

Cleveland Row Finance No. 2 PLC

(incorporated in England and Wales with limited liability with registration number 11367474)

**£22,771,476 Commercial Mortgage Backed Floating Rate Notes due 2027
(the "Further Notes")**

Principal Amount of the Further Notes	Issue Price	Interest Rate ⁽¹⁾	Expected Maturity Date ⁽²⁾	Final Maturity Date
£22,771,476	102.473%	Three-month LIBOR plus a Margin of 5.75 per cent. per annum, provided that if the aggregate of three-month LIBOR plus such Margin is less than 7.25 per cent. per annum, the interest rate will be 7.25 per cent. per annum	18 July 2022	18 July 2027

⁽¹⁾ In the event that the Borrower exercises its option to capitalise interest payable under the Loan Agreement (as defined below) on the Loan Interest Payment Dates (as defined below) falling in May 2019 and August 2019, interest other than Cash Pay Interest, which be payable at a rate of 4.50 per cent. per annum, will be added to the Principal Amount Outstanding of the Notes. For further details, see Condition 5(c) (*Rate of Interest*).

⁽²⁾ The Expected Maturity of the Notes is based on the assumptions set out in "*YIELD, PREPAYMENT AND MATURITY CONSIDERATIONS*" at page 71 of the Original Offering Circular.

Closing Date	Cleveland Row Finance No.2 PLC (the " Issuer ") issued £94,904,082 Commercial Mortgage Backed Floating Rate Notes due 2027 on 24 July 2018 (the " Original Notes "). The Issuer issued £1,873,872 further notes on 13 September 2018 (the " First Further Notes "). The Issuer has issued £22,771,476 further notes in accordance with the provisions of Clause 3.17 (<i>Further Issuance of Notes</i>) of the Note Trust Deed and Condition 20 (<i>Further Issuance of Notes</i>) (the " Further Notes ", which will be fungible with the Original Notes and the First Further Notes, and together with the Original Notes and the First Further Notes, the " Notes ") on 1 April 2019 (the " Further Closing Date ").
Underlying Assets	<p>The Issuer will make payments on the Notes from interest and principal received with respect to loans advanced by the Issuer as a lender pursuant to a loan agreement dated 11 July 2018 as amended on 17 July 2018 (the "Loan Agreement") of £94,904,082 under tranche A and up to £41,724,774 under tranche B (the "Loans"), which constitute a portion of the total commitments of £166,824,000 under the Loan Agreement. The Issuer will fund 81.9% of the Loans, on a pro rata basis with the other lenders, from the proceeds of the Notes. Cheyne Real Estate Credit (CRECH) IV – Loans S.À R.L. 2 will fund the remaining 18.1% of the Loans.</p> <p>Payments of amounts under the Loans will be applied in accordance with the Pre-Enforcement Priority of Payments or the Post-Enforcement Priority of Payments, as applicable, and allocated to the Notes.</p> <p>The Loans are secured by the Properties and certain other assets that are subject to security interests created pursuant to the Loan Security Documents as more particularly described in the section entitled "<i>THE KEY CHARACTERISTICS OF THE LOAN AGREEMENT</i>" of the offering circular dated 24 July 2018 prepared by the Issuer in connection with the offering of the Original Notes (the "Original Offering Circular").</p> <p>During the life of the Notes, the Revenue Receipts are expected to be sufficient to pay the interest amounts under the Notes.</p> <p>See the sections entitled "<i>DESCRIPTION OF THE LOAN AGREEMENT</i>" and "<i>DESCRIPTION OF THE PROPERTIES</i>" of the Original Offering Circular for more details.</p>
Redemption Provisions	Information on any optional and mandatory redemption of the Notes is summarised in the section entitled " <i>OVERVIEW OF THE TRANSACTION – OVERVIEW OF THE KEY TERMS OF THE NOTES</i> " at page 12 of the Original Offering Circular and set out in full in Condition 6 (<i>Redemption and Cancellation</i>).
Credit Ratings	Ratings have not been requested or assigned to the Notes.

Before making any decision to invest in the Notes, prospective Noteholders should pay particular attention to the section entitled "RISK FACTORS" in this Offering Circular, starting on page 31.

Arranger**Cheyne Capital Management (UK) LLP****Lead Manager****Cheyne Capital Management (UK) LLP****The date of this Offering Circular is 2 April 2019**

Listing	This document (the " Offering Circular ") constitutes listing particulars in respect of the admission of the Further Notes to the official list of the Irish Stock Exchange (the " Official List ") and to trading on the global exchange market (the " Global Exchange Market ") of the Irish Stock Exchange plc, trading as Euronext Dublin (the " Euronext Dublin "). Application has been made to Euronext Dublin for the Notes to be admitted to the Official List and to trading on the Global Exchange Market. The Global Exchange Market is the exchange regulated market of Euronext Dublin. The Global Exchange Market is not a regulated market for the purposes of Directive 2003/71/EC (as amended, including by Directive 2010/73/EU) (the " Prospectus Directive "). This Offering Circular comprises listing particulars for the purposes of the application and has been approved by the Euronext Dublin.
Obligations	The Notes will be limited recourse 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 the Arranger, the Lead Manager, any of their affiliates or any other party named in this Offering Circular.
Retention Undertaking	The Issuer is of the opinion that Article 6 of Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017 (the " Securitisation Regulation ") does not apply to the issue of the Notes. See the sections entitled " REGULATORY DISCLOSURE " and " RISK FACTORS – C. LEGAL AND REGULATORY REQUIREMENTS – Regulatory initiatives may result in increased regulatory capital requirements and/or decreased liquidity in respect of the Notes " of this Offering Circular for more details.
Volcker Rule	The Issuer expects to conduct its activities in a manner such that the Issuer will not be treated as a "covered fund" for the purposes of regulations adopted under Section 13 of the Bank Holding Company Act 1956, as amended (commonly known as the " Volcker Rule ").
Credit Enhancement	No structural credit support will be provided for the Notes. In connection with the Loans, a core portfolio debt to EBITDA, a total leverage and a loan to value ratio are required to be maintained by the Borrower in accordance with the Loan Agreement, the details of which are set out in the section entitled " DESCRIPTION OF THE LOAN AGREEMENT – Financial Covenants " of the Original Offering Circular.

THE NOTES OFFERED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT, OR ANY STATE SECURITIES LAWS. THE NOTES ARE BEING OFFERED AND SOLD ONLY TO PERSONS WHO ARE NOT U.S. PERSONS (AS DEFINED IN REGULATION S ("**REGULATION S**") OF THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**") IN OFFSHORE TRANSACTIONS IN RELIANCE ON REGULATION S UNDER THE SECURITIES ACT. IN ADDITION, NO HOLDER OF ANY INTEREST IN THE NOTES MAY EFFECT ANY SUBSEQUENT TRANSFER THEREOF WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, ANY U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT). THE ISSUER IS NOT REQUIRED TO REGISTER AS AN "INVESTMENT COMPANY" UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940 (THE "**INVESTMENT COMPANY ACT**") BECAUSE (A) IT IS NOT ORGANIZED OR OTHERWISE CREATED UNDER THE LAWS OF THE UNITED STATES OF AMERICA OR OF A STATE THEREOF AND (B) NONE OF ITS SECURITIES WILL BE HELD BY ANY RESIDENT OF THE UNITED STATES. HOWEVER, IF THE ISSUER WERE ORGANIZED OR OTHERWISE CREATED UNDER THE LAWS OF THE UNITED STATES OF AMERICA OR OF A STATE THEREOF, THE ISSUER WOULD NOT BE AN "INVESTMENT COMPANY" BY REASON OF THE EXCEPTION CONTAINED IN SECTION 3(C)(5) OF THE INVESTMENT COMPANY ACT.

THE "**RISK FACTORS**" SECTION, IN ADDITION TO THE "**RISK FACTORS**" SECTION OF THE ORIGINAL OFFERING CIRCULAR, 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 THOSE SECTION.

If any withholding or deduction for or on account of tax is applicable to payments of interest on and/or repayments of principal of the Notes, such payments and/or repayments will be made subject to such withholding or deduction, without the Issuer being obliged to pay any additional amounts as a consequence.

The Notes will be represented by a global note in registered form (the "**Global Note**") and will be deposited with, and registered in the name of a nominee for the common depositary (the "**Common Depositary**") for Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, 1210 Brussels, Belgium, as operator of the Euroclear system ("**Euroclear**") and Clearstream Banking, S.A., 42 Avenue J.F. Kennedy, L-1855 Luxembourg ("**Clearstream, Luxembourg**") on or about the Closing Date. Ownership interests in the Global Note will be shown on, and transfers thereof will only be effected through, records maintained by Euroclear and Clearstream, Luxembourg and their respective participants. The Global Note will be exchangeable for Definitive Notes in registered form only in certain limited circumstances as set out in the section of this Offering Circular entitled "*DESCRIPTION OF THE NOTES – ISSUANCE OF DEFINITIVE NOTES*".

IMPORTANT NOTICE

The distribution of this Offering Circular and the offering of the Notes in certain jurisdictions may be restricted by law. No representation is made by the Issuer, the Note Trustee, the Issuer Security Trustee, the Lead Manager, the Arranger or any other Issuer Related Party that this Offering Circular 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, no action has been taken by the Issuer, the Note Trustee, the Issuer Security Trustee, the Arranger, the Lead Manager or any other Issuer Related Party which would permit a public offering of the Notes or distribution of this Offering Circular 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 Offering Circular nor any advertisement or other offering material may be distributed or published, in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations and the Lead Manager has represented that all offers and sales by it will be made on such terms. Persons into whose possession this Offering Circular comes are required by the Issuer and the Lead Manager to inform themselves about and to observe any such restrictions.

The Issuer accepts responsibility for the information contained in this Offering Circular. 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 Offering Circular is in accordance with the facts and does not omit anything likely to affect the import of such information.

Where information has been indicated to have been sourced from a third party, the Issuer confirms that this information has been accurately reproduced and that, as far as the Issuer is aware and is able to ascertain from information published by such third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. The Issuer has not verified the figures, market data and other information contained in the publicly available sources and does not assume any responsibility for the accuracy of the figures, market data or other information from the publicly available sources.

U.S. Bank Trustees Limited, Elavon Financial Services DAC, UK Branch and Elavon Financial Services DAC accept joint and several responsibility for the information contained in the section of the Original Offering Circular entitled "*DESCRIPTION OF THE NOTE TRUSTEE, THE ISSUER SECURITY TRUSTEE, THE CASH MANAGER, THE OPERATING BANK, THE AGENT BANK, THE PRINCIPAL PAYING AGENT AND REGISTRAR*" at page 56 (insofar as the same relates to each of them respectively). To the best of the knowledge and belief of U.S. Bank Trustees Limited, Elavon Financial Services DAC, UK Branch and Elavon Financial Services DAC (each having taken all reasonable care to ensure that such is the case), the information contained in the section of the Original Offering Circular entitled "*DESCRIPTION OF THE NOTE TRUSTEE, THE ISSUER SECURITY TRUSTEE, THE CASH MANAGER, THE OPERATING BANK, THE AGENT BANK, THE PRINCIPAL PAYING AGENT AND REGISTRAR*" at page 56 (insofar as the same relates to each of them

respectively) is in accordance with the facts and does not omit anything likely to affect the import of such information.

The information relating to the Borrower contained in the section of the Original Offering Circular entitled "*THE BORROWER*" at page 76, has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from information published by the Borrower no facts have been omitted which would render the reproduced information inaccurate or misleading.

The information relating to the Loan Obligors contained in the section of the Original Offering Circular entitled "*THE LOAN OBLIGORS*", has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from information published by the Loan Obligors no facts have been omitted which would render the reproduced information inaccurate or misleading.

Knight Frank LLP ("**Knight Frank**") accepts responsibility for the Initial Valuation. To the best of Knight Frank's knowledge and belief (having taken all reasonable care to ensure that such is the case), the information contained in the Initial Valuation is in accordance with the facts and does not omit anything likely to affect its import. (See also "*INITIAL VALUATION DISCLAIMER*" section of the Offering Circular.).

No person is or has been authorised in connection with the issue and sale of the Notes to give any information or to make any representation not contained in this Offering Circular 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 Arranger, the Lead Manager or any associated body of the Arranger or the Lead Manager or any other Issuer Related Party or any of their respective affiliates or shareholders or the shareholders of the Issuer. Neither the delivery of this Offering Circular nor any sale or allotment made in connection with the offering of any of the Notes shall, under any circumstances, constitute a representation or create any implication that there has been any change in the information contained herein since the date hereof or that the information contained herein is correct as of any time subsequent to its date.

Each original purchaser of an interest in the Notes and any subsequent purchaser of the Notes (whether directly from the Issuer or from a holder of the Notes) will be required to complete and deliver to the Issuer and the Lead Manager an investor representation letter in relation to its purchase of an interest in the Notes.

The Notes have not been and will not be registered under the U.S. Securities Act or any state securities laws. The Notes may not be offered, sold or delivered, directly or indirectly, whether as part of the initial distribution thereof or in any subsequent transfer, within the United States or to, or for the account or benefit of, any U.S. Persons (as defined in Regulation S under the Securities Act).

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

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 ("**MiFID II**"); (ii) a customer within the meaning of Directive 2002/92/EC ("**IMD**"), 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, the "**Prospectus Directive**"). Consequently no key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

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 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).

Amounts payable on the Notes are calculated by reference to LIBOR. As at the date of this Prospectus, the administrator of LIBOR is not included in ESMA's register of administrators under Article 36 of the Regulation (EU) No. 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 ICE Benchmark Administration Limited (as administrator of LIBOR) is not currently required to obtain authorisation/registration (or, if located outside the European Union, recognition, endorsement or equivalence).

The Notes and interest thereon will not be obligations or responsibilities of any person other than the Issuer, which obligations will be limited recourse obligations in accordance with the terms thereof. In particular, the Notes will not be obligations or responsibilities of, or be guaranteed by the Arranger, the Lead Manager or any associated body of the Arranger, the Lead Manager or any other Issuer Related Party or any of their respective affiliates or shareholders or the shareholders of the Issuer and none of such persons accepts any liability whatsoever in respect of any failure by the Issuer to make payment of any amount due on the Notes.

OFFEREE ACKNOWLEDGEMENTS

Each person receiving this Offering Circular, by acceptance hereof, hereby acknowledges that:

This Offering Circular has been prepared by the Issuer solely for the purpose of offering the Notes described herein. Notwithstanding any investigation that the Lead Manager may have made with respect to the information set forth herein, this Offering Circular does not constitute, and shall not be construed as, any representation or warranty by the Lead Manager as to the adequacy or accuracy of the information set forth herein. None of the Lead Manager, the Arranger and their respective affiliates shall be responsible for, or for investigating, any matter which is the subject of any statement, representation, warranty or covenant of the Issuer contained in the Notes, or in any other agreement or document relating to the Notes, or for the execution, legality, effectiveness, adequacy, genuineness, validity, enforceability or admissibility in evidence of the Notes or any such other agreement or document. Delivery of this Offering Circular to any person other than a prospective Noteholder and those persons, if any, retained to advise such prospective Noteholder with respect to the possible offer and sale of the Notes is unauthorised, and any disclosure of any of its contents for any purpose other than considering an investment in the Notes is strictly prohibited. A prospective Noteholder shall not be entitled to, and must not rely on this Offering Circular unless it was furnished to such prospective Noteholder directly by the Issuer or the Lead Manager.

The obligations of the parties to the transactions contemplated herein are set forth in and will be governed by certain documents described herein, and all of the statements and information contained herein are qualified in their entirety by reference to such documents. This Offering Circular contains summaries, which the Issuer believes to be accurate, of certain of these documents, but for a complete description of the rights and obligations summarised herein, reference is hereby made to the actual documents, copies of which may (on giving reasonable notice) be obtained from the Principal Paying Agent.

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

INCORPORATION BY REFERENCE

Each of the documents listed below shall be deemed incorporated in, and form part of, this Offering Circular:

- (a) offering circular dated 24 July 2018 prepared by the issuer relating to the £94,904,082 Commercial Mortgage Backed Floating Rate Notes due 2027;
- (b) offering circular dated 24 September 2018 prepared by the issuer relating to the £1,873,872 Commercial Mortgage Backed Floating Rate Notes due 2027;
- (c) the unaudited financial statements of Country Court Care Group Limited for the year ending 31 October 2015;
- (d) the audited financial statements of Country Court Care Group Limited for the year ending 31 March 2017; and
- (e) the audited financial statements of Country Court Care Group Limited for the year ending 31 March 2018; and

(together the "**Documents Incorporated By Reference**").

This Offering Circular is to be read in conjunction with the Documents Incorporated By Reference and construed on the basis that they are incorporated in, and form part of, this Offering Circular.

The Documents Incorporated By Reference have been filed with Euronext Dublin.

FORWARD-LOOKING STATEMENTS

Certain matters contained herein are forward-looking statements. Such statements appear in a number of places in this Offering Circular, including with respect to assumptions on prepayment and certain other characteristics of the Loans and reflect significant assumptions and subjective judgments by the Issuer that may or 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", "projects", "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 changes in governmental regulations, fiscal policy, planning or tax laws in the United Kingdom. Moreover, past financial performance should not be considered a reliable indicator of future performance and prospective purchasers of the Notes are cautioned that any such statements are not guarantees of performance and involve risks and uncertainties, many of which are beyond the control of the Issuer. The Lead Manager has not attempted to verify any such statements, nor do they make any representation, express or implied, with respect thereto.

Prospective purchasers should therefore not place undue reliance on any of these forward-looking statements. Neither the Issuer nor the Lead Manager assumes any obligation to update these forward-looking statements or to update the reasons for which actual results could differ materially from those anticipated in the forward-looking statements.

REFERENCES TO CURRENCIES

All references in this Offering Circular to "sterling", "pounds" or "£" are to the lawful currency for the time being of the United Kingdom of Great Britain and Northern Ireland (the "**UK**" or the "**United Kingdom**") and references to "euro", "€" or "Euro" are to the currency introduced at the commencement of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended by the Treaty on European Union, as amended by the Treaty of Amsterdam.

Websites referred to in this Offering Circular do not form part of this Offering Circular.

INTERPRETATION

The language of this Offering Circular is English.

An index of capitalised terms used in this Offering Circular is set in the section entitled "*INDEX OF DEFINED TERMS*" on page 116.

GENERAL NOTICE TO INVESTORS

No action has been or will be taken to permit a public offering of the Notes or the distribution of this Offering Circular in any jurisdiction where action for that purpose is required. The distribution of this Offering Circular and the offering of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular (or any part hereof) comes are required by the Issuer and the Lead Manager to inform themselves about, and to observe, any such restrictions. Neither this Offering Circular nor any part of it constitutes an offer of, or an invitation by or on behalf of the Issuer or the Lead Manager to subscribe for or purchase any of the Notes and neither this Offering Circular, nor any part hereof, may be used for or in connection with an offer to, or solicitation by, any person in any jurisdiction or in any circumstances in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

For a further description of certain restrictions on offers and sales of the Notes and distribution of this Offering Circular (or any part hereof), see the section entitled "*SUBSCRIPTION AND SALE*" at page 186 of the Original Offering Circular.

FURTHER NOTES

Subject to the satisfaction of certain conditions as more particularly set out in Condition 20 (*Further Issuance of Notes*), the Issuer will be entitled, without the consent of the holders of the Notes to issue Further Notes having the same terms and conditions (except as to issue date and the first Interest Period) as, and being fungible with, the Notes.

REGULATORY DISCLOSURE

The Issuer is of the opinion that, for the reasons set out below, the transaction described in this Offering Circular in connection with the issuance of the Notes (the "**Transaction**") is not a "securitisation" for the purposes of Article 6 of Regulation (EU) 2017/2402 (the "**Securitisation Regulation**") (the "**Risk Retention Requirements**").

Article 2(1) of the Securitisation Regulation defines a "securitisation" as *"a transaction or scheme, whereby the credit risk associated with an exposure or a pool of exposures is tranced, having all of the following characteristics: (a) payments in the transaction or scheme are dependent upon the performance of the exposure or of the pool of exposures; (b) the subordination of tranches determines the distribution of losses during the ongoing life of the transaction or scheme; (c) the transaction or scheme does not create exposures which possess all of the characteristics listed in Article 147(8) of Regulation (EU) No 575/2013."*

Pursuant to Article 2(1) of the Securitisation Regulation, a transaction constitutes a "securitisation" if the credit risk associated with an exposure or pool of exposures is tranced and the transaction has certain characteristics.

"Tranche" is defined under Article 2(6) of the Securitisation Regulation as *"a contractually established segment of the credit risk associated with an exposure or a pool of exposures, where a position in the segment entails a risk of credit loss greater than or less than a position of the same amount in another segment, without taking account of credit protection provided by third parties directly to the holders of positions in the segment or in other segments"*.

In the context of the Transaction, any principal payments on the Loans received by or on behalf of the Issuer before enforcement will be passed through to make payments of principal and (after the delivery of a Note Acceleration Notice) principal and interest on the Notes. The Transaction does not involve the issuance of a separate tranche of notes which are subordinated to the Notes in right of any payments. Therefore, an investment in the Notes will not entail a risk of credit loss greater than the exposure to the underlying Loans. Also, the Issuer is of the view that the Loans do not constitute a securitisation exposure.

Although the Transaction has the characteristic that the *"payments in the transaction or scheme are dependent upon the performance of the exposure"*, there is an absence of credit risk tranching. No subordinated note will be issued which can absorb principal losses in order to permit ongoing payments to be made to the Notes.

Notwithstanding the foregoing analysis, each prospective Noteholder is responsible for determining its own regulatory position and independently assessing whether or not Article 6 of the Securitisation Regulation will be applied to its exposure to the Notes. Investors subject to the Securitisation Regulation should consult their regulator should they require guidance in relation to the regulatory capital treatment that their regulator would apply to an investment in the Notes. Article 6 of the Securitisation Regulation and/or any further change thereto, regulation or regulatory treatment of the Notes for some or all investors may negatively impact the regulatory position of individual investors and have a negative impact on the price and liquidity of the Notes in the secondary market.

"Volcker Rule"

The Issuer expects to conduct its activities in a manner so that the Issuer will not be treated as a "covered fund" within the meaning given to such term in Section 13 of the U.S. Bank Holding Company Act of 1956, as amended, and Regulation VV of the Board of Governors of the Federal Reserve System promulgated thereunder. This statutory provision and the related regulations issued thereunder are commonly referred to as the Volcker Rule. The Issuer expects to avoid treatment as a "covered fund" by reason of the following: (1) if the Issuer were organized or otherwise created under the laws of the United States of America or of a state thereof, the Issuer would not be required to rely solely on Section 3(c)(1) or 3(c)(7) of the Investment Company Act, in order to avoid being an "investment company" under the Investment Company Act, (2) if the Issuer were organized or otherwise created under the laws of the United States of America or of a state thereof, the Issuer would be able to avoid being an "investment company" by reason of the exception contained in Section 3(c)(5) of the Investment Company Act and (3) the Issuer does not expect to be a "commodity pool" under Section 1a(10) of the U.S. Commodity Exchange Act.

None of the Issuer, the Note Trustee, the Issuer Security Trustee, the Lead Manager, the Arranger, the Issuer Corporate Services Provider nor any other Issuer Related Party makes any representation that the information

described above or in this Offering Circular is sufficient in all circumstances for prospective Noteholders for the purpose of enabling them to determine their regulatory position. See the section entitled "*RISK FACTORS – C. LEGAL AND REGULATORY REQUIREMENTS – Regulatory initiatives may result in increased regulatory capital requirements and/or decreased liquidity in respect of the Notes*" of this Offering Circular.

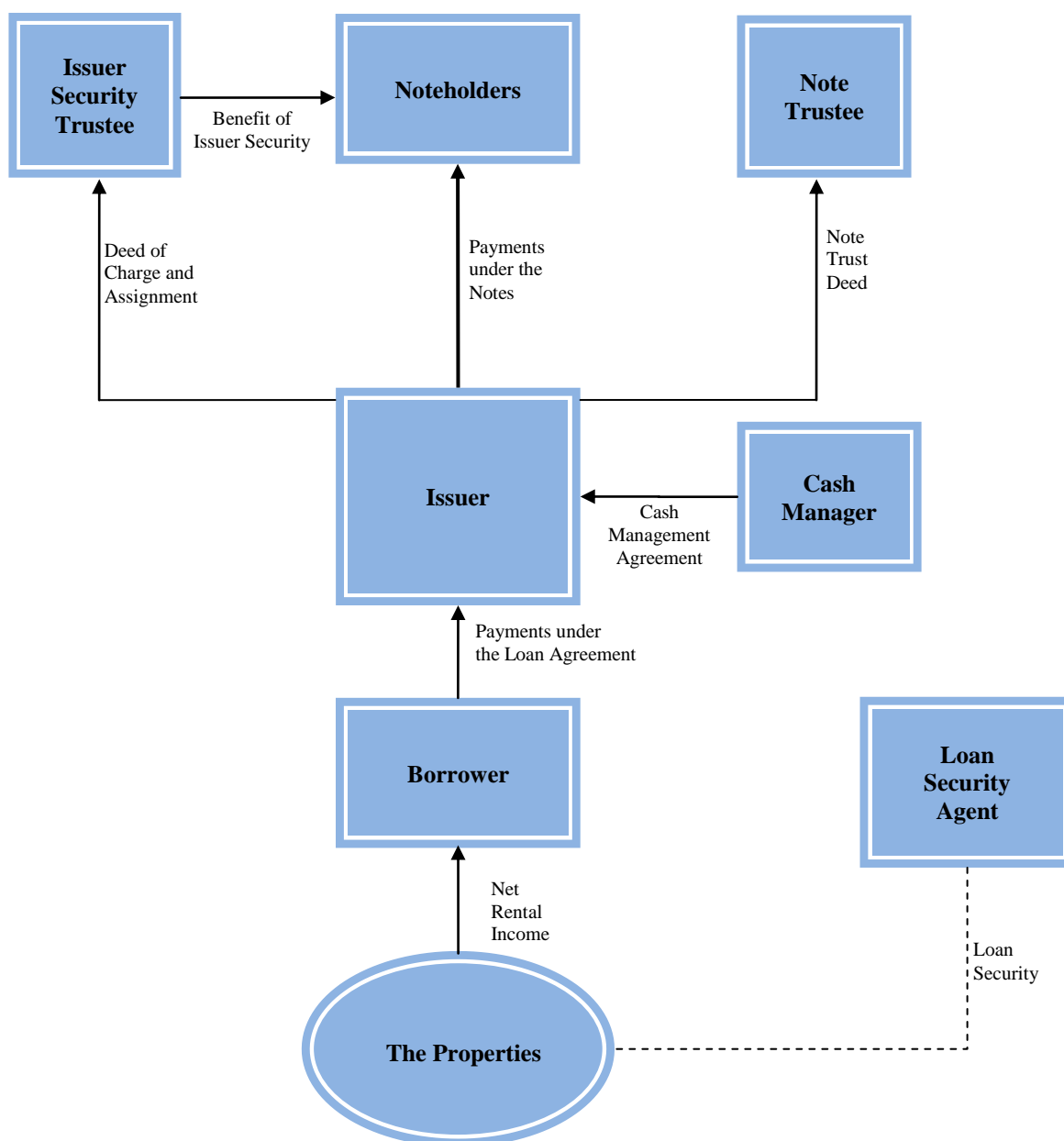
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OVERVIEW OF THE TRANSACTION

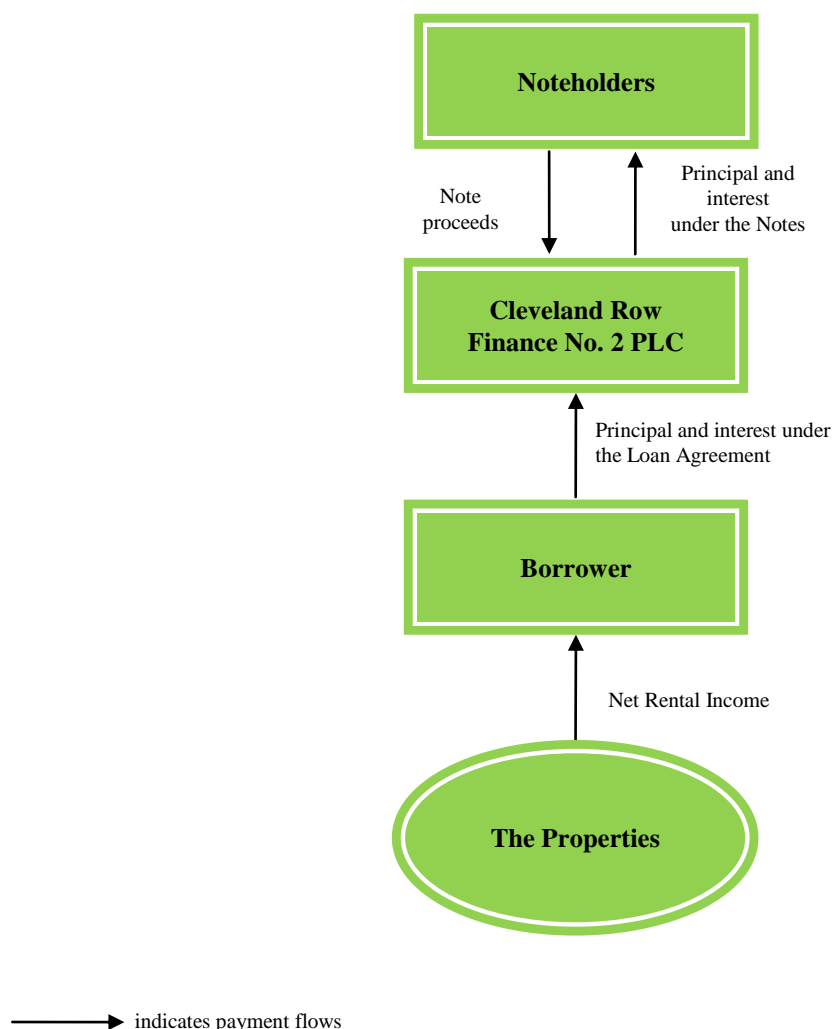
TRANSACTION OVERVIEW DIAGRAM

The diagram below is intended to highlight the structure of this transaction. It is not intended to be an exhaustive description of this transaction. Prospective Noteholders should review the detailed information set out elsewhere in this offering circular for a description of the transaction structure and relevant cash flows prior to making any investment decision.



DIAGRAMMATIC OVERVIEW OF ON-GOING CASH FLOWS

The diagram below highlights the structure and cash flows for the transaction¹. It is not intended to be an exhaustive description of such matters. Prospective investors should also review the detailed information set out elsewhere in this Offering Circular for a more detailed description of the transaction structure and relevant cash flows prior to making any investment decision.



¹ The Issuer will make payments on the Notes from interest and principal received with respect to loans advanced by the Issuer as a lender pursuant to the Loan Agreement of £94,904,082 under tranche A and up to £41,724,774 under tranche B, which constitute a portion of the total commitments of £166,824,000 under the Loan Agreement. The Issuer will fund 81.9% of the Loans, on a pro rata basis with the other lenders, from the proceeds of the Notes. Cheyne Real Estate Credit (CRECH) IV – Loans S.À R.L. 2 will fund the remaining 18.1% of the Loans.

Cash flows

- (a) Under the Loan Agreement each Loan Obligor is required to pay all Free Cashflow (other than Free Cashflow standing to the credit of the Operating Account in the name of the Borrower and designated as Working Capital Monies) and all other amounts not otherwise specifically required under the Loan Agreement to be paid into any other Account) into the Debt Service Account.
- (b) On each Loan Interest Payment Date amounts credited to the Debt Service Account are required to be applied by the Loan Agent (after payment of all higher ranking amounts) to make payments in respect of the amounts payable by the Borrower in respect of interest and principal under the Loan Agreement (the "**Borrower Payments**"). For more details see the section entitled "*DESCRIPTION OF THE LOAN AGREEMENT – Bank Accounts – Debt Service Account*" of the Original Offering Circular.
- (c) The Borrower may request the Loan Agent to apply monies designated as Interest Reserve Funds standing to the credit of the Proceeds and IR Account to cover interest payments on the Loans. See the sections entitled "*DESCRIPTION OF THE LOAN AGREEMENT – Bank Accounts – Proceeds and IR Account*" and "*DESCRIPTION OF THE LOAN AGREEMENT – Bank Accounts – Proceeds and IR Account – Interest Reserve Amount*" of the Original Offering Circular for more details.

OVERVIEW OF THE TRANSACTION PARTIES

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 Offering Circular.

The Issuer and its Issuer Related Parties on the Closing Date

Party	Name	Address	Document under which Appointed/Further Information
"Issuer"	Cleveland Row Finance No. 2 PLC	Level 37, 25 Canada Square, Canary Wharf, London E14 5LQ	N/A. See " <i>THE ISSUER</i> " of the Original Offering Circular for further information.
"Cash Manager" and "Operating Bank"	Elavon Financial Services DAC, UK Branch	125 Old Broad Street, London EC2N 1AR, United Kingdom	The Cash Manager and Operating Bank appointed pursuant to a cash management agreement to entered into on the Original Closing Date between, among others, the Cash Manager, the Operating Bank, the Issuer Security Trustee and the Issuer (the " Cash Management Agreement "). See " <i>CASH MANAGEMENT – Cash Manager</i> " of the Original Offering Circular for further information.
"Agent Bank" and "Principal Paying Agent"	Elavon Financial Services DAC, UK Branch	125 Old Broad Street, London EC2N 1AR, United Kingdom	The Principal Paying Agent (together with any other paying agent appointed pursuant to the Agency Agreement, the " Paying Agents ") and Agent Bank appointed pursuant to an agency agreement entered into on the Original Closing Date between, among others, the Paying Agents, the Agent Bank and the Issuer (the " Agency Agreement "). See " <i>TERMS AND CONDITIONS OF THE NOTES</i> " for further information.
"Registrar"	Elavon Financial Services DAC	Building 8, Business Park, Loughlinstown, Co. Dublin	The Registrar appointed pursuant to the Agency Agreement in its capacity as registrar in relation to

Party	Name	Address	Document under which Appointed/Further Information
			the Notes. See "DESCRIPTION OF THE NOTES" of the Original Offering Circular for further details.
"Note Trustee"	U.S. Bank Trustees Limited	125 Old Broad Street, London EC2N 1AR, United Kingdom	The Note Trustee will act as trustee for the holders of the Notes pursuant to the Note Trust Deed between the Note Trustee, the Issuer Security Trustee and the Issuer. See "AVAILABLE FUNDS AND THEIR PRIORITY OF APPLICATION: THE NOTES – Description of Note Trust Deed" of the Original Offering Circular for further information.
"Issuer Security Trustee"	U.S. Bank Trustees Limited	125 Old Broad Street, London EC2N 1AR, United Kingdom	The Issuer Security Trustee will act as security trustee and hold on trust for itself and the other Issuer Secured Creditors the security granted by the Issuer in favour of the Issuer Secured Creditors pursuant to the Issuer Security Documents. See "TERMS AND CONDITIONS OF THE NOTES" for further information.
"Issuer Corporate Services Provider"	CSC Capital Markets UK Limited	Level 37, 25 Canada Square, Canary Wharf, London E14 5LQ	The Issuer Corporate Services Provider will act as corporate services provider to the Issuer pursuant to a corporate services agreement between, among others, the Issuer and the Issuer Corporate Services Provider and entered into on or prior to the Original Closing Date (the "Issuer Corporate Services Agreement"). See "THE ISSUER" of the Original Offering Circular for

Party	Name	Address	Document under which Appointed/Further Information
			further information.
"Share Trustee"	CSC Corporate Services (UK) Limited	Level 37, 25 Canada Square, Canary Wharf, London E14 5LQ	The Share Trustee will hold the issued share capital of the Issuer as trustee under the terms of a charitable trust for the benefit of one or more charitable purposes.
"Loan Agent"	Solutus Advisors Limited	48 Warwick Street, London, W1B 5AW, United Kingdom	The Loan Agent acts as agent under the Loan Agreement. In addition, the Loan Agreement will have certain reporting functions under the Loan Agent Letter Agreement. See the sections entitled " <i>DESCRIPTION OF THE LOAN AGREEMENT</i> " and " <i>CASH MANAGEMENT – Loan Level Information Reporting</i> " of the Original Offering Circular for further information.
"Loan Security Agent"	Solutus Advisors Limited	48 Warwick Street, London, W1B 5AW, United Kingdom	The Loan Security Agent acts as security agent of the Loan Secured Parties under the Loan Agreement and will hold, manage and, upon instructions of the relevant Loan Secured Parties, enforce the Related Security in accordance with the Loan Finance Documents.

Other Parties

Party	Name	Address	Document under which Appointed/Further Information
"Listing Agent"	McCann FitzGerald Listing Services Limited	Riverside One Sir John Rogerson's Quay Ireland	N/A
"Listing Authority" and	Euronext Dublin	The Irish Stock Exchange 28 Anglesea Street	N/A

"Stock Exchange"		Dublin 2 Ireland	
"Clearstream, Luxembourg"	Clearstream	42 Avenue JF Kennedy L-1855 Luxembourg	N/A
"Euroclear"	Euroclear	1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium	N/A
"Clearing Systems"	Clearstream and Euroclear	N/A	N/A

Each of the Note Trustee, the Issuer Security Trustee, any Appointee, the Cash Manager, the Operating Bank, the Agent Bank, the Principal Paying Agent, the Registrar, the Issuer Corporate Services Provider and any other Paying Agent are together referred to in this Offering Circular as the **"Issuer Related Parties"**.

Summary of the Terms and Conditions of the Notes

Please refer to the section entitled "*TERMS AND CONDITIONS OF THE NOTES*" for further detail in respect of the terms of the Notes.

OVERVIEW OF THE KEY TERMS OF THE FURTHER NOTES

Currency	Sterling
Principal Amount	£ 22,771,476
Interest Rate	Three-month LIBOR plus the Margin, provided that if the aggregate of three-month LIBOR plus the Margin is less than 7.25 per cent. per annum, the interest rate will be 7.25 per cent. per annum ⁽¹⁾
Margin	5.75 per cent. per annum
Distribution Dates	On each Loan Interest Payment Date and on the Final Maturity Date.

⁽¹⁾ In the event that the Borrower exercises its option to capitalise interest payable under the Loan Agreement on the Loan Interest Payment Dates falling in May 2019 and August 2019, interest other than Cash Pay Interest, which be payable at a rate of 4.50 per cent. per annum, will be added to the Principal Amount Outstanding of the Notes. For further details, see Condition 5(c) (*Rate of Interest*).

Summary of Certain Additional Features of the Further Notes

Credit Enhancement	None
Issue Price	102.473%
Interest Accrual Method	Actual/365
Interest Determination Date	First day of an Interest Period
Business Day Convention	Modified following
First Distribution Date	20 May 2019
First Interest Period	From (and including) the Further Closing Date ending on the Loan Interest Payment Date falling on 18 May 2019
Redemption Profile	There is no scheduled amortisation under the Loans up to the Expected Maturity Date but to the extent received prior to the Expected Maturity Date, there will be a pass through of Principal Receipts
Other Early Redemption in full Events	Tax event or reduction in the amount payable by the Borrower in respect of the Issuer Assets ⁽¹⁾
Final Maturity Date	18 July 2027
Form of the Notes	Global note in registered form ⁽²⁾

(1) See Condition 6(c) (*Optional Redemption for Tax or Other Reasons*) for further details.

(2) Notes in definitive form will be issued in limited circumstances.

Application for Listing	The Global Exchange Market of Euronext Dublin
ISIN	XS1846565403
Common Code	184656540
FISN	CLEVELAND ROW F/VARMBS 22001231 RES

CFI	DGVXFR
Clearance/Settlement	Euroclear / Clearstream, Luxembourg
Minimum Denomination	£100,000 with integral multiples of £1 in excess thereof.
Commission	Nil
Ranking	The Notes constitute direct, limited recourse and secured obligations of the Issuer and the Notes will rank <i>pro rata</i> and <i>pari passu</i> without any preference or priority among themselves as to payments of interest and principal at all times.
Form	The Notes will be represented by a global note in registered form (a " Global Note ") without coupons or talons attached and which will represent the aggregate Principal Amount Outstanding of the Notes. On the Closing Date, the Global Note will be deposited on behalf of the subscribers of the Notes with and registered in the name of a nominee for the common depositary (the " Common Depositary ") for Clearstream Banking, S.A. (" Clearstream, Luxembourg ") and Euroclear Bank SA/NV (" Euroclear "). The Global Note will be exchangeable for notes in registered definitive form (" Definitive Notes ") of the Notes only in certain limited circumstances as set out in the section of this Offering Circular, entitled " <i>DESCRIPTION OF THE NOTES – Issuance of Definitive Notes</i> " of the Original Offering Circular.
Security	<p>The Notes are secured by the Issuer Security in favour of the Issuer Security Trustee for itself and on trust for the Noteholders and the Issuer Related Parties (the Issuer Security Trustee and all of the Issuer Related Parties and, including the Noteholders, being collectively the "Issuer Secured Creditors") as set out in the Deed of Charge and Assignment described in Condition 3(b) (<i>Security and Priority of Payments</i>). The security granted by the Issuer includes:</p> <ul style="list-style-type: none"> (a) an assignment by way of first-ranking security of the Issuer's rights, title, interest and benefit, present and future, in, to and under, among other things, the Issuer Transaction Documents (other than the Issuer Corporate Services Agreement), the Loan Finance Documents and all other contracts, agreements, deeds and documents present and future, to which the Issuer is or may become a party or have the benefit, including all reports, valuations and opinions (other than any Issuer Security Document); (b) a first fixed charge over the Issuer's rights, title, interest and benefit, present and future in, to and under the Issuer Transaction Account and any other bank account in England and Wales and in which the Issuer may at any time acquire any right, title, interest or benefit or otherwise place and hold its cash, and in the funds from time to time standing to the credit of such accounts and in the debts represented thereby excluding the amounts recorded in the Issuer Profit Ledger; (c) a first fixed charge over the Issuer's rights, title, interest and benefit, present and future in, to and under the Loans and the Related Security; and (d) a first-ranking floating charge governed by English law over the whole of the undertaking and assets of the Issuer, present and future (other than the fixed charges and assignments set out in

paragraphs (a) to (c) above).

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

Interest Provisions

Interest on the Further Notes is payable (i) quarterly in arrear on 18 February, 18 May, 18 August and 18 November in each year, provided that the first payment of interest on the Further Notes will be payable on 20 May 2019 in respect of the period from (and including) the Further Closing Date and ending on 18 May 2019, (ii) on the Termination Date and (iii) on the Final Maturity Date (or in each case, if, any such day is not a Business Day, the next following Business Day unless such Business Day falls in the next following calendar month in which case the immediately preceding Business Day) (each, a **"Distribution Date"**) in respect of the Interest Period ending immediately prior thereto.

"Loan Interest Payment Date" means 18 May, 18 August, 18 November and 18 February in each year and the Termination Date, with the first Note Interest Payment Date being 20 May 2019. If, however, any such day is not a Business Day, the Loan Interest Payment Date will instead be the next Business Day in that calendar month (if there is one) or the preceding Business Day (if there is not)..

"Termination Date" means the later of:

- (a) the Original Termination Date; and
- (b) if an extension has been granted pursuant to the terms of the Loan Agreement, the Extended Termination Date.

"Original Termination Date" means 31 December 2021.

"Extended Termination Date" means 18 July 2022.

"Utilisation" means a utilisation of the Loan Facility.

"Utilisation Date" means the date of a Utilisation, being the date on which the relevant Loan is made.

"Loan Facility" means the term loan facility made available under the Loan Agreement.

Interest on the Further Notes is payable by reference to successive interest periods (each, an **"Interest Period"**) which shall correspond to each successive Loan Interest Period. The first Interest Period will commence on the Further Closing Date and end on the Loan Interest Payment Date on 18 May 2019. If an Interest Period would otherwise end on a day which is not a Business Day, that Interest Period will instead end on the next Business Day in that calendar month (if there is one) or the preceding Business Day (if there is not).

The Further Notes shall bear interest on their respective Principal Amounts Outstanding from and including the Further Closing Date at the Interest Rate.

The rate of interest applicable to each Note for each Interest Period will be calculated and set on, in respect of the first Interest Period, the Closing Date and, in respect of all subsequent Interest Periods, the first day of each such

Interest Period (each, an **"Interest Rate Determination Date"**).

The rate of interest applicable to the Notes (the **"Rate of Interest"** shall be LIBOR for three-month sterling deposits, plus the Margin and shall be determined by the Agent Bank, provided that if the aggregate of three-month LIBOR plus the Margin is less than 7.25 per cent. per annum, the rate of interest applicable to the Notes will be 7.25 per cent. per annum. For further details, see Condition 5(c) (*Rate of Interest*). The LIBOR component of the rate of interest applicable to the Notes will be equal to the rate of LIBOR determined under the Loan Agreement. The Loan Agent shall notify the Agent Bank of the then applicable rate of LIBOR determined under the Loan Agreement. The **"Margin"** will be 5.75 per cent. per annum.

If the current rate of LIBOR under the Loan Agreement is not notified to the Agent Bank, the Agent Bank shall determine the LIBOR component of the rate of interest in accordance with Condition 5(c) (*Rate of Interest*).

In the event that the Borrower exercises its option to capitalise interest payable under the Loan Agreement on any of the Loan Interest Payment Dates falling on 18 May 2019 and 18 August 2019, Capitalised Interest will be added to the Principal Amount Outstanding of the Notes and Cash Pay Interest will be paid on the Notes on the Distribution Date corresponding to such Loan Interest Payment Date.

"Capitalised Interest" means an amount equal to the interest accrued on the Notes at the Capitalised Interest Rate.

"Capitalised Interest Rate" means the Interest Rate minus the Cash Pay Interest Rate.

"Cash Pay Interest" means an amount equal to the interest accrued on the Notes at the Cash Pay Interest Rate.

"Cash Pay Interest Rate" means 4.50 per cent. per annum.

For further details, see Condition 5(c) (*Rate of Interest*).

Default Interest

Any payments of Default Interest received by the Issuer corresponding to its interest in the Loans shall be allocated by the Cash Manager on the immediately following Distribution Date to the Notes and paid pursuant to Condition 5(d) (*Default Interest*) and in accordance with the applicable Issuer Priority of Payments.

"Default Interest" means, with respect to any amount a Loan Obligor has failed to pay under the Loan Finance Documents, the interest accrued and payable by a Loan Obligor to the Loan Agent on any such overdue amount as calculated in accordance with the default interest provisions of the Loan Agreement.

Gross-up

None of the Issuer or any Paying Agent will be obliged to gross up if there is any withholding or deduction in respect of the Notes on account of taxes. See the section entitled *"RISK FACTORS – C. LEGAL AND REGULATORY REQUIREMENTS – Withholding tax under the Notes"* of the Original Offering Circular.

Redemption

Unless previously redeemed in full, the Notes are expected to mature on the Distribution Date falling on 18 July 2022 (the **"Expected Maturity Date"**).

The Notes will, in any event, mature no later than the Distribution Date falling on 18 July 2027 (the **"Final Maturity Date"**). Before the Expected

Maturity Date and the Final Maturity Date, the Notes will be subject to mandatory and/or optional redemption in whole or in part in certain circumstances (as set out in Condition 6 (*Redemption and Cancellation*) of the terms and conditions of the Notes (the "**Conditions**").

The Notes may be redeemed in whole or in part (as applicable) in connection with the following optional or mandatory redemption events:

- a final redemption in whole at their Principal Amount Outstanding together with accrued interest on the Final Maturity Date, being the Distribution Date falling on 18 July 2027 as more fully described in Condition 6 (*Redemption and Cancellation*);
- mandatory early redemption in full or, as the case may be, in part on each Distribution Date, or on an Intra-Loan Interest Payment Date, as applicable, by applying an amount equal to any Principal Receipts to redeem the Notes as fully described in Condition 6(b) (*Mandatory Redemption from Principal Receipts*); and
- optional redemption in full exercisable by the Issuer on the Distribution Date on which the Issuer satisfies the Note Trustee: (A) that by virtue of a change in tax law from that in effect on the Closing Date, on the next Distribution Date the Issuer will be obliged to make any withholding or deduction from payments of principal or interest in respect of the Notes on account of any present or future taxes; (B) by reason of a change in law (or the application or official interpretation thereof) on or after the Closing Date, the Issuer is no longer a "securitisation company" (as defined in the Taxation of Securitisation Companies Regulations 2006 (SI 2006/3296)) and is otherwise unable to claim a tax treatment in the United Kingdom that would prevent a material increase in the tax liabilities of the Issuer compared to the treatment previously provided to the Issuer thereunder; or (C) that any amount payable by the Borrower in respect of the Issuer Assets is reduced or ceases to be receivable by the Issuer during the Interest Period preceding the next Distribution Date; as fully described in Condition 6(c) (*Optional Redemption for Tax or Other Reasons*).

Note Events of Default

As fully set out in Condition 10 (*Note Events of Default*) which broadly includes (where relevant, subject to the applicable grace period):

- non-payment of interest when due for a period of twelve Business Days and/or non-payment of principal when due for a period of three Business Days in respect of the Notes;
- default in the performance or observance of any other obligation binding upon the Issuer under the Notes, the Note Trust Deed, the Issuer Security Documents or the Issuer Transaction Documents;
- the Issuer ceases to carry on business or a substantial part of its business or is deemed unable to pay its debts as and when they fall due;
- an order is made or an effective resolution is passed for the winding-up of the Issuer; or
- proceedings are initiated against the Issuer under any applicable liquidation, insolvency, composition, reorganisation or other similar laws.

Limited Recourse

The Notes are limited recourse obligations of the Issuer, and, if not repaid in full following the Final Maturity Date, or realisation or enforcement of all of the Issuer Security, amounts outstanding are subject to a final write-off, which is described in more detail in Condition 3(b) (*Security and Priority of Payments*).

Non-Petition

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

- to enforce the Issuer Security other than when expressly permitted to do so under Condition 10 (*Note Events of Default*);
- to take or join in any steps against the Issuer to obtain payment of any amount due from the Issuer to it;
- to initiate or join in initiating any insolvency or moratorium proceedings in relation to the Issuer; or
- to take any steps which would result in any of the Issuer Priority of Payments not being observed.

Governing Law

English law.

Noteholder Reporting Obligations

Each purchaser, beneficial owner and subsequent transferee of Notes or interest therein, by acceptance of such Notes or such an interest in such Notes, agrees or is deemed to agree (A) that it will (1) be required to agree to provide the Issuer and Note Trustee and their agents and delegates (i) any information as is necessary (in the sole determination of the Issuer or its agents and delegates, as applicable) for the Issuer or its agents and delegates to determine whether such purchaser, beneficial owner or transferee is (x) either a specified United States person as defined in Section 1473(3) of the Code ("**specified United States person**"), (y) a United States owned foreign entity as defined in Section 1471(d)(3) of the Code or a non-US entity with one or more controlling persons, as that term is defined in the intergovernmental agreement between the United States and the United Kingdom signed on 12 September 2012 (the "**U.S.-U.K. IGA**"), that is a specified United States person ("**United States owned foreign entity**") and (ii) any additional information that the Issuer or its agent requests in connection with FATCA and (2) if it is a specified United States person or a United States owned foreign entity that is a holder or beneficial owner of Notes or an interest therein, be required to (x) provide the Issuer and Note Trustee and their agents and delegates its name, address, U.S. taxpayer identification number and, if it is a United States owned foreign entity, the name, address and taxpayer identification number of each of its substantial United States owners as defined in Section 1473(2) of the Code ("**substantial United States owner**") or controlling persons that are specified United States persons as that term is defined in the U.S.-U.K IGA ("**controlling United States persons**") and any other information requested by the Issuer or its agent upon request and (y) update any such information provided in clause (x) promptly upon learning that any such information previously provided has become obsolete or incorrect or is otherwise required (the foregoing agreements, the "**Noteholder Reporting Obligations**"), (B) that each purchaser and subsequent transferee of Notes will be required or deemed to acknowledge that the Issuer and/or the Trustee may (1) provide such information and any other information concerning its investment in the Notes to the U.S. Internal Revenue Service and any other relevant tax authority, and (2) take such other steps as they deem necessary or helpful to achieve compliance with FATCA, including withholding on "passthru payments" (as defined in the Code).

"FATCA" means (a) sections 1471 to 1474 of the United States Internal Revenue Code of 1986, as amended (the **"Code"**) or any associated regulations or other official guidance; (b) any treaty, law, regulation or other official guidance enacted in any other jurisdiction, or relating to an intergovernmental agreement between the US and any other jurisdiction, including the U.S.-U.K. IGA, which (in either case) facilitates the implementation of any law or regulation referred to in paragraph (a) above; or (c) any agreement pursuant to the implementation of any treaty, law or regulation referred to in paragraphs (a) or (b) above with the US Internal Revenue Service, the US government or any governmental or taxation authority in any other jurisdiction.

Rights of Noteholders and Relationship with Other Secured Creditors

Please refer to sections 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 Issuer Secured Creditors.

Principal Amount Outstanding The **"Principal Amount Outstanding"** of the Notes on any date will be their face amount plus the aggregate amount of any Capitalised Interest less the aggregate amount of all principal repayments or prepayments made in respect of that Note since the Closing Date.

Noteholders Meeting Provisions

	<i>Initial meeting</i>	<i>Adjourned meeting</i>
Notice Period:	10 days	5 days
Quorum:	Not less than 50.1 per cent. of the Principal Amount Outstanding of the Notes (other than a Basic Terms Modification, which requires not less than 75 per cent. of the Principal Amount Outstanding of the Notes).	Same Quorum requirement as for an Initial Meeting.
Required Majority:	Not less than 75 per cent. of votes cast for matters requiring an Extraordinary Resolution.	Same Required Majority requirement as for an Initial Meeting.
	Not less than 50.1 per cent. of votes cast for matters requiring an Ordinary Resolution.	Same Required Majority requirement as for an Initial Meeting.

Convening a meeting The Issuer is obliged to convene a meeting if requested in writing by Noteholders representing not less than 10 per cent of the Principal Amount Outstanding of the Notes.

Written Resolutions A resolution in writing by holders of not less than 75 per cent. in aggregate of the Principal Amount Outstanding of the Notes, which resolution may be contained in one document or in several documents in like form each signed by or on behalf of one or more of such holders (a **"Written Extraordinary Resolution"**). A Written Extraordinary Resolution has the same effect as an Extraordinary Resolution.

A resolution in writing by holders of not less than 50.1 per cent. in aggregate of the Principal Amount Outstanding of the Notes, which resolution may be contained in one document or in several documents in like form each signed by or on behalf of one or more of such holders (a **"Written Ordinary Resolution"**). A Written Ordinary Resolution has

the same effect as an Ordinary Resolution.

Basic Terms Modification

Any Extraordinary Resolution passed by the holders of the Notes which would have the effect of (i) modifying the date of maturity of the Notes; (ii) modifying any day for the payment of interest on the Notes; (iii) reducing the amount of principal or the rate of interest payable in respect of the Notes; (iv) modifying the method of calculating the amount payable or the date of payment in respect of any interest or principal in respect of the Notes; (v) modifying the definition of "Basic Terms Modification"; (vi) altering the currency of payment of the Notes referable thereto; or (vii) releasing any of the Issuer Security (or any part thereof) other than in accordance with the Issuer Transaction Documents will constitute a **"Basic Terms Modification"**. A Basic Terms Modification may only be effected by an Extraordinary Resolution.

Notes Held by a member of the Group or Investor Affiliate

For the purposes of determining:

- (a) the quorum at any meeting of Noteholders considering an Extraordinary Resolution or an Ordinary Resolution or the majority of votes cast at such meeting;
- (b) the holders of Notes for the purposes of giving any direction to the Note Trustee (or any other party);
- (c) the majorities required for any written resolutions, including the majority required for passing a Written Ordinary Resolution for the purpose of appointing a Noteholder Representative;
- (d) any discretion, power or authority (whether contained in any of the Issuer Transaction Documents or conferred on it by operation of law) which the Note Trustee is required, expressly or impliedly, to exercise in or by reference to the interests of the Noteholders;
- (e) the determination by the Note Trustee whether any event or potential event is or would be materially prejudicial to the interests of the Noteholders;
- (f) the objection by Noteholders for the purpose of Negative Consent; or
- (g) the determination of how many and which Notes are for the time being outstanding in accordance with the Note Trust Deed,

any Notes held by (or in relation to which the exercise of the right to vote is directed or otherwise controlled by) (A) a Sponsor Affiliate or (B) the Issuer, in each case, have no voting rights or any right to pass an Extraordinary Resolution or an Ordinary Resolution and will be treated as if the same were not outstanding and will not be counted in or towards any required quorum or majority.

Negative Consent

An Extraordinary Resolution (other than an Extraordinary Resolution relating to a Basic Terms Modification, the waiver of any Note Event of Default, the acceleration of the Notes or the enforcement of the Issuer Security) or Ordinary Resolution will be deemed to have been passed by the Noteholders if, within 15 days of a notice to such Noteholders which:

- (a) contains the text of such Extraordinary Resolution or Ordinary Resolution;
- (b) invites such Noteholders to object to such Extraordinary Resolution or Ordinary Resolution;
- (c) details the manner in which objections to such Extraordinary Resolution or Ordinary Resolution should be made; and
- (d) is given to such Noteholders in accordance with the provisions of Condition 15 (*Notice to and Communication between Noteholders*) provided that any such notice will in all cases also be delivered through the systems of Bloomberg L.P. (or

such other manner as may be approved in writing by the Note Trustee) by the Issuer, the Note Trustee or the Cash Manager,

holders of 25 per cent. or more (in the case of an Extraordinary Resolution) or 50 per cent. or more (in the case of an Ordinary Resolution) in aggregate of the Principal Amount Outstanding of the Notes have not informed the Note Trustee in the prescribed manner of their objection to such Extraordinary Resolution or Ordinary Resolution. See Condition 12(b) (*Quorum*) for further details.

Negative Consent shall not apply to any Loan Level Matters.

**Matters
Requiring
Extraordinary
Resolution**

The matters that require an Extraordinary Resolution to be passed include, among other things:

- (a) any Basic Terms Modification; and
- (b) any modification of the Notes or the Note Trust Deed (including the Conditions) or the provisions of any of the other Issuer Transaction Documents.

**Matters
Requiring
Ordinary
Resolution**

The matters that require an Ordinary Resolution to be passed include the removal of the Note Trustee, the Issuer Security Trustee, the Cash Manager, the Operating Bank, the Agent Bank, the Principal Paying Agent, the Registrar or the Issuer Corporate Services Provider.

Note Trustee

The Note Trustee shall be bound to on-direct the Issuer to exercise the Issuer's rights in relation to Loan Level Matters in accordance with the instructions delivered to the Note Trustee from the Noteholder Representative. Following the delivery of a Note Acceleration Notice, the Note Trustee shall itself exercise the Issuer's rights to vote in relation to all Loan Level Matters in accordance with the directions of the Noteholder Representative. See Condition 16 (*Noteholder Representative*) for further details.

The Noteholder Representative will be the representative appointed by the Noteholders in respect of all Loan Level Matters in accordance with Condition 16 (*Noteholder Representative*).

The Noteholder Representative will be deemed to hold and have voting rights in respect of 100 per cent. of the aggregate voting rights, held and exercisable by the Issuer as a lender of record under Loan Agreement and the other Loan Finance Documents and will have the right to direct the Note Trustee to on-direct the Issuer to vote in relation to all Loan Level Matters.

The Noteholder Representative shall have the right to either direct (a) the Note Trustee to on-direct the Issuer (prior to the delivery of a Note Acceleration Notice); or (b) the Note Trustee itself (following the delivery of a Note Acceleration Notice), in each case to exercise directly all of the Issuer's voting rights under the Loan Agreement and the Loan Finance Documents in relation to Loan Level Matters in accordance with the Conditions and the Issuer Transaction Documents.

The appointment of the Noteholder Representative shall not take effect until each of the Issuer Security Trustee, the Note Trustee, the Loan Agent and the Issuer have been notified by the Noteholder Representative in writing of its appointment (with a copy to the Cash Manager).

Should the Noteholders fail to appoint a Noteholder Representative (or a Noteholder Representative resigns or is terminated and is not replaced), the Noteholders will be deemed to have waived any rights they may have under the Conditions, including any rights to direct the Note Trustee to on-direct the Issuer with respect to any Loan Level Matters.

The right of a Noteholder to appoint, acting alone or with one or more Noteholders, a Noteholder Representative for the purpose of directing the Note Trustee to either on-direct

the Issuer to exercise or to exercise directly, as the case may be, the Issuer's votes under the Loan Finance Documents in respect of Loan Level Matters pursuant to the Conditions shall not extend to or be exercisable by a Sponsor Affiliate.

The Noteholder Representative must not at any time be a Sponsor Affiliate.

Notices to the Noteholders

All notices to be given by the Issuer, the Cash Manager or the Note Trustee to Noteholders shall be given in the following manners:

- (a) for so long as the Notes are in global form, all notices shall be given:
 - (i) through the regulated information service maintained or recognised by the Euronext Dublin (and any notice containing material, non-public information) will be given in this manner; and
 - (ii) by delivery to Euroclear and/or Clearstream, Luxembourg for communication by them to their participants and for communication by such participants to entitled account holders; and
 - (iii) by delivery to the electronic communications systems maintained by Bloomberg L.P. for publication on the relevant page for the Notes or such other medium for electronic display of data as may be approved in writing by the Note Trustee; or
- (b) if the Notes are in definitive form, through the regulated information service maintained or recognised by Euronext Dublin (and any notice containing material, non-public information).

The Issuer will give notice to the Noteholders in accordance with Condition 15 (*Notice to and Communication between Noteholders*) of any additions to, deletions from or alterations to such methods from time to time.

As described in more details in Condition 12 (*Meetings of Noteholders, Modification and Waiver, Substitution and Termination of Issuer Related Parties*), the Cash Manager shall, on receipt of a request from a Verified Noteholder, post a notice on its investor reporting website requesting other Noteholders to contact such Verified Noteholder. Such notice shall contain no more than:

- (a) an invitation to other Noteholders to contact the Verified Noteholder;
- (b) the name of the Verified Noteholder and the address, phone number, website or email address at which the Verified Noteholder can be contacted;
- (c) the date(s) from, on or between which the Verified Noteholder may be so contacted; and
- (d) a request that a Noteholder wishing to be in contact with the Verified Noteholder confirm its holding in accordance with Condition 12(e) (*Note Trustee Determinations*) and confirm that it has not been disenfranchised pursuant to Condition 12(e) (*Disenfranchised Holders*).

Source of Funds

The repayment or prepayment of principal and the payment of interest by the Borrower in respect of the Loans will provide the principal source of funds for the Issuer to make payments of interest on and repayments of principal in respect of the Notes.

Funds Paid into the Issuer Transaction Account:

On each Loan Interest Payment Date, the Loan Agent will transfer from the Debt Service Account or any other relevant Loan Obligor bank account to the Issuer Transaction Account

an amount equal to the aggregate amounts in respect of interest, principal, fees and other amounts, if any, then payable under the Loan Finance Documents which the Issuer, as a lender, is entitled to receive.

Revenue Receipts:

"Revenue Receipts" means the Issuer's interest and the income receipts which comprise, on any day, the sum of all amounts of whatever nature received or recovered by or on behalf of the Issuer under or in connection with the Loans (other than Principal Receipts), and standing to the credit of the Issuer Transaction Account, including, without limitation all amounts received or recovered by or on behalf of the Issuer in respect of:

- (a) interest payments received under the Loan Agreement;
- (b) any Default Interest;
- (c) Break Costs received under the Loan Agreement;
- (d) any early redemption or cancellation fees received under the Loan Agreement;
- (e) any costs, expenses, commissions and other sums, in each case paid by the Borrower or any of the Loan Obligors in respect of the Loans or the Related Security (other than any repayments in respect of the Principal Receipts); and
- (f) interest on amounts standing to the credit of the Issuer Transaction Account and any cash deposits held in a bank account of the Issuer received during the Interest Period immediately preceding a Determination Date,

provided that all amounts recorded in the Issuer Profit Ledger shall not form part of Revenue Receipts or be applied in accordance with the applicable Issuer Priority of Payments.

Principal Receipts:

"Principal Receipts" means the Issuer's principal receipts comprising on any day, all payments and repayments of principal received or recovered by or on behalf of the Issuer in connection with the Loans, and standing to the credit of the Issuer Transaction Account, including, without limitation all amounts received or recovered by or on behalf of the Issuer in respect of:

- (a) amounts recovered which are applied towards the reduction of outstanding principal as a result of actions taken in accordance with the enforcement procedures in respect of the Loans and/or the Related Security;
- (b) any mandatory prepayment amounts of a principal nature under and in accordance with the provisions of the Loan Agreement;
- (c) voluntary repayments or prepayments in respect of the principal outstanding under the Loans made on notice in accordance with the Loan Agreement; and
- (d) any repayments or prepayments made by or on behalf of the Borrower in connection with a restructuring of the Loans or as a condition to any waiver of a Loan Event of Default under the Loan Agreement,

provided that all amounts recorded in the Issuer Profit Ledger shall not form part of the Principal Receipts, or be applied in accordance with the applicable Issuer Priority of Payments.

Revenue and Principal Distributions:

On each Distribution Date, the Notes will be subject to a mandatory redemption in full or in part, as the case may be, in an amount up to the sum of the Principal Receipts available to pay principal subject to the Pre-Enforcement Principal Priority of Payments or the Post-Enforcement Priority of Payments, as applicable.

**Distribution of
Revenue and
Principal
Receipts**

<i>Pre-Enforcement Revenue Priority of Payments</i>	<i>Pre-Enforcement Principal Priority of Payments</i>	<i>Post-Enforcement Priority of Payments</i>
(a) <i>First</i> , on a <i>pro rata</i> and <i>pari passu</i> basis, fees and expenses and any other amounts owing to the Note Trustee, the Issuer Security Trustee, and any Appointee;	In or towards satisfaction on a <i>pro rata</i> and <i>pari passu</i> basis, of all principal due or overdue in respect of the Notes until the Notes have been repaid in full.	(a) <i>First</i> , on a <i>pro rata</i> and <i>pari passu</i> basis, fees and expenses and any other amounts owing to the Note Trustee, the Issuer Security Trustee, and any Appointee;
(b) <i>Second</i> , on a <i>pro rata</i> and <i>pari passu</i> basis, third party fees and expenses due and payable by the Issuer including a provision for expected amounts including, but not limited to auditors, tax advisors, legal counsel and anticipated winding up costs of the Issuer, fees incurred for listing on the Global Exchange Market of Euronext Dublin and company secretarial expenses and to pay each of the Tax Amounts (but only to the extent that such amounts cannot be paid from the Issuer Profit) and the Issuer Profit to the Issuer Profit Ledger;		(b) <i>Second</i> , on a <i>pro rata</i> and <i>pari passu</i> basis, third party fees and expenses due and payable by the Issuer including a provision for expected amounts including, but not limited to auditors, tax advisors, legal counsel and anticipated winding up costs of the Issuer, fees incurred for listing on the Global Exchange Market of Euronext Dublin and company secretarial expenses and to pay the Tax Amounts (but only to the extent that such amounts cannot be paid from the Issuer Profit) and the Issuer Profit to the Issuer Profit Ledger;
(c) <i>Third</i> , on a <i>pro rata</i> and <i>pari passu</i> basis, amounts due and payable to (i) the Issuer Corporate Services Provider (including the fees, costs and expenses of the directors of the Issuer, and any advisors appointed by them, if any); (ii) the Operating Bank; (iii) the Cash Manager; and (iv) the Agents;		(c) <i>Third</i> , on a <i>pro rata</i> and <i>pari passu</i> basis, amounts due and payable to (i) the Issuer Corporate Services Provider (including the fees, costs and expenses of the directors of the Issuer, and any advisors appointed by them, if any); (ii) the Operating Bank; (iii) the Cash Manager; and (iv) the Agents;
(d) <i>Fourth</i> , in or towards satisfaction on a <i>pro rata</i> and <i>pari passu</i> basis, of any Note Prepayment Fees due or overdue in respect of the		(d) <i>Fourth</i> , in or towards satisfaction on a <i>pro rata</i> and <i>pari passu</i> basis, of any Note Prepayment Fees due or overdue in respect of the

Notes;

(e) *Fifth*, in or towards satisfaction on a *pro rata* and *pari passu* basis, according to the respective amounts due and payable, of interest due and overdue on the Notes; and

(f) *Sixth*, in or towards satisfaction on a *pro rata* and *pari passu* basis, of Default Interest due or overdue in respect of the Notes.

Notes;

(e) *Fifth*, in or towards satisfaction on a *pro rata* and *pari passu* basis, of all interest and Default Interest due or overdue in respect of the Notes; and

(f) *Sixth*, in or towards satisfaction on a *pro rata* and *pari passu* basis, of principal due or overdue in respect of the Notes.

**General Credit
Structure**

No structural credit support will be provided for the Notes. In connection with the Loans, a core portfolio debt to EBITDA, a total leverage and a loan to value ratio are required to be maintained by the Borrower in accordance with the Loan Agreement. See the section entitled "*DESCRIPTION OF THE LOAN AGREEMENT – Financial Covenants*".

RISK FACTORS

An investment in the Notes involves a degree of risk. This section sets out certain aspects of the Issuer Transaction Documents, the Loan Finance Documents, the Issuer, the Loan Obligors and the Properties of which prospective Noteholders should be aware. Prospective Noteholders should carefully consider the following risk factors, in addition to the "*RISK FACTORS*" section of the Original Offering Circular, and the other information contained in this Offering Circular before making an investment decision.

The occurrence of any of the events described below could have a material adverse impact on the business, financial condition or results of operations of the Issuer and/or the Loan Obligors and could lead to, among other things:

- (a) an event of default under the Loan Agreement;
- (b) a Note Event of Default; and/or
- (c) an inability of the Issuer to repay all amounts due in respect of the Notes.

This section of this Offering Circular is not intended to be exhaustive, and prospective Noteholders should also read the detailed information set out elsewhere in this Offering Circular and the Original Risk Factors prior to making any investment decision. The risks described below are not the only ones faced by the Loan Obligors or the Issuer. Additional risks not presently known to the Issuer or that the Issuer currently believes to be immaterial may also adversely affect the Issuer and/or the Loan Obligors' business (as the case may be). If any of the following risks occur, the Issuer, the Loan Obligors or the Properties could be materially adversely affected. In any such case(s), the value of the Notes could decline, and the Issuer may not be able to pay all or part of the interest, principal or other amounts due on the Notes and investors may lose all or part of their investment. Prospective Noteholders should take their own legal, financial, accounting, tax and other relevant advice as to the structure and viability of an investment in the Notes.

In addition, while the various structural elements described in this Offering Circular are intended to lessen some of the risks discussed below for the Noteholders, there can be no assurance that these measures will be sufficient to ensure that the Noteholders receive payment of interest or repayment of principal from the Issuer on a timely basis or at all.

A. THE NOTES

Changes in interest or inflation rates may adversely affect the value of the Notes

The Notes may in certain circumstances bear interest at a fixed rate rather than by reference to an underlying index. Accordingly, prospective Noteholders should note that an investment in the Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Notes.

Furthermore, the value of future payments of interest and principal may be reduced as a result of inflation as the real rate of interest on an investment in the Notes will be reduced at rising inflation rates and may be negative if the inflation rate rises above the nominal rate of interest on the Notes.

General considerations related to the Notes representing interests in the Loans

Payments in respect of the Notes are dependent on, and limited to, the receipt of funds under the Loan Agreement. There is no liquidity facility available to the Issuer to fund any payments in respect of the Notes. The Issuer's sole source of income (and, therefore, the sole source of debt service payments on the Notes) will be payments made to it by the Borrower in accordance with the Loan Agreement. The Borrower's sole source of funds to make such payments will be from the Properties.

In order to make interest payments on the Notes the Noteholders must look to payments from the Borrower from the income with respect to the Properties. The ability of the Borrower to repay the Loans on maturity will depend on sufficient amounts being available from a refinancing of the Properties or proceeds from the sale or disposal of the Properties. Revenues from the Properties generally will serve as the primary source for payments due under the Loans. If revenue from the Properties is reduced or if expenses incurred in the operation of the Properties increase, the ability of the Borrower to make payments with respect to the Loans may be impaired.

Similarly, the Borrower's ability to sell or refinance the Properties at the maturity date of the Loans and repay the Loans could be impaired by an adverse change in the value of the Properties, which in turn would impair the Issuer's ability to repay the Notes.

Any losses on the Loans will result in the Issuer having insufficient funds to make payments in respect of the Notes resulting in losses to the holders of the Notes.

See also the section entitled "*F. CONSIDERATIONS RELATING TO THE LOANS AND THE RELATED SECURITY*" of the Original Offering Circular for more details in relation to the refinancing risk associated with the Loans.

Risks relating to the limited recourse of the Issuer

On enforcement of the Issuer Security, in the event that the proceeds of such enforcement are insufficient to meet all amounts payable by the Issuer under the Notes (after payment of all other claims ranking higher in priority to or *pari passu* with amounts due under those Notes in accordance with the Post-Enforcement Priority of Payments), then the Noteholders will have no further claim against the Issuer in respect of such unpaid amounts. Accordingly, enforcement of the Deed of Charge and Assignment and appointment of a receiver over the secured assets is the only substantive remedy available for the purposes of recovering amounts owed in respect of the Notes.

The Notes and interest thereon will not be obligations or responsibilities of any person other than the Issuer. In particular, the Notes will not be obligations or responsibilities of, or be guaranteed by, the Arranger, the Lead Manager, the Loan Security Agent, the Issuer Security Trustee, the Loan Agent, the Cash Manager, the Note Trustee, the Issuer Corporate Services Provider, the Paying Agents, the Registrar, the Common Depositary, the Operating Bank or any other Issuer Related Party or the shareholders of the Issuer or any company in the same group of companies as the Arranger, the Lead Manager, the Cash Manager, the Note Trustee, the Loan Security Agent, the Issuer Security Trustee, the Issuer Corporate Services Provider, the Paying Agents, the Registrar, the Common Depositary, the Operating Bank or any other Issuer Related Party or the shareholders of the Issuer and none of such persons accepts any liability whatsoever in respect of any failure by the Issuer to make payment of any amount due on the Notes.

Risks relating to the calculation of amounts and payments

The Cash Manager will rely on the Issuer or the Loan Agent to provide it with information on the basis of which it will make the determinations required to calculate payments due on the Notes on each Determination Date as described in "*CASH MANAGEMENT – Calculation of Amounts and Payments*" of the Original Offering Circular. If the Issuer or the Loan Agent fails to provide the relevant information to the Cash Manager, the Cash Manager may not be able to accurately determine amounts due to Noteholders on the related Distribution Date.

The Cash Management Agreement provides that if such a situation arises, the Cash Manager will make its determinations based on the information provided to it by the Issuer or the Loan Agent on the three preceding Determination Dates and will not be liable to any person (in the absence of gross negligence, fraud and wilful default) for the accuracy of such determinations. There can, however, be no assurance that determinations made on this basis will accurately reflect amounts then due to Noteholders.

The Conditions of the Notes provide that if, for whatever reason, an incorrect payment is made to any party entitled thereto (including the Noteholders) pursuant to the Pre-Enforcement Priority of Payments, the Cash Manager will rectify the same by increasing or reducing payments to such party (including the Noteholders), as appropriate, on each subsequent Distribution Date or Distribution Dates to the extent required to correct the same. Where such an adjustment is required to be made, the Cash Manager will notify Noteholders of the same in accordance with the terms of Condition 15 (*Notice to and Communication between Noteholders*).

Accordingly, Noteholders should be aware that in such situations increased or reduced payments may be made. Furthermore, if such adjustments are not sufficient to rectify an incorrect payment made to a party, the Noteholders may be required to repay excess amounts received by them.

Additionally, any person purchasing Notes from an existing Noteholder should make due enquiries as to whether such Noteholder has received an incorrect payment. None of the Issuer, the Cash Manager, the Agents,

the Note Trustee or the Issuer Security Trustee will have any liability to any Noteholder for any losses suffered as a result of an adjustment relating to an incorrect payment made before such Noteholder acquired the Notes.

Considerations relating to yield and prepayments

The yield to maturity on the Notes will depend, in significant part, upon the rate and timing of principal payments on the Loans. For this purpose, principal prepayments include both voluntary prepayments, if permitted, and involuntary prepayments, such as prepayments resulting from illegality, certain change of control events, disposals or failure to meet certain financial covenants.

If any of the Notes are purchased at a premium, and if payments and other collections of principal on the Loans occur at a rate faster than anticipated at the time of the purchase, then the actual yield to maturity on those Notes may be lower than assumed at the time of the purchase. If any Notes are purchased at a discount, and if payments and other collections of principal on the Loans occur at a rate slower than anticipated at the time of the purchase, then the actual yield to maturity on the Notes may be lower than assumed at the time of the purchase. The investment performance of the Note may vary materially and adversely from expectations due to the rate of payments and other collections of principal on the Loans being faster or slower than anticipated. Accordingly, the actual yield may not be equal to the yield anticipated at the time the Note was purchased, and the expected total return on investment may not be realised.

An independent decision should be made by prospective Noteholders as to the appropriate prepayment assumptions to be used when deciding whether to purchase any Note.

Interest adjustments on account of Loan Prepayments

If under the Loan Agreement the Borrower prepays all or part of the Loans or any unpaid sums on an Intra-Loan Interest Payment Date, the Agent Bank will adjust the Rate of Interest on the Notes in accordance with Condition 5(h)(*Adjusted Interest on account of payments on an Intra-Loan Interest Payment Date*) the effect of which will be that the holders of those Notes will receive less than the full Interest Amount payable to them on the Distribution Date immediately following any such Loan Interest Payment Date. None of the Noteholders shall have any claim against the Issuer in respect of an interest shortfall arising from such adjustment. See Condition 5(h)(*Adjusted Interest on account of payments on an Intra-Loan Interest Payment Date*) for further details.

Effects of Borrower default

The rate and timing of delinquencies or defaults by tenants on the assets in the Portfolio will affect repayments under the Loans and consequentially, will affect the aggregate amount of distributions on the Notes, their yield to maturity, the rate of principal payments and their weighted average life.

The only source of payment for the Notes will be the Loans. Any losses on the Loans will be allocated to the holders of the Notes.

If anticipated yields are calculated based on assumed rates of default and losses that are lower than the default rate and losses actually experienced and such losses are allocable to the Notes, the actual yield to maturity will be lower than the assumed yield. Under certain extreme scenarios, such yield could be negative. In general, the earlier a loss borne by the Notes occurs, the greater the effect on the related yield to maturity.

Additionally, delinquencies and defaults on the Loans may significantly delay the receipt of distributions on the Notes.

Disenfranchisement of restricted lenders

Prospective Noteholders should be aware that the Conditions limit the rights exercisable by (1) a Sponsor Affiliate; or (2) the Issuer that holds directly or indirectly any right to or interest in the Notes, in each case, in relation to Loan Level Matters. See Condition 12(e) (*Disenfranchised Holders*) for further details.

To the extent that any prospective Noteholder is a Sponsor Affiliate it should take note of the applicable voting restrictions relating to its holding of the relevant Notes.

Exercise of Loan Level Matters by the Noteholder Representative

Noteholders should be aware that, unlike certain other transactions involving secured real estate debt, there is no party acting in the capacity of servicer (or similar) or making financing-related commercial decisions on behalf of the Issuer pursuant to a servicing standard or other specified duty of care. Therefore, if the Issuer (as a Lender) receives any request for any consent, waiver, authorisation or amendment in respect of the Loan Agreement, or is otherwise required to take (or refrain from taking) active steps to manage its interest in the Loan Agreement, the Issuer will not take any decision to act or to refrain from acting, but will instead be required to act (or refrain from acting) in accordance with the instructions or directions of the Noteholders acting through the Noteholder Representative.

Prospective investors should be aware that the Noteholder Representative will act on behalf of the Noteholders.

Prior to the delivery of a Note Acceleration Notice, the Noteholder Representative will be entitled to direct the Note Trustee to on-direct the Issuer to vote in relation to Loan Level Matters. Following the delivery of a Note Acceleration Notice the Noteholder Representative will be entitled to direct the Note Trustee itself to vote in relation to Loan Level Matters.

There can be no assurance that in exercising a Loan Level Matter any direction given by the Noteholder Representative will not conflict with the direction that could have been given by a Noteholder or Noteholders. Accordingly, Noteholders should be aware that directions given by a Noteholder Representative in respect of Loan Level Matters may ultimately adversely affect their interests in the Notes.

If a Noteholder Representative is not appointed (or if a Noteholder Representative resigns or whose appointment is terminated and is not subsequently replaced), the Noteholders shall be deemed to have waived their rights under the Conditions, including any rights to direct the Note Trustee to on-direct the Issuer to vote in relation to any Loan Level Matter or to direct the Note Trustee itself to vote in with respect to any Loan Level Matter in accordance with the Conditions and the Issuer Transaction Documents. See Condition 16 (*Noteholder Representative*) for further details.

Risks relating to Noteholder meetings

A meeting of the Noteholders to pass an Ordinary Resolution or Extraordinary Resolution may be held on 10 days' notice. The requisite quorum for such meeting is one or more persons holding or representing not less than 50.1 per cent. of the Principal Amount Outstanding of the Notes except where a Basic Terms Modification is proposed. The quorum for a meeting to pass a Basic Terms Modification requires not less than 75 per cent. of the Principal Amount Outstanding of the Notes.

Risks relating to Adjourned Noteholder meetings

An adjourned meeting of the Noteholders may be held on 5 days' notice. The requisite quorum for an adjourned meeting is one or more persons holding or representing not less than 50.1 per cent. of the Principal Amount Outstanding of the Notes except where a Basic Terms Modification is proposed. The quorum for an adjourned meeting where a Basic Terms Modification is proposed requires one or more persons holding or representing not less than 75 per cent. of the Principal Amount Outstanding of the Notes.

As a result of these requirements and also those described under "*Risks relating to Noteholder meetings*", it is possible that a valid Noteholder meeting may be held without the attendance of Noteholders who may have wished to attend and/or vote.

Risks relating to negative consent of Noteholders

An Extraordinary Resolution (other than an Extraordinary Resolution relating to a Basic Terms Modification, the waiver of any Note Event of Default, the acceleration of the Notes, or the enforcement of the Issuer Security) or an Ordinary Resolution may be passed by negative consent of the Noteholders. Negative consent may not be used for Loan Level Matters.

If the negative consent process is used (other than for Loan Level Matters), an Extraordinary Resolution or an Ordinary Resolution, as applicable, will be deemed to have been passed by the Noteholders unless, within 15 days of the requisite notice being given by the Issuer, the Note Trustee or the Cash Manager to the Noteholders

in accordance with the provisions of Condition 15 (*Notice to and Communication between Noteholders*) or in such other manner as may be approved in writing by the Note Trustee, (i) in the case of an Extraordinary Resolution, the holders of 25 per cent. or more in aggregate of the Principal Amount Outstanding of the Notes or (ii) in the case of an Ordinary Resolution, the holders of 50 per cent. or more in aggregate of the Principal Amount Outstanding of the Notes, have informed the Note Trustee in the prescribed manner of their objection to such Extraordinary Resolution or Ordinary Resolution, as applicable. Therefore, it is possible that an Extraordinary Resolution could be deemed to be passed without any Noteholder casting a vote or even if holders of up to 24.99 per cent. in aggregate of the Principal Amount Outstanding of the Notes objected to it and it is possible that an Ordinary Resolution could be deemed to be passed without Noteholders casting a vote or even if holders of up to 49.99 per cent. in aggregate of the Principal Amount Outstanding of the Notes objected to it.

LIBOR

The London Inter-Bank Offering Rate ("**LIBOR**") has been subject to review and is currently subject to various investigations regarding whether the banks that contributed to the British Bankers' Association (the "**BBA**") in connection with the calculation of daily LIBOR may have been under-reporting or otherwise manipulating or attempting to manipulate LIBOR for their own benefit. As a result of the review work already undertaken and of the investigations described above, LIBOR is currently the subject of proposals for reform at a UK level and certain reforms have already been adopted, including the replacement of the BBA with the ICE Benchmark Administration Limited ("**IBA**") as the new administrator of LIBOR.

Investors should be aware that: (a) actions by the IBA as the new administrator of LIBOR, regulators or law-enforcement agencies may affect LIBOR (and/or the determinations thereof) in unknown ways, which could adversely affect the value of the Notes, (b) any uncertainty with respect to LIBOR (including in relation to the determination of the rate of interest payable on the Loans) may adversely affect liquidity of the Notes and their market value and (c) it is not possible to ascertain at this time whether any reforms to LIBOR would have the effect of a sudden or prolonged increase or decrease in LIBOR or whether such reforms could have an adverse impact on the value of the Notes and the payment of interest thereunder.

No liquidity facility or cash reserve

In contrast to many comparable transactions, the Issuer does not have the benefit of a liquidity facility or a cash reserve. Therefore, in the event that tenants of the Properties fail to pay rent after any applicable grace period that may result in a delay or failure to pay by the Borrower (or the other Loan Obligors) under the Loan Agreement and as a result, the Issuer may be unable to meet its payment obligations under the Notes as they fall due.

Absence of ratings

In contrast to many comparable transactions, the Notes will not, on the Closing Date, be rated by any rating agency. This may reduce the number of potential investors in the Notes and may affect the price and/or liquidity of the Notes in the secondary market. Notwithstanding this, it is possible that credit rating agencies could seek to rate the Notes without having been requested to do so by the Issuer. Furthermore, the Arranger may seek to obtain ratings on the Notes after they are issued. Such unsolicited ratings could have an adverse effect on the value of the Notes.

Forward-looking statements

This Offering Circular includes statements that are, or may be deemed to be, forward-looking statements. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. These risks and uncertainties include, but are not limited to, those described in this "**RISK FACTORS**" section of this Offering Circular and the "**RISK FACTORS**" section of the Original Offering Circular. Such risks and uncertainties should not be construed as exhaustive and should be read in conjunction with the other cautionary statements in this Offering Circular.

The forward-looking statements are not guarantees of future performance and the actual results of operations, financial condition and liquidity, and the market in which the Issuer and the Loan Obligors operate, may differ materially from those made in or suggested by the forward-looking statements set out in this Offering Circular. In addition, even if the results of operations, financial condition and liquidity of the Issuer and the Loan Obligors, and the development of the market in which the Issuer and the Loan Obligors operate, are consistent

with the forward-looking statements set out in this Offering Circular, those results or developments may not be indicative of results or developments in subsequent periods. Many factors could cause the Issuer's or the Loan Obligors' actual results, performance or revenues to be materially different from any future results, performance or revenues that may be expressed or implied by such forward-looking statements including, but not limited to, the other risks described in this section.

Any forward-looking statements which are made in this Offering Circular speak only on the date of such statements. Neither the Issuer nor the Loan Obligors intend, and undertake no obligation, to revise or update the forward-looking statements included in this Offering Circular to reflect any future events or circumstances.

Absence of operating history of the Issuer; reliance on agents and other entities

The Issuer is a recently formed special purpose company whose business will consist solely of the issuance of the Notes, and the entering into and performance of its obligations under the Issuer Transaction Documents, the Loan Finance Documents and related agreements and activities, as applicable. The Issuer has no operating history.

Certain of the business activities of the Issuer are to be carried out on behalf of the Issuer by entities appointed for such purpose. Neither the Issuer nor the Issuer Corporate Services Provider will have any role in determining or verifying the data received from the Cash Manager, the Operating Bank, the Agent Bank, the Principal Paying Agent, the Registrar, the Note Trustee and the Issuer Security Trustee and any calculations derived therefrom.

B. THE MARKET AND ECONOMY

Absence of secondary market; limited liquidity

Application has been made to Euronext Dublin for the Notes to be admitted to the Official List and to trading on the global exchange market of Euronext Dublin. However, if granted, there can be no assurance that a secondary market in the Notes will develop or, if it does develop, that it will provide Noteholders with liquidity of investment, or that it will continue for the life of the Notes. Consequently, any purchaser of the Notes must be prepared to hold such Notes for an indefinite period of time or until final redemption or maturity of such Notes. Lack of liquidity could result in a significant reduction in the market value of the Notes.

In addition, the market value of the Notes may fluctuate with changes in prevailing rates of interest and the performance of the Loans. Consequently, any sale of Notes by Noteholders in any secondary market which may develop may be at a discount to the original purchase price of those Notes.

The credit crisis and downturn in the real estate market has affected the value of securities backed by real estate

Past events in the real estate and securitisation markets, as well as the debt markets and the economy generally, have caused significant dislocations, illiquidity and volatility in the market for comparable securities, as well as in the wider global financial markets. Declining real estate values, coupled with diminished availability of leverage and/or refinancings for commercial real estate resulted in increased delinquencies and defaults on comparable loans. In addition, the related downturn in the general economy has affected the financial strength of many commercial real estate tenants and has resulted in increased rent delinquencies and increased vacancies. Another similar downturn may again lead to increased vacancies, decreased rents or other declines in income from, or the value of, commercial real estate, which would likely have an adverse effect on any notes that are backed by mortgage loans secured by such commercial real estate and thus affect the values of such notes. Any similar economic downturn may adversely affect the financial resources of the Borrower and may result in the inability of the Borrower to make principal and interest payments on, or refinance, the Loans when due. In the event of default by the Borrower under the Loans, the Issuer may suffer a partial or total loss with respect to the Loans. Any delinquency or loss on the related mortgaged properties would have an adverse effect on the distributions of principal and interest received by holders of the Notes.

In addition to credit factors directly affecting notes backed by commercial real estate, the potential fallout from a similar downturn in the residential mortgage-backed securities market and markets for other asset-backed and structured products may also affect the market for notes backed by commercial real estate by contributing to a decline in the market value and liquidity of such investments. The deterioration of other structured products

markets may adversely affect the value of notes backed by commercial real estate. Even if notes backed by commercial real estate are performing as anticipated, the value of such notes in the secondary market may nevertheless decline as a result of deterioration in general market conditions or in the market for other asset-backed or structured products or the market value for such notes may be adversely affected by market perceptions of notes backed by commercial real estate more generally.

The effects of a volatile economy and a repeat of the credit crisis era market conditions may increase loan defaults and affect the value and liquidity of your investment

The global economy experienced a significant recession and many economies continue to experience on-going volatility as a result of the credit crisis and European sovereign debt crises. Disruption in the credit markets, including the general absence of investor demand for and purchases of asset-backed securities and structured financial products may re-emerge. Downward price pressures and increasing defaults and foreclosures in residential real estate or other conditions that severely depressed the overall economy and contributed to the credit crisis also led to increased vacancies, decreased rents or other declines in income from, or the value of, commercial real estate. Additionally, the reduction in credit liquidity, decreases in the value of commercial properties and, in some instances, correspondingly higher lending rates prevented many commercial real estate borrowers from refinancing their loans. These circumstances increased delinquency and default rates of commercial real estate loans. In addition, the declines in commercial real estate values resulted in reduced borrower equity, hindering the ability of borrowers to refinance. Higher loan-to-value ratios also resulted in lower recoveries on foreclosure, and an increase in loss severities above those that would have been realised had commercial property values remained the same or continued to increase. Defaults, delinquencies and losses further decreased property values, thereby resulting in additional defaults by commercial real estate borrowers, further credit constraints, further declines in property values and further adverse effects on the perception of the value of notes backed by commercial real estate.

Many commercial real estate loan lenders tightened their loan underwriting standards, which has reduced the availability of mortgage credit to prospective borrowers. These developments contributed to a weakening in the commercial real estate market as these adjustments have, among other things, inhibited refinancing and reduced the number of potential buyers of commercial real estate. The continued use or further adjustment of these loan underwriting standards may contribute to further increases in delinquencies and losses on commercial real estate loans generally.

The global markets have seen an increase in volatility due to uncertainty surrounding the level and sustainability of sovereign debt of certain countries in the euro area, including Greece, Cyprus, Spain, France, Portugal, Ireland and Italy. There can be no assurance that this uncertainty will not lead to further disruption of the credit markets in Europe. In addition, recently-enacted (and future) financial reform legislation in Europe could adversely affect the availability of credit for commercial real estate.

As a result of the credit crisis in Europe, the European Commission created the European Financial Stability Facility (the "EFSF") and the European Financial Stability Mechanism (the "EFSM") to provide funding to Eurozone countries in financial difficulty that seek such support. In March 2011, the European Council agreed on the need for Eurozone countries to establish a permanent stability mechanism, the European Stability Mechanism, which was activated by mutual agreement, to assume the role of the EFSF and the EFSM in providing external financial assistance to Eurozone countries after June 2013.

Despite these measures, concerns persist regarding the growing risk that other Eurozone countries could be subject to an increase in borrowing costs and could face an economic crisis similar to that of Greece, Cyprus, Spain, Portugal, Ireland and Italy, together with the risk that some countries could leave the Eurozone (either voluntarily or involuntarily), and that the impact of these events on Europe and the global financial system could be severe which could have a negative impact on the collateral.

Furthermore, concerns that the Eurozone sovereign debt crisis could worsen may lead to the reintroduction of national currencies in one or more Eurozone countries or, in more extreme circumstances, the possible dissolution of the Euro entirely. In particular the economic environment in Greece remains uncertain. Further deterioration of the Greek economy or increased social tensions could cause political instability or a revision of fiscal consolidation or structural adjustment policies. These factors have heightened concern about Greece's continued participation in the Eurozone. The departure or risk of departure from the Euro by one or more Eurozone countries and/or the abandonment of the Euro as a currency could have major negative effects on the Issuer and the Notes. These potential developments, or market perceptions concerning these and related issues,

could adversely affect the value of the Notes. It is difficult to predict the final outcome of the Eurozone crisis. Investors should carefully consider how changes to the Eurozone may affect their investment in the Notes.

Investors should consider that general conditions in the commercial real estate and mortgage markets may adversely affect the performance of the Loans and accordingly the performance of the Notes. In addition, in connection with all the circumstances described above, you should be aware in particular that:

- (a) notwithstanding that the Properties were valued within the past two months prior to the Closing Date, the value of any of the Properties may have declined since such valuation and may decline following the issuance of the Notes and such declines may be substantial and occur in a relatively short period following the issuance of the Notes; and such declines may or may not occur for reasons largely unrelated to the circumstances of the relevant Property;
- (b) if a Noteholder determines to sell its Notes, it may be unable to do so or may be able to do so only at a substantial discount from the price originally paid; this may be the case for reasons unrelated to the then current performance of the Notes or the Loans; and this may be the case within a relatively short period following the issuance of the Notes;
- (c) if the Loans default, then the return on the Notes may be substantially reduced notwithstanding that liquidation proceeds may be sufficient to result in the repayment of the principal of and accrued interest on the Notes; an earlier than anticipated repayment of principal (even in the absence of losses) in the event of a default in advance of the maturity date would tend to shorten the weighted average period during which interest is earned on Noteholders' investments; and a later than anticipated repayment of principal (even in the absence of losses) in the event of a default upon the maturity date would tend to delay the receipt of principal and the interest on the Notes may be insufficient to compensate Noteholders for that delay;
- (d) even if liquidation proceeds received on the Loans are sufficient to cover the principal and accrued interest on the same, the Issuer may experience losses in the form of fees and expenses, and Noteholders may bear losses as a result, and their yield will be adversely affected by such losses;
- (e) following the occurrence of a default, the time periods to resolve such default may be long, and those periods may be further extended because of an insolvency of the Borrower and related litigation; and
- (f) even if Noteholders intend to hold their Notes, depending on the circumstances of particular Noteholders, Noteholders may be required to report declines in the value of their holdings in the Notes, and/or record losses, on their financial statements or regulatory or supervisory reports, and/or repay or post additional collateral for any secured financing, hedging arrangements or other financial transactions that they have entered into that are backed by or make reference to the Notes, in each case as if the Notes were to be sold immediately.

In connection with all the circumstances described above, the risks described elsewhere under "*RISK FACTORS*" in this Offering Circular and the Original Offering Circular are heightened substantially, and Noteholders should review and carefully consider such risk factors in light of such circumstances.

Political uncertainty in the United Kingdom

On 23 June 2016 the United Kingdom (the "**UK**") voted to leave the European Union (the "**EU**") in a referendum (the "**Brexit Vote**") and on 29 March 2017 the United Kingdom gave formal notice (the "**Article 50 Notice**") under Article 50 of the Treaty on European Union ("**Article 50**") of its intention to leave the EU ("**Brexit**"). The terms of the Brexit are unclear and will be determined by the negotiations taking place following the Article 50 Notice.

The timing of the UK's exit from the EU remains subject to some uncertainty. Article 50 provides that the EU treaties will cease to apply to the UK two years after the Article 50 Notice unless a withdrawal agreement enters into force earlier or the two year period is extended by unanimous agreement of the UK and the European Council.

The terms of the UK's exit from the EU are also unclear and will be determined by the negotiations taking place following the Article 50 Notice. It is possible that the UK will leave the EU with no withdrawal agreement in

place if no agreement can be reached and approved by all relevant parties within the allotted time. If the UK leaves the EU with no withdrawal agreement, it is likely that a high degree of political, legal, economic and other uncertainty will result.

On 23 March 2018, the EU announced that agreement in principle had been reached on a transition period running from the UK's withdrawal from the EU in March 2019 to the end of 2020, during which the UK would retain access to the EU Internal Market and Customs Union on its current terms. This agreement is only political in nature and will not be legally binding until any withdrawal agreement is formally agreed and ratified. The EU also announced that the European Council has adopted guidelines for the EU's negotiators, with a view to opening the negotiations with the UK to agree a framework for the future relationship between the EU and the UK post-Brexit. As at the date of this Offering Circular, there has been no formal agreement between the UK and EU as to what the future relationship between the UK and the EU will be and as such, there is significant uncertainty surrounding the future political, economic, legal, regulatory and social environment in the UK.

In addition to the economic and market uncertainty this brings (see "*Market uncertainty*" below) there are a number of potential risks in relation to an investment in the Notes that Noteholders should consider:

(a) *Political uncertainty*

The UK is experiencing a period of acute political uncertainty connected to the negotiations with the EU. Such uncertainty could lead to a high degree of economic and market disruption and legal uncertainty. It is not possible to ascertain how long this period will last and the impact it will have on the UK in general and the market, including market value and liquidity, for asset-backed securities similar to the Notes in particular. The Issuer cannot predict when or if political stability will return, or what the market conditions relating to asset-backed securities similar to the Notes might be at that time.

(b) *Legal uncertainty*

A significant proportion of English law currently derives from or is designed to operate in concert with European Union law. This is especially true of English law relating to financial markets, financial services, prudential and conduct regulation of financial institutions, bank recovery and resolution, payment services and systems, settlement finality, and market infrastructure. The European Union (Withdrawal) Act 2018 (the "**Withdrawal Act**") aims to incorporate the EU law *acquis* into UK law the moment before the UK ceases to be a member of the EU, with the intention of limiting immediate legal change. The Withdrawal Act grants the UK Government wide powers to make secondary legislation in order to, among other things, implement any withdrawal agreement and to adapt those laws that would otherwise not function sensibly once the UK has left the EU, on the whole with minimal parliamentary scrutiny. The secondary legislation made under those powers would be able to do anything that could be done by an act of Parliament. Over time, however – and depending on the timing and terms of the UK's exit from the EU – significant changes to English law in areas relevant to the transaction and the parties to the transaction are likely. The Issuer cannot predict what any such changes will be and how they may affect payments of principal and interest to the Noteholders.

(c) *Regulatory uncertainty*

There is significant uncertainty about how financial institutions from the remaining EU (the "**EU27**") with assets (including branches) in the UK will be regulated and vice versa. At present, EU single market regulation allows regulated financial institutions (including credit institutions, investment firms, alternative investment fund managers, insurance and reinsurance undertakings) to benefit from a passporting system for regulatory authorisations required to conduct their businesses, as well as facilitating mutual rights of access to important elements of market infrastructure such as payment and settlement systems. EU law is also the framework for mutual recognition of bank recovery and resolution regimes.

Once the UK ceases to be a Member State of the EU, the current passporting arrangements will cease to be effective, as will the current mutual rights of access to market infrastructure and current arrangements for mutual recognition of bank recovery and resolution regimes. The ability of regulated financial institutions to continue to do business between the UK and the EU27 after the UK ceases to be a Member State of the EU would therefore be subject to separate arrangements between the UK and the EU27. Although the UK Government has said that it "will be aiming for the freest possible trade in financial services between the UK and EU Member States" in a white paper setting out its Brexit negotiation objectives, there can be no assurance that there will be any such arrangements concluded and, if they are concluded, when and on what terms. Such

uncertainty could adversely impact the ability of third parties who are regulated financial institutions to provide services to the Issuer and the transaction.

(d) *Market uncertainty*

Since the Brexit Vote, there has been volatility and disruption of the capital, currency and credit markets, including the market for asset-backed securities. There may be further volatility and disruption depending on the conduct and progress of the formal withdrawal negotiations initiated by the Article 50 Notice.

Potential investors should be aware that these prevailing market conditions affecting asset-backed securities could lead to reductions in the market value and/or a severe lack of liquidity in the secondary market for instruments similar to the Notes. Such falls in market value and/or lack of liquidity may result in investors suffering losses on the Notes in secondary resales even if there is no decline in the performance of the securitised portfolio.

The Issuer cannot predict when these circumstances will change and whether, if and when they do change, there would be an increase in the market value and/or there will be a more liquid market for the Notes and instruments similar to the Notes at that time.

(e) *Counterparty risk*

Counterparties to the Issuer Transaction Documents may be unable to perform their obligations due to changes in regulation, including the loss of existing regulatory rights to do cross-border business. Additionally, they may be adversely affected by rating actions or volatile and illiquid markets (including currency markets and bank funding markets) arising from the Brexit Vote, the Article 50 Notice and the conduct and progress of the formal withdrawal negotiations. As a result, there is an increased risk of such counterparties becoming unable to fulfil their obligations which could have an adverse impact on their ability to provide services to the Issuer and accordingly, on the ability of the Issuer to make payments of interest and repayments of principal to the Noteholders.

(f) *Adverse economic conditions affecting obligors*

The uncertainty and market disruption following the Brexit Vote and the delivery of the Article 50 Notice may cause investment decisions to be delayed, reduce job security and damage consumer confidence. The resulting adverse economic conditions may affect Borrower's willingness or ability to meet their obligations, resulting in increased defaults in the Properties and may ultimately affect the ability of the Issuer to pay interest and repay principal to Noteholders.

(g) *Break-up of the UK*

The Brexit Vote has also caused increased constitutional tension within the UK. Majorities of voters in both Scotland and Northern Ireland voted to remain in the European Union. Leading figures in both Scotland and Northern Ireland have suggested that they have a mandate from their voters to remain in the EU and might seek to leave the United Kingdom in order to achieve that outcome. The border between Northern Ireland and Ireland has been a particularly difficult and contentious issue in the withdrawal negotiations thus far. The Issuer cannot predict the outcome of this continuing constitutional tension or how the potential future departure of Scotland and/or Northern Ireland from the UK would affect the transaction and the ability of the Issuer to pay interest and repay principal to Noteholders.

(h) *Rating actions*

The Brexit Vote has resulted in downgrades of the UK sovereign and the Bank of England by S&P, Fitch and Moody's. In June 2016 both S&P and Fitch lowered their ratings for the UK sovereign and that of the Bank of England with a negative outlook. Moody's took the same approach, however they decided to downgrade the UK and the Bank of England even further in September 2017, citing increasingly apparent challenges to policy making since the Brexit Vote.

The rating of the sovereign affects the ratings of entities operating in its territory, and in particular the ratings of financial institutions. Further downgrades may cause downgrades to counterparties to the Issuer Transaction Documents meaning that they cease to have the relevant required ratings to fulfil their roles and need to be

replaced. If rating action is widespread, it may become difficult or impossible to replace counterparties on the transaction with others who have the required ratings on similar terms or at all.

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

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

C. LEGAL AND REGULATORY REQUIREMENTS

Noteholders should analyse their own regulatory position, and are encouraged to consult with their own investment and legal advisors, regarding due diligence requirements outlined in this risk factor in respect of other applicable regulations and the suitability of the offered Notes for investment.

Regulatory initiatives may result in increased regulatory capital requirements and/or decreased liquidity in respect of the Notes

In Europe, the U.S. and elsewhere there is increased political and regulatory scrutiny of the asset-backed securities industry. This has resulted in a raft of measures for increased regulation which are currently at various stages of implementation and which may have an adverse impact on the regulatory capital charge to certain investors in securitisation exposures and/or the incentives for certain investors to hold asset-backed securities, and may thereby affect the liquidity of such securities. Investors in the Notes are responsible for analysing their own regulatory position and none of the Issuer, the Issuer Security Trustee, the Note Trustee, the Cash Manager, the Agents, the Lead Manager, the Arranger, the Loan Security Agent, the Loan Agent, the Issuer Corporate Services Provider, the Paying Agents, the Registrar, the Common Depositary, the Operating Bank or any other Issuer Related Party makes any representation to any prospective Noteholder or purchaser of the Notes regarding the regulatory capital 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 the EU (the "**EU Retention and Transparency Requirements**") which apply in respect of various types of "institutional investor" (including institutions for occupational retirement, credit institutions, alternative investment fund managers who manage or market alternative investment funds in the EU, investment firms, insurance and reinsurance undertakings and management companies of UCITS funds (or internally managed UCITS)), as set out in Regulation (EU) 2017/2402 (the "**Securitisation Regulation**"). These requirements restrict such investors from investing in securitisations unless such investors have verified that: (i) the originator, sponsor or original lender will retain, on an ongoing basis, a material net economic interest of not less than five per cent. in the securitisation in accordance with Article 6 of the Securitisation Regulation and the risk retention is disclosed to the investor (and where the originator, sponsor or original lender is established in the EU, such disclosure is in accordance with Article 7 of the Securitisation Regulation); (ii) the originator, sponsor or SSPE has, where applicable, made available the information required by Article 7 of the Securitisation Regulation (as to which, see below) in accordance with the frequency and modalities provided for in that Article; and (iii) (a) where the originator or original lender is established in the EU, and is not a credit institution or an investment firm as defined in points (1) and (2) of Article 4(1) of Regulation (EU) No 575/2013, the originator or original lender grants all the credits giving rise to the underlying exposures on the basis of sound and well-defined criteria and clearly established processes for approving, amending, renewing and financing those credits and has effective systems in place to apply those criteria and processes in accordance with Article 9(1) of the Securitisation Regulation, or (b) where the originator or original lender is established in a non-EU country, the originator or original lender grants all the credits giving rise to the underlying exposures on the basis of sound and well-defined criteria and clearly established processes for approving, amending, renewing and financing those credits and has effective systems in place to apply those criteria and processes and ensure that credit-granting is based on a thorough assessment of the obligor's creditworthiness. 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.

The risk retention and due diligence requirements described above apply to certain "institutional investors" as described above in respect of the Notes. Investors should therefore make themselves aware of such requirements

(and any corresponding implementing rules of their regulators), where applicable to them, in addition to any other regulatory requirements applicable to them with respect to their investment in the Notes.

Aspects of the requirements and what is or will be required to demonstrate compliance to national regulators remain unclear. No retention representation of the sort referred to in the preceding paragraph has been made in relation to this transaction. The Issuer has considered the applicability of the EU Retention and Transparency Requirements to this transaction and is of the opinion that the Notes do not constitute an exposure to a "securitisation position" for the purposes of the EU Retention and Transparency Requirements. The Issuer is, therefore, of the opinion that the EU Retention and Transparency Requirement should not apply to investments in the Notes.

However, investors should be aware that the regulatory treatment of any investment in the Notes will be determined by the interpretation which an investor's regulator places on the provisions of the Securitisation Regulation, or other applicable rules and guidance. Prospective Noteholders should therefore be aware that should the relevant investor's regulator interpret the regulations such that any of these requirements does apply to an investment in the Notes, significantly higher capital charges or other regulatory sanctions may be applied to that investor's holding. Although market participants have, in consultations relating to these regulatory reforms, requested guidance on the structures captured by the definitions, no definitive guidance has been forthcoming. Therefore, some uncertainty remains as to which transactions are subject to these requirements.

Investors in the Notes are responsible for analysing their own regulatory position and independently assessing and determining whether or not risk retention requirements will be applied to their exposure to the Notes and therefore prospective Noteholders should not rely on the Issuer's interpretation set out above. Further none of the Arranger or the Lead Manager makes any representation in respect of the application of Article 6 of the Securitisation Regulation to any investment in the Notes. Investors should consult their regulator should they require guidance in relation to the regulatory capital treatment or other measures their regulator would apply to an investment in the Notes. Article 6 of the Securitisation Regulation and/or any further changes to the regulation or regulatory treatment of the Notes for some or all investors may negatively impact the regulatory position of individual investors and, in addition, have a negative impact on the price and liquidity of the Notes in the secondary market.

Prospective investors should therefore make themselves aware of the changes and requirements described above (and any corresponding implementing rules of their regulator), where applicable to them, in addition to any other applicable regulatory requirements with respect to their investment in the Notes.

The EU risk retention requirements described above and any other changes to the regulation or regulatory treatment of the Notes for some or all investors may negatively impact the regulatory position of individual investors and, in addition, have a negative impact on the price and liquidity of the Notes in the secondary market.

The transaction described in this Offering Circular is not intended to comply with any of the risk retention requirements described above. No party to the transaction has committed to retain a material net economic interest in the transaction in accordance with the aforementioned requirements.

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

The Basel Committee on Banking Supervision (the "**Basel Committee**") approved significant changes to Basel II (being the revised international capital framework of the Basel Committee, published in 2004) regulatory capital and liquidity framework in 2011 (such changes being commonly referred to as "**Basel III**"). In particular, Basel III provides for a substantial strengthening of existing prudential rules, including 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**"). It is intended that member countries will implement the new capital standards and the new Liquidity Coverage Ratio as soon as possible (with provision for phased implementation, meaning that the measure will not apply in full until January 2019) and the Net Stable Funding Ratio from January 2018. Implementation of Basel III requires national legislation and therefore the final rules and the timetable for their implementation in each jurisdiction may be subject to some level of national variation. The Basel Committee has also published a consultative

document setting out certain proposed revisions to the securitisation framework, including proposed new hierarchies of approaches to calculating risk weights and a new risk weight floor of 20 per cent. The European Commission intends the Liquidity Coverage Ratio to apply to European Union regulated credit institutions from 1 October 2015 and for the Net Stable Funding Ratio to become a binding standard from 1 January 2018.

On 11 July 2016, the Basel Committee issued an updated final standard on revisions to the Basel III securitisation framework amending its previous capital standards for certain securitisations, including reducing the risk weight floor for senior exposures from 15 per cent. to 10 per cent.

The Basel III reforms have been implemented in the EEA through the Capital Requirements Regulation and the Capital Requirements Directive (together "**CRD IV**"). CRD IV became effective in the United Kingdom and other European Union member states on 1 January 2014. CRD IV permits a transitional period for certain of the enhanced capital requirements and certain other measures which are not expected to be fully implemented until 2019. In particular, there is currently no proposed draft regulation in relation to the application of the Net Stable Funding Ratio.

In December 2017 a number of reforms were finalised to Basel III and the Basel framework more generally, as published in the Basel Committee's BCBS424 document. These further reforms, sometimes referred to as Basel IV, relate to the credit risk, output floor, credit valuation adjustment, operational risk and leverage ratio. The European Commission's March 2018 consultation paper on the implementation of the final Basel III standards also contains summaries of these reforms. The implementation date for these reforms, with the exception of the output floor, is 1 January 2022.

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

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

United Kingdom taxation position of the Issuer

The Issuer has been advised that it should fall within the permanent regime for the taxation of securitisation companies (as introduced by the Taxation of Securitisation Companies Regulations 2006 (SI 2006/3296) (the "**Securitisation Regulations**")), and as such should be taxed only on the amount of its "retained profit" (as that term is defined in the Securitisation Regulations), for so long as it satisfies the conditions of the Securitisation Regulations. However, if the Issuer does not satisfy the conditions to be taxed in accordance with the Securitisation Regulations (or subsequently does not), then profits or losses could arise in the Issuer which could have tax effects not contemplated in the cashflows for the transaction described in this Offering Circular and as such adversely affect the tax treatment of the Issuer and consequently payment on the Notes.

Withholding tax under the Notes

In the event that any withholding or deduction for or on account of tax is required by law (or under FATCA) to be made from payments due under the Notes, neither the Issuer nor any Paying Agent nor any other person will be required to make any additional payments to Noteholders, or to otherwise compensate Noteholders for the reduction in the amounts that they will receive as a result of such withholding or deduction. If such a withholding or deduction is required to be made, the Issuer will have the option (but no obligation) to redeem all outstanding Notes in full at their Principal Amount Outstanding (together with accrued interest). (See "**TERMS AND CONDITIONS OF THE NOTES**".)

At the date of this Offering Circular, no withholding or deduction for or on account of United Kingdom income tax will be required on interest payments to any holders of the Notes, provided that the Notes are and continue to be listed on a "recognised stock exchange" within the meaning of section 1005 of the Income Tax Act 2007. Euronext Dublin is a recognised stock exchange for these purposes. The Notes will satisfy this requirement if they are officially listed in Ireland in accordance with provisions corresponding to those generally applicable in EEA states and are admitted to trading on the global exchange market of Euronext Dublin. Provided, therefore,

that the Notes remain so listed, interest on the Notes will be payable without withholding or deduction on account of United Kingdom tax. The applicability of any withholding or deduction for or on account of United Kingdom tax on payments of interest is discussed further under the section entitled "*UNITED KINGDOM TAXATION*" of the Original Offering Circular. Investors are referred to "*UNITED KINGDOM TAXATION*" of the Original Offering Circular more generally on withholding taxes and deductions.

Foreign Account Tax Compliance Act withholding may affect payments on the Notes

Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 (the "**Code**") impose a new reporting regime and, potentially, a 30 per cent. withholding tax with respect to (i) certain payments from sources within the United States; (ii) "foreign passthru payments" made to certain non-U.S. financial institutions that do not comply with this new reporting regime; and (iii) payments to certain investors that do not provide identification information with respect to interests issued by a participating non-U.S. financial institution. While the Notes are in global form and held within the Clearing Systems, in all but the most remote circumstances, it is not expected that FATCA will affect the amount of any payment received by the Clearing Systems. However, FATCA may affect payments made to custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. It may also affect payment to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding. Investors should choose the custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA) and provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding. The Issuer's obligations under the Notes are discharged once it has made payment to, or to the order of, the common depository for the Clearing Systems (as registered holder of the Notes) and the Issuer has therefore no responsibility for any amount thereafter transmitted through the Clearing Systems and custodians or intermediaries. Prospective investors should refer to the section entitled "*FOREIGN ACCOUNT TAX COMPLIANCE ACT*" of the Original Offering Circular.

The proposed financial transactions tax ("FTT")

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

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

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

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

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

Changes of law and regulation

The structure of the issue of the Notes is based on English law and various regulatory, accounting and administrative practices in effect as at the date of this Offering Circular.

Regard has also been had to the expected tax treatment of the Issuer under the tax law and the published practice of the tax authorities of the United Kingdom as at the date of this Offering Circular.

No assurance can be given as to the impact of any possible change to law (including any change in regulation which may occur without a change in primary legislation), or the regulatory, accounting or administrative practice, or the interpretation or administration thereof, or the practices of HM Revenue & Customs ("**HMRC**") or the tax authorities of any other relevant taxing jurisdiction, after the date of this Offering Circular nor can any assurance be given as to whether any such change could adversely affect the ability of the Issuer to make payments under the Notes. Any changes to the accounting practices of any person may also have an effect on the tax treatment of that person.

In particular, the Issuer's ability to make (and Noteholders' entitlement to receive) payments on the Notes is therefore subject to the risk that tax law or the application of such law in any relevant jurisdiction may change and could be adversely affected by any such change.

No regulation of the Issuer by any regulatory authority

The Issuer is not required to be licensed or authorised under any current securities, commodities or banking laws of its jurisdiction of incorporation. There is no assurance, however, that regulatory authorities in one or more jurisdictions would not take a contrary view regarding the applicability of any such laws to the Issuer. The taking of a contrary view by such regulatory authority could have an adverse impact on the Issuer or the holders of the Notes.

D. GENERAL FACTORS RELATING TO THE UNDERLYING ASSETS

The Properties: general

General risks relating to commercial real estate debt

Commercial real estate financing is generally viewed as exposing a financier to a greater risk of loss than residential mortgage lending since the repayment of debt secured by income-producing Properties is typically dependent upon the successful operation of the related Properties. If the cash flows from the Properties are reduced (for example, if leases are not obtained or renewed or if tenants default in their obligations under the respective leases), a borrower's ability to repay the relevant debt may be impaired.

The volatility of property values and net operating income depends upon a number of factors, including (a) the volatility of property revenue and (b) the relevant property's operating leverage, which generally refers to (i) the percentage of total property operating expenses in relation to property revenue, (ii) the breakdown of property operating expenses between those that are fixed and those that vary with revenue and (iii) the level of capital expenditures required to maintain the property and retain or replace tenants. Even when the current net operating income is sufficient to cover debt service, there can be no assurance that this will continue to be the case in the future.

The net operating income and value of properties may be adversely affected by a number of factors, including, but not limited to, national, regional and local economic conditions (which may be adversely affected by government healthcare and/or geriatric care policies and other factors); local property market conditions (such as an oversupply of office space, including market demand); perceptions by prospective tenants of the safety, convenience, condition, services and attractiveness of the Properties; the proximity and availability of competing alternatives to the properties; the willingness and ability of the owners of the properties to provide capable management and adequate maintenance; demographic factors; consumer confidence; unemployment rates; customer tastes and preferences; retroactive changes to building or similar regulations; and increases in operating expenses (such as energy costs). In addition, other factors may adversely affect a property's value without affecting its current net operating income, including: changes in governmental regulations; monetary and fiscal policy and planning or tax laws; potential environmental legislation or liabilities or other legal liabilities; the availability of refinancing; and changes in interest rate or yield levels.

Additionally, some of the Properties may not readily be convertible to alternative uses if such Properties were to become unprofitable due to competition, age of the improvements, decreased demand, regulatory changes or other factors. The conversion of commercial properties to alternate uses generally requires substantial capital expenditures. In addition, in connection with obtaining the necessary planning consents for such alternative uses, additional environmental surveys may be required. If any such environmental survey indicates that there are environmental issues with respect to such property, whether because of the conversion in usage or otherwise, it is possible that the Borrower will be required to remedy such environmental issues.

A decline in the healthcare market (or an increase in competition), in the financial condition of one or more companies within the Borrower's group which provide healthcare services or a general decline in the local, regional or national economy will tend to have a more immediate effect on the net operating income of properties with short-term revenue sources and may lead to higher rates of delinquency or defaults.

Any one or more of the above described factors could have an adverse effect on the income derived from, or able to be generated by, any of the Properties, which could in turn cause the Borrower to default on the Loans or may impact the Borrower's ability to refinance the Loans or sell the Properties to repay the Loans.

If the Issuer does not receive the full amount due from the Borrower in respect of the Loans, then Noteholders may receive by way of principal repayment an amount less than the face value of their Notes and the Issuer may be unable to pay, in whole or in part, interest due on the Notes. The Issuer does not guarantee or warrant full and timely payment by the Borrower of any sums payable under the Loans.

Risks relating to healthcare properties

The Loans are secured by, among other things, care home healthcare properties. Investors should note in particular the following issues.

A significant source of the Borrower's income is or may be derived from publicly funded sources, principally local authorities or, the National Health Service. Local authorities have cash limited budgets and this affects the scope of care services funded by them. The level of resources that each relevant government makes available to local authorities to fund community care, therefore, is of crucial importance.

A significant percentage of independent sector care home residents have their fees paid by local authorities. The remaining fees are invoiced monthly to residents and/or their families and/or estates. There can be no guarantee that the current ratio of state to private funding will be maintained or that average debtor levels will not increase. The future availability of public finance could be affected by political considerations.

Downward pressure on fee income in respect of residential care or nursing homes, the impact of regulatory requirements, changes in medical practice, the ability to recruit and retain qualified staff and occupancy levels could adversely affect the ability of the Borrower to make payments in respect of the Loans. This, in turn, would adversely affect the ability of the Issuer to make payments in respect of the Notes.

Risks relating to care homes

The net operating income and value of the Properties may be adversely affected by a number of factors, including, but not limited to, national, regional and local economic conditions (which may be adversely affected by government healthcare and/or geriatric care policies and other factors); local property market conditions (such as an oversupply of space, including market demand); convenience, condition, services and attractiveness of the Properties; the proximity and availability of competing alternatives to the Properties; the willingness and ability of the owners of the Properties to provide capable management and adequate maintenance; demographic factors; retroactive changes to building or similar regulations; and increases in operating expenses (such as staffing and energy costs). In addition, other factors may adversely affect the Properties' value without affecting their current net operating income, including: changes in governmental regulations; monetary and fiscal policy and planning or tax laws; potential environmental legislation or liabilities or other legal liabilities; the availability of refinancing; and changes in interest rate or yield levels.

The age, construction quality and design of a particular property may affect its occupancy level as well as the fees that may be charged for individual property use over time. The effects of poor construction quality will increase over time in the form of increased maintenance and capital improvements needed to maintain the property and to attract residents. Even good construction will deteriorate over time if the Borrower does not schedule and perform adequate maintenance in a timely fashion. If competing properties of a similar type are built in the areas where the Properties are located or similar properties in the vicinity of the Properties are substantially updated and refurbished, the value and net operating income of the Properties could be reduced.

Additionally, some of the Properties may not readily be convertible to alternative uses if such Properties were to become unprofitable due to competition, age of the improvements, decreased demand, regulatory changes or other factors. The conversion of commercial properties to alternate uses generally requires substantial capital expenditures. In addition, in connection with obtaining the necessary planning consents for such alternative

uses, additional environmental surveys may be required. If any such environmental survey indicates that there are environmental issues with respect to such property, whether because of the conversion in usage or otherwise, it is possible that the Borrower will be required to remedy such environmental issues.

Regulatory Issues: The Borrower is regulated by the relevant regulatory authority in the relevant jurisdiction. Care homes are regulated in England and Wales under the Care Standards Act 2000 ("CSA") by the Care Standards Commission ("CSC"). All relevant facilities must be registered with the CQC. In March 2001, the National Minimum Care Standards for Care Homes (the "**National Minimum Standards**") were published pursuant to the CSA, which regulate minimum physical standards such as room sizes.

CQC inspectors are entitled to enter and inspect the Properties and usually do so as follows:

Services rated as good and outstanding – normally within 30 months of the last comprehensive inspection report being published.

Services rated as requires improvement – normally within 12 months of the last comprehensive inspection report being published.

Services rated as inadequate – normally within 6 months of the last comprehensive inspection report being published.

Newly registered services and those no longer dormant – the first comprehensive inspection will normally be scheduled between 6 to 12 months from the date of registration.

Should inspections reveal failures to meet the applicable National Minimum Standards and regulations, it is possible, in the event of a very serious failure, that the registration of the relevant facility could be revoked or, in less serious circumstances, be subject to conditions (which might restrict its business activities). There can be no assurance that each Property will, at all the relevant times, meet the requirements of the applicable Standards and regulations and that internal controls will ensure that this is so.

In addition, managers of registered hospitals and care homes are required to be personally registered. Each of the persons listed as a manager is a registered person. If any manager loses his or her registration, it would be necessary to replace him or her with a registered person in order to continue the operation of the relevant business in respect of the relevant Property.

Changes in Medical Practice: The method of treatment of patients changes from time to time as medical practice changes. Such changes may require the Borrower to make changes currently not anticipated, which they may or may not be able to implement. Inability to remain current with medical practice may impact the Borrower's business and ability to meet obligations under the Loans, and in turn may affect the payments on the Notes.

Staff: In common with all health providers, the occupiers may face challenges in recruiting and retaining qualified staff, particularly nurses. This is being countered to some extent by government initiatives to increase the number of nurses entering or re-entering the profession. However, there can be no assurance that with increased competition for suitably qualified staff, the occupier will succeed in recruiting and retaining staff. The healthcare sector in the United Kingdom currently reduces staffing costs to a certain extent by employing staff from outside the United Kingdom. However, there can be no assurance current government policies will not change, and that it will remain possible to make staffing cost savings by employing staff from outside the United Kingdom.

Occupancy Levels: The supply of and demand for nursing and/or care home beds in the United Kingdom have both been reduced by, in the case of demand, the so-called 'World War I effect' (a decline in birth rate during and after World War I resulting in a decrease in demand in the 1990s for care for the elderly) and, in the case of supply, the imposition of regulatory standards which have resulted in certain beds being closed for noncompliance with the National Minimum Standards. The United Kingdom Government Actuarial Department predicts an increase in the population over 85 years of age over the next 30 years. However, there can be no assurance that age-specific dependency rates will remain constant as life expectancy rises. Instead, as life expectancy rises, the number of years without dependency could rise by the same amount and therefore, the number of years with dependency would remain constant. Falling overall demand may be matched by withdrawal of capacity, thus resulting in sustained occupancy levels. However, there can be no assurance that current levels of occupancy will be sustained.

Risks relating to environment

Soil and groundwater contamination

Existing environmental legislation relating to soil and groundwater contamination allows liability for clean-up costs to be imposed primarily on a person who causes or knowingly permits pollution (a "**polluter**"), but also on the owner or occupier of land where the polluter cannot be found, or cannot effect or fund the clean-up. The term "**owner**" includes anyone with a proprietary interest in a property, other than a short-term tenant paying periodic rent. Even if more than one polluter is responsible for the contamination, each polluter may be required to complete or fund all of the clean-up.

If any contamination liability were to exist in respect of any parts of the Properties, the Loan Security Agent should not incur responsibility for such liability prior to enforcement of the Loans and Transaction Security, unless it could be established that the Loan Security Agent could be said to be a polluter whilst in control of those parts of the Properties affected, or, if no polluter were able to be made liable, the Loan Security Agent entered into possession of the affected parts of the Properties, assuming liability as an owner. After enforcement, the Loan Security Agent, if deemed to be a mortgagee or security holder in possession, or a receiver appointed on behalf of the Loan Security Agent, could become responsible for environmental liabilities in respect of those Properties. Therefore, the Loan Security Agent will need to be adequately indemnified against any environmental claims brought against it.

If a contamination liability arises in relation to any parts of the Properties and is not remedied, or is not capable of being remedied, this may restrict their use for residential or other sensitive purposes, and may result in an inability to sell the Properties or in a reduction in the price obtained for the Properties, resulting in sales at a reduced value.

In addition, third parties may sue a current or previous owner, occupier or operator of a site for damages and costs resulting from substances emanating from the Properties, and the presence of substances on the Properties could result in personal injury or similar claims by private claimants.

Environmental compliance

National and local environmental laws and regulations impose a range of obligations on the owners, occupiers and managers of residential and mixed-use buildings, including laws and regulations governing air and noise emissions; water use and wastewater and stormwater discharges; the maintenance of above-ground and underground storage tanks; the use, release, storage, disposal, handling and transportation of, and exposure to, oil, chemicals and hazardous substances; energy usage and carbon emissions; the management and disposal of waste; and otherwise relating to health, safety and the protection of the environment. Various permits and licences are required pursuant to environmental laws and regulations, which can result in constraints in on-site operations, and costs in compliance. These regulatory requirements change from time to time.

The owners, operators and managers of the Properties may violate environmental regulations in the future. Violations of environmental laws and regulations can lead to fines and penalties and requirements for rectification, which could require expenditure, changes in site operations or temporary closures of all or part of the Properties. This could affect the value of the Properties and related income. Additional expenditure and other commercial and financial impacts to comply with existing as well as new or revised environmental legislation and regulations may also arise, potentially affecting the value and income from the Properties.

Risks relating to planning consents

All properties are subject to compliance with various local planning rules and regulations. Such planning rules will typically require local planning board or planning authority consent or approval to any significant construction or renovations to a property or any significant change in use for a property. Obtaining planning consent can be time consuming and, depending on the request being made to the planning board or planning authority, costly and difficult to obtain. However, failure to so comply with planning rules and regulations (together with an inability to remedy such failure) could result in penalties being assessed against the related property and failure to obtain further consents necessary to complete any action to construct, modify or change usage with respect to such property.

Risks relating to insurance

The Borrower has undertaken to ensure, or procure that, at all times certain insurances in respect of the Borrower's interest in the Properties are maintained in full force and effect. For further details of the insurance policies that have to be maintained in respect of the Properties, refer to the section entitled "*DESCRIPTION OF THE LOAN AGREEMENT – Properties Undertakings*" of the Original Offering Circular.

There is no assurance the Borrower will procure the maintenance of the insurances or that such insurances will be adequate. Moreover, if reconstruction or any major repairs are required, changes in laws or planning requirements may materially affect the Borrower's ability to effect any reconstruction or major repairs or may materially increase the costs of the reconstruction or repairs.

The Borrower must notify the Loan Agent of any renewals or cancellations of insurance policies made, threatened or pending and the Loan Obligors are obliged not to do or permit anything to be done which may make void or voidable any insurance policy.

Certain types of risks and losses may be or become either uninsurable or not economically insurable or are not covered by the required insurance policies. Other risks might become uninsurable (or not economically insurable) in the future. If an uninsured or uninsurable loss were to occur, the Borrower might not receive sufficient funds to repay in full all amounts owing under by it under the Loan Agreement.

Risks relating to compulsory purchase of the Properties

Any property in the United Kingdom may at any time be compulsorily acquired by, among others, a local or public authority or a government department generally in connection with proposed redevelopment or infrastructure projects.

If a compulsory purchase order were to be made in respect of all or parts of the Properties, compensation would be payable on the basis of the open market value of all of the relevant proprietary interests in the relevant part or parts of the Properties at the time of the related purchase. The relevant interests would be acquired and affected tenants would cease to be obliged (wholly or partially as applicable) to make any further rental payments to the Borrower under any affected tenancies. The risk to Noteholders is that the amount received from the proceeds of purchase allocable to the Loans may be less than the corresponding Principal Amount Outstanding on the Notes together with accrued interest.

There is often a delay between the compulsory purchase of a property and the payment of compensation, the length of which will largely depend upon the ability of the property owner and the entity acquiring the property to agree on the open market value. Should such a delay occur, then, unless the Borrower has other funds available, a Loan Event of Default may occur.

Concentration of risk generally

The only material assets securing the Loans are the Properties and the Borrower will therefore not have access to any funds other than those generated through the Borrower's ownership of the Properties and the letting of the Properties to tenants. The ability of the Borrower to make payments of interest and repayments of principal under the Loan Agreement will be dependent solely on the sufficiency of income generated from the Properties as well as the market value and continued successful operation and management of the Properties. A decline in any of these factors will directly materially adversely affect the Issuer's ability to make payments due in respect of the Notes in full.

E. GENERAL SECURITY AND INSOLVENCY CONSIDERATIONS

Security for the Loans and the Notes

The Issuer will enter into the Deed of Charge and Assignment pursuant to which it will grant the Issuer Security in respect of certain of its obligations, including its obligations under the Notes.

In addition, the Borrower has secured its obligations and the obligations of certain of the other Loan Obligors under the Loans pursuant to the Loan Security.

In certain circumstances, including the occurrence of certain insolvency events in respect of the Issuer or a Loan Obligor, the ability to realise the Issuer Security and/or the relevant Transaction Security, respectively, may be delayed and/or the value of the relevant security impaired. While the transaction structure is designed to minimise the likelihood of the Issuer or (by limiting their ability to incur financial indebtedness and limiting their business activities) any of the Loan Obligors becoming insolvent, there can be no assurance that the Issuer and/or one or more of the Loan Obligors will not become insolvent and/or the subject of insolvency proceedings and/or that the Noteholders would not be adversely affected by the application of insolvency laws (including English insolvency laws).

In addition, it should be noted that, to the extent that the assets of the Issuer or certain of the Loan Obligors are subject only to a floating charge (including any fixed charge recharacterised by the courts as a floating charge), in certain circumstances under the provisions of section 176A of the Insolvency Act 1986, certain floating charge realisations which would otherwise be available to satisfy the claims of secured creditors under the Deed of Charge and Assignment or the relevant Loan Security Document may be used to satisfy any claims of unsecured creditors. There can be no assurance that the Noteholders will not be adversely affected by any such reduction in floating charge realisations upon the enforcement of the Issuer Security or the Transaction Security.

Risks relating to the Loan Obligors

The Loan Obligors are incorporated under the laws of England. The Loan Obligors are subject to the provisions of English insolvency law, provided that their centre of main interests is in England. Although the Loan Obligors have been established as limited purpose entities, they may, nonetheless, become insolvent and subject to insolvency proceedings under English law.

The Loan Agent or the Loan Security Agent (as the case may be) will have certain rights under the Loan Agreement if any of the Loan Obligors become insolvent and subject to insolvency proceedings, including certain rights to accelerate the Loans and direct the Loan Security Agent to exercise all of its rights under the Loan Finance Documents. However, the rights of creditors of an insolvent English company.

In the event that the Loans are not repaid in full following the enforcement of the Loans and the related Transaction Security, the Issuer may not have sufficient resources to satisfy in full its obligations under the Notes.

Limitation of recoverability of legal fees in enforcement

There can be no assurance that the Issuer will be able to recover legal fees incurred or advanced in connection with the enforcement of the Loans or the related Transaction Security from the Loan Obligors, in particular, to the extent that such legal fees exceed the statutory limits provided by law. There can be no assurance that the legal fees relating to an enforcement of the Loans or the related Transaction Security will fall within the limitation of what can be charged to a debtor under applicable law. Any amounts of legal fees in excess of such limitation could result in a shortfall to amounts that would otherwise be distributed on the Notes.

Risks relating to litigation

There may be pending or threatened legal proceedings against the Loan Obligors arising out of the ordinary business of such Loan Obligors.

Each of the Loan Obligors will represent or warrant in the Loan Agreement on the date of each Utilisation Request and the first day of each Loan Interest Period that no litigation, arbitration, administrative proceedings or investigations of or before any court, arbitral body or agency which, if adversely determined, are reasonably likely to have a Material Adverse Effect have (to the best of its knowledge and belief having made due and careful enquiry) been started or threatened in writing against it.

Appointment of an administrator to an English company

In certain circumstances, an administrator may be appointed in relation to an English company, the effect of which would also be that, during the period for which the order is in force, the affairs and business and property of the company shall be managed by the administrator. The appointment may be made:

- (a) by the court, on the application of the company, any or all of its creditors, or the justices' chief executive for a magistrates court, provided that the court is satisfied that the company is or is likely to become unable to pay its debts and that the administration order is reasonably likely to achieve the statutory purpose of administrations;
- (b) by the holder of a "qualifying floating charge" (as defined in the Insolvency Act 1986) over the whole or substantially the whole of the company's property who gives notice of intention to appoint an administrator to any holder of a prior qualifying floating charge and files with the court the appointment in prescribed form (including a statutory declaration that the charge was enforceable on the date of the appointment and a statement by the proposed administrator that he or she believes the statutory purpose of administration is reasonably likely to be achieved) and such other documents as may be requested; or
- (c) the company or its directors if it or they give notice of intention to appoint an administrator to any person who may be entitled to appoint an administrative receiver or an administrator of the company, such person declines to appoint an administrative receiver or administrator (as the case may be) and the appointment is filed with the court in prescribed form (including a statutory declaration that the company is or is likely to become unable to pay its debts and a statement by the proposed administrator that he or she believes the statutory purpose of administration is reasonably likely to be achieved) along with such other documents as may be provided.

An interim "moratorium" on enforcement action against the company will come into effect on the filing with the court of the application for making of an administration order by the court or the notice of intention to appoint an administrator out of court, or on the presentation of a petition for an administration order, as the case may be. During the period for which such moratorium is in force, (among other things) no steps may be taken to enforce any security over the property of the company except with the leave of the court (and subject to such terms as the court may impose). The moratorium remains in force where an administration application has been made and has not yet been granted or dismissed, or has been granted but the order has not yet taken effect, or where a floating charge holder has filed notice of intention to appoint an administrator with the court, until the appointment takes effect or until five business days expire with no administrator having been appointed, or members of the company themselves have filed with the court notice of intention to appoint an administrator, until the appointment takes effect or until 10 business days expire with no administrator having been appointed.

Accordingly, if an application is made or petition is presented for the making of an administration order by the court, or notice is filed with the court of the intention to appoint an administrator, or an administration order is made or an administrator is appointed in respect of the Borrower, the enforcement of the relevant Transaction Security by the Loan Security Agent would not be possible unless the leave of the court or the consent of the administrator was obtained, and would in any case be delayed by the need to apply to the court for leave or to the administrator for consent.

Guarantees and security may constitute a transaction at an undervalue or preference

A liquidator or administrator of a Loan Obligor could apply to the court to unwind the issuance of its guarantee if such liquidator or administrator believed that issuance of such guarantee constituted a transaction at an undervalue.

If the liquidator or administrator can show that any of the Loan Obligors have given a "preference" to any person within six months of the onset of liquidation or administration (or two years if the preference is to a "connected person") and, at the time of the preference, the relevant Loan Obligor was technically insolvent or became so as a result of the preferential transaction, a court has the power, among other things, to void the preferential transaction. For these purposes, a company gives preference to a person if that person is one of the company's creditors (or a surety or guarantor for any of the company's debts or liabilities) and the company takes an action which has the effect of putting that person into a position which, in the event of the company going into insolvent liquidation, will be better than the position that person would have been in if that thing had not been done. The court may not make an order avoiding a preferential transaction unless it is satisfied that the company was influenced by a desire to put that person in a better position. This provision of English insolvency law may affect transactions entered into or payments made by any of the Loan Obligors during the relevant period prior to the liquidation or administration of such Loan Obligor.

In addition, if it can be shown that a transaction entered into by an English company was made for less than fair value and was made to shield assets from creditors, then the transaction may be set aside as a transaction defrauding creditors. Any person who is a "victim" of the transaction, and not just liquidators or administrators, may assert such a claim. There is no statutory time limit within which a claim must be made and the company need not be insolvent at the time of the transaction.

The application of the Small Companies Moratorium may limit enforcement

Certain small companies, as part of the company voluntary arrangement procedure, may seek court protection from their creditors by way of a "moratorium" for a period of up to 28 days, with the option for creditors to extend this protection for up to a further two months (although the Secretary of State for Business, Innovation and Skills may, by order, extend or reduce the duration of either period). A company is eligible for a moratorium if, at the date of filing for moratorium, it meets two or more of the following criteria for being a "small company" under Section 382(3) of the Companies Act 2006 (as amended): (i) its turnover is not more than £6,500,000; (ii) its balance sheet, total is not more than £3,260,000; and (iii) the number of employees is not more than 50.

The position as to whether or not a company is eligible for a moratorium may change from period to period, depending on its financial position and average number of employees during that particular period. The Secretary of State for Business, Innovation and Skills may by regulations also modify the qualifications for eligibility of a company for a moratorium and may also modify the present definition of a "small company".

Accordingly, the Loan Obligors may, at any given time be eligible to seek a moratorium, in advance of a company voluntary arrangement.

During the period for which a moratorium is in force in relation to a company, among other things, no winding-up may be commenced or administrator appointed to that company, no administrative receiver of that company may be appointed, no security created by that company over its property may be enforced (except with the leave of the Court) and no other proceedings or legal process may be commenced or continued in relation to that company (except with the leave of the Court).

Accordingly, the provisions described above may limit the Loan Security Agent's ability to enforce the Transaction Security, to the extent that a Loan Obligor (1) falls within the criteria for eligibility for a moratorium at the time a moratorium is sought; (2) seeks a moratorium in advance of a company voluntary arrangement (as applicable); and (3) is considered not to fall within the capital market exception (the exception being a "capital market arrangement", under which a party has incurred, or when the agreement was entered into expected to incur, a debt of at least £10,000,000 and which involved the issue of a capital market investment) or any other applicable exception at the relevant time.

The ability to appoint an administrative receiver will be hindered by the application of the Enterprise Act 2002 in respect of floating charges

The provisions of the Enterprise Act restrict the right of the holder of a floating charge to appoint an administrative receiver (unless the security was created prior to 15 September 2003 or an exception applies) and instead give primacy to collective insolvency procedures (in particular, administration).

Risks relating to the Issuer

Centre of main interests

The Issuer has its registered office in England. As a result there is a rebuttable presumption that its centre of main interests ("COMI") is in England and consequently that any main insolvency proceedings applicable to it would be governed by English law. In the decision by the European Court of Justice (ECJ) in relation to Eurofood IFSC Limited, the ECJ restated the presumption in Council Regulation (EC) No. 1346/2000 of 29 May 2000 on Insolvency Proceedings, that the place of a company's registered office is presumed to be the company's COMI and stated that the presumption can only be rebutted if "factors which are both objective and ascertainable by third parties enable it to be established that an actual situation exists which is different from that which locating it at the registered office is deemed to reflect". As the Issuer has its registered office in England, has English directors, is registered for tax in England and has an English corporate services provider, the Issuer does not believe that factors exist which would rebut this presumption, 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 is not located in England, and is held to be in a different jurisdiction within the European Union, main insolvency proceedings may not be opened in England.

Restriction on enforcing the Issuer Security

If the Issuer Security has become enforceable otherwise than by reason of a default in payment of any amount due on the Notes, the Issuer Security Trustee will not be entitled to dispose of the undertaking, property or assets secured under the Issuer Security or any part thereof or otherwise realise the Issuer Security unless a sufficient amount would be realised to allow discharge in full of all amounts owing to the Noteholders and any amounts required under the Deed of Charge and Assignment to be paid *pari passu* with, or in priority to, the Notes or certain other requirements as more particularly specified in Condition 3(b) (*Security and Priority of Payments*) for further details.

F. CONSIDERATIONS RELATING TO THE LOANS AND THE RELATED SECURITY

Prepayment of the Loans

The Borrower may be obliged or may choose, in certain circumstances, to prepay the Loans in whole or in part prior to the Termination Date.

These circumstances include, but are not limited to, illegality (in certain circumstances), change of control of certain entities and the receipt of certain disposal, insurance and other proceeds. The Borrower may also be required to prepay a portion of the Loans if certain financial covenants are not met. These circumstances are described in more detail in the section entitled "*LOAN AGREEMENT*" of the Original Offering Circular.

These events are, in some circumstances, beyond the control of the Borrower and are beyond the control of the Issuer. Any such prepayment will result in the Notes being prepaid earlier than anticipated. Refer to the risk factor above entitled "*Considerations relating to yield and prepayments*" for further details.

Refinancing risk

The Loans may have a substantial remaining principal balance on the Termination Date.

Pursuant to the Loan Agreement, unless previously repaid, the Loans will be redeemed in full and at par by the Borrower on the Termination Date.

There is no scheduled amortisation of the Loans up to the Termination Date but to the extent received prior to the Termination Date, there will be a pass through of Principal Receipts.

The ability of the Borrower to repay the Loans in their entirety on the Termination Date will depend, among other things, upon it having sufficient available cash or equity and upon its ability to find a lender willing to lend to the Borrower (secured against some or all of the relevant Properties) sufficient funds to enable repayment of the Loans. Such lenders will generally include banks, insurance companies and finance companies. The availability of funds in the credit market fluctuates and during the credit crisis there was an acute shortage of credit to refinance commercial real estate debt such as the Loans. In addition, the availability of assets similar to the Properties, and competition for available credit, may have a significant adverse effect on the ability of potential purchasers to obtain financing for the acquisition of the Properties. There can be no assurance that the Borrower will be able to refinance the Loans on or prior to the Termination Date.

If the Borrower cannot refinance the Loans, the Properties may be required to be sold in the then current market conditions in order to repay the Loan. Failure by the Borrower to refinance the Loans or in the event that the Properties cannot be sold on or prior to the Termination Date may result in the Borrower defaulting on the Loans and its insolvency. See also "*E. CONSIDERATIONS RELATING TO THE INSOLVENCY OF THE OBLIGORS*" of the Original Offering Circular. In the event of such a default or insolvency, the Noteholders may receive by way of principal repayment an amount less than the then Principal Amount Outstanding on their Notes and the Issuer may be unable to pay in full interest and other amounts due on the Notes.

Valuation

Knight Frank has produced the Initial Valuation. According to the Initial Valuation, the aggregate market value of the Properties (the "**Market Value**") was £149,310,000 as at 8 June 2018.

Such valuation of the Properties expresses the professional opinion of the relevant valuer on the Properties and is no guarantee of present or future value in respect of the Properties. One valuer may, in respect of the Properties, reach a different conclusion than the conclusion that would be reached if a different valuer was appraising the same Properties, even if theoretically prepared on the same basis. Moreover, valuations seek to establish the amount that a typically motivated buyer would pay a typically motivated seller and, in certain cases, may have taken into consideration the purchase price paid by the existing property owner.

There can be no assurance that the market value of the Properties will continue to be equal to or exceed the valuations given in the Initial Valuation or that the value of the Properties has not changed materially since the date of the Initial Valuation. Assumptions often differ from the current facts regarding such matters and are subject to various risks and contingencies, many of which are not within the control of the Issuer, the Note Trustee, the Issuer Security Trustee, the Borrower or any other Issuer Related Party or Knight Frank. Some of the assumptions in the Initial Valuation might not materialise, and unanticipated events and circumstances may occur or have occurred subsequent to the date of the Initial Valuation.

There can be no assurance that the Market Value of the Properties will be equal to or greater than the unpaid principal and accrued interest and any other amounts due on the Loans. The actual results achieved on a sale may vary from the related valuation and such variations may be material. If the Properties are sold following a Loan Event of Default, enforcement of the Issuer Security or a Note Event of Default there can be no assurance that the net proceeds of such sale will be sufficient to pay in full all amounts due under the Notes.

Risks relating to representations and warranties of the Loan Obligors under the Loan Agreement

Representations and warranties given by the Loan Obligors under the Loan Agreement are to some extent qualified by materiality and the actual knowledge of the Loan Obligors giving such representation or warranty. While reliance on representations and warranties is only commercially possible to the extent that the Loan Obligors are actually able to indemnify the recipient of such representations and warranties, so that a representation already in and as of itself only offers limited protection commercially, representations and warranties which are qualified by the actual knowledge further reduce the ability of a recipient to rely on the absence of the corresponding risks because the recipient would need to provide evidence of the Loan Obligors' actual knowledge of the relevant risk represented which might be difficult if not impossible to demonstrate successfully in practice.

Risks relating to special purpose entity covenants of the Loan Obligors

Special purpose entity covenants are generally designed to limit the purpose of the borrowing entity to owning the related property, making payments on the related loan and taking such other actions as may be necessary to carry out the foregoing in order to reduce the risk that circumstances unrelated to the loan and related property result in borrower insolvency. Special purpose entities are generally used in commercial loan transactions to satisfy requirements of institutional lenders and recognised credit rating agencies. In order to minimise the possibility that special purpose entities will be the subject of insolvency proceedings, provisions are generally contained in the borrower's documentation relating to the loan which, among other things, limit the indebtedness that can be incurred by such entities and restrict such entities from conducting business as an operating company generally (thus limiting exposure to outside creditors).

The Loan Agreement contains provisions that require the Loan Obligors to conduct themselves in accordance with certain special purpose entity covenants. Each Loan Obligor represents that it does not have, and has not had, any employees other than those the costs for which are set out in the Operating Budget. However, there can be no assurance that all or most of the special purpose entity covenants will be complied with by the Loan Obligors (however, a breach of an undertaking or representation would, in certain circumstances, lead to a Loan Event of Default) and even if all or most of such restrictions have been complied with by the Loan Obligors there can be no assurance that the Loan Obligors will not nonetheless become insolvent.

Mortgagee in possession liability

The Loan Security Agent may be deemed to be a mortgagee in possession if there is physical entry into possession of the Properties or an act of control or influence which may amount to possession (such as receiving rents directly from the relevant tenant or sub-tenant). A mortgagee in possession may incur liabilities to third parties in nuisance and negligence and, under certain statutes (including environmental legislation) and in certain circumstances, can incur the liabilities of a property owner.

Transaction Security enforcement

In the event of acceleration of the Loans, recourse will be available only to the Transaction Security. Enforcement under the Security Documents may not result in immediate realisation of the Transaction Security and a significant delay could be experienced in recovery by the Loan Security Agent of, amongst other things, amounts owed under the Loans.

There can be no assurance that the Loan Security Agent would recover all amounts secured upon enforcement of the Transaction Security.

Accordingly, sufficient funds may not be realised or available to make all required payments to the Issuer under the Loans and, accordingly, the Issuer may not have sufficient funds available to make all required payments to the Noteholders and the other Issuer Secured Creditors.

Risks relating to clawback under the Loan Agreement

The Loan Agreement provides that if the Loan Agent pays an amount to another party (including the Issuer) without actually receiving that amount, then such party to whom payment has been made shall on demand refund the amount paid to the Loan Agent together with interest on that amount from the date of payment to the date of receipt by the Loan Agent, calculated to reflect the Loan Agent's cost of funds.

In addition, if the Issuer (or the Cash Manager on its behalf) receives or recovers an amount from a Loan Obligor other than by means of a payment or distribution made by the Loan Agent in accordance with the Loan Agreement, it may be required to repay all or some of such amount to the Loan Agent.

Accordingly, the amounts received by the Issuer and ultimately the Noteholders may in the circumstances outlined above have to be repaid to the Loan Agent. In this scenario, the Issuer (or the Cash Manager on its behalf) would need to recover such amounts from Noteholders in accordance with Condition 7(h) (*Incorrect Payments*) in the first instance and then transfer such funds to the Loan Agent. See also "*Risks relating to the Calculation of Amounts and Payments*" above.

G. CONFLICTS OF INTEREST

Conflicts between the Arranger, the Lead Manager and affiliates of the Arranger or the Lead Manager, on one hand, and the Issuer, on the other hand

Conflicts of interest between affiliates of the Arranger or the Lead Manager that engage in the acquisition, development, operation, financing and disposal of commercial property, the Arranger and the Lead Manager, on one hand, and the Issuer, on the other hand, may arise because such affiliates, the Arranger and the Lead Manager will not be prohibited in any way from engaging in business activities similar to or competitive with those of the Loan Obligors.

The Arranger, the Lead Manager and their respective affiliates intend to continue to actively acquire, develop, operate, finance and dispose of property related assets in the ordinary course of their businesses. During the course of their business activities, the Arranger, the Lead Manager and their respective affiliates may provide liquidity facility and swap counterparty services or acquire, own or sell properties or finance loans secured by properties which are in the same markets as the Properties. In such a case, the interests of such affiliates, the Arranger and/or the Lead Manager may differ from and compete with the interests of the Issuer, and decisions made with respect to such assets may adversely indirectly affect the amount and timing of distributions with respect to the Notes.

In addition, the Arranger, the Lead Manager and their respective affiliates may have business, lending or other relationships with, or equity investments in, obligors under loans or tenants and conflicts of interest could arise between the interests of the Issuer and the interests of the Arranger, the Lead Manager and such affiliates arising from such business relationships.

H. GENERAL: RISKS NOT EXHAUSTIVE

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

DESCRIPTION OF THE PROPERTIES

Overview of the Properties

The properties comprise an existing portfolio of 29 income-producing care home properties (the "**Core Portfolio**") and three development properties (the "**Development Portfolio**"). The portfolio is located across the UK, including care homes in London, Sheffield, Peterborough, Lincolnshire and Somerset (amongst others). Country Court Care will own and operate all the properties in the Portfolio.

Additionally, four development sites have been identified to be acquired and developed with the potential to deliver a further 212 beds ("**Identified Development Properties**")². Knight Frank has estimated that the Identified Development Properties have an estimated stabilised value of £50.65m. The Sponsor estimates that the Identified Development Properties, once stabilised, will produce annualised EBITDA of £4.80m by June 2022.

Core Portfolio: The Core Portfolio is comprised of 29 care homes, providing 1,372 beds and producing a combined annualised EBITDA of £11.18m as at 30th June 2018. All properties are held freehold. 62% of the portfolio is purpose-built and 38% is converted stock (Connell Consulting, 30th April 2018).

Development Portfolio: The Development Portfolio comprises three care home sites, capable of providing 218 beds. The Sponsor estimates that the Development Portfolio, once stabilised, will generate an annualised EBITDA of £4.72m by June 2022. Two properties are held freehold and one property is held on a long leasehold.

Portfolio Information as at 30th June 2018

	Core Portfolio	Development Portfolio	Total
Market Valuation (£): ⁽¹⁾⁽²⁾	139,870,000	9,440,000	149,310,000
Valuer's EBITDA Multiple: ⁽¹⁾⁽³⁾	9.7	N/A	N/A
Valuer: ⁽¹⁾	Knight Frank	Knight Frank	Knight Frank
Date of Valuation:	8 June 2018	8 June 2018	8 June 2018
Use type: ⁽⁴⁾			
Nursing	13	N/A	13
Residential	16	N/A	16
Beds: ⁽⁴⁾	1,372	N/A ⁽⁵⁾	1,372
Occupancy: ⁽⁴⁾	84%	N/A	84%
Operational Status: ⁽⁴⁾			
In Operations	25	N/A	25
Ongoing refurbishment	3	N/A	3
Ongoing extension / refurbishment	1	N/A	1
Annualised 30 June 2018 EBITDA (£): ⁽⁴⁾	11,179,959	N/A	11,179,959
Average Weekly Fee (£): ⁽⁴⁾	788.15	N/A	788.15
Tenure: ⁽⁴⁾			
Freehold	29	2	31
Leasehold	0	1	1
CQC Rating: ⁽⁴⁾			
Good	17	0	17
Requires Improvement	5	0	5
Not yet inspected	6	3	9
Inadequate	1	0	1

⁽¹⁾ Information provided by Knight Frank as at 8th June 2018.

⁽²⁾ Valuation assuming a portfolio premium of 20%. If assets were to be sold individually, the aggregate value is estimated at £143.55m.

⁽³⁾ Valuation multiple based on the estimated trading potential of the Core Portfolio as at 8th June 2018, assuming EBITDA of £14.42m.

⁽⁴⁾ Information provided by the Sponsor as at 30th June 2018.

⁽⁵⁾ The Development Portfolio is estimated to provide 218 beds once completed.

² The Loan Agreement refers to Woodlands. However, the Sponsor has replaced Woodlands with Walberton Place as one of the Identified Development Properties and the valuation and Sponsor estimates have been revised accordingly.

Location

The Core Portfolio properties are located throughout the UK with 25.2% of the portfolio by value located in the East Midlands, 23.4% located in the East and 12.2% in the South East. The Development Portfolio properties are each located in London, the East Midlands and the South East.

Core Portfolio Information by Region as at 30th June 2018

Core Portfolio	# of Properties ⁽¹⁾	Tranche A Allocated Loan Amount (£)	# of Beds ⁽¹⁾	Market Valuation (£) ⁽²⁾	% of Valuation	Annualised EBITDA as at 30 th June 2018 (£) ⁽¹⁾
East Midlands	13	27,682,004	484	35,190,000	25.2%	4,292,182
East	3	27,473,312	169	32,700,000	23.4%	1,602,942
South East	2	13,241,854	101	17,050,000	12.2%	718,356
South West	3	11,444,408	201	15,810,000	11.3%	1,905,939
North West	1	9,027,619	66	12,190,000	8.7%	839,790
West Midlands	1	9,115,135	66	10,460,000	7.5%	-226,768
London	2	13,389,958	82	9,780,000	7.0%	976,386
Yorkshire	4	4,503,711	203	6,690,000	4.8%	1,071,131
Subtotal	29	115,878,000	1,372	139,870,000	100.0%	11,179,959

⁽¹⁾ Information provided by the Sponsor as at 30th June 2018.

⁽²⁾ Information provided by Knight Frank as at 8th June 2018.

Development Portfolio Information by Region as at 30th June 2018

Development Portfolio	# of Properties ⁽¹⁾	# of Potential Beds ⁽¹⁾	Current Market Valuation (£) ⁽²⁾	Expected Stabilised Value as at 30 th June 2022 (£) ⁽²⁾	% of Stabilised Valuation	Annualised Expected EBITDA as at 30 th June 2022 (£) ^(1,3)
London	1	92	4,440,000	17,570,000	38.3%	2,046,013
South East	1	66	3,560,000	16,940,000	36.9%	1,639,197
East Midlands	1	60	1,440,000	11,420,000	24.9%	1,030,105
Subtotal	3	218	9,440,000	45,930,000	100.0%	4,715,314

⁽¹⁾ Information provided by the Sponsor as at 30th June 2018.

⁽²⁾ Information provided by Knight Frank as at 8th June 2018.

⁽³⁾ Annualised pro-forma expected EBITDA as at 30th June 2022. As at 30th June 2018, the Development Portfolio provides no income.

Valuation

The legal and beneficial interests in the portfolio properties were valued for the purposes of the Loans by Knight Frank on 8th June 2018 at £149,310,000.³

Permitted Use

The Core Portfolio is comprised of 13 homes registered as nursing homes and 16 homes with residential use. The Development Portfolio is expected to comprise two homes with residential use and one home registered as a nursing home.

³ Valuation assuming a portfolio premium of 20%. If assets were to be sold individually, the aggregate value is estimated at £143,550,000.

THE ISSUER

Cleveland Row Finance No.2 PLC (the "**Issuer**") was incorporated under the laws of England and Wales on 17 May 2018 (registered number 11367474) as a public limited company. The registered office of the Issuer is at Level 37, 25 Canada Square, Canary Wharf, London E14 5LQ. The telephone number of the Issuer's registered office is +44 207 513 2388. The share capital of the Issuer is £50,000, divided into 50,000 ordinary shares of £1 each, all of which are issued and paid up (49,999 as to £0.25 each and one fully paid up) and held by Issuer Holdco. The Issuer has no subsidiaries.

Principal Activities

The Issuer is a special purpose vehicle established for the purpose of issuing asset-backed securities.

Since its incorporation, the Issuer has not engaged in any activities other than those incidental to its incorporation and registration under the Companies Act 2006, as amended, the authorisation of the issue of the Notes and of the other documents and matters referred to or contemplated in this Prospectus and matters which are incidental or ancillary to the foregoing. No financial statements for the Issuer have been made up as at the date of this Prospectus.

The Issuer will covenant to observe certain restrictions on its activities which are detailed in Condition 4(a) (*Restrictions*).

There is no intention to accumulate surplus in the Issuer (other than amounts in respect of the Issuer Profit).

Directors and Secretary

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

Name	Role	Business address	Other principal activities
CSC Directors (No.1) Limited	Director	Level 37, 25 Canada Square, Canary Wharf, London E14 5LQ	Acting as corporate directors for special purpose companies
CSC Directors (No.1) Limited	Director	Level 37, 25 Canada Square, Canary Wharf, London E14 5LQ	Acting as corporate directors for special purpose companies
Aline Sternberg	Director	Level 37, 25 Canada Square, Canary Wharf, London E14 5LQ	Acting as director for special purpose companies
CSC Corporate Services (UK) Limited	Secretary	Level 37, 25 Canada Square, Canary Wharf, London E14 5LQ	Acting as secretary for special purposes companies

The Issuer has no employees.

Auditors

The auditors of the Issuer are Ecovis Wingrave Yeats through their office at Waverly House, 7-12 Noel Street, London W1F 8GQ, who are chartered accountants and are a member firm of the Institute of Chartered Accountants and registered auditors qualified to practise in the United Kingdom.

Issuer Corporate Services Agreement

Pursuant to the terms of the agreement dated on or about the Original Closing Date between, among others, the Corporate Services Provider and the Issuer (the "**Corporate Services Agreement**"), the Corporate Services Provider will perform various management functions on behalf of the Issuer and Cleveland Row Finance No.2 Holdings Limited as Issuer holding company, including the provision of certain administrative, accounting 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:

- (a) either party may terminate the Corporate Services Agreement by giving notice to the other party upon the occurrence of certain stated events, including any material breach by the other party of its obligations under the Corporate Services Agreement, and (where such breach is capable of remedy) that other party fails to remedy the breach within thirty days (or such other period as shall be agreed between the relevant parties) of being required to do;
- (b) the Corporate Services Provider may terminate the Corporate Services Agreement if it gives not less than thirty days' written notice to each of the parties to the Corporate Services Agreement, provided a substitute Corporate Services Provider has been nominated by the Loan Agent; and
- (c) the Issuer (with the prior written consent of the Issuer Security Trustee) and (following service of an Note Acceleration Notice) the Issuer Security Trustee may terminate the Corporate Services Agreement if it gives not less than thirty days' written notice to each of the parties to the Corporate Services Agreement, provided a substitute Corporate Services Provider has been nominated by the Loan Agent.

Any such termination will not take effect until a replacement corporate services provider has been appointed.

DESCRIPTION OF THE NOTES

The Issuer accepts responsibility for the accurate reproduction of the information contained in this section which, insofar as it relates to the rules and procedures governing the operations of the Clearing Systems, has been sourced from the Clearing Systems. As far as the Issuer is aware and is able to ascertain from information published by the Clearing Systems, no facts have been omitted which would render the reproduced information inaccurate or misleading. However, prospective Noteholders are advised to make their own enquiries as to such procedures. In particular, such information is subject to any change in or reinterpretation of the rules, regulations and procedures of the Clearing Systems currently in effect, and investors wishing to use the facilities of any of the Clearing Systems are therefore advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. None of the Issuer, the Registrar, the Note Trustee, the Issuer Security Trustee, any Agent party to the Agency Agreement or the Arranger or the Lead Manager (or any affiliate of any of the above, or any person by whom any of the above is controlled for the purposes of the Securities Act) will have any responsibility for the performance by the Clearing Systems or their respective direct or indirect participants or account holders of their respective obligations under the rules and procedures governing their operations or for the sufficiency for any purpose of the arrangements described below.

General

The £22,771,476 Commercial Mortgage Backed Floating Rate Notes due 2027 issued pursuant to Condition 20 (*Further Issuance of Notes*) and Clause 3.17 (*Further Issuance of Notes*) of the Note Trust Deed (as defined below) (the "**Further Notes**", which shall be fungible with the Original Notes, and together with the Original Notes, the "**Notes**") (are constituted by a trust deed (the "**Trust Deed**") dated on or about the Original Closing Date between the Issuer and U.S. Bank Trustees Limited (the "**Note Trustee**"), which expression includes the trustee or trustees for the time being under the Trust Deed, as trustee for the Noteholders.

The holders of the Notes (the "**Noteholders**" and each a "**Noteholder**") are entitled to the benefit of the Trust Deed and are bound by, and are deemed to have notice of, the provisions of the Trust Deed, the Paying Agency Agreement and the Deed of Charge and Assignment.

The Notes shall be represented by a Global Note in registered form, without coupons or talons in the principal amount of £22,771,476. The Global Note will be deposited on or around the Original Closing Date with and registered in the name of a nominee for the Common Depositary.

Upon confirmation by the Common Depositary that it has custody of the Global Note, Euroclear or Clearstream, Luxembourg, as the case may be, will credit each subscriber of the Notes with the principal amount of Notes equal to the aggregate principal amount thereof for which it had subscribed and paid ("**Book-Entry Interest**").

Title to the Global Note will pass upon registration of transfers in the Register. The Global Note will only be exchangeable for Definitive Notes (without coupons and talons) in certain limited circumstances described in the section entitled "*Issuance of Definitive Notes*" below.

Holding of Beneficial Interests in Global Note

Ownership of beneficial interests in respect of the Global Note will be limited to persons that have accounts with Euroclear or Clearstream, Luxembourg ("**direct participants**") or persons that hold beneficial interests or Book-Entry Interests in the Global Note through direct participants ("**indirect Participants**" and, together with direct participants, "**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 will also include persons that hold beneficial interests through such participants. Beneficial interests or Book-Entry Interests in the Global Note will not be held in definitive form. Instead, Euroclear and Clearstream, Luxembourg, as applicable, will credit the participants' accounts with the respective interests beneficially owned by such participants on each of their respective book-entry registration and transfer systems. 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 of persons within such jurisdictions or otherwise subject to the laws thereof to own, transfer or pledge beneficial interests or Book-Entry Interests in the Global Note.

Except as set forth below under "*Issuance of Definitive Notes*" at page 138, participants will not be entitled to have Notes registered in their names, will not receive or be entitled to receive physical delivery of Notes in definitive registered form and will not be considered the holders thereof under the Note Trust Deed.

Accordingly, each person holding a beneficial interest or Book-Entry Interest in the Global Note 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 direct participant or indirect participants through which such person owns its beneficial interest or Book-Entry Interest in the Global Note to exercise any rights and obligations of a holder of Notes under the Note Trust Deed.

Unlike legal owners or holders of the Notes, holders of beneficial interests or Book-Entry Interests in the Global Note will not have the right under the Note Trust Deed to act upon solicitations by the Issuer of consents or requests by the Issuer for waivers or other actions from Noteholders. Instead, a holder of a beneficial interest or Book-Entry Interest in the Global Note 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 beneficial interests in the Global Note to vote on any requested actions on a timely basis. Similarly, upon the occurrence of a Note Event of Default under the Notes, holders of beneficial interests or Book-Entry Interests in the Global Note will be restricted to acting through Euroclear and 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, and Clearstream, Luxembourg under such circumstances will be adequate to ensure the timely exercise of remedies under the Note Trust Deed.

Unless and until Book-Entry Interests are exchanged for Definitive Notes, the Notes held by the Common Depositary may not be transferred except as a whole by that Common Depositary to a successor of the Common Depositary.

Purchasers of Book-Entry Interests in the Notes will hold Book-Entry Interests in the Global Note relating thereto. Investors may hold their Book-Entry Interests in respect of the Global Note directly through Euroclear or Clearstream, Luxembourg (in accordance with the provisions set forth in the section entitled "*Transfers*" 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 the 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.

Although Euroclear and Clearstream, Luxembourg have agreed to certain procedures to facilitate transfer of beneficial interests or Book-Entry Interests in the Global Note 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 Note Trustee, the Issuer Security Trustee, the Registrar, the Agents or any of their respective 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.

Payments on the Global Note

Each payment of interest on and repayment of principal of the Notes shall be made in accordance with the Agency Agreement (as defined below).

Payments of any amounts owing in respect of the Global Note will be made by or on behalf of the Issuer following receipt of any principal or interest on the Global Note, in sterling as follows: payments of such amounts in respect of the Global Note to be made to the Common Depositary for Euroclear or Clearstream, Luxembourg, or its nominee which will distribute such payments to participants who hold beneficial interests or Book-Entry Interests in the Global Note in accordance with the procedures of Euroclear or Clearstream, Luxembourg.

Under the terms of the Note Trust Deed, the Issuer and the Note Trustee will treat the registered holders of the Global Note as the owners thereof for the purposes of receiving payments and for all other purposes. Consequently, none of the Issuer, the Issuer Security Trustee or the Note Trustee or any agent of the Issuer, the Issuer Security Trustee or the Note Trustee has or will have any responsibility or liability for:

- (a) any aspect of the records of Euroclear or Clearstream, Luxembourg or any participant or indirect participant relating to or payments made on account of a beneficial interest or Book-Entry Interest in the Global Note or for maintaining, supervising or reviewing any of the records of Euroclear or Clearstream, Luxembourg or any participant or indirect participant relating to or payments made on account of a beneficial interest or Book-Entry Interest in the Global Note; or
- (b) Euroclear or Clearstream, Luxembourg or any participant or indirect participant.

The Note Trustee is entitled to rely on any certificate or other document issued by Euroclear, Clearstream or Luxembourg for determining the identity of the several persons who are for the time being the beneficial holders of any beneficial interest or Book-Entry Interest in the Global Note.

All such payments will be distributed without deduction or withholding for any taxes, duties, assessments or other governmental charges of whatever nature except as may be required by law (including FATCA). If any such deduction or withholding is required to be made, then neither the Issuer 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 by the Common Depositary or its nominee, the respective systems will promptly credit their participants' accounts with payments in amounts proportionate to their respective ownership of beneficial interests or Book-Entry Interests in the Global Note as shown in the records of Euroclear or of Clearstream, Luxembourg. The Issuer expects that payments by participants to owners of beneficial interests or Book-Entry Interests in the Global Note held through such 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" or in the names of nominees for such customers. Such payments will be the responsibility of such participants. None of the Issuer, the Note Trustee, the Issuer Security Trustee, the Registrar, the Agents or any other agent of the Issuer, the Note Trustee, the Issuer Security Trustee or the Registrar will have any responsibility or liability for any aspect of the records of Euroclear or Clearstream, Luxembourg relating to or payments made by Euroclear or Clearstream, Luxembourg on account of a participant's ownership of beneficial interests or Book-Entry Interests in the Global Note or for maintaining, supervising or reviewing any records relating to a participant's ownership of beneficial interests or Book-Entry Interests in the Global Note.

Book-Entry Ownership

The Global Note will have an ISIN and a Common Code and will be deposited with, and registered in the name of a nominee for the Common Depositary for Euroclear and Clearstream, Luxembourg.

Information Regarding Euroclear and Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg have informed the Issuer as follows:

Custodial and depository links have been established between Euroclear and Clearstream, Luxembourg to facilitate the initial issue of the Global Note and secondary market trading of beneficial interests in the Global Note.

Clearstream, Luxembourg and Euroclear each hold securities for their customers and facilitate the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders. Clearstream, Luxembourg and Euroclear provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Clearstream, Luxembourg and Euroclear also deal with domestic securities markets in several countries through established depository and custodial relationships. Clearstream, Luxembourg and Euroclear have established an electronic bridge between their two systems across which their respective participants may settle trades with each other.

Clearstream, Luxembourg and Euroclear customers are world-wide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Clearstream, Luxembourg and Euroclear is available to other institutions that clear through or maintain a custodial relationship with an account holder of either system.

As Euroclear and Clearstream, Luxembourg act on behalf of their respective account holders only, who in turn may act on behalf of their respective clients, the ability of beneficial owners who are not account holders with Euroclear or Clearstream, Luxembourg to pledge interests in the Global Note to persons or entities that are not account holders with Euroclear or Clearstream, Luxembourg, or otherwise take action in respect of interests in the Global Note, may be limited.

The Issuer understands that, under existing industry practices, if either the Issuer or the Note Trustee requests any action of owners of beneficial interests in the Global Note or if an owner of a beneficial interest in the Global Note desires to give instructions or take any action that a holder is entitled to give or take under the Note Trust Deed, Euroclear or Clearstream, Luxembourg, as the case may be, would authorise the direct participants owning the relevant beneficial interests to give instructions or take such action, and such direct participants would authorise indirect participants to give or take such action or would otherwise act upon the instructions of such indirect participants.

Redemption

For any redemptions of the Global Note in part, selection of the book-entry interests 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 other basis as Euroclear or Clearstream, Luxembourg deems fair and appropriate) provided that only Book-Entry Interests in the original principal amount of £100,000 (and integral multiples of £1 in excess thereof) or integral multiples of such original principal amount will be redeemed. Upon any redemption in part, the Paying Agent will mark down or cause to be marked down the schedule to the Global Note by the principal amount so redeemed.

Transfers

All transfers of beneficial interests in the Global Note 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.

Each original purchaser of an interest in the Notes and any subsequent purchaser of the Notes (whether directly from the Issuer or from the Lead Manager as part of its distribution) will be required to complete and deliver to the Issuer and the Lead Manager an investor representation letter in relation to its purchase of an interest in the Notes. The Notes have not been and will not be registered under the U.S. Securities Act or any state securities laws. The Notes may not be offered, sold or delivered, directly or indirectly, whether as part of the initial distribution thereof or in any subsequent transfer, within the United States or to, or for the account or benefit of, any U.S. Persons (as defined in Regulation S under the Securities Act).

Issuance of Definitive Notes

Holders of beneficial interests in the Global Note will be entitled to receive Definitive Notes representing Notes in registered form in exchange for their respective holdings of beneficial interests only if:

- (a) either Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so and no alternative clearing system satisfactory to the Note Trustee is available; or
- (b) as a result of any amendment to, or change in, the laws or regulations of the United Kingdom or any other jurisdiction (or of any political sub-division thereof or of any authority therein or thereof having power to tax) or in the interpretation or administration of such laws or regulations which becomes effective on or after the Closing Date, the Issuer or any Paying Agent is or will be required to make any deduction or withholding from any payment in respect of the Notes which would not be required if the Notes were in definitive registered form.

Definitive Notes will be issued in definitive form in minimum denominations of £100,000 and in integral multiples of £1 thereafter and will be serially numbered and will be issued (without coupons and talons). Title to the Definitive Notes shall pass upon registration of transfers in the Register.

The "holder" of any Note shall (to the fullest extent permitted by applicable laws) 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, as the case may be, regardless of any notice of ownership, theft or loss, of any trust or other interest therein or of any writing thereon and no person shall be liable for so treating such holder.

Any Definitive Notes issued in exchange for beneficial interests or Book-Entry Interests in the Global Note will be registered by the Registrar in such name or names as instructed by 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 beneficial interests or Book-Entry Interests.

Action in Respect of the Global Note and the Book-Entry Interests

Not later than 10 days after receipt by the Issuer of any notice in respect of the Notes or any notice of solicitation of consents or requests for a waiver or other action by the holder of the Notes, the Issuer will deliver to Euroclear and Clearstream, Luxembourg a notice containing (a) such information as is contained in such notice, (b) a statement that at the close of business on a specified record date Euroclear and Clearstream, Luxembourg will be entitled to instruct the Issuer as to the consent, waiver or other action, if any, pertaining to the Book-Entry Interests or the Notes and (c) a statement as to the manner in which such instructions may be given. Upon the written request of Euroclear or Clearstream, Luxembourg, as applicable, the Issuer shall endeavour insofar as practicable to take such action regarding the requested consent, waiver or other action in respect of the Book-Entry Interests or the Notes in accordance with any instructions set forth in such request. Euroclear or Clearstream, Luxembourg are expected to follow the procedures described above, with respect to soliciting instructions from their respective Participants.

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 Note Trust Deed.

The £22,771,476 Commercial Mortgage Backed Floating Rate Notes due 2027 issued pursuant to Condition 20 (*Further Issuance of Notes*) and Clause 3.17 (*Further Issuance of Notes*) of the Note Trust Deed (as defined below) (the "**Further Notes**", which shall be fungible with the Original Notes, and together with the Original Notes, the "**Notes**") of Cleveland Row Finance No.2 PLC (the "**Issuer**") are constituted by a trust deed dated on or about the Original Closing Date (the "**Note Trust Deed**", which expression includes such trust deed as from time to time modified in accordance with the provisions therein contained and any deed or other document expressed to be supplemental thereto as from time to time so modified) and made between the Issuer and U.S. Bank Trustees Limited (the "**Note Trustee**", which expression includes its successors or any further or other trustee under the Note Trust Deed) as trustee for the holders for the time being of the Notes.

In these Conditions (as defined below) the holders of the Notes are each referred to as a "**Noteholder**" and, collectively, the "**Noteholders**".

The Issuer may issue Further Notes in accordance with Condition 20 (*Further Issuance of Notes*) which shall upon issue and subscription be consolidated and fully fungible with, and will rank *pari passu*, and will have the same terms as the Notes then Outstanding in all respects (or in all material respects except for the issue date and their first Interest Period).

The security for the Notes is constituted by, and on terms set out in, an English law governed deed of charge and assignment dated on or about the Original Closing Date (the "**Deed of Charge and Assignment**", which expression includes such deed of charge and assignment as from time to time modified in accordance with the provisions therein contained and any deed or other document expressed to be supplemental thereto as from time to time so modified, the "**Issuer Security Documents**") and made in each case between, among others, the Issuer and U.S. Bank Trustees Limited (the "**Issuer Security Trustee**", which expression includes its successors or any further or other trustee under the Note Trust Deed). By an agency agreement dated on or about the Original Closing Date (the "**Agency Agreement**", which expression includes such agency agreement as from time to time modified in accordance with the provisions therein contained and any agreement, deed or other document expressed to be supplemental thereto as from time to time so modified) and made between, among others, the Issuer, the Note Trustee, Elavon Financial Services DAC, UK Branch in its separate capacities under the same agreement as principal paying agent (the "**Principal Paying Agent**", which expression includes its successor or any other principal paying agent appointed in respect of the Notes) and the agent bank (the "**Agent Bank**", which expression includes its successor or any other agent bank appointed in respect of the Notes) (the Principal Paying Agent being, together with any further or other paying agents for the time being appointed in respect of the Notes, the "**Paying Agents**") and Elavon Financial Services DAC as registrar (the "**Registrar**" (which expression includes any other registrar appointed in respect of the Notes) and, together with the Agent Bank, the Registrar and the Paying Agents, the "**Agents**"), provision is made for, among other things, the repayment of principal of and payment of interest on the Notes. By a settlement agency agreement dated on or about the Original Closing Date (the "**Settlement Agency Agreement**"), which expression includes such settlement agency agreement as from time to time modified in accordance with the provisions therein contained and any agreement, deed or other document expressed to be supplemental thereto as from time to so modified and made between the Issuer and Elavon Financial Services DAC, UK Branch (the "**Settlement Agent**") pursuant to which the Settlement Agent will temporarily hold in safe custody the Global Note on behalf of the Issuer prior to the subsequent transfer of interests in the Global Note to the initial subscribers on the Closing Date.

The provisions of these terms and conditions (the "**Conditions**" and any reference to a "**Condition**" shall be construed accordingly) include summaries of, and are subject to, the detailed provisions of the Note Trust Deed, the Agency Agreement, the Issuer Security Documents, the Cash Management Agreement, the Issuer Corporate Services Agreement, the Note Sale Agreement, the Share Declaration of Trust and the Master Definitions and Construction Schedule (as defined below). Copies of the Note Trust Deed, the Agency Agreement, the Issuer Security Documents, the Cash Management Agreement, the Issuer Corporate Services Agreement, the Note Sale Agreement and the Master Definitions and Construction Schedule (as defined below) are available for inspection during normal business hours and upon request at the specified office of each of the Paying Agents. The Noteholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of and definitions contained in the Note Trust Deed, the Agency Agreement, the Issuer Security Documents, the

Cash Management Agreement, the Issuer Corporate Services Agreement, the Note Sale Agreement, the Share Declaration of Trust, and a master definitions and construction schedule dated the Original Closing Date and signed for identification purposes only by each of the Issuer, the Cash Manager, the Operating Bank, the Agent Bank, the Principal Paying Agent, the Note Trustee, the Issuer Security Trustee and the Issuer Corporate Services Provider (the "**Master Definitions and Construction Schedule**", which expression includes such master definitions and construction schedule as from time to time modified in accordance with the provisions therein contained and any agreement, deed or other document expressed to be supplemental thereto as from time to time so modified).

The issue of the Notes was authorised by resolution of the board of directors of the Issuer passed on 6 July 2018.

Certain Defined Terms

Capitalised terms used and not otherwise defined in these Conditions shall bear the meanings given to them in the Master Definitions and Construction Schedule.

"Appointee" means the Note Trustee and the Issuer Security Trustee (and, in each case, including any attorney, agent, manager, delegate, nominee or other person appointed by the Note Trustee under the Note Trust Deed or any receiver, agent, delegate, nominee, custodian or other person appointed by the Issuer Security Trustee under the Deed of Charge and Assignment).

"Articles of Association" means the articles of association of the Issuer.

"Borrower" Country Court Care Group Limited, a limited liability company incorporated in England and Wales with registration number 09813979 whose registered office is at Duncan & Toplis Enterprise Way, Pinchbeck, Spalding, Lincolnshire PE11 3YR, United Kingdom.

"Break Costs" means the breakage costs payable to the Issuer corresponding to the Issuer's interest in the Loans repaid or prepaid on an Intra-Loan Interest Payment Date provided that that the Noteholder Representative has provided a break cost determination to the Loan Agent in accordance with the provisions relating to break costs set out in the Loan Agreement.

"Business Day" means a day (other than a Saturday or Sunday) on which banks are open for general business in London and Luxembourg.

"Capitalised Interest" means an amount equal to the interest accrued on the Notes at the Capitalised Interest Rate.

"Capitalised Interest Rate" means the Interest Rate minus the Cash Pay Interest Rate.

"Cash Management Agreement" means the cash management agreement dated on or about the Original Closing Date between the Cash Manager, the Operating Bank, the Issuer Security Trustee, the Note Trustee and the Issuer.

"Cash Manager" means Elavon Financial Services, UK Branch, whose address is at 125 Old Broad Street, London EC2N 1AR, United Kingdom.

"Cash Pay Interest" means an amount equal to the interest accrued on the Notes at the Cash Pay Interest Rate.

"Cash Pay Interest Rate" means 4.50 per cent. per annum.

"Closing Date" means in respect of:

- (a) the Original Notes and all the documents entered into on or about the date the Original Notes were issued, the Original Closing Date; and
- (b) any Further Notes and all documents entered into on or about the date the relevant Further Notes were issued, the relevant Further Closing Date.

"Constitution" means the constitution of the Issuer, being a public limited company, as provided for in the Companies Act 2006, which at the date hereof consists of its memorandum of association and articles of association;

"CREFC European Investor Reporting Package" means

- (a) a report setting out certain Loan information, including the mortgage rate, repayment date and general payment information, as well as financial data (as set out in the **"CREFC E-IRP Loan Set up File"**);
- (b) a report setting out quarterly remittances on the Loans, as well as the tracking of both scheduled and unscheduled payments in respect thereof (as set out in the **"CREFC E-IRP Loan Periodic Update File"**);
- (c) a report setting out information regarding the Properties including, property name, address and identification number (as set out in the **"CREFC E-IRP Property File"**); and
- (d) a report setting out, among other things, details of any event that would cause the Loans to be included on the servicer watchlist (as set out in the **"CREFC E-IRP Servicer Watchlist Criteria and Servicer Watchlist File"**).

"Default Interest" means, with respect to any amount which a Loan Obligor fails to pay under the Loan Agreement or any other related finance document on its due date, the interest accrued and payable by a Loan Obligor to the Loan Agent on any such overdue amount as calculated in accordance with the default interest provisions of the Loan Agreement.

"Distribution Date" has the meaning given to it in Condition 5(b) (*Distribution Dates and Interest Periods*).

"Excluded Assets" means the Issuer Corporate Services Agreement and the amounts standing to the credit of the Issuer Profit Ledger.

"Expected Maturity Date" means the Distribution Date falling on 18 July 2022.

"Extended Termination Date" means 18 July 2022.

"Extraordinary Resolution" in respect of the Noteholders means:

- (a) a resolution passed at a duly convened meeting of the Noteholders and held in accordance with the provisions of the Note Trust Deed by holders consisting of not less than 75 per cent. of the persons voting thereat upon a show of hands, or if a poll is demanded, by holders consisting of not less than 75 per cent. of the votes cast on such poll; or
- (b) a resolution in writing signed by or on behalf of the holders of not less than 75 per cent. in aggregate Principal Amount Outstanding of the Notes which resolution may be contained in one document or in several documents in like form each signed by or on behalf of one or more of such holders,

and (in the circumstances set out in Condition 12 (*Meetings of Noteholders, Modification and Waiver, Substitution and Termination of Issuer Related Parties*) of the Notes in relation to the Negative Consent process) an Extraordinary Resolution (other than in respect of a Basic Terms Modification, the waiver of any Note Event of Default, the acceleration of the Notes or the enforcement of the Issuer Security) will be deemed to have been passed unless holders of 25 per cent. or more in aggregate Principal Amount Outstanding of the Notes have informed the Note Trustee in the prescribed manner of their objection to such Extraordinary Resolution within 15 days after the date on which a notice containing the text of such Extraordinary Resolution which acts as an invitation to Noteholders to object to that Extraordinary Resolution and details the manner in which such objections should be made has been given to the Noteholders in accordance with the provisions of Condition 15 (*Notice to and Communication between Noteholders*) provided that any such notice shall in all cases also be delivered through the systems of Bloomberg L.P. (or such other medium as may be approved in writing by the Note Trustee) by the Issuer, the Note Trustee or the Cash Manager and for so long as the Notes are listed in Euronext Dublin, by making it available to any Regulatory Information Service maintained by Euronext Dublin.

"FATCA" means:

- (a) ss 1471 to 1474 of the Code or any associated regulations;
- (b) any treaty, law or regulation of any other jurisdiction, or relating to an intergovernmental agreement between the US and any other jurisdiction, which (in either case) facilitates the implementation of any law or regulation referred to in paragraph (a) above; or
- (c) any agreement pursuant to the implementation of any treaty, law or regulation referred to in paragraphs (a) or (b) above with the US Internal Revenue Service, the US government or any governmental or taxation authority in any other jurisdiction.

"Final Maturity Date" means the Distribution Date falling on 18 July 2027.

"Further Closing Date" means the date on or around 1 April 2019.

"Further Notes" means any further notes to be issued by the Issuer in accordance with the provisions of Clause 3.17 (*Further Issuance of Notes*) of the Note Trust Deed and Condition 20 (*Further Issuance of Notes*).

"Initial Note Purchasers" means:

- (a) Real Estate Credit Investments Limited;
- (b) Cheyne Real Estate Debt Fund Inc; and
- (c) Cheyne Real Estate Credit (CRECH) Fund V – Opportunistic SCS SICAV – SIF.

"Issuer Assets" means the Loans and the Issuer's interest in the Related Security and all monies derived therefrom from time to time, all of which will be sold and transferred to the Issuer on the Original Closing Date pursuant to the Loan Agreement.

"Issuer Corporate Services Agreement" means the issuer corporate services agreement dated on or about the Original Closing Date between the Issuer and the Issuer Corporate Services Provider.

"Issuer Corporate Services Provider" means CSC Capital Markets UK Limited, a private limited company incorporated under the laws of England and Wales with registered number 10780001 and whose registered office is at Level 37, 25 Canada Square, Canary Wharf, London E14 5LQ.

"Issuer Profit " means the payment of £250 on each Distribution Date, subject always to an aggregate maximum amount of £1,000 per annum, to the Issuer, as a profit amount and corporate benefit for entering into the transaction, to be credited to the Issuer Profit Ledger in accordance with the Pre-Enforcement Revenue Priority of Payments or the Post-Enforcement Priority of Payments, as applicable, and which shall not form part of the Issuer Assets.

"Issuer Profit Ledger " means a separate ledger in relation to the Issuer Transaction Account, segregated from all other amounts standing to the credit of the Issuer Transaction Account to which the Issuer Profit is to be credited.

"Issuer Related Parties" means each of the Note Trustee, the Issuer Security Trustee, any Appointee, the Cash Manager, the Operating Bank, the Agent Bank, the Principal Paying Agent, the Registrar, the Issuer Corporate Services Provider and any other Paying Agent.

"Issuer Transaction Account" means the account opened and maintained by the Operating Bank.

"Issuer Transaction Documents" means the following documents and any amendments, novations and supplements thereto from time to time:

- (a) the Note Trust Deed;
- (b) the Note Sale Agreement;

- (c) the Deed of Charge and Assignment;
- (d) the Cash Management Agreement;
- (e) the Issuer Corporate Services Agreement;
- (f) the Agency Agreement;
- (g) Loan Agent Letter Agreement;
- (h) the Master Definitions and Construction Schedule;
- (i) the Settlement Agency Agreement;
- (j) any Further Issuance Notice; and
- (j) any other agreement, instrument or deed designated as such by the Issuer, the Note Trustee and the Issuer Security Trustee.

"Lender" means:

- (a) any Original Lender; and
- (b) any person which has become a Loan Agreement Party,

which in each case has not ceased to be a Loan Agreement Party in accordance with the terms of the Loan Agreement.

"LIBOR" means the London Interbank Offered Rate for three month sterling deposits.

"Loans" means the tranche A loan and the tranche B loans made or to be made under the Loan Agreement or the principal amount outstanding for the time being of those loans.

"Loan Agent" means Solutus Advisors Limited, a company incorporated under the laws of England and Wales with registered number 07350379, whose registered office is at 48 Warwick Street, London, W1B 5AW, United Kingdom.

"Loan Agreement Party" means a party to the Loan Agreement.

"Loan Agreement" means the loan agreement dated 11 July 2018 between the Borrower, the Loan Guarantors, the Original Lenders, Cheyne Real Estate Credit (CRECH) IV – Loans S.À R.L. 2 and the Issuer as arrangers and Solutus Advisors Limited as agent and security agent pursuant to which the Lenders will make available to the Borrower loans in a maximum amount of £115,878,000 for tranche A and £50,946,000 for tranche B on the terms stated therein.

"Loan Commitment" means the commitment of the Lenders under the Loan Agreement.

"Loan Drawdown" means the drawdown of any Loan from time to time by the Borrower, in accordance with the terms of the Loan Agreement.

"Loan Event of Default" means each event or circumstance specified as an event of default in the Loan Agreement.

"Loan Facility" means the term loan facility made available under the Loan Agreement.

"Loan Finance Documents" means:

- (a) the Sponsor Duty of Care Agreement;

- (b) the Loan Agreement;
- (c) the Margin Letter;
- (d) the Fee Letters;
- (e) any Transfer Certificate;
- (f) the Loan Security Documents; and

any other agreement, document or deed entered into by a Loan Obligor with a Finance Party under the terms of the Loan Agreement or designated as such by the Loan Agent and the Borrower

"Loan Guarantor" means:

- (a) Country Court Care Group Holdings Limited;
- (b) Country Court Care Homes Limited;
- (c) Country Court Care Limited;
- (d) Country Court Care Homes 2 Limited;
- (e) Brightwell Care Limited;
- (f) Brightwell Residential Care Limited;
- (g) Country Court Care Homes 3 MB HoldCo Limited;
- (h) Country Court Care Homes 3 MB Limited;
- (i) Country Court Care Homes 3 SB HoldCo Limited;
- (j) Country Court Care Homes 3 SB Limited;
- (k) Country Court Care Homes 3 OpCo Limited;
- (l) Country Court Care Homes 3 PropCo Limited;
- (m) Country Court Care Homes 4 Limited; and
- (n) each Additional Loan Guarantor.

"Loan Interest Payment Date" means 18 May, 18 August, 18 November and 19 February in each year and the Termination Date, with the first Loan Interest Payment Date being 20 May 2018. If, however, any such day is not a Business Day, the Loan Interest Payment Date will instead be the next Business Day in that calendar month (if there is one) or the preceding Business Day (if there is not).

"Loan Interest Period" means in relation to (i) the first Loan Interest Period, the period starting on the Closing Date and ending on the first Loan Interest Payment Date, and subsequently, each Loan Interest Period, starting on the last day of its preceding Loan Interest Period and ending on the next Loan Interest Payment; and (ii) any Loan Unpaid Sum, the interest period determined by the Loan Agent in accordance with the default interest provision of the Loan Agreement.

"Loan Level Information" means, each of the following items of information:

- (a) a compliance certificate delivered by the Borrower to the Loan Agent setting out computations as to compliance by the Borrower with the financial covenants in the Loan Agreement;

- (b) the Loan Quarterly Property Report; and
- (c) to the extent deliverable by the Borrower on or prior to a particular Loan Interest Payment Date, all other information provided by the Borrower pursuant to the information covenants contained in the Loan Issuance Agreement.

"Loan Level Matters" means one or more of the following (and each a **"Loan Level Matter"**):

- (a) the exercise of any rights, powers and discretions of the Issuer in relation to the Loans and the Related Security that can only be exercised by the Lenders under the Loan Agreement or a beneficial owner of the Related Security; or
- (b) any rights of consultation of the Lenders relating to the administration of the Loans.

"Loan Obligors" means each of the Borrower and the Guarantor.

"Loan Quarterly Property Report" means a quarterly management report in respect of the Properties and the business of the Loan Obligors which is to be supplied to the Loan Agent by the Borrower pursuant to the Loan Agreement.

"Loan Unpaid Sum" means any sum due and payable by a Loan Obligor but unpaid under the Loan Finance Documents.

"Loan Security Agent" means Solutus Advisors Limited, a company incorporated under the laws of England and Wales with registered number 07350379, whose registered office is at 48 Warwick Street, London, W1B 5AW, United Kingdom.

"Margin" means 5.75 per cent. per annum.

"Noteholder Representative" means the representative appointed by the Noteholders acting by a Written Ordinary Resolution pursuant to Condition 16 (*Noteholder Representative*).

"Operating Bank" means Elavon Financial Services DAC, UK Branch, whose address is at 125 Old Broad Street, London EC2N 1AR, United Kingdom.

"Ordinary Resolution" in respect of the Noteholders means:

- (a) a resolution passed at a duly convened meeting of the Noteholders and held in accordance with the provisions of the Note Trust Deed by holders consisting of not less than 50.1 per cent. of the persons voting thereat upon a show of hands, or if a poll is demanded, by a holders consisting of not less than 50.1 per cent. of the votes cast on such poll; or
- (b) a resolution in writing signed by or on behalf of the holders of not less than 50.1 per cent. in aggregate Principal Amount Outstanding of the Notes, which resolution may be contained in one document or in several documents in like form each signed by or on behalf of one or more of such holders,

and (in the circumstances set out in Condition 12 (*Meetings of Noteholders, Modification and Waiver, Substitution and Termination of Issuer Related Parties*) of the Notes in relation to the Negative Consent process) an Ordinary Resolution will be deemed to have been passed unless holders of 50 per cent. or more in aggregate Principal Amount Outstanding of the Notes have informed the Note Trustee in the prescribed manner of their objection to such Ordinary Resolution within 15 days after the date on which a notice containing the text of such Ordinary Resolution which acts as an invitation to Noteholders to object to that Ordinary Resolution and details the manner in which such objections should be made has been given to such Noteholders in accordance with the provisions of Condition 15 (*Notice to and Communication between Noteholders*) provided that any such notice shall in all cases also be delivered through the systems of Bloomberg L.P. (or such other medium as may be approved in writing by the Note Trustee) by the Issuer, the Note Trustee or the Cash Manager and for so long as the Notes are listed in Euronext Dublin, by making it available to any Regulatory Information Service maintained by Euronext Dublin.

"Original Closing Date" the date on or around 24 July 2018.

"Original Termination Date" means 31 December 2021.

"Principal Receipts" means: the Issuer's principal receipts comprising on any day, all payments and repayments of principal received or recovered by or on behalf of the Issuer in connection with the Loans, and standing to the credit of the Issuer Transaction Account, including, without limitation all amounts received or recovered by or on behalf of the Issuer in respect of:

- (a) amounts recovered which are applied towards the reduction of outstanding principal as a result of actions taken in accordance with the enforcement procedures in respect of the Loans and/or the Related Security;
- (b) any mandatory prepayment amounts of a principal nature under and in accordance with the Loan Agreement;
- (c) voluntary repayments or prepayments in respect of the principal outstanding under the Loans made on notice in accordance with the Loan Agreement; and
- (d) any repayments or prepayments made by or on behalf of the Borrower in connection with a restructuring of the Loans or as a condition to any waiver of a Loan Event of Default under the Loan Agreement,

provided that all amounts recorded in the Issuer Profit Ledger shall not form part of the Principal Receipts, or be applied in accordance with the applicable Issuer Priority of Payments.

"Related Security" means all right, title and interest of the Lenders following the execution of the Loan Agreement in each case, present and future, in, to and under the Security Documents and any other security agreements as they relate to the Loans.

"Servicer Quarterly Report" means, in respect of each Loan Interest Period, the CREFC European Investor Reporting Package and a report containing the following information regarding the Loans and the Properties in relation to the immediately preceding Loan Interest Period:

- (a) a report setting out the information provided by the Loan Obligors pursuant to the information covenants contained in the Loan Finance Documents and information about compliance with the financial covenants contained in the Loan Agreement;
- (b) a report setting out, among other things, general information in relation to the Loans (including where applicable, the mortgage rate, maturity date and general payment information, as well as financial data); and
- (c) a report setting out, among other things, information regarding the Loans or the Properties.

"Sponsor" means each of:

- (a) Al-Karim Kachra; and
- (b) Alykhan Kachra.

"Sponsor Affiliate" means the Sponsor, each of its Affiliates, any trust of which the Sponsor or any of its Affiliates is a trustee, any partnership of which the Sponsor or any of its Affiliates is a partner and any trust, fund or other entity which is managed by, or is under the control of the Sponsor or any of its Affiliates.

"Subscription Price" means, in respect of:

- (a) the issuance of Notes on the Original Closing Date, 100 per cent; and
- (b) the issuance of Further Notes, the subscription price specified in the applicable Further Note,

in each case as may be amended at any time (with respect to the Notes to be issued on such date) or the applicable issuance date (with respect to the Further Notes to be issued on such date) by agreement between the Lead Manager and the applicable Note Purchasers.

"Termination Date" means the later of:

- (a) the Original Termination Date; and
- (b) if an extension has been granted pursuant to the terms of the Loan Agreement, the Extended Termination Date.

"Utilisation" means a utilisation of the Loan Facility.

"Utilisation Date" means the date of a Utilisation, being the date on which the relevant Loan is made.

"Written Ordinary Resolution" means a resolution in writing signed by Noteholders holding in aggregate not less than 50.1 per cent. of the Principal Amount Outstanding of the Notes which resolution may be constrained in one document or in several documents in like form each signed by or on behalf of one or more of such holders.

1. **Global Note**

(a) *Form*

The Notes will be represented by a Global Note in registered form without coupons or talons attached and which will represent the aggregate principal amount outstanding of the Notes. On the Closing Date, the Global Note will be deposited on behalf of the subscribers of the Notes with and registered in the name of a nominee for the Common Depositary. Upon deposit of the Global Note, Euroclear or Clearstream, Luxembourg, as applicable, will credit the account of the holders of Book-Entry Interests with the principal amount of Notes for which it has subscribed and paid.

For so long as the Notes are represented by the Global Note, interests in the Notes will be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as appropriate.

The Global Note shall be tradable only in minimum denominations of £100,000 and integral multiples of £1 thereafter.

(b) *Title to the Global Note*

Ownership of beneficial interests or Book-Entry Interests in the Global Note will be shown on, and transfers of beneficial 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 (with respect to the interests of their participants).

Title to the Notes will pass upon registration of transfers in the register (the **"Register"**) which the Issuer will cause to be kept by the Registrar at its specified office outside of the United Kingdom. The person in whose name a Note is registered at that time in the Register will, to the fullest extent permitted by applicable law, be deemed and be treated as the absolute owner of such Note by all persons and for all purposes regardless of any notice to the contrary, any notice of ownership, theft or loss, or of any trust or other interest in that Note or of any writing on that Note (other than the endorsed form of transfer).

No transfer of a Note will be valid unless and until entered on the Register. Transfers and exchanges of beneficial interests in the Global Note and entries on the Register relating to the Notes will be made subject to any restrictions on transfers set forth on such Notes and the detailed regulations concerning transfers of such Notes contained in the Agency Agreement, the Note Trust Deed and the relevant legends appearing on the face of the Notes (such

regulations and legends being the "**Transfer Regulations**"). Each transfer or purported transfer of a beneficial interest in the Global Note or a Definitive Note made in violation of the Transfer Regulations shall be void ab initio and will not be honoured by the Issuer or the Note Trustee. The Transfer Regulations may be changed by the Issuer with the prior written approval of the Note Trustee, acting in accordance with the provisions of Condition 12(d)(i) (*Note Trustee Determinations*). A copy of the current Transfer Regulations will be sent by the Registrar to any holder of a Note who so requests and by the Principal Paying Agent to any holder of a Note who so requests, at the cost of the relevant Noteholder making such request.

Ownership of interests in respect of the Global Note (the "**Book-Entry Interests**") will be limited to persons who have accounts with Euroclear and/or Clearstream, Luxembourg or persons who hold interests through such participants. Book-Entry Interests will be shown on, and transfers thereof will be effected only through, records maintained in book-entry form by Euroclear Bank SA/NV ("**Euroclear**", which term shall include any successor operator of the Euroclear System) and Clearstream Banking, S.A. ("**Clearstream, Luxembourg**", which term shall include any successor thereto) and their participants. Beneficial interests in the Global Note may not be held by a U.S. Person (as defined in Regulation S under the Securities Act) at any time.

2. **Definitive Notes**

(a) *Issue of Definitive Notes*

The Global Note will be exchanged for definitive Notes in registered form ("**Definitive Notes**") in an aggregate principal amount equal to the Principal Amount Outstanding (as defined in Condition 6(d) (*Principal Amount Outstanding*)) of the Global Note only if, 40 days or more after the Closing Date, any of the following circumstances apply:

- (i) in the case of the Global Note held by the Common Depositary (or its nominee) for their account, either Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so and no alternative clearing system acceptable to the Note Trustee is in existence; or
- (ii) as a result of any amendment to, or change in, the laws or regulations of the United Kingdom or any other jurisdiction or any political sub-division thereof or of any authority therein or thereof having the power to tax, or in the interpretation or administration of such laws or regulations, which becomes effective on or after the Closing Date, the Issuer or any Paying Agent is or will be required to make any deduction or withholding from any payment in respect of the Notes which would not be required if the Notes were in definitive registered form.

If Definitive Notes are issued in accordance with the Note Trust Deed, the Book-Entry Interests represented by the Global Note shall be exchanged by the Issuer for Definitive Notes. The Definitive Notes will be issued in registered form only.

Definitive Notes, if issued, will be available at the offices of any Paying Agent.

If the Issuer fails to meet obligations to issue Notes in definitive form in exchange for the Global Note, then the Global Note shall remain in full force and effect.

(b) *Title to and Transfer of Definitive Notes*

Title to a Definitive Note will pass upon registration in the Register. Each Definitive Note will have a minimum denomination of £100,000 and will be serially numbered. A Definitive Note may be transferred in whole or in part provided that any partial transfer relates to a minimum denomination of at least £100,000 and integral multiples in excess thereof of £1 upon surrender of such Definitive Note, at the specified office of the Registrar. In the case of a transfer of part only of a Definitive Note, a new Definitive Note in respect of the balance not

transferred will be issued to the transferor. All transfers of Definitive Notes are subject to any restrictions on transfer set forth in such Definitive Notes and the Transfer Regulations.

Each new Definitive Note to be issued upon the transfer, in whole or in part, of a Definitive Note will, within five Business Days (as defined in Condition 5(c) (*Rate of Interest*)) of receipt of the Definitive Note to be transferred, in whole or in part, (duly endorsed for transfer) at the specified office of the Registrar, be available for delivery at the specified office of the Registrar or be posted at the risk of the holder entitled to such new Definitive Note to such address as may be specified in the form of transfer.

Registration of a Definitive Note 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 government charges which may be imposed in relation to it and, only if the relevant Definitive Note is presented or surrendered for transfer and endorsed or accompanied by a written instrument of transfer in form satisfactory to the Registrar duly executed by the transferor Noteholder (or his attorney duly authorised in writing) and upon receipt of such certificates and other documents as shall be necessary to evidence compliance with the restrictions on transfer contained in the relevant Definitive Note, the Note Trust Deed and the Agency Agreement.

No transfer of a Definitive Note will be registered in the period beginning 15 Business Days before, or ending on the fifth Business Day after, each Distribution Date.

For the purposes of these Conditions:

- (i) the **"holder"** of a Note or **"Noteholder"** means the several persons who are for the time being holders of the Notes (being the several persons whose names are entered in the register of holders of the Notes as holders thereof) save that, for so long as the Notes or any part thereof are represented by the Global Note deposited with a common depositary for Euroclear and Clearstream, Luxembourg or, in respect of Notes in definitive form held in an account with Euroclear or Clearstream, Luxembourg, each person who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg (other than Clearstream, Luxembourg, if Clearstream, Luxembourg shall be an accountholder of Euroclear, and Euroclear, if Euroclear shall be an accountholder of Clearstream, Luxembourg) as the holder of a particular nominal amount of the Notes shall be deemed to be the holder of such nominal amount of such Notes (and the holder of the Global Note shall be deemed not to be the holder) for all purposes of the Note Trust Deed and the Agency Agreement other than with respect to the payment of principal or interest on such nominal amount of such Notes, the rights to which shall be vested, as against the Issuer and the Note Trustee, solely in such common depositary and for which purpose such common depositary shall be deemed to be the holder of such nominal amount of such Notes in accordance with and subject to its terms and the provisions of the Note Trust Deed and the Agency Agreement, and the words **"holders"** and **"Noteholders"** and related expressions shall (where appropriate) be construed accordingly; and
- (ii) references herein to **"Notes"** shall include the Global Note and the Definitive Notes.

3. **Status, Security and Priority**

- (a) *Status and Relationship among the Notes*
 - (i) The Notes constitute direct, limited recourse and secured obligations of the Issuer and are secured by the Issuer Security (as more particularly described in Condition 3(b) below). The Notes rank *pari passu* and without preference or priority among themselves as to payments on interest, principal and other amounts at all times.
 - (ii) The Note Trust Deed contains provisions requiring the Note Trustee to have regard to the interests of the Noteholders but not to the interests of any other Issuer Secured

Creditor for as long as the Notes are outstanding as regards all rights, powers, trusts, authorities, duties and discretions of the Note Trustee. Accordingly, if, in the opinion of the Note Trustee, there is a conflict between the interests of the Noteholders on the one hand and the interests of the other Issuer Secured Creditors on the other hand, the Note Trustee shall have regard only to the interests of the Noteholders.

- (iii) Nothing in the Note Trust Deed or the Notes shall be construed as giving rise to any relationship of agency or partnership between the Noteholders and any other person and each Noteholder shall be acting entirely for its own account in exercising its rights under the Note Trust Deed or the Notes.

(b) *Security and Priority of Payments*

The security interests granted in respect of the Notes are set out in the Deed of Charge and Assignment governed by English law which was entered into on the Original Closing Date.

Pursuant to the Issuer Security Documents, the Issuer will grant the Issuer Security in favour of the Issuer Security Trustee for itself and on trust for the Noteholders and the Issuer Related Parties (the Issuer Security Trustee and all of the Issuer Related Parties and, including the Noteholders, being collectively, the "**Issuer Secured Creditors**").

Pursuant to the Deed of Charge and Assignment, the Issuer with full title guarantee has created the following security in favour of the Issuer Security Trustee for itself and on trust for the other Issuer Secured Creditors under English law:

- (i) a first fixed charge over the Issuer's rights, title, interest and benefit, present and future in, to and under the Loan Agreement and the Related Security;
- (ii) an assignment by way of first-ranking security of the Issuer's rights, title, interest and benefit, present and future, in, to and under, among other things, the Issuer Transaction Documents (other than the Issuer Corporate Services Agreement), all other contracts, agreements, deeds and documents present and future, to which the Issuer is or may become a party or have the benefit, including all reports, valuations and opinions (other than any Issuer Security Document);
- (iii) a first fixed charge over the Issuer's rights, title, interest and benefit, present and future, in, to and under the Issuer Transaction Account and any other bank account in England and Wales and in which the Issuer may at any time acquire any right, title, interest or benefit or otherwise place and hold its cash, and in the funds from time to time standing to the credit of such accounts and in the debts represented thereby (excluding the amounts recorded in the Issuer Profit Ledger); and
- (iv) a first-ranking floating charge governed by English law over the whole of the undertaking and assets of the Issuer, present and future (other than the fixed charges and assignments set out in paragraphs (i) to (iii) above and excluding the Excluded Assets) (such floating charge collectively with (i), (ii), and (iii) above, the "**Issuer Security**").

The Deed of Charge and Assignment contains provisions regulating the priority of application of the Issuer Security (and the proceeds thereof) by the Cash Manager among the persons entitled thereto prior to the service of a Note Acceleration Notice or the Issuer Security otherwise becoming enforceable. The Deed of Charge and Assignment contains provisions regulating such application by the Issuer Security Trustee after the service of a Note Acceleration Notice or the Issuer Security becoming otherwise enforceable.

If the Issuer Security has become enforceable otherwise than by reason of a default in payment of any amount due on the Notes, the Issuer Security Trustee will not be entitled to dispose of the undertaking, property or assets secured under the Issuer Security or any part thereof or otherwise realise the Issuer Security unless (i) a sufficient amount would be realised to allow discharge in full of all amounts owing to the Noteholders and any amounts required

under the Deed of Charge and Assignment to be paid *pari passu* with, or in priority to, the Notes or (ii) the Issuer Security Trustee is of the opinion, which shall be binding on the Noteholders and the Issuer Related Parties, reached after considering at any time and from time to time the advice of such professional advisors as are selected by the Issuer Security Trustee (at the cost of the Issuer), upon which the Issuer Security Trustee shall be entitled to rely absolutely and without liability, that the cash flows 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 actual, contingent or prospective liabilities of the Issuer, to discharge in full in due course all amounts owing to the Noteholders and any amounts required under the Deed of Charge and Assignment to be paid *pari passu* with, or in priority to, the Notes, or (iii) the Issuer Security Trustee considers, in its sole discretion, that not to effect such disposal or realisation would place the Issuer Security in jeopardy, and, in any event, the Issuer Security Trustee has been indemnified and/or secured and/or pre-funded to its satisfaction, provided that this restriction will not affect the ability of the Issuer Security Trustee to enforce the security in respect of the Issuer, by appointing an administrative receiver, if it has actual notice of either: (i) an application for the appointment of an administrator; or (ii) the giving of a notice of intention to appoint an administrator, in respect of the Issuer, such appointment of an administrative receiver to take effect upon the final day by which the appointment of an administrative receiver must be made in order to prevent an administration proceeding or (where the Issuer or the directors of the Issuer have initiated the administration) not later than that final day, as required pursuant to, but subject to the provisions of Condition 11 (*Enforcement*).

If the net proceeds of realisation of, or enforcement with respect to, the Issuer Security are not sufficient to make all payments due in respect of the Notes, the other assets of the Issuer (including its share capital and the amounts standing to the credit of the Issuer Profit Ledger in accordance with the Issuer Transaction Documents) will not be available for payment of any shortfall arising therefrom, and any such shortfall will be borne among the Issuer Secured Creditors and amongst the Noteholders as provided in these Conditions and the Deed of Charge and Assignment. All claims in respect of such shortfall, after realisation of or enforcement with respect to all of the Issuer Security, will be extinguished and the Issuer Security Trustee, the Note Trustee, the Noteholders and the other Issuer Secured Creditors will have no further claim against the Issuer in respect of such unpaid amounts.

Each Noteholder, by subscribing for or purchasing Notes, is deemed to accept and acknowledge that it is fully aware that:

- (i) in the event of realisation or enforcement of the Issuer Security, its right to obtain payment of interest and repayment of principal on the Notes in full is limited to recourse against the undertaking, property and assets of the Issuer comprised in the Issuer Security;
- (ii) the Issuer will have duly and entirely fulfilled its payment obligations by making available to such Noteholder its proportion of the proceeds of realisation or enforcement of the Issuer Security in accordance with the payment priorities of the Deed of Charge and Assignment and all claims in respect of any shortfall will be extinguished and discharged; and
- (iii) in the event that a shortfall in the amount available to pay principal of the Notes exists on the Distribution Date falling on the Final Maturity Date or on any earlier date for redemption in full of the Notes, after payment on the Final Maturity Date or such date of earlier redemption in full of all other claims ranking higher in priority to or *pari passu* with the Notes, and the Issuer Security has not become enforceable as at the Final Maturity Date or such date of earlier redemption, the liability of the Issuer to make any payment in respect of such shortfall will cease and all claims in respect of such shortfall will be extinguished.

4. Covenants

(a) *Restrictions*

Save with the prior written consent of the Note Trustee or unless otherwise provided in or envisaged by these Conditions or the Issuer Transaction Documents, the Issuer shall, so long as any Note remains outstanding:

(i) *Negative Pledge*

not create or permit to subsist any mortgage, sub-mortgage, standard security, assignment, assignation, charge, sub-charge, pledge, lien (unless arising by operation of law), hypothecation, assignment by way of security or any other security interest whatsoever over any of its assets, present or future, (including any uncalled capital);

(ii) *Restrictions on Activities*

(A) not engage in any business other than the holding, managing or both the holding and managing, in each case in England and Wales of "financial assets" as defined in the Taxation of Securitisation Companies Regulations 2006 and activities ancillary thereto and in connection therewith the Issuer shall not engage in any activity whatsoever which is not incidental to or necessary in connection with any of the activities which the Transaction Documents provide or envisage that the Issuer will engage in;

(B) not amend, supplement or otherwise modify its Constitution or other constitutive documents other than may be required by operation of law to ensure ongoing compliance with English company law;

(C) not engage, or permit any of its affiliates to engage, in any activities in the United States (directly or through agents), derive, or permit any of its affiliates to derive, any income from sources within the United States as determined under United States federal income tax principles, and hold, or permit any of its affiliates to hold, the Property that would cause it or any of its affiliates to be engaged or deemed to be engaged in a trade or business within the United States as determined under United States federal income tax principles;

(D) not enter into any transaction or arrangement otherwise than by way of bargain made at arm's length and at market rates and any consideration given by the Issuer for the use of principal shall not exceed more than a reasonable commercial return for the use of that principal;

(E) not have any subsidiaries, any subsidiary undertakings (as defined in the Companies Act 1985 and the Companies Act 2006 (as applicable)) or any employees or own, rent, lease or be in possession of any buildings or equipment; or

(F) not amend, supplement or otherwise modify its Constitution or other constitutional documents.

(iii) *Corporation Tax*

not to do anything to prejudice its eligibility for its corporation tax liability to be calculated in accordance with regulation 14 of the Taxation of Securitisation Companies Regulations 2006 (S.I. 2006/3296);

(iv) *VAT*

not apply to become part of any group for the purposes of sections 43 to 43D of the Value Added Tax Act 1994 and the VAT (Groups: eligibility) Order (S.I. 2004/1931) with any other company or group of companies, or such act, regulation, order, statutory instrument or directive which may from time to time re-enact, replace, amend, vary, codify, consolidate or repeal any of the same;

(v) *Disposal of Assets*

not transfer, sell, lend, part with or otherwise dispose of, or deal with, or grant any option or present or future right to acquire any of its assets or undertaking or any interest, estate, right, title or benefit therein other than as expressly contemplated by the Issuer Transaction Documents, provided that the Issuer shall have the right to sell or agree to the sale of the Issuer Assets if:

- (A) such sale, realisation or disposal is made with the prior written consent of the Issuer Security Trustee;
- (B) in the case of a sale, realisation or disposal of part only of the Issuer Assets, such sale, realisation or disposal is being made only for the purposes of, and in connection with, a redemption of the Notes pursuant to Condition 6 (*Redemption and Cancellation*);
- (C) such sale, realisation or disposal is made for an amount which is not less than the aggregate outstanding principal amount of the Issuer Assets disposed of; and
- (D) the amount which would be payable to the Issuer from such sale, realisation or disposal would be sufficient, after deducting any costs and expenses incurred by the Issuer or the Issuer Security Trustee in connection with such sale, realisation or disposal, to enable the Issuer to pay or discharge all of its secured obligations in full;

(vi) *Dividends or Distributions*

not pay any dividend or make any other distribution to its shareholders or issue any further shares;

(vii) *Borrowings*

not incur or permit to subsist any indebtedness in respect of borrowed money whatsoever, except in respect of the Notes or give any guarantee or indemnity in respect of any indebtedness or of any obligation of any person;

(viii) *Merger*

not consolidate or merge with any other person or convey or transfer all or substantially all of its property or assets to any other person;

(ix) *Variation*

not permit any of the Issuer Transaction Documents to become invalid or ineffective, or the priority of the security interests created or evidenced thereby to be reduced, amended, terminated, postponed or discharged, or consent to any variation of, or exercise any powers of consent or waiver pursuant to the terms of the Note Trust Deed, these Conditions, the Issuer Security Documents or any of the other Issuer Transaction Documents, or permit any party to any of the Issuer Transaction Documents or the Issuer Security or any other person whose obligations form part of

the Issuer Security to be released from such obligations or dispose of all or any part of the Issuer Security;

(x) *Bank Accounts*

not have an interest in any bank account other than the Issuer Transaction Account and the Issuer Profit Ledger, unless such account or interest therein is charged or security is otherwise provided to the Issuer Security Trustee on terms acceptable to it;

(xi) *Qualifying Assets*

(A) ensure that the first assets to be acquired, or in respect of which legally enforceable arrangements are to be entered into, by the Issuer are "financial assets" as defined by Taxation of Securitisation Companies Regulations 2006 and that they have a market value of at least £10,000,000 on the day that they are first acquired, or on the date on which such legally enforceable arrangements are entered into;

(B) ensure that prior to the earlier to occur of the acquisition of the assets described in (A) above or the entry into the legally enforceable arrangements described in (A) above, the Issuer has not transacted any business;

(C) not own assets other than those representing its share capital, the proceeds of the Issuer Profit and any interest thereon, the funds arising from the issue of the Notes, the property, rights and assets secured by the Issuer Security and associated and ancillary rights and interests thereto, the benefit of the Transaction Documents and any investments and other rights or interests created or acquired thereunder, as all of the same may vary from time to time.

(xii) *Equitable Interest*

not permit any person other than the Issuer Security Trustee to have any equitable or beneficial interest in any of its assets or undertakings or any interest, estate, right, title or benefit therein except as otherwise provided for in the Issuer Transaction Documents;

(xiii) *U.S. Activities*

not engage, or permit any of its affiliates, to engage, in any activities in the United States (directly or through agents), derive, or permit any of its affiliates to derive, any income from sources within the United States as determined under United States federal income tax principles, and hold, or permit any of its affiliates to hold, the Properties that would cause it or any of its affiliates to be engaged or deemed to be engaged in a trade or business within the United States as determined under United States federal income tax principles;

(xiv) *Purchase of Notes*

not purchase any of the Notes;

(xv) *Residence*

(A) maintain its central management and control and its place of effective management only in England and in particular shall not be treated under any of the double taxation treaties entered into by the United Kingdom as resident in any other jurisdiction nor shall the Issuer have a permanent establishment or a branch or agency in any jurisdiction other than England under the laws or guidelines of any jurisdiction other than England;

- (B) conduct its affairs in accordance with its Constitution from within England, all the directors of the Issuer are and shall remain United Kingdom tax resident, all the directors of the Issuer shall exercise their control over the business of the Issuer independently and all meetings of the directors shall be held in England and all the directors of the Issuer (acting independently) shall exercise their authority only from and within England by taking all key decisions relating to the Issuer in England;

(xvi) *Centre of Main Interests*

not knowingly take any action (save to the extent necessary for the Issuer to comply with its obligations under the Issuer Transaction Documents) which will cause its "centre of main interests" (within the meaning of regulation (EU) No. 2015/848 of the European Parliament and of the Council of 20 May 2015 on insolvency proceedings (recast) (the "**Insolvency Regulations**")) to be located in any jurisdiction other than England and it will not establish any offices, branches or other establishments (as defined in the Insolvency Regulations) or register as a company in any jurisdiction other than England;

(xvii) *Independent Directors*

ensure that at all times all of its directors are independent of the Loan Obligors and any of their direct or indirect shareholders or creditors or their respective affiliates;

(xviii) *Separate Accounts*

maintain its records, books of account and bank accounts separate and apart from those of any of its direct or indirect shareholders or creditors or their respective affiliates or any other person or entity and maintain such books and records in the ordinary course of its business;

(xix) *Separate Identity*

- (A) correct any known misunderstandings regarding its separate identity from any of its members or any other person;
- (B) not fail to hold itself out to the public as a legal entity separate and distinct from any other person, fail to conduct its business solely in its own name, mislead others as to the identity with which such other party is transacting business; become responsible for, guarantee, or become obliged to pay the debts of any third party (including any of its members) or hold out credit as available to satisfy the obligations of others; fail to pay its own liabilities out of its funds;
- (C) not share any common logo with or hold itself out as or be considered as a department or division of (i) its shareholder(s), (ii) any of its general partners, principals, members or affiliates thereof, or (iii) any other person and maintain (if applicable) an arm's length relationship with its affiliates;
- (D) not have its assets listed on the accounts or financial statement of any other entity; or commingle its assets with those of any other person or entity;
- (E) use separate stationery, invoices, and cheques bearing its own name; and
- (F) not acquire obligations or securities of its own direct or indirect shareholders.

In giving any consent to the foregoing, the Note Trustee may require the Issuer to make such modifications or additions to the provisions of any of the Transaction

Documents or may impose such other conditions or requirements as the Note Trustee may deem expedient (in its absolute discretion) in the interests of the Noteholders.

(b) *Paying Agent*

The Issuer will provide the Paying Agents with copies of the Note Trust Deed, the Agency Agreement, the Issuer Security Documents and the other Issuer Transaction Documents, which will be available for inspection during normal business hours at the specified office for the time being of the Paying Agents.

(c) *Cash Manager*

So long as any of the Notes remains outstanding, the Issuer will procure that there will at all times be a cash manager in respect of the monies from time to time standing to the credit of the Issuer Transaction Account and any other account of the Issuer from time to time. The Cash Manager will not be permitted to terminate its appointment unless a replacement cash manager has been appointed in accordance with the Cash Management Agreement.

5. **Interest**

(a) *Period of Accrual*

The Notes bear interest on their Principal Amount Outstanding from (and including) the Closing Date. The Notes (or, in the case of the redemption of part only of the Notes, that part only of the Notes) shall cease to bear interest from their due date for redemption unless, in the case of the Global Note, upon due presentation, or otherwise in the case of a Definitive Note, payment of the relevant amount of principal or any part thereof is improperly withheld or refused on the Global Note or any Definitive Note, as applicable.

Whenever it is necessary to compute an amount of interest for any period (including any Interest Period (as defined below)), such interest shall be calculated on the basis of a fraction where the actual number of days elapsed in the relevant Interest Period is the numerator and a 365 day year is the denominator (the "**Day Count Fraction**").

(b) *Distribution Dates and Interest Periods*

Interest on the Notes is payable (i) quarterly in arrear on 18 February, 18 May, 18 August and 18 November in each year, provided that the first payment of interest on the Notes will be payable on 18 May 2019 in respect of the period from (and including) the Further Closing Date and ending on 18 May 2019, (ii) on the Termination Date and (iii) on the Final Maturity Date (or in each case, if, any such day is not a Business Day, the next following Business Day unless such Business Day falls in the next following calendar month in which case the immediately preceding Business Day) (each, a "**Distribution Date**") in respect of the Interest Period ending immediately prior thereto.

In these Conditions, "**Interest Period**" shall mean, in respect of the payment of the first Interest Amount (as defined in Condition 5(e) (*Calculation of Interest Amounts for Notes*) below) on the Distribution Date falling in May 2019, the period commencing on (and including) the Further Closing Date and ending on the next Distribution Date, and subsequently, each Interest Period, shall commence on the last day of its preceding Interest Period and end on the next Distribution Date except that, where an Interest Period would otherwise end on a day which is not a Business Day, that Interest Period will instead end on the next Business Day in that calendar month (if there is one) or the preceding Business Day (if there is not).

(c) *Rate of Interest*

The rate of interest applicable to the Notes shall be determined by the Agent Bank on the basis of this Condition 5(c).

The Agent Bank will at, or as soon as practicable after, 11.00 a.m. (London time) on the first day of an Interest Period for which the rate will apply (each, an "**Interest Rate Determination Date**"), determine the Rate of Interest applicable to, and calculate the amount of interest payable on the Notes, for the Interest Period immediately following such Interest Rate Determination Date.

(i) *Rate of Interest for the first Interest Period*

The Rate of Interest applicable to the Notes for any Interest Period will be equal to (A) LIBOR as determined in accordance with this Condition 5(c) plus (B) the Margin, provided that if the aggregate of LIBOR plus the Margin is less than 7.25 per cent. per annum, the interest rate applicable to the Notes will be 7.25 per cent. per annum.

The Rate of Interest applicable to the Notes for the first Interest Period shall be determined by the Agent Bank on the Further Closing Date on the basis of the LIBOR then applicable to the Loans.

(ii) *Rate of Interest for each subsequent Interest Period*

For the purposes of determining the Rate of Interest in respect of the Notes for each Interest Period occurring after the first Distribution Date, the LIBOR component of the Rate of Interest will be equal to the LIBOR then applicable to the Loans for the corresponding Loan Interest Period and as notified by the Loan Agent to the Agent Bank on, or as soon as practicable after the relevant Interest Rate Determination Date, provided that if the aggregate of such LIBOR plus the Margin is less than 7.25 per cent. per annum, the Rate of Interest applicable to the Notes will be 7.25 per cent. per annum.

If the Loan Agent fails to notify the Agent Bank of the LIBOR (which will include in respect of the Interest Period commencing prior to and following the Expected Maturity Date and the Interest Period commencing immediately prior to the Final Maturity Date the linear interpolation of the rates for one-month and two-month sterling deposits) applicable to the Loans by 5.00 p.m. (London time) on the Business Day immediately following an Interest Rate Determination Date, then after that time the Agent Bank shall promptly request that the Loan Agent provides the Agent Bank with the LIBOR applicable to the Loans. If the Loan Agent fails to respond to such a request by 5.00pm on the second Business Day immediately following an Interest Rate Determination Date then LIBOR for the purpose of calculating the Rate of Interest will be determined by the Agent Bank on the basis of the following provisions:

- (A) the Agent Bank will determine at or about 11.00 a.m. (London time) on the third Business Day immediately following an Interest Rate Determination Date, the interest rate for three month sterling deposits in the London inter-bank market which appears on the Reuters Screen LIBOR01 or LIBOR02 Page (the "**LIBOR Screen Rate**") (or, in respect of the Interest Period commencing immediately prior to and following the Expected Maturity Date and the Interest Period commencing immediately prior to the Final Maturity Date, the arithmetic mean of a linear interpolation of the rates for one-month and two-month sterling LIBOR deposits) (or (i) such other page as may replace the Reuters screen LIBOR0 1 or LIBOR02 Page for the purpose of displaying such information or (ii) if that service ceases to display such information, such page as displays such information on such equivalent service (or, if more than one, that one which is approved by the Note Trustee). in each case only after a request has been made by the Agent Bank to the Loan Agent to provide it with the page or service displaying the relevant rate as specified by the Loan Agent in accordance with the terms of the Loan Agreement;

- (B) if the LIBOR Screen Rate is not then available, and only after a request has been made by the Agent Bank to the Loan Agent to provide it with the arithmetic mean of the rates supplied to the Loan Agent by the relevant reference banks in accordance with the terms of the Loan Agreement, the arithmetic mean (rounded upwards to four decimal places) of the rates notified to the Agent Bank at its request by each of three Reference Banks as the rate at which three month deposits in reasonable market size in sterling are offered for the same period as that Interest Period by those Reference Banks to prime banks in the London interbank market at or about 11.00 a.m. (London time) on that date (or, in respect of the Interest Period commencing immediately prior to and following the Expected Maturity Date and the Interest Period commencing immediately prior to the Final Maturity Date, the arithmetic mean of a linear interpolation of the rates for one-month and two-month sterling LIBOR deposits). If, on any such date, at least two of the Reference Banks provide such offered quotations to the Agent Bank the relevant rate shall be determined, as aforesaid, on the basis of the offered quotations of those Reference Banks providing such quotations. If, on any such date, only one or none of the Reference Banks provides the Agent Bank with such an offered quotation, the Agent Bank shall forthwith consult with the Issuer for the purposes of agreeing one or, as the case may be, two additional bank(s) to provide such a quotation or quotations to the Agent Bank and the rate for the Interest Period in question shall be determined, as aforesaid, on the basis of the offered quotations of such Reference Bank and/or banks as so agreed. If no such bank or banks is or are so agreed or such bank or banks as so agreed does not or do not provide such a quotation or quotations, then the rate for the relevant Interest Period shall be the arithmetic mean (rounded upwards to four decimal places) of the rates quoted by major banks in the London inter-bank market, selected by the Agent Bank (at its sole discretion), at approximately 11.00 a.m. (London time) on the relevant date, for Loans in sterling in reasonable market size to leading London banks for a period of three months. If the Rate of Interest cannot be determined in accordance with the above provisions, the Rate of Interest shall be determined as at the last preceding Interest Determination Date.

If the rate of LIBOR calculated by the Agent Bank pursuant to this Condition 5(c) is less than zero, LIBOR will be deemed to be zero.

If at any time prior to a Distribution Date immediately following an Interest Rate Determination Date, the Agent Bank determines LIBOR for the purpose of calculating the Rate of Interest in accordance with this Condition 5(c), and the Loan Agent subsequently notifies the Agent Bank of the LIBOR rate then applicable to the Loan, the Agent Bank shall apply the LIBOR component notified to it by the Loan Agent for the purpose of calculating the Rate of Interest then applicable to the Notes for the relevant Interest Period.

- (iii) In the event that the Borrower exercises its option to capitalise interest payable under the Loan Agreement on any of the Loan Interest Payment Dates falling on 18 May 2019 and 18 August 2019, Capitalised Interest will be added to the Principal Amount Outstanding of the Notes and Cash Pay Interest will be paid on the Notes on the Distribution Date corresponding to such Loan Interest Payment Date. The interest accrued on the Notes at the Capitalised Fixed Interest Rate representing Capitalised Interest will be added by the Cash Manager to the Principal Amount Outstanding of the Notes and paid by the Issuer in accordance with the Pre-Enforcement Principal Priority of Payments or the Post-Enforcement Priority of Payments, as applicable. The Principal Paying Agent shall notify the Clearing Systems of the Capitalised Interest payable on the Notes

(d) *Default Interest*

Upon receipt of any Default Interest by the Issuer (the date on which the Default Interest is paid by the Loan Obligors is referred to as the "**Default Interest Payment Date**"), the amount of Default Interest shall, on the Distribution Date on which the Default Interest Payment Date falls or if the Default Interest Payment Date does not fall on a Distribution Date, the Distribution Date immediately following the Default Interest Payment Date, be paid pursuant to this Condition 5(d) to the Notes in accordance with the applicable Issuer Priority of Payments.

(e) *Calculation of Interest Amounts for Notes*

The Agent Bank shall, on or as soon as practicable after the first day of an Interest Period, but in no event later than one Business Day prior to a Distribution Date, notify the Issuer, the Note Trustee, the Cash Manager, the Paying Agents and each of the Clearing Systems in writing of the amount of interest (the "**Interest Amount**") and the applicable Rate of Interest payable in respect of the Notes on the immediately following Distribution Date, subject to Condition 5(b) above, in respect of such Interest Period in respect of the Notes. Each Interest Amount in respect of the Notes shall be calculated by applying the Rate of Interest to the Principal Amount Outstanding of the Notes and multiplying such sum by the Day Count Fraction and rounding the resultant figure downward to the nearest pence.

(f) *Prepayment Fees*

If the Issuer receives any prepayment fees due to it under the Loan Agreement, an amount equal to such prepayment fees (the "**Note Prepayment Fees**") will be payable on the Notes. The aggregate of the Note Prepayment Fees will be apportioned between the Notes on a *pro rata* and *pari passu* basis.

(g) *Commitment Fees*

If the Issuer receives any commitment fees due to it under the Loan Agreement, an amount equal to such commitment fees (the "**Note Commitment Fees**") will be payable on the Notes. The aggregate of the Note Commitments Fees will be apportioned between the Notes on a *pro rata* and *pari passu* basis.

(h) *Adjusted Interest on account of payments on an Intra-Loan Interest Payment Date*

If the Issuer receives payments under the Loan Agreement on account of a redemption of all or part of the Loan (a "**Prepaid Amount**") on any date other than a Loan Interest Payment Date (excluding any payments received on the Termination Date) (such date referred to as an "**Intra-Loan Interest Payment Date**") the Interest Amount payable on the Notes on the immediately following Distribution Date shall be calculated by the Agent Bank as follows:

$$(A + B) - C$$

(the "**Adjusted Interest Amount**")

Where:

A = the Interest Amount as calculated in accordance with Condition 5(e) above.

B = Break Costs (if any).

C = interest on the Prepaid Amount which would have accrued, for the period from the Intra-Loan Payment Date to the last date of current Interest Period but for the repayment or prepayment referred to in this Condition 5(g).

The positive difference between the Interest Amount that would be payable on the Notes on the immediately following Distribution Date but for the repayment or prepayment referred to in this Condition 5(g) and the Adjusted Interest Amount shall not be due and payable to the Noteholders on the Distribution Date immediately following the Intra-Loan Interest Payment Date and none of the Noteholders shall have any claim against the Issuer in respect of such amount.

(i) *Publication of Rates of Interest, Interest Amounts and other Notices*

As soon as practicable after receiving notification thereof but in no event later than one Business Day prior to a Distribution Date, the Agent Bank on behalf of the Issuer will cause the applicable Rate of Interest and the Interest Amount applicable to the Notes for each Interest Period and the Distribution Date to be published on www.usbank.com/abs. The Interest Amounts, Distribution Date and other determinations so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of any extension or shortening of the Interest Period for the Notes.

(j) *Calculation by the Note Trustee*

If the Agent Bank does not at any time for any reason calculate the Interest Amount for any of the Notes, the Note Trustee shall calculate the Interest Amount for the Notes in the manner specified in Condition 5(e) above and any such calculation shall be deemed to have been made by the Agent Bank and the Note Trustee shall have no liability in respect thereof.

(k) *Notifications to be Final*

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition, whether by the Agent Bank or the Note Trustee shall (in the absence of wilful default, fraud or manifest error) be binding on the Issuer, the Agent Bank, the Note Trustee, the Cash Manager, the Paying Agents and all Noteholders and (in the absence of wilful default or fraud) no liability to the Noteholders shall attach to the Issuer, the Agent Bank or the Note Trustee in connection with the exercise or non-exercise by them or any of them of their powers, duties and discretions hereunder.

(l) *Reference Banks and Agent Bank*

The Issuer shall ensure that, so long as any of the Notes remains outstanding, there shall, at all times, be three Reference Banks and an Agent Bank. The initial Reference Banks are to be the principal London offices of three major banks in the London interbank market chosen by the Agent Bank (the "**Reference Banks**"). In the event of the principal London office of any such bank being unable or unwilling to continue to act as a Reference Bank, the Issuer shall appoint such other bank as may have been previously approved in writing by the Note Trustee to act as such in its place. Any purported resignation or removal by the Agent Bank shall not take effect until a successor so approved by the Note Trustee has been appointed.

6. Redemption and Cancellation

(a) *Final Redemption*

The Notes are expected to be redeemed in full and cancelled on the Expected Maturity Date (falling on 18 July 2022) but only to the extent that all amounts outstanding under the Loans are paid in full to the Issuer.

Unless previously redeemed in full and cancelled as provided in this Condition 6, the Issuer shall redeem the Notes at their Principal Amount Outstanding together with accrued interest on the Final Maturity Date (falling on 18 July 2027).

The Issuer may not redeem Notes in whole or in part prior to the Final Maturity Date except as provided in this Condition but without prejudice to Condition 10 (*Note Events of Default*).

(b) *Mandatory Redemption from Principal Receipts*

(i) Unless the Notes are previously redeemed in full and cancelled as provided in this Condition 6(b), the Notes are subject to mandatory early redemption in full or, as the case may be, in part on each Distribution Date in an amount not exceeding the Principal Receipts received and allocated to the Notes in accordance with the provisions of the Cash Management Agreement subject to the Issuer Priority of Payments.

(ii) If the Borrower repays the whole or part of the Loans on an Intra-Loan Interest Payment Date an amount equal to the Principal Receipts received by or on behalf of the Issuer attributable to such repayment shall be applied to redeem the Notes on the date that falls one Business Day following an Intra-Loan Interest Payment Date in accordance with the applicable Issuer Priority of Payments, as if such date on which the Notes are to be redeemed is a Distribution Date.

(c) *Optional Redemption for Tax or Other Reasons*

If the Issuer at any time satisfies the Note Trustee (who will be so satisfied if it receives a legal opinion to its satisfaction confirming such matters) immediately prior to giving the notice referred to below that either:

(i) by virtue of a change in the tax law of the United Kingdom or any other jurisdiction (or the application or official interpretation thereof) from that in effect on the Closing Date, on the next Distribution Date the Issuer or any Paying Agent on its behalf would be required to deduct or withhold from any payment of principal or interest in respect of the Notes (other than where the relevant holder or beneficial owner has some connection with the relevant jurisdiction other than the holding of Notes and other than in respect of default interest), any amount for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the relevant jurisdiction (or any political sub-division thereof or authority thereof or therein having power to tax) and such requirement cannot be avoided by the Issuer taking reasonable measures available to it;

(ii) by reason of a change in law (or the application or official interpretation thereof), which change becomes effective on or after the Closing Date, the Issuer is no longer a "securitisation company" (as defined in the Taxation of Securitisation Companies Regulations 2006 (SI 2006/3296)) (for the purposes of this Condition 7(c)(ii), the "**Regulations**") and is otherwise unable to claim a tax treatment in the United Kingdom that would prevent a material increase in the tax liabilities of the Issuer compared to the treatment previously provided to the Issuer under the Regulations; or

- (iii) if any amount payable by the Borrower in respect of the Issuer Assets is reduced or ceases to be receivable (whether or not actually received) by the Issuer during the Interest Period preceding the next Distribution Date,

and in any such case, the Issuer has, prior to giving the notice referred to below, certified to the Note Trustee that it will have the necessary funds on such Distribution Date to discharge all of its liabilities in respect of the Notes to be redeemed under this Condition 6(c) and any amounts required under the Cash Management Agreement, the Note Trust Deed and the Deed of Charge and Assignment to be paid in priority to, or *pari passu* with, the Notes to be so redeemed, which certificate shall be conclusive and binding, and provided that on the Distribution Date on which such notice expires, no Note Acceleration Notice has been served, then the Issuer may, but shall not be obliged to, on any Distribution Date on which the relevant event described above is continuing, having given not more than 60 nor less than 30 days' written notice ending on such Distribution Date to the Note Trustee, the Paying Agents and to the Noteholders in accordance with Condition 15 (*Notice to and Communication between Noteholders*), redeem the Notes in an amount equal to the then aggregate Principal Amount Outstanding of the Notes plus interest accrued and unpaid thereon.

(d) *Principal Amount Outstanding*

On each Determination Date, the Cash Manager shall determine (i) the Principal Amount Outstanding of the Notes on the next following Distribution Date (after deducting any principal payment to be paid on such Notes on that Distribution Date) and (ii) the Pool Factor.

The "**Pool Factor**" means a fraction:

- (a) the numerator of which is equal to the aggregate Principal Amount Outstanding of all Notes (including for the avoidance of any doubt any Further Notes); and
- (b) the denominator is the Principal Amount Outstanding of the Notes as at the Further Closing Date.

Each determination by the Cash Manager of the Principal Amount Outstanding of the Notes shall (in the absence of wilful default or manifest error) be final and binding on all persons.

The "**Principal Amount Outstanding**" of the Notes on any date will be their face amount plus the aggregate amount of any Capitalised Interest less the aggregate amount of principal repayments made in respect of the Notes since the Closing Date.

The Issuer (or the Cash Manager on its behalf) will cause each determination of a Principal Amount Outstanding and the Pool Factor to be notified in writing forthwith to the Note Trustee, the Paying Agents, the Agent Bank and (for so long as the Notes are listed on Euronext Dublin) Euronext Dublin and will cause notice of each determination of a Principal Amount Outstanding to be given to the Noteholders in accordance with Condition 15 (*Notice to and Communication between Noteholders*) no later than one Business Day prior to a Distribution Date.

If the Issuer (or the Cash Manager on its behalf) does not at any time for any reason determine a Principal Amount Outstanding or the Pool Factor in accordance with the preceding provisions of this Condition 6(d), such Principal Amount Outstanding or the Pool Factor may be determined by the Note Trustee, in accordance with this Condition 6(d), and each such determination or calculation shall be conclusive and shall be deemed to have been made by the Issuer or the Cash Manager, as the case may be and the Note Trustee shall have no liability in respect thereof.

(e) *Notice of Redemption*

Any such notice as is referred to in Condition 6(c) above shall be irrevocable and, upon the expiration of such notice, the Issuer shall be bound to redeem the Notes in the amounts specified in this Condition. As soon as reasonably practicable after becoming aware that the

same will occur, the Issuer will cause notice of the proposed redemption of the Notes to be given to Euronext Dublin (for so long as the Notes are listed on Euronext Dublin). Any certificate or legal opinion given by or on behalf of the Issuer pursuant to Condition 6(c) above may be relied on by the Note Trustee without further investigation and shall be conclusive and binding on the Noteholders.

(f) *Cancellation*

All Notes redeemed in full pursuant to the foregoing provisions will be cancelled forthwith by the Issuer or on its behalf in accordance with the Issuer Transaction Documents and may not be resold or re-issued.

(g) *No Purchase by Issuer*

The Issuer will not purchase any of the Notes.

7. **Payments**

(a) *Global Note*

Payments of principal and interest in respect of the Global Note will be made by transfer to the registered account of each of the Noteholders.

Subject to Condition 7(b) below, interest will be paid to the holder (or the first named if joint holders) shown on the Register at the close of business on the Business Day before the due date for payment thereof.

Payments in respect of the Global Note will be made in sterling to holders of interests in the Notes (such holders being, the "**Euroclear/Clearstream Holders**").

A Euroclear/Clearstream Holder may receive payments in respect of its interest in the Global Note in dollars in accordance with Euroclear's and Clearstream, Luxembourg's customary procedures. All costs of conversion from any such election will be borne by such Euroclear/Clearstream Holder.

(b) *Definitive Notes*

Payments of principal and interest (except where, after such payment, the unpaid principal amount of the Note would be reduced to zero (including as a result of any other payment of principal due in respect of the Note), in which case the relevant payment of principal and interest, as the case may be, will be made against surrender of such Note) in respect of Definitive Notes, will be made to the holder of a Definitive Note upon presentation of the relevant Definitive Note(s) at the specified office of the Registrar not later than the Definitive Note Record Date (as defined below) for payment in respect of such Definitive Note or by transfer to a sterling denominated account nominated in writing by the payee to the Registrar and maintained with a branch of a bank in London not later than the due date for such payment. Any such application for transfer to such account shall be deemed to relate to all future payments in respect of such Definitive Note until such time as the Registrar is notified in writing to the contrary by the holder thereof.

If any payment due in respect of any Definitive Note is not paid in full, the Registrar will annotate the Register with a record of the amount, if any, so paid. For the purposes of this Condition 7(b), the holder of a Definitive Note will be deemed to be the person shown as the holder (or the first-named of joint holders) on the Register on the fifteenth day before the due date for such payment (in relation to the Definitive Notes, the "**Definitive Note Record Date**").

(c) *Laws and Regulations*

Payments of principal, and interest in respect of the Notes are subject in all cases to any fiscal or other laws and regulations applicable thereto.

(d) *Overdue Principal Payments*

If repayment of principal is improperly withheld or refused on or in respect of the Notes or part thereof, the interest which continues to accrue in respect of the Notes or part thereof in accordance with Condition 5(a) (*Period of Accrual*) will be paid against presentation of the Notes at the specified office of any Paying Agent, and in the case of any Definitive Note, will be paid in accordance with Condition 7(b) above.

(e) *Change of Agents*

The Principal Paying Agent is Elavon Financial Services DAC, UK Branch. The Issuer reserves the right, subject to the prior written approval of the Note Trustee, at any time to vary or terminate the appointment of the Principal Paying Agent, any other Paying Agent, the Registrar and the Agent Bank and to appoint additional or other Agents. The Issuer will cause at least 30 days' notice of any change in or addition to the Paying Agents or the Registrar or their specified offices to be given to the Noteholders in accordance with Condition 15 (*Notice to and Communication between Noteholders*).

(f) *Presentation on Non-Business Days*

If the Notes are presented (if required) for payment on a day which is not a business day in the place where it is so presented, payment shall be made on the next succeeding day that is a business day (unless such business day falls in the next succeeding calendar month in which event the immediately preceding business day) and no further payments of additional amounts by way of interest, principal or otherwise shall be due in respect of the Notes. For the purposes of Condition 6 (*Redemption and Cancellation*) and this Condition 7, "**business day**" shall mean, in relation to any place, a day on which commercial banks and foreign exchange markets settle payments in that place.

(g) *Accrual of Interest on Late Payments*

If any payment of interest, principal or any other amount is not paid in respect of the Notes on the date when due and payable (other than because the due date is not a business day (as defined in Condition 7(f) above) or by reason of non-compliance with Condition 7(a) or Condition 7(b) above), then such unpaid amount shall itself bear interest at the applicable Rate of Interest until such interest and interest thereon is available for payment and notice thereof has been duly given to the Noteholders in accordance with Condition 15 (*Notice to and Communication between Noteholders*), provided that such interest and interest thereon are, in fact, paid.

(h) *Incorrect Payments*

The Cash Manager will, from time to time, notify Noteholders in accordance with the terms of Condition 15 (*Notice to and Communication between Noteholders*) of any over-payment or under-payment of which it has actual notice made on any Distribution Date to any party entitled to such payment pursuant to the Pre-Enforcement Priority of Payments. Following the giving of such a notice, the Cash Manager shall rectify such over-payment or under-payment by increasing or, as the case may be decreasing payments to the relevant parties on any subsequent Distribution Date. Any notice of over-payment or under-payment pursuant to this Condition 7 shall contain reasonable details of the relevant amount, the relevant parties and the adjustments to be made to future payments to rectify the over-payment or under-payment, as applicable. Neither the Issuer nor the Cash Manager shall have any liability to any person for making any such correction.

8. **Taxation**

All payments in respect of the Notes will be made without withholding or deduction for or on account of any present or future taxes, duties or charges of whatsoever nature unless the Issuer or any relevant Paying Agent is required by applicable law (including FATCA) in any jurisdiction to make any payment in respect of the Notes subject to any such withholding or deduction. In that event, the Issuer or such Paying Agent (as the case may be) shall make such payment after such withholding or deduction has been made and shall account to the relevant authorities for the amount so required to be withheld or deducted. Neither the Issuer nor any Paying Agent nor any other person will be obliged to make any additional payments to holders of Notes in respect of such withholding or deduction.

9. **Prescription**

Claims for principal in respect of the Global Note shall become void unless the Global Note is presented for payment within ten years of the appropriate relevant date. Claims for interest in respect of the Global Note shall become void unless the Global Note is presented for payment within five years of the appropriate relevant date.

Claims for principal and interest in respect of Definitive Notes shall become void unless made within ten years, in the case of principal, and five years, in the case of interest, of the appropriate relevant date.

In this Condition 9, the "**relevant date**" means the date on which a payment first becomes due, but if the full amount of the moneys payable has not been received by the relevant Paying Agent or the Note Trustee on or prior to such date, it means the date on which the full amount of such moneys shall have been so received, and notice to that effect shall have been duly given to the Noteholders in accordance with Condition 15 (*Notice to and Communication between Noteholders*).

10. **Note Events of Default**

(a) *Note Event of Default*

If any of the events mentioned in sub-paragraphs (i) to (v) inclusive below shall occur (each such event being, a "**Note Event of Default**"), the Note Trustee at its absolute discretion may, and if so requested in writing by the "**Eligible Noteholders**", being the holders of not less than 25 per cent. in aggregate of the Principal Amount Outstanding of the Notes or if so directed by or pursuant to an Extraordinary Resolution of the Noteholders shall, and in any case aforesaid, subject to the Note Trustee being indemnified and/or secured and/or pre-funded to its satisfaction, give notice (a "**Note Acceleration Notice**") to the Issuer and the Issuer Security Trustee declaring all the Notes to be immediately due and repayable and the Issuer Security enforceable:

- (i) either, in respect of the Notes, the Issuer defaults:
 - (A) for a period of three Business Days in the payment of the principal when and as it becomes due and payable in accordance with these Conditions; or
 - (B) for a period of twelve Business Days in the payment of any interest (including any Note Prepayment Fees or Default Interest) when due on a Distribution Date or any date on which the Notes are required to be redeemed in accordance with these Conditions; or
- (ii) the Issuer defaults in the performance or observance of any other obligation binding upon it under the Notes, the Note Trust Deed, the Issuer Security Documents or the other Issuer Transaction Documents to which it is party and, in any such case (except where the Note Trustee certifies that, in its opinion, such default is incapable of remedy when no notice will be required), such default continues for a period of 14 days (or such longer period as the Note Trustee may permit) following the service by the Note Trustee on the Issuer of notice requiring the same to be remedied; or

- (iii) the Issuer, otherwise than for the purposes of such amalgamation or reconstruction as is referred to in Condition 10(a)(iv) below, ceases or, consequent upon a resolution of the board of directors of the Issuer, threatens to cease to carry on business or (in the opinion of the Note Trustee based upon any financial advice which the Note Trustee may require) a substantial part of its business or the Issuer is or is deemed unable to pay its debts as and when they fall due; or
- (iv) an order is made or an effective resolution is passed for the winding-up of the Issuer except a winding-up for the purposes of or pursuant to an amalgamation or reconstruction the terms of which have previously been approved by an Extraordinary Resolution of the Noteholders; or
- (v) proceedings shall be initiated against the Issuer under any applicable liquidation, insolvency, composition, reorganisation or other similar laws (including, but not limited to, presentation of a petition for an administration order, the filing of documents with the court for the appointment of an administrator or the service of a notice to appoint an administrator) and such proceedings are not being disputed in good faith with a reasonable prospect of success, or an administration order shall be granted or the appointment of an administrator takes effect or an administrative receiver or other receiver, liquidator or other similar official shall be appointed (or formal notice is given of an intention of appoint an administrator) in relation to the Issuer or any part of its undertaking, property or assets, or an encumbrancer shall take possession of all or any part of the undertaking, property or assets of the Issuer, or a distress, execution, diligence or other process shall be levied or enforced upon or sued against all or any part of the undertaking, property or assets of the Issuer and such appointment, possession or process is not discharged or does not otherwise cease to apply within 15 days, or the Issuer (or the shareholders of the Issuer) initiates or consents to judicial proceedings relating to itself under applicable liquidation, insolvency, composition, reorganisation or other similar laws or makes a conveyance or assignment for the benefit of or a composition or similar arrangement with its creditors generally or takes steps with a view to obtaining a moratorium in respect of any of the indebtedness of the Issuer,

provided that in the case of each of the events described in Condition 10(a)(ii) above, the Note Trustee shall have certified to the Issuer that such event is, in its opinion, materially prejudicial to the interests of the Noteholders then outstanding.

(b) Effect of Declaration by Note Trustee

Upon any declaration being made by the Note Trustee in accordance with Condition 10(a) above, all the Notes then outstanding shall immediately become due and repayable at their Principal Amount Outstanding together with accrued interest as provided in the Note Trust Deed and the Issuer Security shall become enforceable.

11. Enforcement

The Note Trustee may, at its discretion and without notice, take such proceedings and/or other action or steps against or in relation to the Issuer or any other person as it may think fit, subject always to the provisions of Condition 17 (*Limited Recourse and Non-Petition*) to enforce the provisions of the Notes, the Note Trust Deed, these Conditions and the other Issuer Transaction Documents to which it is a party and the Note Trustee may direct the Issuer Security Trustee at any time after the Issuer Security has become enforceable, at its discretion and without notice, to take such steps as it may think fit to enforce the Issuer Security, but neither the Note Trustee nor the Issuer Security Trustee shall be bound to take any such proceedings, actions or steps, unless:

- (a) it shall have been requested in writing by the Eligible Noteholders or if directed by or pursuant to an Extraordinary Resolution of the Noteholders; and
- (b) it shall have been indemnified and/or secured and/or prefunded to its satisfaction against all actions, proceedings, claims and demands to which it may thereby render itself liable and any

loss, damage, cost, charge, claim, demand, expense, judgment, action, proceeding or other liability whatsoever (including without limitations in respect of taxes, duties, levies, imposts and other charges) and including any value added tax or similar tax charged or chargeable in respect thereof as legal fees and expenses on a full indemnity basis which it may incur by so doing.

No Noteholder shall be entitled to proceed directly against the Issuer or any other party to the Issuer Transaction Documents or to enforce the Issuer Security unless the Note Trustee or, as the case may be, the Issuer Security Trustee, having become bound to do so, fails to do so within a reasonable period and such failure shall be continuing provided that no Noteholder shall be entitled to take proceedings for the winding up, examination or administration of the Issuer. The Issuer Security Trustee cannot, while any of the Notes are outstanding, be required to enforce the Issuer Security at the request of any other Issuer Secured Creditor under the Issuer Security Documents, as applicable.

The Deed of Charge and Assignment will provide that the Issuer Security Trustee shall enforce the security in respect of the Issuer, by appointing an administrative receiver (where possible), if it has actual notice of either: (i) an application for the appointment of an administrator; or (ii) the giving of a notice of intention to appoint an administrator, in respect of the Issuer, such appointment to take effect upon the final day by which the appointment must be made in order to prevent an administration proceeding or (where the Issuer or the directors of the Issuer have initiated the administration) not later than that final day.

In addition, the Issuer Security Trustee may (subject to the matters described in paragraphs below), following the service of a Note Acceleration Notice, enforce the security in respect of the Issuer by the appointment of an administrative receiver (where possible) (if the Issuer Security Trustee has not already done so pursuant to the foregoing) subject to being indemnified and/or secured and/or prefunded to its satisfaction.

The Issuer Security Trustee shall not be liable for any failure to appoint an administrative receiver, save in the case of its own gross negligence, wilful default or fraud.

The Issuer Security Trustee will not be obliged to appoint an administrative receiver unless it is indemnified and/or secured and/or pre-funded to its satisfaction. However, the Deed of Charge and Assignment will provide that if the Issuer Security Trustee is required to enforce the security by appointing an administrative receiver following receipt of actual notice of an application for the appointment of an administrator or actual notice of the giving of a notice of intention to appoint an administrator, the Issuer Security Trustee will agree that it is adequately indemnified and secured in respect of such appointment by virtue of its rights against the Issuer under the Deed of Charge and Assignment and the security which it has in respect of such rights. The Issuer will covenant in the Deed of Charge and Assignment that, if the Issuer Security Trustee appoints an administrative receiver by reason of having actual notice of an application for the appointment of an administrator or actual notice of the giving of a notice of intention to appoint an administrator, it waives any claim against the Issuer Security Trustee in respect of such appointment.

12. Meetings of Noteholders, Modification and Waiver, Substitution and Termination of Issuer Related Parties

(a) Convening Meetings

- (i) The Note Trust Deed contains provisions for convening meetings of the Noteholders, to consider any matter affecting their interests including the sanctioning by Extraordinary Resolution or Ordinary Resolution, as appropriate, of, among other things, the removal of the Note Trustee, the Issuer Security Trustee, the Cash Manager, the Operating Bank, the Agent Bank, the Principal Paying Agent, the Registrar or the Issuer Corporate Services Provider, a modification of the Notes or the Note Trust Deed (including these Conditions) or the provisions of any of the other Issuer Transaction Documents.
- (ii) These provisions allow the Issuer, the Note Trustee or the Cash Manager to convene Noteholder meetings for any purpose including consideration of Extraordinary

Resolutions or Ordinary Resolutions and provided that at least 10 days' (or, in the case of an adjourned meeting at least 5 days') notice of such meeting be given to Noteholders in accordance with Condition 15 (*Notice to and Communication between Noteholders*). The Issuer shall be obliged to convene a meeting of Noteholders if requested to do so in writing by not less than ten per cent. of the holders of the Notes.

(b) *Quorum*

(i) Subject as provided below, the quorum at any meeting of the Noteholders or persons present holding voting certificates or being proxies or at any adjourned meeting, for passing an Extraordinary Resolution or an Ordinary Resolution shall be one or more persons holding or representing not less than 50.1 per cent. in Principal Amount Outstanding of the Notes.

(ii) The quorum at any meeting of the Noteholders for passing an Extraordinary Resolution that would have the effect of:

- (A) modifying the date of maturity of the Notes;
- (B) modifying any day for the payment of interest on the Notes;
- (C) reducing the amount of principal or the rate of interest payable in respect of the Notes;
- (D) modifying the method of calculating the amount payable or the date of payment in respect of any interest or principal in respect of the Notes;
- (E) modifying the definition of "Basic Terms Modification";
- (F) altering the currency of payment of the Notes referable thereto; or
- (G) releasing any of the Issuer Security (or any part thereof) other than in accordance with the Issuer Transaction Documents (and without prejudice to the Note Trustee's and the Issuer Security Trustee's ability to exercise their respective powers and discretions under the Issuer Transaction Documents)

(each, a "**Basic Terms Modification**"), shall be one or more persons holding Notes or voting certificates in respect thereof or proxies representing not less than 75 per cent. of the Principal Amount Outstanding of the Notes for the time being outstanding, (including) at any adjourned meeting. A Basic Terms Modification may only be effected by an Extraordinary Resolution.

(iii) An Extraordinary Resolution or an Ordinary Resolution passed at any meeting or a Written Resolution shall be binding on all Noteholders whether or not they were present at such meeting or signed the Written Resolution.

(iv) The Issuer, the Note Trustee or the Cash Manager may propose an Extraordinary Resolution or an Ordinary Resolution, other than an Extraordinary Resolution relating to a Basic Terms Modification, the waiver of any Note Event of Default, the acceleration of the Notes or the enforcement of the Issuer Security, of the Noteholders relating to any matter for consideration and approval by Negative Consent by the Noteholders.

(v) "**Negative Consent**" means, in relation to an Extraordinary Resolution (other than an Extraordinary Resolution relating to a Basic Terms Modification, the waiver of any Note Event of Default, the acceleration of the Notes or the enforcement of the Issuer Security), or an Ordinary Resolution, the process whereby such Extraordinary Resolution or Ordinary Resolution shall be deemed to be duly passed and shall be binding on all of the Noteholders in accordance with its terms where:

- (A) notice of such Extraordinary Resolution or Ordinary Resolution, as applicable, (including the full text of the same) has been given by the Issuer, the Note Trustee or the Cash Manager to the Noteholders in accordance with the provisions of Condition 15 (*Notice to and Communication between Noteholders*);
 - (B) such notice contains a statement requiring such Noteholders to inform the Note Trustee in writing (or otherwise in accordance with the then current practice of any applicable clearing system through which such Notes may be held) if they object to such Extraordinary Resolution or Ordinary Resolution, stating that unless holders of (i) in the case of an Extraordinary Resolution, 25 per cent. or more in aggregate Principal Amount Outstanding of the Notes; or (ii) in the case of an Ordinary Resolution, 50 per cent. or more in aggregate Principal Amount Outstanding of the Notes, make such objection, the Extraordinary Resolution or Ordinary Resolution will be deemed to be passed by the Noteholders and specifying the requirements for the making of such objections (including addresses, email addresses and deadlines) further as set out in the following paragraph; and
 - (C) holders of (i) in the case of an Extraordinary Resolution, 25 per cent. or more in aggregate Principal Amount Outstanding of the Notes or (ii) in the case of an Ordinary Resolution, 50 per cent. or more in aggregate Principal Amount Outstanding of the Notes, have not informed the Note Trustee in writing of their objection to such Extraordinary Resolution or Ordinary Resolution within 15 days of the date of the relevant notice.
- (vi) Any Loan Level Matters may not be determined by way of Negative Consent.
- (c) *Modifications and Waivers without Noteholders' Consent*
 - (i) The Note Trustee may agree or may direct the Issuer Security Trustee to agree, without the consent of the Noteholders (A) to any modification (except a Basic Terms Modification) of, or to any waiver or authorisation of any breach or proposed breach of, the Notes, the Note Trust Deed (including these Conditions) or any of the other Issuer Transaction Documents which, in the opinion of the Note Trustee, is not materially prejudicial to the interests of the Noteholders; (B) to any modification of the Notes, the Note Trust Deed (including these Conditions) or any of the other Issuer Transaction Documents (including a determination that a Note Event of Default shall not be treated as such) which, in the opinion of the Note Trustee, is to correct a manifest error or a proven (to the satisfaction of the Note Trustee) error or is to conform the Issuer Transaction Documents to be consistent with the disclosure in the Offering Circular relating to the issuance of the Notes (as certified to the Note Trustee by the Issuer and upon which the Note Trustee may rely absolutely) or to comply with mandatory provisions of law (as confirmed by a legal opinion provided to the Note Trustee upon which the Note Trustee may rely absolutely) or is (in the opinion of the Note Trustee) of a formal, minor or technical nature; provided always that the Note Trustee shall not exercise such powers of modification, waiver, authorisation or determination in contravention of any express written direction given by the Eligible Noteholders or by an Extraordinary Resolution of the Noteholders then outstanding (provided that no such direction or restriction shall affect any authorisation, modification, waiver or determination previously made or given). Any such modification, waiver, authorisation or determination shall be binding on the Noteholders and, unless the Note Trustee agrees otherwise, any such modification shall be notified by the Issuer to the Noteholders as soon as practicable thereafter in accordance with Condition 15 (*Notice to and Communication between Noteholders*).
- (d) *Note Trustee Determinations*
 - (i) Where the Note Trustee is required, in connection with the exercise of its powers, trusts, authorities, duties and discretions, to have regard to the interests of the

Noteholders it shall have regard to the interests of such Noteholders as a class and, in particular, but without prejudice to the generality of the foregoing, the Note Trustee shall not have regard to, or be in any way liable for, the consequences of such exercise for individual Noteholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory and the Note Trustee shall not be entitled to require, nor shall any Noteholder be entitled to claim, from the Issuer or the Note Trustee or any other person, any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders.

- (ii) The Note Trustee shall be entitled to determine, in its own opinion, for the purposes of exercising any power, trust, authority, duty or discretion under or in relation to the Notes, the Conditions or any of the Issuer Transaction Documents, that such exercise will not be materially prejudicial to the interests of the Noteholders.
- (iii) The Note Trustee may (subject to such amendments of these Conditions and of any of the Issuer Transaction Documents, and to such other Conditions as the Note Trustee may require), without the consent of the Noteholders or any other Issuer Secured Creditor agree with the Issuer to the substitution in place of the Issuer (or of any previous substitute under this condition) as the principal debtor in respect of the Notes and the Note Trust Deed of another body corporate (being a single purpose vehicle) provided that such substitution would not in the opinion of the Note Trustee be materially prejudicial to the interests of the Noteholders and subject to certain conditions set out in the Note Trust Deed being complied with (or suitable arrangements in place to ensure compliance with such conditions). In the case of substitution of the Issuer, Euronext Dublin shall be notified by the Issuer of such substitution, a supplemental offering circular will be prepared by the new principal debtor and filed with Euronext Dublin and notice of the substitution will be given to the Noteholders by the Issuer in accordance with Condition 15 (*Notice to and Communication between Noteholders*).
- (iv) Where for the purposes of these Conditions the Note Trustee or any other party to the Issuer Transaction Documents requires a Noteholder holding Notes through Euroclear or Clearstream, Luxembourg to establish its holding of the Notes to the satisfaction of such party (including, without limitation, for the purposes of Condition 16 (*Noteholder Representative*)), such holding shall be considered to be established if such Noteholder provides to the requesting party:
 - (A) a Euclid Statement or a screenshot of the Euclid screen (in the case of Euroclear) or a Creation Online Statement or a screenshot of the Creation screen (in the case of Clearstream, Luxembourg) providing confirmation at the time of issue of the same of such person's holding in the Notes;
 - (B) if the relevant Notes are held through one or more custodians, a signed letter from each such custodian confirming on whose behalf it is holding such Notes such that the Note Trustee is able to verify to its satisfaction the chain of ownership to the beneficial owner; and
 - (C) any other evidence of holding of such interest in the relevant Notes in a form acceptable to the Note Trustee.

If in connection with verifying its holding the Note Trustee requires a Noteholder to temporarily block its Notes in Euroclear or Clearstream, Luxembourg, such Noteholder will be required to instruct Euroclear or Clearstream, Luxembourg (via its custodian, if applicable) to do so.

(e) *Disenfranchised Holders*

(i) For the purposes of determining:

- (A) the quorum at any meeting of Noteholders considering an Extraordinary Resolution or an Ordinary Resolution or the majority of votes cast at such meeting;
- (B) the holders of Notes for the purposes of giving any direction to the Note Trustee (or any other party);
- (C) the majorities required for any written resolutions, including the majority required for passing a Written Ordinary Resolution for the purpose of appointing a Noteholder Representative;
- (D) any discretion, power or authority (whether contained in any of the Issuer Transaction Documents or conferred on it by operation of law) which the Note Trustee is required, expressly or impliedly, to exercise in or by reference to the interests of the Noteholders;
- (E) the determination by the Note Trustee whether any event or potential event is or would be materially prejudicial to the interests of the Noteholders;
- (F) the objection by Noteholders for the purpose of Negative Consent; or
- (G) the determination of how many and which Notes are for the time being outstanding in accordance with the Note Trust Deed.

any Notes held beneficially by or for the account of (whether directly or indirectly or in relation to which the exercise of the right to vote is directed or otherwise controlled by):

- (1) a Sponsor Affiliate; or
- (2) the Issuer,

in each case, shall have no voting rights or any right to pass an Extraordinary Resolution or an Ordinary Resolution and shall be treated as if such Notes were not outstanding and the holder of any of those Notes will not be entitled to attend or exercise or count in or towards any required quorum or majority with respect to such Notes for so long as those Notes are so held or remain uncanceled.

- (ii) The Note Trust Deed contains provisions requiring any Noteholder wishing to vote to confirm to the Principal Paying Agent that such Noteholder is not disenfranchised from voting pursuant to this Condition 12(e).

13. Indemnification and Exoneration of the Note Trustee and Issuer Security Trustee

The Note Trust Deed, the Issuer Security Documents and certain of the other Issuer Transaction Documents contain provisions governing the responsibility (and relief from responsibility) of each of the Note Trustee and the Issuer Security Trustee and for indemnification in certain circumstances, including provisions relieving them from taking enforcement proceedings or, in the case of the Issuer Security Trustee, enforcing the Issuer Security unless indemnified and/or secured and/or pre-funded to its satisfaction. Neither the Note Trustee nor the Issuer Security Trustee will be responsible for any loss, expense or liability which may be suffered as a result of any assets comprised in the Issuer Security, or any deeds or documents of title thereto, being uninsured or inadequately insured or being held by or to the order of other parties to the Issuer Transaction Documents, clearing organisations or their operators or by intermediaries such as banks, brokers, depositories, warehousemen or other similar persons whether or not on behalf of the Note Trustee or the Issuer Security Trustee.

The Note Trust Deed and the Deed of Charge and Assignment contain provisions pursuant to which each of the Note Trustee and the Issuer Security Trustee or any of its related companies is entitled, among other things, (a) to enter into business transactions with the Issuer and/or any other person who is a party to the Issuer Transaction Documents or whose obligations are comprised in the Issuer Security and/or any of their subsidiary or associated companies and to act as trustee for the holders of any other securities issued by or relating to the Issuer and/or any other person who is a party to the Issuer Transaction Documents or whose obligations are comprised in the Issuer Security and/or any of their subsidiaries or associated companies, (b) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of the Noteholders or any other Issuer Secured Creditor, and (c) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

The Deed of Charge and Assignment provides that the Issuer Security Trustee shall accept without investigation, requisition or objection such right and title as the Issuer may have to the Issuer's property secured pursuant to the Issuer Security Documents and shall not be bound or concerned to examine such right and title, and the Issuer Security Trustee shall not be liable for any defect or failure in the right or title of the Issuer to the property secured pursuant to the Issuer Security Documents whether such defect or failure was known to the Issuer Security Trustee or might have been discovered upon examination or enquiry and whether capable of remedy or not. Neither the Note Trustee nor the Issuer Security Trustee has any responsibility in relation to the validity, sufficiency and enforceability of the Issuer Security. Neither the Note Trustee nor the Issuer Security Trustee will be obliged to take any action which might result in its incurring personal liabilities unless indemnified and/or secured and/or pre-funded to its satisfaction or to supervise the performance by the Cash Manager or any other person of their obligations under the Issuer Transaction Documents and each of the Note Trustee and the Issuer Security Trustee shall assume, until it has actual knowledge or express notice to the contrary, that all such persons are properly performing their duties, notwithstanding that the Issuer Security (or any part thereof) may, as a consequence, be treated as floating rather than fixed security.

14. **Replacement of the Global Note and Definitive Notes**

If the Global Note or Definitive Note is mutilated, defaced, lost, stolen or destroyed, it may be replaced at the specified office of any Paying Agent or the Registrar upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence and indemnity as the Issuer, the Registrar, the Paying Agent or the Note Trustee may reasonably require. The mutilated or defaced Global Note or Definitive Notes must be surrendered before replacements will be issued.

15. **Notice to and Communication between Noteholders**

- (a) All notices, other than notices given in accordance with any one or more of the following paragraphs of this Condition 15, to Noteholders shall be deemed to have been validly given if:
 - (i) for so long as the Notes are represented by a Global Note and listed on Euronext Dublin or another stock exchange and the rules of such stock exchange so allow:
 - (A) subject to the requirements of the Market Abuse Regulations, at the option of the Issuer, if delivered through the announcements section of the relevant stock exchange and a regulated information service maintained or recognised by such stock exchange; and
 - (B) if delivered to Euroclear and/or Clearstream, Luxembourg for communication by them to their participants and for communication by such participants to entitled account holders; and
 - (C) if delivered to the electronic communications systems maintained by Bloomberg L.P. for publication on the relevant page for the Notes or such other medium for the electronic display of data as may be previously approved in writing by the Note Trustee; or

- (ii) for so long as the Notes are in definitive form and listed on Euronext Dublin or another stock exchange and the rules of such stock exchange so allow, subject to the requirements of the Market Abuse Regulations, at the option of the Issuer, if delivered through the announcements section of the relevant stock exchange and a regulated information service maintained or recognised by such stock exchange.
- (iii) Any such notice shall be deemed to have been given on:
 - (A) in the case of a notice delivered to the regulated information service of a stock exchange, the day on which it is delivered to such stock exchange;
 - (B) in the case of a notice delivered to Euroclear and/or Clearstream, Luxembourg, the day on which it is delivered to Euroclear and/or Clearstream, Luxembourg; and
 - (C) in the case of a notice delivered to Bloomberg L.P., the day on which it is delivered to Bloomberg L.P..
- (b) If it is impossible or impractical to give notice in accordance with Condition 15(a)(i)(A), Condition 15(a)(i)(B) or Condition 15(a)(i)(C) above then notice of the relevant matters shall be given in accordance with Condition 15(a)(ii) above.
- (c) The Note Trustee shall be at liberty to sanction some other method of giving notice to the Noteholders if, in its opinion, such other method is reasonable having regard to market practice then prevailing and to the requirements of the Global Exchange Market of Euronext Dublin and provided that notice of such other method is given to the Noteholders in such manner as the Note Trustee shall require. The Note Trustee shall give notice to the Noteholders in accordance with this Condition 15 of any additions to, deletions from or alterations to such methods from time to time.
- (d) Any Verified Noteholder shall be entitled from time to time to request the Cash Manager to post a notice on its investor reporting website requesting other Verified Noteholders to contact it subject to and in accordance with the following provisions.

For these purposes "**Verified Noteholder**" means a Noteholder which has satisfied the Cash Manager that it is a Noteholder in accordance with Condition 12(d)(iv) (*Note Trustee Determinations*) and Condition 12(e) (*Disenfranchised Holders*).

- (e) Following receipt of a request for the publication of a notice from a Verified Noteholder, the Cash Manager shall publish such notice on its investor reporting website as an addendum to any report to Noteholders due for publication within two Business Days of receipt of the same (or, if there is no such report, through a special notice for such purpose as soon as is reasonably practical after receipt of the same) provided that such notice contains no more than:
 - (i) an invitation to other Noteholders to contact the Verified Noteholder;
 - (ii) the name of the Verified Noteholder and the address, phone number, website or email address at which the Verified Noteholder can be contacted; and
 - (iii) the date(s) from, on or between which the Verified Noteholder may be so contacted; and
 - (iv) a request that a Noteholder wishing to be in contact with the Verified Noteholder confirm its holding in accordance with Condition 12(d)(iv) (*Note Trustee Determinations*) and confirm that it has not been disenfranchised pursuant to Condition 12(e) (*Disenfranchised Holders*).

The Cash Manager shall have no responsibility or liability for the contents, completeness or accuracy of any such published information and shall have no responsibility (beyond publication of the same in the manner described above) for ensuring Noteholders receive the same.

16. **Noteholder Representative**

- (a) *Appointment of the Noteholder Representative and general voting provisions in relation to Loan Level Matters*

The Noteholders may, acting by Written Ordinary Resolution, elect by notice in writing to the Loan Agent, the Issuer Security Trustee, the Note Trustee and the Issuer with a copy to the Cash Manager (attaching a copy of the relevant Written Ordinary Resolution) (subject to each of the relevant Noteholders establishing its holding in such Notes to the satisfaction of the Note Trustee in accordance with the provisions of Condition 12 (*Meetings of Noteholders, Modification and Waiver, Substitution and Termination of Issuer Related Parties*)), appoint not more than one person to be the Noteholder Representative for the purposes of either directing:

- (i) the Note Trustee to on-direct the Issuer (prior to the delivery of a Note Acceleration Notice); or
- (ii) the Note Trustee itself (following the delivery of a Note Acceleration Notice),

in each case, to exercise the Issuer's voting or other rights under the Loan Finance Documents in respect of Loan Level Matters.

Subject to the restrictions set out below in Condition 16(c) below, the Noteholder Representative need not itself be a Noteholder.

The Noteholder Representative will be deemed to hold and to have voting rights in respect of 100 per cent. of the aggregate voting rights held and that are exercisable by the Issuer as a noteholder under the Loan Agreement and the other Loan Finance Documents corresponding to the Issuer's participation in the Loans. The Noteholder Representative shall be entitled in its sole discretion to exercise all of the rights conferred on it under these Conditions to either direct:

- (i) the Note Trustee to on-direct the Issuer (prior to the delivery of a Note Acceleration Notice); or
- (ii) the Note Trustee itself (following the delivery of a Note Acceleration Notice),

in each case, to act in relation to any consent, waiver, amendment or other vote in relation to any Loan Level Matter to the extent exercisable by the Issuer under the Loan Finance Documents.

When directed to act in relation to a Loan Level Matter, the Issuer (prior to the delivery of a Note Acceleration Notice) or the Note Trustee (following the delivery of a Note Acceleration Notice) shall for any of those purposes independently exercise all of the voting rights conferred on the Issuer as a lender under the Loan Agreement and the Loan Finance Documents in accordance with, in the case of the Note Trustee, the instructions received by it from the Noteholder Representative and, in the case of the Issuer, in accordance with the on-direction delivered to it from the Note Trustee.

Neither the Issuer Security Trustee nor the Note Trustee shall have any obligation to identify the Noteholders from time to time, to inform them of their rights as such or to assist them in the appointment of a Noteholder Representative.

The Noteholder Representative shall not have any liability to the Issuer, any Noteholder, the Note Trustee, the Issuer Security Trustee or any other party for any action taken or for refraining from taking any action in good faith or for any errors of judgment.

The appointment of the Noteholder Representative shall not take effect until each of the Issuer Security Trustee, the Note Trustee, the Loan Agent (with a copy to the Cash Manager) and the Issuer have been notified by the Noteholder Representative in writing of its appointment.

The Noteholders may acting by Written Ordinary Resolution, elect by notice in writing to the Issuer Security Trustee, the Note Trustee, the Loan Agent and the Issuer (with a copy to the Cash Manager) (attaching a copy of the relevant Written Ordinary Resolution) to terminate the appointment of the Noteholder Representative. The Noteholder Representative may retire by giving not less than 21 days' notice in writing to: (a) the Noteholders (in accordance with the terms of Condition 15 (*Notice to and Communication between Noteholders*)), the Issuer, the Note Trustee, the Issuer Security Trustee, the Loan Agent (with a copy to the Cash Manager).

If at any time the Noteholders fail to appoint a Noteholder Representative (or the Noteholder Representative resigns or whose appointment is terminated and is not subsequently replaced), the Noteholders will be deemed to have waived their rights under these Conditions, including any rights to authorise the Note Trustee to on-direct the Issuer or to direct the Note Trustee itself to vote with respect to any Loan Level Matters in accordance with these Conditions and the Issuer Transaction Documents. The Note Trustee shall not be required to (i) exercise any Loan Level Matters directly under the Loan Agreement or (ii) exercise any of the functions of a Noteholder Representative, in each case, in the absence of the appointment of a Noteholder Representative.

If the Noteholders do not appoint a Noteholder Representative to direct the Issuer (prior to the delivery of a Note Acceleration Notice) or the Note Trustee (following the delivery of a Note Acceleration Notice), this will result in an abstention by the Issuer or the Note Trustee, as the case may be, in relation to a Loan Level Matter.

Following the results of a vote with respect to any Loan Level Matter, the Noteholder Representative will, to the extent that it has been appointed, determine whether any amendment to these Conditions and/or the Issuer Transaction Documents is required and may request the Issuer to convene a meeting of the Noteholders in connection with such amendment.

The Noteholders shall only be entitled to receive Loan Level Information or any information or communication in relation to a Loan Level Matter in accordance with the provisions of these Conditions and the Issuer Transaction Documents. For the avoidance of doubt no Loan Level Information or information in relation to a Loan Level Matter shall be made available or notified to the Noteholders pursuant to the Condition 15 (*Notice to and Communication between Noteholders*), subject to compliance with any applicable law or regulation.

The Note Trustee shall be entitled to request clarification of any direction from a Noteholder Representative as to whether and in what manner it should exercise any voting rights and the Note Trustee may refrain from acting unless and until it receives that clarification. The Note Trustee shall not be obliged to follow any direction of a Noteholder Representative which, in the sole opinion of the Note Trustee, would have the effect of (a) exposing the Note Trustee to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction or (b) otherwise prejudicing the interests of the Note Trustee.

In order to identify any Noteholders which are not known to the Noteholder Representative it may instruct (a) the Cash Manager to publish a notice on behalf of the Issuer to the other Noteholders (if any) in accordance with Condition 15 (*Notice to and Communication between Noteholders*) and/or (b) the Noteholders that have appointed the Noteholder Representative to contact the other Noteholders (if any) through the procedure available to a Verified Noteholder for contacting Noteholders.

- (b) *Note Trustee bound to act in accordance with a direction given by the Noteholder Representative*

At any time after the delivery of a Note Acceleration Notice, the Note Trustee shall be bound to vote in relation to Loan Level Matters if directed by the Noteholder Representative

provided always that no direction shall be effective if it relates to a matter in respect of a Basic Terms Modification which at all times shall only be passed in accordance with Condition 12(b) (*Quorum*).

The Note Trustee shall assume that any Noteholder Representative has not ceased to be Noteholder Representative unless and until notified in writing to the contrary and the Note Trustee shall have no liability to the Noteholders, Issuer or any other person for acting on the instructions of the Noteholder Representative.

(c) *Disenfranchisement of Restricted Noteholders*

The right of a Noteholder to appoint, acting alone or with one or more Noteholders, a Noteholder Representative for the purpose of directing the Note Trustee to either on-direct the Issuer to exercise or to exercise directly, as the case may be, the Issuer's votes under the Loan Finance Documents in respect of Loan Level Matters pursuant to these Conditions shall not extend to or be exercisable by any Sponsor Affiliate which:

- (i) beneficially owns a participation in the Loans or any Loan Commitment; or
- (ii) has entered into a sub-participation agreement relating to a Loan Commitment or other agreement or arrangement having a substantially similar economic effect and such agreement or arrangement has not been terminated.

The Noteholder Representative must not at any time be a Sponsor Affiliate.

17. **Limited Recourse and Non-Petition**

Notwithstanding any other provision of these Conditions or the Note Trust Deed, any other Issuer Transaction Document or otherwise, the obligations of the Issuer to make any payment under the Notes will be equal to the nominal amount of such payment or, if less, the actual amount received or recovered from time to time by or on behalf of the Issuer which consists of funds which are required to be applied by the Issuer in making such payment in accordance with the Pre-Enforcement Priority of Payments or Post-Enforcement Priority of Payments, as applicable, upon enforcement of the Issuer Security constituted by the Deed of Charge and Assignment. The obligations of the Issuer under these Conditions and Note Trust Deed in respect of the Notes will be limited to such amounts from time to time and none of the Noteholders, Note Trustee or the Issuer Security Trustee will have any further recourse to the Issuer in respect of such obligations.

On enforcement of the Issuer Security and distribution of the proceeds thereof in accordance with the Deed of Charge and Assignment, none of the Noteholders, the Note Trustee or the Issuer Security Trustee or the other parties to the Issuer Transaction Documents may take any further steps against the Issuer in respect of any amounts payable on the Notes or any other amounts and all claims against the Issuer in respect of those payments shall be extinguished and discharged.

None of the Note Trustee, the Issuer Security Trustee, the Noteholders or the other parties to the Issuer Transaction Documents will be entitled to petition or take any action or other steps or legal proceedings for the winding-up, dissolution, court protection, reorganisation, liquidation, bankruptcy or insolvency of the Issuer or for the appointment of an administrator, manager, administrative receiver, trustee, liquidator, sequestrator or similar officer in respect of the Issuer or any of its revenues or assets provided that the Note Trustee or the Issuer Security Trustee may prove or lodge a claim in the liquidation of the Issuer initiated by another party and provided further that the Note Trustee or the Issuer Security Trustee may take proceedings to obtain a declaration or similar judgment or order as to the obligations and liabilities of the Issuer under the Deed of Charge and Assignment.

None of the Noteholders or any of the other parties to the Issuer Transaction Documents will have any recourse against any director, shareholder, or officer of the Issuer in respect of any obligations, covenant or agreement entered into or made by the Issuer pursuant to the terms of the Notes, the Deed of Charge and Assignment, or any other Issuer Transaction Document to which it is a party or any notice or documents which it is requested to deliver hereunder or thereunder.

Nothing in this Condition shall affect a payment under the Notes from falling due for the purposes of Condition 10 (*Note Events of Default*).

The provisions of this Condition 17 shall survive the redemption in full of the Notes.

18. **Noteholder Reporting Obligations**

Each purchaser, beneficial owner and subsequent transferee of Notes or interest therein, by acceptance of such Notes or such an interest in such Notes, agrees or is deemed to agree (A) that it will (1) be required to agree to provide the Issuer and Note Trustee and their agents and delegates (i) any information as is necessary (in the sole determination of the Issuer or its agents and delegates, as applicable) for the Issuer or its agents and delegates to determine whether such purchaser, beneficial owner or transferee is (x) either a specified United States person as defined in Section 1473(3) of the Code ("**specified United States person**"), (y) a United States owned foreign entity as defined in Section 1471(d)(3) of the Code or a non-US entity with one or more controlling persons, as that term is defined in the intergovernmental agreement between the United States and the United Kingdom signed on 12 September 2012 (the "**U.S.-U.K. IGA**"), that is a specified United States person ("**United States owned foreign entity**") and (ii) any additional information that the Issuer or its agent requests in connection with FATCA and (2) if it is a specified United States person or a United States owned foreign entity that is a holder or beneficial owner of Notes or an interest therein, be required to (x) provide the Issuer and Note Trustee and their agents and delegates its name, address, U.S. taxpayer identification number and, if it is a United States owned foreign entity, the name, address and taxpayer identification number of each of its substantial United States owners as defined in Section 1473(2) of the Code ("**substantial United States owner**") or controlling persons that are specified United States persons as that term is defined in the U.S.-U.K. IGA ("**controlling United States persons**") and any other information requested by the Issuer or its agent upon request and (y) update any such information provided in clause (x) promptly upon learning that any such information previously provided has become obsolete or incorrect or is otherwise required (the foregoing agreements, the "**Noteholder Reporting Obligations**"), (B) that each purchaser and subsequent transferee of Notes will be required or deemed to acknowledge that the Issuer and/or the Trustee may (1) provide such information and any other information concerning its investment in the Notes to the U.S. Internal Revenue Service and any other relevant tax authority, and (2) take such other steps as they deem necessary or helpful to achieve compliance with FATCA, including withholding on "**passthru payments**" (as defined in the Code).

"**FATCA**" means (a) sections 1471 to 1474 of the United States Internal Revenue Code of 1986, as amended (the "**Code**") or any associated regulations or other official guidance; (b) any treaty, law, regulation or other official guidance enacted in any other jurisdiction, or relating to an intergovernmental agreement between the US and any other jurisdiction, including the U.S.-U.K. IGA, which (in either case) facilitates the implementation of any law or regulation referred to in paragraph (a) above; or (c) any agreement pursuant to the implementation of any treaty, law or regulation referred to in paragraphs (a) or (b) above with the US Internal Revenue Service, the US government or any governmental or taxation authority in any other jurisdiction.

Each purchaser, beneficial owner and subsequent transferee of Notes or interest therein, by acceptance of such Notes or such an interest in such Notes, agrees or is deemed to agree (A) that it will (1) be required to agree to provide the Issuer and Note Trustee and their agents and delegates (i) any information as is necessary (in the sole determination of the Issuer or its agents and delegates, as applicable) for the Issuer or its agents and delegates to comply with its obligations under UK legislation implemented to give effect to the provisions of Council Directive 2011/16/EU on Administrative Cooperation in the field of Taxation (as amended by Council Directive 2014/107/EU ("**DAC2**")) and the Common Reporting Standard ("**CRS**").

19. **Privity of Contract**

The Notes do not confer any right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of the Notes, but this does not affect any right or remedy of a third party which exists or is available apart from the Contracts (Rights of Third Parties) Act 1999.

20. **Further Issuance of Notes**

The Issuer may from time to time without the consent of the Noteholders, but subject to the satisfaction of the conditions referred to below, create and issue further securities (the "**Further Notes**") having the same terms and conditions as the Notes then Outstanding, in all respects (or in all material respects except for the issue date and the first Interest Period), which shall be consolidated and form a single series with, and rank *pari passu* with the Notes then Outstanding, provided that the following conditions are met:

- (a) the delivery of a duly completed Further Issuance Notice from the Initial Note Purchaser to the Lead Manager the Issuer, the Issuer Security Trustee, the Note Trustee, the Principal Paying Agent, the Common Depositary, the Agent, the Agent Bank, the Cash Manager and the Registrar no later than 11.00 a.m. (London time) two Business Days prior to the Further Closing Date, subject to:
 - (i) prior written consent from the Lead Manager, which may be given by email; and
 - (ii) if requested by the Issuer in writing, the delivery of a copy of such written consent by the Lead Manager;
- (b) the delivery of a letter from the Issuer to the Principal Paying Agent and Common Depositary (substantially in the form set out in Schedule 1 (*Letter from the Issuer to the Settlement Agent, Common Depositary and Registrar*) to the Agency Agreement), directing the Principal Paying Agent and the Common Depositary to mark up the Notes by the principal amount of such Further Notes and delivering the Further Notes;
- (c) the delivery of an instruction letter (substantially in the form set out in Schedule 1 (*Instruction Letter to the Settlement Agent, Common Depositary and Account Bank*) to the Agency Agreement) from the issuer to the Account Bank instructing the Principal Paying Agent and Common Depositary to transfer the aggregate net subscription price of such Further Note, to an account of the Issuer;
- (d) such additional Notes are issued for a cash subscription price to the Initial Note Purchasers pursuant to and in accordance with the Subscription Agreement;
- (e) the Further Notes will rank *pari passu* and *pro rata* with the Notes already issued and the Further Notes will have the same terms as the Notes then Outstanding in all respects (or in all material respects except for the issue date and the first Interest Period);
- (f) the net proceeds of the issuance of the Further Notes are applied by the Issuer or on its behalf to make a Loan Drawdown;
- (g) application will be made, in respect of the Further Notes, for such notes to be admitted to trading on the Global Exchange Market of Euronext Dublin and listed on the Official List;
- (h) such Further Notes shall be secured by the same security as any Notes pursuant to the Deed of Charge and Assignment as supplemented;
- (i) such additional issuance of Further Notes is in accordance with all applicable securities laws and regulations;
- (j) the Issuer procures the publication of a notice of the issue of the Further Notes in accordance with Condition 15 (*Notice to and Communication between Noteholders*); and
- (k) in the event that a rating of the Notes is obtained by the Issuer or by any other person on its behalf after the Closing Date written confirmation has been received from each of the relevant rating agencies that their ratings of the Notes at that time Outstanding will not be downgraded, withdrawn or qualified as a result of such issue of Further Notes.

The Principal Paying Agent shall cooperate with and provide any information or explanations, in its possession or control, which the Clearing Systems may require in order to update their records to take into account the issuance of the Further Notes.

21. **Governing Law and Jurisdiction**

(a) *Governing Law*

The Note Trust Deed, the Deed of Charge and Assignment, the Agency Agreement, the other Issuer Transaction Documents (other than the Issuer Corporate Services Agreement) and the Notes and any non-contractual obligation arising from or in connection with them, will be governed by, and shall be construed in accordance with, English law.

(b) *Jurisdiction*

The courts of England are to have exclusive jurisdiction to settle any dispute that may arise out of or in connection with the Note Trust Deed, the Deed of Charge and Assignment, the Agency Agreement, the other Issuer Transaction Documents (other than the Issuer Corporate Services Agreement) and the Notes and any non-contractual obligation arising from or in connection with them. The Issuer has in each of the Issuer Transaction Documents to which it is a party (other than the Issuer Corporate Services Agreement) irrevocably submitted to the jurisdiction of the English courts.

CERTAIN MATTERS OF ENGLISH LAW

The following is an outline of certain aspects of English law and practice relevant to lending on a secured basis over English real property. It does not constitute a complete summary of currently applicable English law or practice, and should not be treated as a substitute for professional advice. Prospective Noteholders who are in any doubt as to any matter described herein should consult their own professional advisors.

Types of Security

In England, security may be fixed or floating. A floating charge is a charge over a generic class of assets that are changing from time to time and with which the company has the right to deal. By way of contrast, fixed charges are taken over non-dealing assets.

(a) *Mortgage*

English law security over real property typically takes the form of fixed legal charges (i.e. charges by way of legal mortgage). Title to most English property is registered at the Land Registry, but if title to a particular property is unregistered, the granting of a first ranking charge will oblige the property owner to register its title at the Land Registry within strict time limits. Charges over real property in England and Wales must be registered at the Land Registry. Additionally, if the charge is created by a company incorporated in England and Wales it must also be registered within strict time limits at Companies House (i.e., with the Registrar of Companies). In the case of registered land, failure to register the charge at the Land Registry will result in the charge being a mere equitable charge over which subsequent legal charges will take priority. If the charge triggers first registration of title of unregistered land, failure to register within the prescribed time limits will result in the charge creating only a contract to grant a mortgage. Failure to register at Companies House will result in the charge being unenforceable against a liquidator, administrator or any creditor of the mortgagor.

(b) *Security over shares*

Loans in respect of commercial property in the United Kingdom are often also secured by a mortgage over the shares in the company that owns the property. Security over registered shares issued by a private company, for example the shares in a wholly-owned subsidiary, is usually "perfected" by the creditor taking possession of the share certificates together with an executed blank transfer form (which would allow the relevant party to complete the formalities of transferring ownership of the shares without any further involvement from the mortgagor for the purpose of causing a sale at a later date to a third party using the proceeds to satisfy the debt). If the registered shares or securities are listed and traded, the creditor is likely to insist on a legal mortgage and on "perfecting" its security by requiring the debtor to transfer title to it or its nominee.

(c) *Security over insurances, leases and rent*

Typical security for a mortgage loan will include security assignments of the insurance policies covering the properties. The lender will usually require that the interests of the security trustee be noted on the insurance policies, although on some loans the security trustee is made a co-insured party or more rarely sole loss payee.

Similarly, security assignments of any leases of the property and all rents payable thereunder will also usually be obtained.

(d) *Security over bank accounts*

English law allows a special form of security known as a floating charge to be taken over particular types of short-term business assets which are acquired and disposed of on a continuous basis in the course of a business. One of the principal features of the floating charge is that the chargor is free to use and dispose of the charged assets during the course of its business without the need to obtain the consent of or otherwise involve the chargee.

Floating charges are subject to certain limitations from a lender's perspective which are described in more detail below. Lenders have sought to overcome these limitations by seeking to take fixed charges

over such assets. In a series of cases the English courts have laid down the principle that where the chargor of assets is entitled to dispose of them free of the chargee's security without the consent of the chargee, the security in question will be a floating charge regardless of how the charge is described in the charging document.

While initially the abovementioned principles were designed in the context of assets such as the stock-in-trade of manufacturing companies, over time they were expanded to cover fluctuating credit balances in bank accounts as these were seen to have similar features from the point of view of taking security.

In order to establish a fixed charge under English law over a bank account, the security trustee creditor must not only have the right under the terms of the charge to control withdrawals from the account but must also actually exercise this control in practice on an ongoing basis.

Enforcement of a charge over a bank account would usually occur through the appointment of a receiver to realise the asset, collect funds from the account, and use them to repay the debt.

(e) *Floating charge*

A lender will typically seek floating security with respect to a loan. Floating charges can cover all the existing and future property of the borrower, so there is no need to identify and secure each asset when it comes into existence. The distinguishing feature of a floating charge is that the company is free to deal with the charged assets in the ordinary course of business until the floating charge crystallises. This is an objective test as the parties cannot characterise a charge as fixed if in fact the company has the right to deal. To have a fixed charge, the creditor must exercise some degree of control over the asset. Typical floating charge assets are inventory and receivables, as the company must be able to use its inventory and sell its goods free of the security interest, and it must be able to collect receivables in its bank account and use the proceeds to pay its expenses. If the company defaults or the floating charge assets are threatened by execution, the company's right to deal with the floating charge assets is withdrawn and the charge crystallises.

In the context of commercial property lending, mortgages and fixed charges are taken over virtually all of the significant assets of the borrower (other than those assets secured by way of a method referred to above). As such, the purpose of the floating charge is to "sweep up" any residual assets and assets acquired in the future, and to protect against any of the fixed charges which have been taken that prove ineffective.

Floating charges are subject to a number of limitations. Firstly, if the chargor creates a subsequent fixed charge, then the fixed charge will rank ahead of the earlier floating charge, even if the subsequent fixed chargee had notice of the prior floating charge. The company also has apparent authority to create a prior fixed charge over a part of its assets. Secondly, a floating charge has lower priority than a fixed charge and the following are paid out of the assets subject to a floating charge: (i) the expenses of an administration or liquidation; (ii) certain employee wages, benefits and pensions, within limits; and (iii) a fund for unsecured creditors, which is subject to a maximum of £600,000. Thirdly, a floating charge granted within 12 months before the onset of insolvency is invalid except to the extent of new money (or other value) given to the chargor at the same time as (or after) the charge was created. Fourthly, floating charges are often afforded less recognition abroad as a result of local formalities or registration requirements not being complied with or because local creditors have not been given notice of the charge where required by applicable foreign law. Finally, the nature of the charge allows the borrower to dispose of the charged assets free of the lender's interest. As such there is a real possibility that there may be few or no assets subject to the charge at the time of enforcement.

Perfection

(a) *Registration*

A fixed charge created by a company which has been registered at Companies House and, if it relates to land, at the Land Registry, within 21 days of execution of such charge will take priority over subsequent fixed charges, any floating charges and all unsecured creditors, including preferred creditors and, in the event of a liquidation, will also take priority over the liquidator's costs. The holder

of a floating charge will take priority over unsecured creditors, but will rank behind all prior and subsequent fixed charges, the preferential creditors and the unsecured creditors' fund. In addition, a floating charge which has been registered at Companies House within 21 days of execution of such charge will take priority over subsequent floating charges and all unsecured creditors (other than preferential creditors and the unsecured creditors' fund).

Given that English company law allows 21 days from the date of creation of a charge for it to be registered at Companies House, there always remains a possibility that at the time of creation of a charge by a company, a prior charge may be in existence which has not been registered. If such a prior unregistered charge is registered at Companies House within its 21-day period it will take priority over the subsequent charge even if the subsequent charge has been registered first.

Failure to comply will make the charge invalid against a liquidator, administrator and any creditor of the company and the underlying debt automatically becomes due. There are limited exemptions to the obligation to file.

(b) *Notice*

In relation to security over receivables, notice to the third party obligor to the contract is not essential for the effectiveness of the security on the insolvency of the assignor or against its attaching creditors. However, notice is desirable: to ensure that the obligor pays the secured creditor; to fix priorities (which may rank according to the first to give notice); to limit further set-offs by the obligor; and to limit variations of the contract between the obligor and assignor.

(c) *Set-off*

In addition to the above, charges over rights against obligors are subject to rights of set-off between the obligor and the chargor. Although the giving of notice of the charge to the obligor stops most new rights of set-off from accruing, rights of set-off which came into existence prior to the giving of notice will take effective priority over the interests of the chargee. In addition certain rights of set-off which are fundamental to the contract between the obligor and the chargor will continue to accrue even after the giving of notice.

Enforcement of Security

Enforcement of Security Prior to Administration or Insolvency of Charging Entity

There are three principal methods of enforcing English law non-possessory security: foreclosure; orders of sale; and receivership.

(a) *Foreclosure*

Under English law only mortgages allow foreclosure as a method of enforcement. In the context of real property finance, these arise in relation to mortgages of the land itself and mortgages of the shares of the property-owning company. Enforcement is available to a lender through an application to the court for an order which vests the property in the lender. Such an order will have the effect of "foreclosing" any interest that the related mortgagor may have in the related properties. However, in the event that a lender forecloses on a mortgagor's interest in a property it may be liable in respect of claims that are typically made against the owner of such property.

Therefore, the foregoing enforcement procedure is generally avoided in relation to land.

(b) *Orders for sale*

A lender secured by a charge (including a floating charge) or a mortgage over any asset has the right to apply to court for an order for the sale of the charged or mortgaged asset. The proceeds of sale would be applied in satisfaction of the related chargor's or mortgagor's obligations under the related loan agreement.

Receivership

Following a default under a loan or under the security granted in relation to a loan, a lender may be able to appoint a receiver, which can be an appointment over the relevant property or over all of the assets of a corporate borrower. The principal role of a receiver, once appointed, is to obtain satisfaction of the debt due to the appointing creditor.

Enforcement of Security Upon the Administration or Insolvency of Charging Entity

(a) *Enforcement during English administration proceedings of entity*

The effect of the statutory moratorium in an English administration proceeding of a company from the lender's perspective is that he is unable to enforce the security granted by such entity for the duration of the administration without the leave of the court or the consent of the administrator. This might compromise the interests of the secured creditor. For example, an administrator may decide that it is in the best interests of the creditors of the borrower to delay the sale of the secured assets. Also, the administrator will have the ability to sell property subject to security in favour of the creditors, but must account to the creditor for the proceeds.

(b) *Enforcement of security during English liquidation of entity*

When a winding up order has been made by the court in respect of an English company or a provisional liquidator has been appointed, no action or proceeding will be proceeded with or commenced against the company or its property, except with leave of the court and subject to such terms as the court may impose. Specific court orders can be obtained to stay any actions or proceedings brought against the English company and its property. However, the rights of secured creditors are unaffected and they may still enforce their security rights, for example by the appointment of a receiver over specific property or assets of the company.

(c) *Enforcement of security in England upon foreign insolvency*

The English courts are required, subject to limited exceptions, to recognise and give effect to the opening, conduct and closure of "main" insolvency proceedings taking place in accordance with the EU Insolvency Regulation in another Member State, as well as judgments handed down in direct connection with such proceedings. Subject to important exceptions, including those specified below: (i) the law of the Member State in which insolvency proceedings are opened pursuant to the EU Insolvency Regulation is to be applied to those proceedings and is to determine their effect; and (ii) a "liquidator" (as that term is used in the EU Insolvency Regulation) appointed in main proceedings conducted in another Member State is empowered to remove any assets of the debtor company located in England and Wales.

It is the apparent intention of the EU Insolvency Regulation that the application of these rules be circumscribed with respect to security interests, including fixed and floating charge security interests, over assets or rights located in England and Wales. In particular, the EU Insolvency Regulation provides that the opening of insolvency proceedings will not affect the "rights in rem" of creditors or third parties in respect of tangible or intangible, or moveable or immoveable, assets (both specific assets and collections of indefinite assets as a whole which change from time to time) belonging to the debtor which are situated within the territory of another Member State at the time of the opening of the proceedings.

USE OF PROCEEDS

The net proceeds from the initial issue of the Further Notes will be approximately £22,771,476 and this sum will be applied by the Issuer to make an advance in an amount equal to £22,771,476 with respect to the Tranche B Loan on or about the Further Closing Date pursuant to the Loan Agreement.

SUBSCRIPTION AND SALE

Cheyne Capital Management (UK) LLP (the "**Lead Manager**") has agreed, pursuant to a subscription agreement dated on or about the Original Closing Date (the "**Subscription Agreement**"), between the Lead Manager and the Issuer, subject to certain conditions, that the Lead Manager will procure subscriptions for the Notes at 100 per cent. of their principal amount.

The Subscription Agreement is subject to a number of conditions and may be terminated by the Lead Manager in certain circumstances prior to payment to the Issuer. The Issuer has agreed to indemnify the Lead Manager against certain liabilities in connection with the offer and sale of the Notes.

The following acknowledgments, agreements, undertakings and representations have been given by the Lead Manager on a several and not a joint basis.

Prohibition of Sales to EEA Retail Investors

The Lead Manager has represented in the Subscription Agreement and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the European Economic Area. For the purposes of this provision, the expression "**retail investor**" means a person who is one (or more) of the following:

- (a) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or
- (b) a customer within the meaning of Directive 2002/92/EC (as amended, 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.

United States of America

The Lead Manager under the Subscription Agreement has acknowledged that the Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. Persons. The Lead Manager under the Subscription Agreement represents, warrants and agrees that it has not offered or sold, and will not offer or sell, any Notes constituting part of its allotment within the United States or to, or for the account or benefit of, U.S. Persons. The Lead Manager also represents, warrants and agrees under the Subscription Agreement that it has offered and sold the Notes, and will offer and sell the Notes (i) as part of its distribution at any time and (ii) otherwise until 40 days after the later of the commencement of the offering of the Notes and the Closing Date (the "**distribution compliance period**") only in accordance with Rule 903 of Regulation S under the Securities Act. The Lead Manager agrees that, at or prior to confirmation of sale of the Notes, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Notes from it during the distribution compliance period a confirmation or notice to substantially the following effect:

"The Securities covered hereby have not been registered under the U.S. Securities Act of 1933, as amended (the Securities Act), and may not be offered and sold within the United States or to, or for the account or benefit of, U.S. Persons. Terms used above have the meaning given to them by Regulation S."

Defined terms used above have the meaning given to them by Regulation S.

The Lead Manager under the Subscription Agreement represents and agrees that neither it, its affiliates nor any persons acting on its or its affiliates' behalf have engaged or will engage in any directed selling efforts (as defined in Regulation S under the Securities Act) with respect to the Notes, and it and they have complied and will comply with the Offering Restrictions (as defined in Regulation S under the Securities Act).

The Lead Manager under the Subscription Agreement represents, warrants and agrees that it has and throughout the restricted period will have in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling the Notes are aware that the Notes may not be offered or sold to a person who is within the United States or their possessions or to a U.S. Person.

The Lead Manager, under the Subscription Agreement represents that it is acquiring Notes for purposes of resale in connection with their original issuance and that if it retains any Notes for its own account, it will only do so in accordance with the requirements of U.S. Treas. Reg. §1.163-5(c)(2)(i)(D)(6).

The Lead Manager under the Subscription Agreement agrees that, with respect to each affiliate that acquires from it Notes for the purpose of offering or selling such Notes during the restricted period, they either (i) repeat and confirm the representations and agreements contained in the preceding two paragraphs, on its behalf, or (ii) will obtain from such affiliate for the benefit of the Issuer the representations and agreements contained in the preceding two paragraphs.

United Kingdom

The Lead Manager has represented and agreed that except as permitted by the Subscription Agreement:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000, as amended ("**FSMA**")) received by them in connection with the issue or sale of the 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.

General

No action is being taken in any jurisdiction that would or is intended to permit a public offering of the Notes, or the possession, circulation or distribution of this Offering Circular or any other material relating to the Issuer or the Notes in any jurisdiction where action for that purpose is required. This Offering Circular does not constitute, and may not be used for the purpose of, an offer or solicitation in or from any jurisdiction where such an offer or solicitation is not authorised. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this Offering Circular nor any other offering material or advertisement in connection with the Notes may be distributed or published in or from any country or jurisdiction, except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction.

The Lead Manager has undertaken not to offer or sell any of the Notes, or to distribute this document or any other material relating to the Notes, in or from any jurisdiction except under circumstances that will result in compliance with applicable law and regulations.

GENERAL INFORMATION

1. The issue of the Further Notes was authorised by resolution of the board of directors of the Issuer passed on 25 March 2019.
2. Application has been made to Euronext Dublin for the Notes to be admitted to its Official List and trading on the Global Exchange Market. The Global Exchange Market is the exchange regulated market of Euronext Dublin. The Global Exchange Market is not a regulated market for the purposes of MiFID II.
3. It is expected that admission of the Notes to the Official List of Euronext Dublin for trading on the Global Exchange Market will be granted on or about the Issue Date, subject only to the issue of the Notes.
4. The listing of the Notes will not occur if the Global Note is not issued. Transactions will normally be effected for sterling in sterling and for delivery on the third working day after the day of the transaction.
5. The Global Note has been accepted for clearance through Euroclear and Clearstream, Luxembourg as follows:

Common Code

184656540

ISIN

XS1846565403

6. The financial year of the Issuer ends on 31 May in each year. No statutory or non-statutory accounts in respect of any financial year of the Issuer have been prepared. For so long as the Notes are admitted on the Official List of Euronext Dublin and to trading on the Global Exchange Market, the most recently published audited annual accounts of the Issuer from time to time will be available at the specified office of the Paying Agent. The Issuer does not publish interim accounts.
7. The Issuer is not, and 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) which may have, or have had, since the date of its incorporation, a significant effect on the Issuer's financial position or profitability.
8. Since the date of its incorporation, the Issuer has entered into the Subscription Agreement being a contract entered into other than in its ordinary course of business.
9. Copies of the following documents may be inspected by Noteholders in physical form during usual business hours on any week day (excluding Saturdays, Sundays, and public holidays) and upon request by Noteholders at the specified offices of the Principal Paying Agent and at the registered office of the Issuer for so long as any of the Notes are listed on Euronext Dublin and admitted to trading on the Global Exchange Market:
 - (a) the Constitution of the Issuer;
 - (b) the following documents and any amendments thereto from time to time:
 - (i) the Note Trust Deed;
 - (ii) the Deed of Charge and Assignment;
 - (iii) the Cash Management Agreement;
 - (iv) the Issuer Corporate Services Agreement;
 - (v) the Agency Agreement;

- (vi) the Master Definitions and Construction Schedule;
- (vii) the Loan Agent Letter Agreement; and
- (viii) the Settlement Agency Agreement;
- (c) the Loan Agreement (and any amendments thereto from time to time);
- (d) the audited financial statements of the Borrower; and
- (e) the Articles of Association of the Borrower,

save that any such document will, only be available for inspection during the abovementioned hours at the specified offices of the Principal Paying Agent and at the registered office of the Issuer and in no circumstances will copies of the same be available physically, electronically or through any website.

For the purposes of this paragraph 7, only those Noteholders which have satisfied the Principal Paying Agent in accordance with Condition 12(d)(iv) (*Note Trustee Determinations*) and Condition 12(e) (*Disenfranchised Holders*) that they are a Noteholder will be entitled to inspect copies of the documents referred to above.

10. The Note Trust Deed and the Deed of Charge and Assignment will provide that the Note Trustee and the Issuer Security Trustee may rely on reports or other information from professional advisors or other experts (whether addressed to or obtained by the Issuer, the Note Trustee, the Issuer Security Trustee or any other person) in accordance with the provisions of the Note Trust Deed and the Deed of Charge and Assignment respectively, whether or not such report or other information or engagement letter or other document entered into by the Note Trustee or the Issuer Security Trustee (as the case may be) and the relevant person in connection thereto, contains any monetary or other unit as the liability of the relevant professional advisor or expert.
11. Except as is outlined in the sections of this Offering Circular entitled "*CASH MANAGEMENT*", the Issuer does not intend to provide any post-issuance information in relation to the Notes.
12. No website referred to in this Offering Circular forms part of this Offering Circular for the purposes of the listing of the Notes on Euronext Dublin or for the purposes of the approval of this Offering Circular as listing particulars .
13. Knight Frank, the Valuer who carried out the Initial Valuation, is a member of the RICS. Its registered address is 55 Baker Street, London W1U 8AN.
14. McCann FitzGerald 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 Global Exchange Market of Euronext Dublin.
15. The legal entity identifier (LEI) code of the Issuer is: 635400LI947VWSEXIA21.

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THE ISSUER

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**THE OPERATING BANK, THE PRINCIPAL PAYING AGENT,
THE AGENT BANK, THE CASH MANAGER**

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THE ISSUER SECURITY TRUSTEE AND THE NOTE TRUSTEE

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