Issuer's (or any nominated service provider's) use for the purposes of satisfying CRS and DAC II requirements and the Issuer (or any nominated service provider) will agree, to the extent permitted by applicable law, that it will take reasonable steps to treat such information in a confidential manner, except that the Issuer may disclose such information (i) to its officers, directors, agents and advisors, (ii) to the extent reasonably necessary or advisable in connection with tax matters, including achieving CRS and DAC II compliance, (iii) to any person with the consent of the applicable Noteholder, or (iv) as otherwise required by law or court order or on the advice of its advisors.

Further information in relation to CRS can be found on the Automatic Exchange of Information (AEOI) webpage on www.revenue.ie.

EU Mandatory Disclosure Regime

EU Directive 2018/822 (the "**Mandatory Disclosure Directive**") requires the disclosure of certain information regarding "cross-border" arrangements to the taxation authorities of each EU Member State and, in a redacted form, to the European Commission. The information must be reported by persons who have acted as "intermediaries" in such transactions and, in certain cases, taxpayers themselves. An "intermediary" for these purposes includes any person that has designed, marketed or managed the implementation of a reportable arrangement. Broadly, a transaction/arrangement will be reportable under the Mandatory Disclosure Directive if it involves at least one EU Member State and it has one or more of the "hallmarks" of a reportable arrangement set out in the Mandatory Disclosure Directive. Information that must be shared by intermediaries in respect of reportable arrangements includes details of any taxpayers to whom that arrangement was made available. The Irish Revenue Commissioners have not yet published guidance in relation to the implementation of the Mandatory Disclosure Directive in Ireland. Under transitional measures contained in the Mandatory Disclosure Directive, transactions commenced after 25 June 2018 (but before 1 July 2020), and which satisfy the conditions to be reportable, must be reported to EU Member State tax authorities by 31 August 2020. EU Member States are obliged to apply the Mandatory Disclosure Directive in their national laws from 1 July 2020 and it is expected that transactions which satisfy the conditions to be reportable after this date will be required to be reported to EU Member State tax authorities within a 30 day timeline.

SUBSCRIPTION AND SALE

NatWest Markets Plc and Barclays Bank PLC, in their capacity as Joint Lead Managers and the Sellers have, pursuant to a subscription agreement dated on or about the date of this Prospectus between the Sellers, the Arranger, the Joint Lead Managers, the Issuer, Dilosk DAC and the Retention Holder (the “**Subscription Agreement**”), agreed with the Issuer (subject to certain conditions) to subscribe and pay for:

- (a) in the case of the Joint Lead Managers:
 - (i) €180,457,000 of the Class A Notes at the issue price of 99.588 per cent.;
 - (ii) €18,618,000 of the Class B Notes at the issue price of 99.385 per cent.;
 - (iii) €14,322,000 of the Class C Notes at the issue price of 99.695 per cent.;
 - (iv) €17,186,000 of the Class D Notes at the issue price of 98.944 per cent.;
 - (v) €25,779,000 of the Class E Notes at the issue price of 98.518 per cent.;
 - (vi) €8,593,000 of the Class F Notes at the issue price of 99.270 per cent.;
 - (vii) €1,075,000 of the Class Z1 Notes at the issue price of 80 per cent.;
 - (viii) €645,000 of the Class Z2 Notes at the issue price of 100 per cent.; and
- (b) in the case of the Sellers:
 - (i) €20,411,000 of the Class Z1 Notes at the issue price of 80 per cent.; and
 - (ii) €12,245,000 of the Class Z2 Notes at the issue price of 100 per cent.

The Issuer and the Sellers have agreed to indemnify 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 or either of the Joint Lead Managers, 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.

On the Closing Date, the Notes may only be purchased by persons that are not Risk Retention U.S. Persons. Each holder of a Note or a beneficial interest therein acquired in the initial syndication of the Notes, by its acquisition of a Note or a beneficial interest in a Note, will be deemed to represent to the Issuer, each of the Sellers, the Retention Holder, the Arranger and each of the Joint Lead Managers that it (1) is not a Risk Retention U.S. Person, (2) is acquiring such Note or a beneficial interest therein for its own account 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.

United Kingdom

The Arranger and both of the Joint Lead Managers have each 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 Financial Services and Markets Act 2000 (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.

The Arranger and both of Joint Lead Managers have each 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 Arranger or either of the Joint Lead Managers 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 any state securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S of the Securities Act) except pursuant to an exemption from, or transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Notes are being offered outside the United States to persons other than U.S. persons (as defined in Regulation S of the Securities Act).

The Arranger and the Joint Lead Managers have each agreed that, except as permitted by the Subscription Agreement, it will not offer or sell the Rated Notes as part of its distribution at any time or otherwise until 40 days after the later of the commencement of the offering of the Notes and the Closing Date (the “**Distribution Compliance Period**”) within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S of the Securities Act), and it will have sent to each affiliate or other dealer (if any) to which it sells Notes during the Distribution Compliance Period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit, of U.S. persons. In addition, until 40 days after the commencement of the offering of the Notes, an offer or sale of the Notes within the United States by a dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

Ireland

The Joint Lead Managers have represented and agreed that it will not offer, sell, place or underwrite or do anything in respect of the Notes other than in conformity with the provisions of:

- (a) 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, any codes of conduct made under the MiFID II Regulations and the provisions of the Investor Compensation Act 1998 (as amended);
- (b) the Irish Central Bank Acts 1942 – 2015 (as amended) and any codes of practice made under Section 117(1) of the Central Bank Act 1989 (as amended);

- (c) the Irish Prospectus (Directive 2003/71/EC) Regulations 2005 (as amended) and any rules and guidance issued under Section 1363 of the Companies Act 2014 by the Central Bank of Ireland;
- (d) the Market Abuse Regulation (EU 596/2014) (as amended), the European Union (Market Abuse) Regulations 2016 and any rules and guidance issued under Section 1370 of the Companies Act 2014 by the Central Bank of Ireland; and
- (e) the Companies Act 2014 (as amended).

The Sellers have represented and agreed that it will not transfer any of the Class Z1 Notes, Class Z2 Notes, Class X Notes or the Class R Notes, or any interest in such Notes, to any person other than a person who is within the charge to corporation tax in Ireland in respect of any interest or other distributions payable under those Notes.

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 which are the subject of the offering contemplated by this Prospectus 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) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); or
 - (ii) a customer within the meaning of Directive 2002/92/EC (as amended or superseded, the “**Insurance Mediation 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**”); 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.

General

The Arranger and the Joint Lead Managers have each undertaken that they will not, directly or indirectly, offer or sell any Rated 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 Rated 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 Rated 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 16 November 2018.
- (b) 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 2 August 2018 (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.
- (c) The auditor for the Issuer is 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 Paying Agent in London. The Issuer does not publish interim accounts. Since 2 August 2018 (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.
- (d) Since the date of its incorporation, the Issuer has not prepared any accounts and has not entered into any contracts or arrangements not being in the ordinary course of business.
- (e) The issue of the Notes was authorised pursuant to a resolution of the board of directors of the Issuer passed on 9 November 2018.
- (f) The following Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg under the following ISIN and common codes:

Class of Notes	ISIN	Common Code
Class A	XS1893602828	189360282
Class B	XS1893603552	189360355
Class C	XS1893603636	189360363
Class D	XS1893603800	189360380
Class E	XS1893603982	189360398
Class F	XS1893604287	189360428
Class Z1	XS1893605680	189360568
Class Z2	XS1893605508	189360550

- (g) 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 at the registered office of the Trustee during usual business hours, on any weekday (public holidays excepted):
- (i) the Constitution of the Issuer;
- (ii) copies of the following documents:
- (A) the Account Bank Agreement;

- (B) the Administration Agreement
- (C) the Agency Agreement;
- (D) the Cash Management Agreement;
- (E) the Corporate Services Agreement;
- (F) the Deed Poll;
- (G) the English Deed of Charge;
- (H) the Incorporated Terms Memorandum;
- (I) the Amended and Restated Collection Account Declaration of Trust;
- (J) the Irish Deed of Charge;
- (K) each Mortgage Sale Agreement;
- (L) the CRR Deed of Covenant;
- (M) the Master Servicing Agreement;
- (N) the Legal Title Holder Power of Attorney;
- (O) the Administrator Power of Attorney;
- (P) each Seller Security Power of Attorney; and
- (Q) the Trust Deed.

- (h) The Cash Manager on behalf of the Issuer will publish the monthly Investor Report detailing, *inter alia*, certain aggregated loan data in relation to the Portfolio. Such Investor Reports will be published on the Cash Manager's website at <https://sf.citidirect.com> on each Reporting Date. For the avoidance of doubt, this website and the contents thereof do not form part of this Prospectus. Investor Reports will also be made available to the Sellers and the Rating Agencies. Other than as outlined above, the Issuer does not intend to provide post-issuance transaction information regarding the Notes or the Mortgage Assets.
- (i) The Issuer confirms that the Mortgage Assets 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.
- (j) 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.
- (k) Arthur Cox Listing Services Limited is acting solely in its capacity as listing agent for the Issuer in relation to the notes and is not itself seeking admission of the notes to the Official List of Euronext Dublin or to trading on the Main Securities Market of Euronext Dublin.

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ISSUER

Dilosk RMBS No.2 Designated Activity Company
28 Fitzwilliam Place
Dublin 2
Ireland

DF4 SELLER

Dilosk Funding No. 4 Designated Activity Company
16 Hume Street
Dublin 2
Ireland

DF5 SELLER

Dilosk Funding No. 5 Designated Activity Company
16 Hume Street
Dublin 2
Ireland

LEGAL TITLE HOLDER

Pepper Finance Corporation (Ireland) DAC
(trading as Pepper Asset Servicing)
4th Floor, 2 Park Place
Upper Hatch Street
Dublin 2
Ireland

ADMINISTRATOR

Pepper Finance Corporation (Ireland) DAC
(trading as Pepper Asset Servicing)
4th Floor, 2 Park Place
Upper Hatch Street
Dublin 2
Ireland

ARRANGER

NatWest Markets Plc
250 Bishopsgate
London
EC2M 4AA

JOINT LEAD MANAGERS

NatWest Markets Plc 250 Bishopsgate London EC2M 4AA	Barclays Bank PLC 5 The North Colonnade London E14 4BB
--------------------------------------------------------------	-----------------------------------------------------------------

MANAGING SPONSOR

Barclays Bank PLC
5 The North Colonnade
London
E14 4BB

TRUSTEE

Citicorp Trustee Company Limited
Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB

**CASH MANAGER, PAYING
AGENT, ACCOUNT BANK AND
REFERENCE AGENT**

Citibank, N.A., London Branch
Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB

REGISTRAR

Citigroup Global Markets Europe
AG
Reuterweg 16
60323 Frankfurt am Main
Germany

LEGAL ADVISERS TO THE ARRANGER AND JOINT**LEAD MANAGERS****as to English law**

Linklaters LLP
One Silk Street
London EC2Y 8HQ
United Kingdom

as to Irish Law

Arthur Cox
Ten Earlsfort Terrace
Dublin 2, Ireland

LEGAL ADVISERS TO SELLERS**as to English law**

Reed Smith LLP
20 Primrose Street
London EC2A 2RS
United Kingdom

as to Irish Law

Matheson
70 Sir John Rogerson's Quay
Dublin 2
Ireland

LEGAL ADVISERS TO THE MANAGING SPONSOR

Cadwalader, Wickersham & Taft LLP
Dashwood House
69 Old Broad Street
London
EC2M 1QS

**LEGAL ADVISERS TO
THE TRUSTEE, CASH MANAGER, PAYING
AGENT, ACCOUNT BANK, REFERENCE
AGENT AND REGISTRAR**

Linklaters LLP
One Silk Street
London EC2Y 8HQ
United Kingdom

LISTING AGENT

Arthur Cox Listing Services Limited
Ten Earlsfort Terrace
Dublin 2, Ireland

AUDITORS OF THE ISSUER

KPMG
1 Harbourmaster Place
International Financial Services Centre
Dublin 1
Ireland