

## PROGRAMME MEMORANDUM

### SOCIAL HOUSING FINANCE 1 PLC

(incorporated in England with limited liability under the Companies Act 2006 with registration number 16659332)

### SOCIAL HOUSING FINANCE 2 PLC

(incorporated in England with limited liability under the Companies Act 2006 with registration number 16659461)

### URBAN HOUSING FINANCE PLC

(incorporated in England with limited liability under the Companies Act 2006 with registration number 16659563)

### SHARED OWNERSHIP FUNDING PLC

(incorporated in England with limited liability under the Companies Act 2006 with registration number 16659676)

### TEMPORARY ACCOMMODATION FUNDING PLC

(incorporated in England with limited liability under the Companies Act 2006 with registration number 16667170)

**£5,000,000,000**

### Secured Euro Medium Term Note Programme

Under this £5,000,000,000 Secured Euro Medium Term Note Programme (the **Programme**), Social Housing Finance 1 Plc (formerly Swithins 1 Plc) (**SHF1**), Social Housing Finance 2 Plc (formerly Swithins 2 Plc) (**SHF2**), Urban Housing Finance Plc (**UHF**), Shared Ownership Funding Plc (**SOF**), Temporary Accommodation Funding Plc (**TAF** and, together, with SHF 1, SHF 2, UHF and SOF, the **Existing Issuers**) and any additional issuer which, from time to time, accedes to the Note Trust Deed (as defined below) as an issuer (each an **Additional Issuer** and, together with the Existing Issuers, the **Issuers**) may from time to time issue notes (the **Notes**) denominated in Sterling. References in this Programme Memorandum to the **relevant Issuer** shall be to the Issuer of the relevant Notes.

The maximum aggregate principal amount of all Notes from time to time outstanding under the Programme will not exceed £5,000,000,000, subject to increase as described herein.

The Notes may be issued on a continuing basis to one or more of the Dealers specified under "*Overview of the Programme*" and any additional Dealer appointed under the Programme from time to time by any Issuer (each a **Dealer** and together the **Dealers**), which appointment may be for a specific issue or on an ongoing basis. References in this Programme Memorandum to the **relevant Dealer** shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe such Notes.

**An investment in Notes issued under the Programme involves certain risks. For a discussion of these risks see "*Risk Factors*".**

Subject as set out below, the net proceeds from each issue of Notes (and the net proceeds of each sale of Retained Notes (as defined below)) will be either (a) advanced by the relevant Issuer to one or more Relevant Borrowers, which could either be (i) a registered provider of social housing, registered social landlords or registered housing associations, as applicable, in England, Wales, Scotland and Northern Ireland (each a **Direct RP Borrower**) or (ii) finance subsidiary undertakings within a group (each, a **Finance Subsidiary Borrower**) that on-lends the proceeds thereof pursuant to an intra-group loan agreement to one or more entities within the scope of (i) as aforesaid within the same group (each, an **Indirect RP Borrower** and, together with each Direct RP Borrower, each an **RP Borrower**; and, each Direct RP Borrower together with a Finance Subsidiary Borrower, each a **Borrower**) or (b) applied by the relevant Issuer in the acquisition of loans made to one or more Relevant Borrowers. The nature of the Relevant Borrowers and the terms of each Note Funded Loan Agreement shall differ depending on the Issuer of such Notes as described in "*Use of Proceeds and Sustainable Bond Framework*" and "*Description of the Loan Agreements and Core Terms*".

All Series of Notes will have the benefit of a first floating charge, created by the relevant Issuer pursuant to the Security Trust Deed (as defined below), on the whole of the relevant Issuer's undertaking, property and assets in favour of the Security Trustee (as defined below) for the benefit of, *inter alios*, the holders of all Series of Notes issued by such Issuer and the other Secured Creditors (as defined in the Security Trust Deed) of such Issuer.

Application has been made to the London Stock Exchange plc (the **London Stock Exchange**) for Notes issued by each Existing Issuer under the Programme during the period of 12 months from the date of this Programme

Memorandum to be admitted to the London Stock Exchange's International Securities Market (the **ISM**). The ISM is not a United Kingdom (**UK**) regulated market for the purposes of Regulation (EU) No 600/2014 on markets in financial instruments, which forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended, (the **EUWA**) (**UK MiFIR**). In respect of any Series of Notes issued by any Issuer which are specified in the applicable Pricing Supplement as "Sustainability Notes", application may also (if so specified in the applicable Pricing Supplement) be made for such Notes to be admitted to trading on the London Stock Exchange's Sustainable Bond Market (the **SBM**).

**The ISM is a market designated for qualified investors (as prescribed in Regulation 16 of the Public Offers and Admissions to Trading Regulations 2024 (SI 2024/105) (the POATRs)). The London Stock Exchange, as a Recognised Investment Exchange, does not make assessments of investor eligibility. Given that under Regulation 16 of the POATRs, only qualified investors are permitted to trade on the ISM and no qualified investor is permitted to trade on behalf of persons who are not themselves qualified investors, financial intermediaries acting for investors are responsible for ensuring that only investors who are qualified investors as prescribed by Regulation 16 of the POATRs are permitted to trade on the ISM. Securities admitted to trading on the ISM are not admitted to the Official List of the Financial Conduct Authority. The London Stock Exchange has not approved or verified the contents of this Programme Memorandum.**

References in this Programme Memorandum to Notes being **admitted to trading** (and all related references) shall mean that such Notes have been admitted to trading on the ISM, so far as the context permits.

The Programme provides that Notes may be listed and/or admitted to trading on such other or further stock exchange or stock exchanges as may be agreed between the relevant Issuer and the relevant Dealer. The Issuers may also issue unlisted Notes and/or Notes not admitted to trading on any market.

Notice of the aggregate principal amount of Notes, interest (if any) payable in respect of Notes and the issue price of Notes and certain other information which is applicable to each Tranche (as defined under "*Terms and Conditions of the Notes*") of Notes will be set forth in a pricing supplement (each a **Pricing Supplement**) which, with respect to Notes to be admitted to trading on the ISM, will be delivered to the London Stock Exchange. Copies of Pricing Supplements in relation to Notes to be admitted to trading on the ISM will also be published on the website of the London Stock Exchange, through a regulatory information service or will be published in such other manner permitted by the International Securities Market Rulebook effective as of 19 January 2026 (as may be modified and/or supplemented and/or restated from time to time, the **ISM Rulebook**).

This Programme Memorandum does not constitute a base prospectus for the purposes of a listing or an admission to trading on any market in the European Economic Area (the **EEA**) which has been designated as a regulated market for the purposes of Directive 2014/65/EU (as amended, **MiFID II**). This Programme Memorandum does not constitute a base prospectus for the purposes of a listing or an admission to trading on any market in the UK which has been designated as a UK regulated market for the purposes of UK MiFIR.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the **Securities Act**) and may not be offered or sold in the United States or to, or for the account of or the benefit of, U.S. persons (as defined in Regulation S under the Securities Act) except pursuant to an exemption from, or a transaction not subject to, the registration requirements of the Securities Act and in accordance with all applicable securities laws of any state or other jurisdiction of the United States.

No Existing Issuer has been rated by any credit rating agency. If any Additional Issuer has a credit rating, this will be disclosed in an update to this Programme Memorandum. The rating of each Tranche of Notes will be disclosed in the applicable Pricing Supplement. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

**Arranger**

**Lloyds Bank Corporate Markets**

**Dealers**

**Barclays**

**HSBC**

**Lloyds Bank Corporate Markets**

**NatWest**

## **RBC Capital Markets**

The date of this Programme Memorandum is 8 April 2026.

## IMPORTANT INFORMATION

This Programme Memorandum comprises admission particulars in respect of all Notes issued under the Programme and admitted to trading, in accordance with the ISM Rulebook.

Each Existing Issuer accepts responsibility for the information contained in this Programme Memorandum. Having taken all reasonable care to ensure that such is the case, the information contained in this Programme Memorandum is, to the best of such Existing Issuer's knowledge, in accordance with the facts and contains no omission likely to affect the import of such information.

This Programme Memorandum is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see "*Documents Incorporated by Reference*" below). This Programme Memorandum should be read and construed on the basis that such documents are incorporated in, and form part of, this Programme Memorandum.

Upon the accession of an Additional Issuer, the Issuers will prepare an update to this Programme Memorandum.

Each Tranche of Notes will be issued on the terms set out herein under "*Terms and Conditions of the Notes*" (the *Conditions*) as supplemented by a document specific to such Tranche (the *applicable Pricing Supplement*) or in a separate programme memorandum specific to such Tranche of Notes (each a *Drawdown Memorandum*). In the case of a Tranche of Notes which is the subject of a Drawdown Memorandum, each reference in this Programme Memorandum to information being specified or identified in the applicable Pricing Supplement shall be read and construed as a reference to such information being specified or identified in the relevant Drawdown Memorandum unless the context requires otherwise. In relation to any Tranche of Notes which is the subject of a Pricing Supplement, this Programme Memorandum must be read and construed together with the applicable Pricing Supplement.

None of the Arranger, the Dealers and any of their respective affiliates, the Note Trustee (as defined below) or the Security Trustee have independently verified (a) the information contained herein or (b) any matter which is the subject of any statement, representation, warranty or covenant of any Issuer contained in the Notes or any of the Programme Agreement, the Note Trust Deed, the Security Trust Deed, the Agency Agreement or the Custody Agreement (together, the *Programme Documents*). Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Arranger, the Dealers or any of their respective affiliates, the Note Trustee or the Security Trustee as to (a) the accuracy or completeness of the information contained in, or incorporated by reference in, this Programme Memorandum or any other information provided by any Issuer in connection with the Programme or (b) any acts or omissions of any Issuer or any other person in connection with the Programme or (c) the execution, legality, effectiveness, adequacy, genuineness, validity, enforceability or admissibility in evidence of the Notes or any Programme Document. None of the Arranger, the Dealers and any of their respective affiliates, the Note Trustee and the Security Trustee accepts any liability in relation to the information contained in, or incorporated by reference in, this Programme Memorandum or any other information provided by any Issuer in connection with the Programme.

Without prejudice to the generality of the foregoing paragraph, none of the Arranger, the Dealers and any of their respective affiliates, the Note Trustee the Security Trustee and the Issuers have independently verified the information in relation to any Borrower or RP Borrower set out in any applicable Pricing Supplement or otherwise in this Programme Memorandum, on any website of such Borrower or RP Borrower referred to therein or herein or, in the case of a Borrower or RP

**Borrower with debt securities admitted to the Official List of the FCA, on a Regulatory Information Service as such term is defined in the Listing Rules of the FCA. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Arranger, the Dealers or any of their respective affiliates, the Note Trustee the Security Trustee or the Issuers as to the accuracy or completeness of the information in relation to any Borrower or RP Borrower referred to in any applicable Pricing Supplement or otherwise in this Programme Memorandum, on any such website or, if applicable, on any Registered Information Service.**

**The information in relation to each Borrower and RP Borrower set out in each applicable Pricing Supplement or otherwise in this Programme Memorandum was obtained from each such Borrower and RP Borrower who has certified to the relevant Issuer the accuracy of such information. Each Issuer confirms that such information has been accurately reproduced and that, as far as such Issuer is aware and is able to ascertain from information published by each such Borrower and RP Borrower, no facts have been omitted which would render the reproduced information inaccurate or misleading.**

**No person is or has been authorised by any Issuer, the Arranger, any Dealer or any of their respective affiliates, the Note Trustee or the Security Trustee to give any information or to make any representation not contained in or not consistent with this Programme Memorandum or any other information supplied in connection with the Programme or the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by any Issuer, the Arranger, any Dealer or any of their respective affiliates, the Note Trustee or the Security Trustee.**

**Neither this Programme Memorandum nor any other information supplied in connection with the Programme or any Notes (a) is intended to provide the basis of any credit or other evaluation, (b) should be considered as a recommendation by any Issuer, the Arranger, any Dealer or any of their respective affiliates, the Note Trustee or the Security Trustee that any recipient of this Programme Memorandum or any other information supplied in connection with the Programme or any Notes should purchase any Notes or (c) should be construed as legal, business, tax or other advice. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the relevant Issuer. Neither this Programme Memorandum nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or invitation by or on behalf of any Issuer, the Arranger, any Dealer or any of their respective affiliates, the Note Trustee or the Security Trustee to any person to subscribe for or to purchase any Notes.**

**Neither the delivery of this Programme Memorandum nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained in it concerning any Issuer is correct at any time subsequent to its date or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Arranger, the Dealers, the Note Trustee and the Security Trustee expressly do not undertake to review the financial condition or affairs of any Issuer during the life of the Programme or to advise any investor in Notes issued under the Programme of any information coming to their attention.**

**If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Dealers or any parent company or affiliate of the Dealers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the Dealers or such parent company or affiliate on behalf of the relevant Issuer in such jurisdiction.**

In relation to any Sustainability Notes (as defined below) none of the Arranger, the Dealers or any of their respective affiliates, the Note Trustee and the Security Trustee makes any representation as to the suitability of the Notes to fulfil any "sustainable" criteria required by any prospective investors. None of the Arranger, the Dealers or any of their respective affiliates, the Note Trustee and the Security Trustee have undertaken, or are responsible for, any assessment of the projects related to Sustainability Notes (as defined in "*Use of Proceeds and Sustainable Bond Framework*"), any verification of whether the projects related to Sustainability Notes may meet any such eligibility criteria or the monitoring of the use of proceeds.

**IMPORTANT – EEA RETAIL INVESTORS –** If the Pricing Supplement or the Drawdown Memorandum, as the case may be, in respect of any Notes includes a legend entitled "*Prohibition of Sales to EEA Retail Investors*", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a *retail investor* means a person who is one (or both) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended or superseded, the *Insurance Distribution Directive*), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended or superseded, the *PRIPs Regulation*) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIPs Regulation.

**IMPORTANT – UK RETAIL INVESTORS –** If the Pricing Supplement or the Drawdown Memorandum, as the case may be, in respect of any Notes includes a legend entitled "*Prohibition of Sales to UK Retail Investors*", the Notes are not intended to be offered, sold, distributed or otherwise made available to and should not be offered, sold, distributed or otherwise made available to any retail investor in the UK. For these purposes, a *retail investor* means a person who is one (or both) of the following: (i) not a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA or a (ii) not a qualified investor as defined in paragraph 15 of Schedule 1 to the POATRs. Consequently, no disclosure document required by the FCA Product Disclosure Sourcebook (the *DISC*) for offering, selling or distributing the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the DISC and the Consumer Composite Investments (Designated Activities) Regulations 2024.

**MiFID II product governance / target market –** The Pricing Supplement or the Drawdown Memorandum, as the case may be, in respect of any Notes may include a legend entitled "*MiFID II product governance*" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a *distributor*) should take into consideration the 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 target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the Product Governance rules under EU Delegated Directive 2017/593 (as amended or superseded, the *MiFID Product Governance Rules*), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

UK MiFIR product governance / target market – The Pricing Supplement or the Drawdown Memorandum, as the case may be, in respect of any Notes may include a legend entitled "*UK MiFIR Product Governance*" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any distributor should take into consideration the target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (as amended or superseded, the *UK MiFIR Product Governance Rules*) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

#### IMPORTANT INFORMATION RELATING TO THE USE OF THIS PROGRAMME MEMORANDUM AND OFFERS OF NOTES GENERALLY

This Programme Memorandum does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Programme Memorandum and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuers, the Arranger, the Dealers and their respective affiliates, the Note Trustee and the Security Trustee do not represent that this Programme Memorandum may be lawfully distributed, or that any 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, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuers, the Arranger, the Dealers or any of their respective affiliates, the Note Trustee or the Security Trustee which is intended to permit a public offering of any Notes or distribution of this Programme Memorandum in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Programme Memorandum 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. Persons into whose possession this Programme Memorandum or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Programme Memorandum and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Programme Memorandum and the offer or sale of Notes in the United States, the UK, Japan and the Republic of Korea and a prohibition in respect of the sale of certain Notes to EEA and UK retail investors, see "*Subscription and Sale*".

#### PRESENTATION OF INFORMATION

##### Certain Defined Terms and Conventions

Capitalised terms which are used but not defined in any particular section of this Programme Memorandum will have the meaning attributed to them in "*Terms and Conditions of the Notes*" or any other section of this Programme Memorandum. In addition, the following terms as used in this Programme Memorandum have the meanings defined below:

- references to *Sterling* and £ refer to pounds sterling; and
- references to a *billion* are to a thousand million.

Certain figures and percentages included in this Programme Memorandum have been subject to rounding adjustments; accordingly, figures shown in the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

### **SUITABILITY OF INVESTMENT**

The Notes may not be a suitable investment for all investors. Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor may wish to consider, either on its own or with the help of its financial and other professional advisers, whether it:

- (i) has sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Programme Memorandum or any applicable supplement;
- (ii) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understands thoroughly the terms of the Notes and is familiar with the behaviour of financial markets;
- (v) is able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks; and
- (vi) understands the accounting, legal, regulatory and tax implications of a purchase, holding and disposal of an interest in the Notes.

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

### **STABILISATION**

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) acting as the Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) as specified in the applicable Pricing Supplement may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-

**allotment must be conducted by the relevant Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.**

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## Overview of the Programme

*The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Programme Memorandum and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Pricing Supplement. The relevant Issuer and any relevant Dealer may agree that Notes shall be issued in a form other than that contemplated in the Terms and Conditions, in which event and if appropriate, a new Programme Memorandum will be published.*

Words and expressions defined in "Form of the Notes" and "Terms and Conditions of the Notes" shall have the same meanings in this Overview.

**Issuers:**

Social Housing Finance 1 Plc (**SHF1**)  
Legal Entity Identifier (**LEI**): 213800QGB22DM8ZN2855

Social Housing Finance 2 Plc (**SHF2**)  
LEI: 213800WV9G874SY99H09,

Urban Housing Finance Plc (**UHF**)  
LEI: 2138009LYRAL444KQL62

Shared Ownership Funding Plc (**SOF**)  
LEI: 213800GSVBOUVB6QPL08

Temporary Accommodation Funding Plc (**TAF**)  
LEI: 2138004E8ACZ33VJOE51

(together, the **Existing Issuers**) and any additional issuer which, from time to time, accedes to the Note Trust Deed as an issuer (each an **Additional Issuer** and, together with the Existing Issuers, each an **Issuer**).

*Upon the accession of an Additional Issuer, the Issuers will prepare an update to this Programme Memorandum.*

**Risk Factors:**

There are certain factors that may affect the relevant Issuer's ability to fulfil its obligations under Notes issued under the Programme. These include factors which may affect the relevant Issuer's and/or a Borrower's ability to fulfil their obligations under the Notes and the relevant Loan Agreement, respectively. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme and risks relating to the structure of a particular Series of Notes issued under the Programme. See "Risk Factors" below.

**Description:** Secured Euro Medium Term Note Programme

**Arranger:** Lloyds Bank Corporate Markets plc

**Dealers:** Barclays Bank PLC  
HSBC Bank plc  
Lloyds Bank Corporate Markets plc  
NatWest Markets Plc

RBC Europe Limited

and any other Dealers appointed in accordance with the Programme Agreement.

**Certain Restrictions:**

Each issue of Notes will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see "*Subscription and Sale*") including the restrictions applicable at the date of this Programme Memorandum.

*Notes having a maturity of less than one year*

Notes having a maturity of less than one year will constitute deposits for the purposes of the prohibition on accepting deposits contained in section 19 of the Financial Services and Markets Act 2000 (the **FSMA**) unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 (see "*Subscription and Sale*").

**Note Trustee and Security Trustee:**

The Law Debenture Trust Corporation p.l.c.

**Principal Paying Agent and Custodian:**

The Bank of New York Mellon, London Branch

**Programme Size:**

Up to £5,000,000,000 outstanding at any time. The Issuers may increase the amount of the Programme in accordance with the terms of the Programme Agreement.

**Pricing Supplement or Drawdown Memorandum:**

Notes issued under the Programme may be issued either:

- (a) pursuant to this Programme Memorandum and the applicable Pricing Supplement; or
- (b) pursuant to a Drawdown Memorandum.

The terms and conditions applicable to a particular Tranche of Notes will be the Terms and Conditions of the Notes as supplemented by the applicable Pricing Supplement or, as the case may be, replaced or modified to the extent set out in the relevant Drawdown Memorandum.

**Use of proceeds:**

The net proceeds from each issue of Notes (excluding the Retained Notes (if any)) will be:

- (a) advanced by the relevant Issuer to one or more relevant Borrowers for the purposes and on the terms set out under "*Description of the Borrowers*" and "*Description of the Loan Agreements and the Core Terms*" below, in each case, in respect of the relevant Issuer, subject to there being no event under the relevant Note Funded Loan

Agreement pursuant to which the advance would not be made; or

- (b) applied by the relevant Issuer in the acquisition of Note Funded Loans made to one or more Relevant Borrowers which were made for the purposes and on the terms set out under "*Description of the Borrowers*" and "*Description of the Loan Agreements and the Core Terms*" below, in each case, in respect of the relevant Issuer.

In the event that a Relevant Borrower's drawdown date under the relevant Note Funded Loan Agreement or the acquisition of the relevant loan, as applicable, is later than the issue date of the relevant Tranche of Notes, the net proceeds will, until advanced or applied, be:

- (a) held on deposit with a bank or financial institution with a credit rating which will not adversely affect the then current rating of the relevant Issuer (if any) or the Notes;
- (b) invested in instruments denominated in Sterling which have a maturity date before the drawdown date under or acquisition date of, as applicable, the relevant Note Funded Loan Agreement and which are direct obligations of the UK or of any agency or instrumentality of the UK which are guaranteed by the UK; or
- (c) invested in instruments denominated in Sterling which have a maturity date before the drawdown date under or acquisition date of, as applicable, the relevant Note Funded Loan Agreement and which are issued by or guaranteed by sovereign or supranational issuers with a rating as provided by a Rating Agency at least equal to the rating of the UK as provided by such Rating Agency at the time of such investment.

The net proceeds of the sale of Retained Notes to a third party will be:

- (a) advanced by the relevant Issuer (with the exception of a sum equivalent to the relevant number of days' accrued interest, which will be retained by the relevant Issuer) to one or more Relevant Borrowers, for the purposes and on the terms set out under "*Description of the Borrowers*" and "*Description of the Loan Agreements and the Core Terms*" below, in each case, in respect of the relevant Issuer, subject to there being no event under the relevant Note Funded Loan Agreement pursuant to which the advance would not be made; or
- (b) applied by the relevant Issuer in the acquisition of Note Funded Loans made to one or more Relevant Borrowers which were made for the purposes and on the terms set

out under "*Description of the Borrowers*" and "*Description of the Loan Agreements and the Core Terms*" below, in each case, in respect of the relevant Issuer.

In the event that a Relevant Borrower's drawdown date under the relevant Note Funded Loan Agreement or the acquisition of the relevant loan, as applicable, is later than the date of the sale of Retained Notes to a third party, the net proceeds will, until advanced or applied, be:

- (a) held on deposit with a bank or financial institution with a credit rating which will not adversely affect the then current rating of the relevant Issuer (if any) or the Notes;
- (b) invested in instruments denominated in Sterling which have a maturity date before the drawdown date under or acquisition date of, as applicable, the relevant Note Funded Loan Agreement and are direct obligations of the UK or of any agency or instrumentality of the UK which are guaranteed by the UK; or
- (c) invested in instruments denominated in Sterling which have a maturity date before the drawdown date under or acquisition date of, as applicable, the relevant Note Funded Loan Agreement and which are issued by or guaranteed by sovereign or supranational issuers with a rating as provided by a Rating Agency at least equal to the rating of the UK as provided by such Rating Agency at the time of such investment.

The THFC Group (as defined below) has established its Sustainable Bond Framework (as defined under the section "*Use of Proceeds and Sustainable Bond Framework*"). Under the Sustainable Bond Framework, each Issuer may issue Sustainability Notes to finance and/or refinance, in whole or in part, sustainable housing projects falling within the categories set out in the Sustainable Bond Framework or other activities carried out in support of those projects and the relevant Borrower's (or RP Borrower's) sustainable purpose.

**Distribution:** Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.

**Currencies:** Notes will be denominated in Sterling only.

**Maturities:** The Notes will have such maturities as may be agreed between the relevant Issuer and the relevant Dealer, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Issuer or Sterling.

<b>Issue Price:</b>	Notes may be issued on a fully-paid basis and at an issue price which is at par or at a discount to, or premium over, par.
<b>Form of Notes:</b>	The Notes will be issued in bearer form as described in " <i>Form of the Notes</i> ".
<b>Interest Basis:</b>	The Notes may be Fixed Rate Notes, Floating Rate Notes, Index Linked Notes or Zero Coupon Notes.
<b>Fixed Rate Notes:</b>	Fixed interest will be payable on the principal amount of each Fixed Rate Note on such date or dates as may be agreed between the relevant Issuer and the relevant Dealer and on redemption and will be calculated on the basis of the Day Count Fraction.
<b>Floating Rate Notes:</b>	<p>Floating Rate Notes will bear interest on the principal amount of each Floating Rate Note at a rate determined on the basis of the reference rate set out in the applicable Pricing Supplement.</p> <p>Interest on Floating Rate Notes in respect of each Interest Period, as agreed prior to issue by the relevant Issuer and the relevant Dealer, will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between the relevant Issuer and the relevant Dealer.</p> <p>The margin (if any) relating to such floating rate will be agreed between the relevant Issuer and the relevant Dealer for each Series of Floating Rate Notes.</p> <p>Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both. For the avoidance of doubt, the interest rate in respect of Floating Rate Notes shall not be less than zero.</p> <p>Where Screen Rate Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined for Floating Rate Notes, on the occurrence of a Benchmark Event the relevant Issuer shall use its reasonable endeavours to appoint, as soon as reasonably practicable, an Independent Adviser that may (subject to certain conditions and following consultation with the Issuer) determine a Successor Rate, failing which an Alternative Rate, and, in either case, an Adjustment Spread and Benchmark Amendments (if any) in accordance with Condition 7.2(c) (<i>Benchmark Replacement</i>).</p>
<b>Index Linked Notes:</b>	The Programme provides for the issue of Notes in respect of which the amount of interest payable ( <b>Index Linked Interest Notes</b> ) and/or the amount to be repaid upon redemption of the Notes ( <b>Index Linked Redemption Notes</b> and, together with Index Linked Interest Notes, <b>Index Linked Notes</b> ) may be calculated by reference to the United Kingdom Retail Prices Index. Where Notes are specified as being Index Linked Notes in the applicable Pricing Supplement, the additional provisions set out in Condition 8 ( <i>Indexation</i> ) will apply.

Index Linked Notes may also have a maximum interest rate, a minimum interest rate or both.

**Zero Coupon Notes:**

Zero Coupon Notes may be issued and offered at a discount to their principal amount and will not bear interest.

**Final redemption:**

Unless redeemed early as described below, Notes will be redeemed in accordance with the Pre-Enforcement Priority of Payments, by the relevant Issuer, by application of the Available Issuer Receipts either:

- (a) at the Final Redemption Amount specified in the applicable Pricing Supplement in Sterling on each Interest Payment Date in the period from and including the Expected Maturity Date specified in the Pricing Supplement to and including the Legal Maturity Date, until redemption and payment in full of principal and interest payable in respect of the Notes;
- (b) at the Final Redemption Amount specified in the applicable Pricing Supplement in Sterling on the Maturity Date specified in the applicable Pricing Supplement; or
- (c) in part on each Instalment Date in the Instalment Amount in Sterling, all as specified in the applicable Pricing Supplement.

In the case of Index Linked Redemption Notes, each payment of principal in respect of the Notes shall be the amount provided in, or determined in accordance with, the Conditions, multiplied by the relevant Index Ratio or Limited Index Ratio in accordance with in Condition 8 (*Indexation*) will apply.

In the case of (a) above, all outstanding Notes not redeemed in full prior to the Legal Maturity Date specified in the Pricing Supplement will be redeemed by the relevant Issuer in accordance with the Pre-Enforcement Priority of Payments in full on the Legal Maturity Date, together with interest accrued.

**Early redemption at the option of the relevant Issuer:**

The applicable Pricing Supplement will indicate whether the Notes will be redeemable prior to their Expected Maturity Date, Maturity Date or Instalment Dates, as applicable, at the option of the relevant Issuer upon giving notice to the Noteholders in accordance with Condition 10.2 (*Redemption at the option of the Issuer (Issuer Call)*). In such circumstances, the relevant Issuer may redeem all or some of the Notes then outstanding at the Optional Redemption Amount on the Optional Redemption Date each as specified in the applicable Pricing Supplement.

Notes having a maturity of less than one year may be subject to restrictions on their denomination and distribution, see "*Certain Restrictions - Notes having a maturity of less than one year*" above.

<b>Denomination of Notes:</b>	The Notes will be issued in such denominations as may be agreed between the relevant Issuer and the relevant Dealer save that the minimum denomination of each Note will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to Sterling, see " <i>Certain Restrictions - Notes having a maturity of less than one year</i> " above, and save that the minimum denomination of each Note will be £100,000 or, if higher, the Sterling equivalent of €100,000.
<b>Taxation:</b>	All payments in respect of the Notes will be made without deduction for or on account of withholding taxes imposed by any Tax Jurisdiction unless such withholding or deduction is required by law as provided in Condition 11 ( <i>Taxation</i> ). In the event that any such deduction is made, the relevant Issuer will not be obliged to make any additional payments to Noteholders in respect of such withholding.
<b>Events of Default:</b>	<p>Following an Event of Default in relation to a Series of Notes, the Note Trustee may, and if so requested by the holders of at least 20 per cent. in principal amount of the Notes of that Series then outstanding shall (subject to it being secured and/or indemnified and/or pre-funded to its satisfaction) give notice to the relevant Issuer that the Notes of that Series shall become immediately due and repayable and the security of the relevant Issuer shall become enforceable, subject, in respect of certain events of default, to the Note Trustee having certified to the relevant Issuer that such event is, in its opinion, materially prejudicial to the interests of the Noteholders.</p> <p>The Events of Default include, <i>inter alia</i>, non-payment of any principal and interest due in respect of the Notes, failure of the relevant Issuer to perform or observe any of its other obligations under the relevant Notes, the Note Trust Deed and the Security Trust Deed and insolvency.</p>
<b>Status of the Notes:</b>	The Notes will constitute direct, unconditional and secured obligations of the relevant Issuer and will rank <i>pari passu</i> without any preference among themselves.
<b>Security</b>	All Notes will be secured by a first floating charge on the whole of the relevant Issuer's undertaking, priority and assets. All Notes of the relevant Issuer issued under the Note Trust Deed shall rank <i>pari passu</i> under such security, together with any other indebtedness intended by the relevant Issuer to rank <i>pari passu</i> with the Notes, subject to Condition 4 ( <i>Security</i> ).
<b>Guarantors, Note Guarantees and Loan Guarantees:</b>	Where Notes are issued by an Additional Issuer, the payment of principal and interest in respect thereof may be guaranteed by a third party guarantor and/or the Additional Issuer may have the benefit of a guarantee from third party guarantor in respect of the payments due to it under its Loan Agreements.

In such circumstances, the Issuers will prepare an update to this Programme Memorandum and will update the relevant Programme documents as necessary.

**Priority of Payments:**

On each Interest Payment Date up to, and including, the Expected Maturity Date (and, if the Notes are not redeemed in full on the Expected Maturity Date, each Interest Payment Date up to, and including, the Legal Maturity Date) or the Maturity Date, as applicable, the relevant Issuer shall apply the Available Issuer Receipts in accordance with the Pre-Enforcement Priority of Payments.

Following an enforcement with respect to the Notes of any Issuer and the security therefor, all monies received by or on behalf of the Note Trustee (following application in accordance with the applicable Security Trust Deed) and apportioned by the Note Trustee to the Notes of a Series pursuant to the Note Trust Deed shall be applied in accordance with the Enforcement Priority of Payments.

**Covenants:**

Each Issuer will be subject to various covenants, including the following:

- (a) it will not engage in any activity other than raising finance and on-lending such finance to Eligible Borrowers;
- (b) it will not create or permit to subsist any other security over any of its assets;
- (c) it will maintain up-to-date lists of Loans and make such lists, and the then current relevant Core Terms, publicly available at all times;
- (d) it will not:
  - (i) lend to any Eligible Borrower on terms less onerous to such Eligible Borrower or less beneficial to such Issuer than the then current relevant Core Terms;
  - (ii) agree to any modification, abrogation, waiver or release in respect of the obligations of an Eligible Borrower under any Loan made to it if such modification, abrogation, waiver or release would have the effect of making the terms of such Loan less onerous to the Eligible Borrower or less beneficial to such Issuer than the then current relevant Core Terms; or
  - (iii) modify the relevant Core Terms,

except with the prior written consent of the Note Trustee who shall (subject as provided in the Note Trust Deed) be obliged to provide its consent in relation to a proposed modification of the relevant Core Terms if each Rating

Agency has confirmed that such modification to the relevant Core Terms will not have an adverse effect on the then current rating of the Notes issued by the relevant Issuer assigned by it; and

- (e) it will promptly and diligently enforce in all material respects the terms in each Loan Agreement equivalent to the relevant Core Terms unless the relevant Issuer shall have consented to any waiver or release of any specific default in connection therewith in circumstances where in the opinion of the relevant Issuer the interests of the Noteholders will not be materially prejudiced thereby.

The Eligible Borrowers and Core Terms (including the purpose for which any advances under Loan Agreements can be applied) differ for each Issuer. See "*Description of the Borrowers*" and "*Description of the Loan Agreements and the Core Terms*" below.

**Retained Notes:**

On the Issue Date in respect of each Tranche of Notes, the relevant Issuer may, if specified in the applicable Pricing Supplement, purchase Notes from the Dealers.

The relevant Issuer may sell or dispose of all or some of the Retained Notes in the market by private treaty at any time. Upon the sale of all or part of the Retained Notes, the relevant Issuer shall use the proceeds of such sale for:

- (a) on-lending to Relevant Borrowers, with the Relevant Borrowers reimbursing the relevant Issuer for the expenses of the sale and on-lending of the sale proceeds; or
- (b) application by the relevant Issuer in the acquisition of loans made to one or more Relevant Borrowers.

In the event that a Relevant Borrower's drawdown date under or the acquisition date of, as applicable, the relevant Note Funded Loan Agreement is later than the date of the sale of the Retained Notes to a third party, the net proceeds will, until advanced or so applied, be:

- (a) held on deposit with a bank or financial institution with a credit rating which will not adversely affect the then current rating of the relevant Issuer (if any) or the Notes;
- (b) invested in instruments which have a maturity date before the drawdown date under or acquisition date of, as applicable, the relevant Note Funded Loan Agreement and which are direct obligations of the UK or of any agency or instrumentality of the UK which are guaranteed by the UK; or
- (c) invested in instruments denominated in Sterling which have a maturity date before the drawdown date under or

acquisition date of, as applicable, the relevant Note Funded Loan Agreement and which are issued by or guaranteed by sovereign or supranational issuers with a rating as provided by a Rating Agency at least equal to the rating of the UK as provided by such Rating Agency at the time of such investment.

Until sold or disposed of, the Retained Notes will be held by the Custodian pursuant to the Custody Agreement.

**Rating:**

None of the Existing Issuers have been rated by any credit rating agency. If any Additional Issuer has a credit rating, this will be disclosed in an update to this Programme Memorandum.

The rating of each Tranche of Notes will be disclosed in the applicable Pricing Supplement.

A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

**Listing and admission to trading:**

Application has been made for Notes issued under the Programme by the Existing Issuers to be admitted to trading on the ISM. In respect of any Notes issued by any Existing Issuer which are specified as "Sustainability Notes" in the applicable Pricing Supplement, application may also (if so specified in the applicable Pricing Supplement) be made for such Notes to be admitted to trading on the SBM.

Notes may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets as may be agreed between the relevant Issuer and the relevant Dealer in relation to the relevant Series. Notes which are neither listed nor admitted to trading on any market may also be issued.

The applicable Pricing Supplement will state whether or not the relevant Notes are to be listed and/or admitted to trading and, if so, on which stock exchange(s) and/or market(s).

**Governing Law:**

The Notes and any non-contractual obligations arising out of or in connection with the Notes will be governed by, and shall be construed in accordance with, English law.

**Selling Restrictions:**

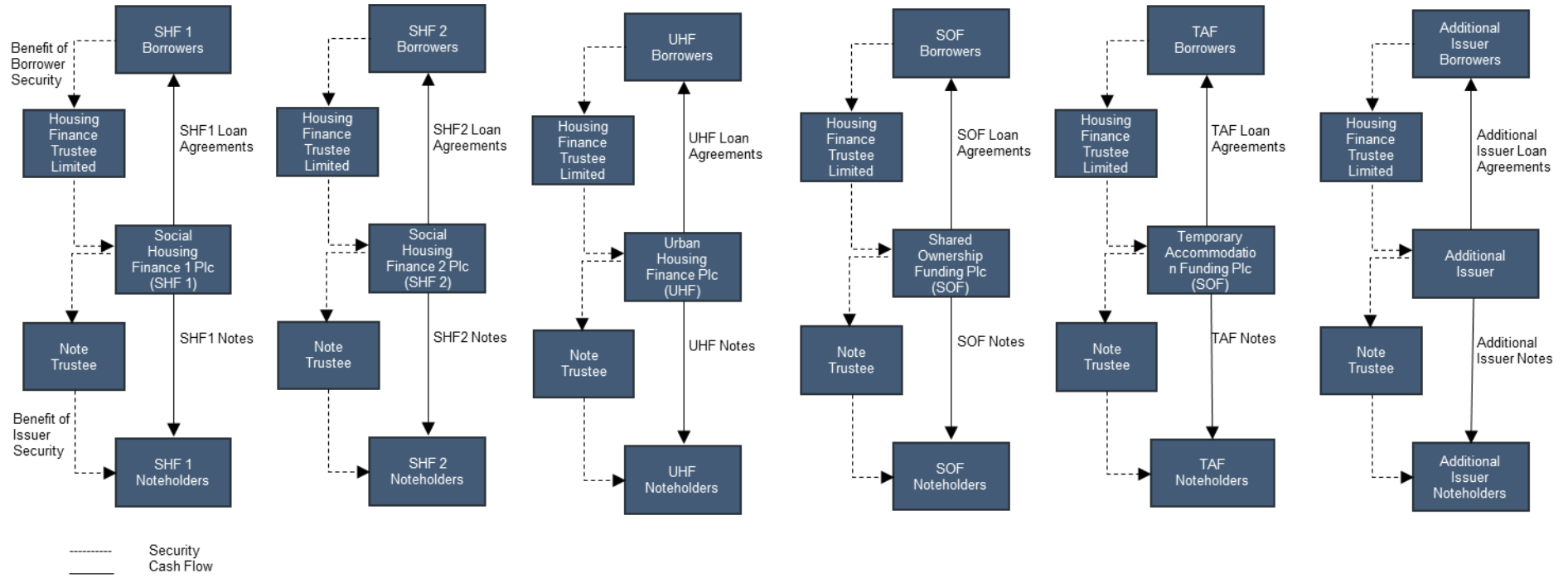
There are restrictions on the offer, sale and transfer of the Notes in the United States, the UK, Japan and the Republic of Korea and a prohibition in respect of the sale of certain Notes to EEA retail investors and UK retail investors.

The Notes are subject to such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes, see "*Subscription and Sale*".

**United States Selling  
Restrictions:**

Regulation S, Category 2. TEFRA C/TEFRA D/TEFRA not applicable, as specified in the applicable Pricing Supplement.

## Structure Diagram



## **Risk Factors**

*In purchasing Notes, investors assume the risk that the relevant Issuer may become insolvent or otherwise be unable to make all payments due in respect of the Notes. There is a wide range of factors which individually or together could result in the relevant Issuer becoming unable to make all payments due. It is not possible to identify all such factors or to determine which factors are most likely to occur, as the Issuers may not be aware of all relevant factors and certain factors which they currently deem not to be material may become material as a result of the occurrence of events outside the Issuers' control. The Existing Issuers have identified in this Programme Memorandum a number of factors which could materially adversely affect their business and ability to make payments due.*

*In addition, factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.*

*Prospective investors should also read the detailed information set out elsewhere in this Programme Memorandum and reach their own views prior to making any investment decision.*

### **Factors that may affect the Issuers' ability to fulfil its obligations under Notes issued under the Programme**

#### ***Issuers are dependent on receipt of funds from Borrowers***

The Issuers' purpose is the incurrence of financial indebtedness, including the issuance of the Notes, and on-lending the proceeds thereof to Borrowers, and anything incidental thereto. As such the Issuers are entirely dependent upon receipt of funds received from (a) Direct RP Borrowers under the Loan Agreements and (b) Indirect RP Borrowers to meet its payment obligations to the relevant Finance Subsidiary Borrower under its intra-group loan agreement and, in turn, the ability of the relevant Finance Subsidiary Borrower to meet its payment obligations to the relevant Issuer in respect of its Loan Agreement, in each case in order to fulfil their obligations under the Notes. Neither the Administrator nor any other person has any obligation to provide financial or other support to any Issuer in order that it may meet its obligations under the Notes.

#### ***Credit Risk***

The ability of the Issuers to meet their obligations under the Notes will be dependent upon the payment of principal and interest due under the Loan Agreements by Borrowers (described under "*Description of the Borrowers*"), upon the Paying Agent making the relevant payments when received and upon all parties to the agreements relating to the Notes (other than the relevant Issuer) performing their respective obligations thereunder. Accordingly, Noteholders are exposed, *inter alia*, to the creditworthiness of the relevant Issuer, the relevant Borrowers (and, where different, the RP Borrowers) and the Paying Agent. In turn, the creditworthiness of these parties may be affected by the insolvency of any banks or other financial institutions at which any such party deposits cash, including during any interim period in which the proceeds of an issue of Notes or a sale of Retained Notes are held by the relevant Issuer before being advanced to a Borrower (as set out in more detail in "*Use of Proceeds and Sustainable Bond Framework*" below).

In the case of Borrowers that are Finance Subsidiary Borrowers, the Issuers will also be subject to the credit risk of the Indirect RP Borrowers (as set out in more detail in "*Factors which may affect the Borrowers' ability to fulfil their obligations under the Loan Agreements and the Indirect RP Borrowers' ability to fulfil their obligations under the intra-group loan agreements – Finance Subsidiary Borrowers are subject to the credit risk of their respective Indirect RP Borrower(s)*").

Any change to the creditworthiness of the parties could affect the ability of the relevant Issuer to meet its payment obligations under the Notes.

### ***Operational Risk***

As entities with a lending portfolio operating in the City of London, the Issuers are exposed to many types of operational risk that are inherent in financing operations, such as the ability to access their premises, cyber-attack, failure of payment systems and failure of internal controls as well as the consequences of fraud and other criminal activities, health and safety and environmental issues and acts of terrorism. These operational risks could have a material adverse effect on the Issuers' businesses, their financial condition and prospects and/or the results of the Issuers' operations. Consequently, this could have an adverse effect on the ability of the relevant Issuer to meet its payment obligations in respect of the Notes.

Notwithstanding anything in this risk factor, this risk factor should not be taken as implying that any Issuer will be unable to comply with its obligations as an entity with securities admitted to trading on the ISM.

### ***Pensions Acts***

Under the Pensions Act 2004, a person that is an employer in relation to certain occupational pension schemes, or "connected with" or an "associate" of such an employer, can be subject to either a contribution notice or a financial support direction in relation to that occupational pension scheme issued by the Pensions Regulator (contribution notices and financial support directions require financial support to be given to a pension scheme). The Administrator is an employer participating in such a defined benefit occupational scheme and certain of its employees are members of the board of directors of the Issuers. On this basis, the Issuers are each likely to be treated as "connected with" the Administrator. The Administrator is also the parent company of the Issuers and so the Issuers are each an "associate" of the Administrator.

A contribution notice may be issued by the Pensions Regulator against any Issuer if it is party to an act, or a deliberate failure to act (or a series of acts or deliberate failures to act), the main purpose or one of the main purposes of which is either (a) to prevent the recovery of the whole or any part of a debt which is, or might become, due from the employer under Section 75 of the Pensions Act 1995 or (b) to prevent such a debt becoming due, to compromise or otherwise settle such a debt, or to reduce the amount of such a debt which would otherwise become due.

Further, a contribution notice may be issued by the Pensions Regulator against any Issuer where it considers that an act, or a deliberate failure to act (or a series of acts or deliberate failures to act) is "materially detrimental" to the likelihood of a person receiving the accrued pension scheme benefits. This is a wide power and means that the Pension Regulator does not have to show an intention to prevent the recovery of an employer debt to the pension scheme under Section 75 of the Pensions Act 1995.

The Pension Schemes Act 2021 introduced new additional circumstances where the Pensions Regulator may issue contribution notices. In summary, the new powers mean the Pensions Regulator may, in addition to the circumstances above, issue a contribution notice against the Issuer (a) where an act or failure to act reduces the value of the Administrator's resources, and the reduction is material relative to the estimated Section 75 employer debt in the pension scheme; and (b) where an act or failure to act materially reduces the amount of the Section 75 employer debt in the pension scheme that is likely to be recovered on the insolvency of the Administrator (as scheme employer). The new powers are only available in relation to acts or failures to act which occur after 1 October 2021.

A contribution notice can be issued up to six years after such acts or failures to act.

A financial support direction could be served by the Pensions Regulator on any Issuer where the Administrator (as the employer in respect of the pension scheme) is insufficiently resourced or is a service company (i.e. a company whose turnover is solely or mainly derived from providing services to other group companies). An employer is deemed to be insufficiently resourced pursuant to the Pensions Act 2004 if the value of its resources is less than 50 per cent. of its share of the pension scheme's deficit (calculated on an annuity buy-out basis) and at that time there is a connected or associated person or persons with sufficient resources (or connected or associated persons with sufficient aggregate resources) to meet at least 50 per cent. of its share of the pension scheme's deficit when combined with the employer's resources. A financial support direction may only be issued if the relevant conditions are met within a "look-back period" of 24 months ending when the Pensions Regulator issues a warning notice to the parties directly affected by the financial support direction under consideration.

Further provisions under the Pension Schemes Act 2021 introduce new criminal offences which mean an Issuer could, in certain circumstances, be liable for an unlimited fine. The Act: (a) introduces a criminal offence and financial penalty for failure to comply with a contribution notice without reasonable excuse; and (b) introduces two new criminal offences relating to avoidance of employer debt and conduct which jeopardises accrued scheme benefits being paid; both offences are punishable by an unlimited fine or up to seven years imprisonment or both.

The Administrator's most recent audited accounts indicate that the value of its resources is currently in excess of 50 per cent. of its share of the pension scheme's deficit (calculated on an annuity buy-out basis at the last available actuarial valuation, carried out as at 30 September 2023). As the Administrator is a service company to the Issuers, a financial support direction could be issued against any Issuer at any time even if the Administrator's resources are not subsequently valued at less than 50 per cent. of its share of the pension scheme's deficit.

However, the Pensions Regulator can only issue a contribution notice or financial support direction where it considers that it is reasonable to do so, having regard to a number of factors.

If a contribution notice or financial support direction were to be issued against the relevant Issuer, this could adversely affect Noteholders.

The Administrator complies with its funding obligations under the Pensions Act 2004 in relation to the defined benefit scheme. On 31 March 2017 the Administrator closed the defined benefit pension scheme to future accrual.

**Factors which may affect a Borrower's ability to fulfil its obligations under its Loan Agreement(s) and the Indirect RP Borrowers ' ability to fulfil their obligations under the intra-group loan agreements**

**The following risks are relevant in respect of Notes issued by each Existing Issuer**

The proceeds of Notes issued by each Existing Issuer may only be on-lent to (a) registered providers of social housing, registered social landlords or registered housing associations, as applicable, whose activities are regulated by the Regulator of Social Housing (in England), the Welsh Assembly Government (in Wales), the Scottish Housing Regulator (in Scotland) or the Department for Communities (in Northern Ireland) or, in each case, any replacement or successor regulator thereto, or (b) Finance Subsidiary Borrowers that shall on lend the funds lent to it under a Loan Agreement to an RP Borrower.

### ***Finance Subsidiary Borrowers are subject to the credit risk of their respective Indirect RP Borrower(s)***

Each Finance Subsidiary Borrower, and therefore payments by each Finance Subsidiary Borrower in respect of its Loan Agreement, will be subject to the performance and credit risk of the Indirect RP Borrower(s) to which it on-lends the funds it receives pursuant to its Loan Agreement. Each Finance Subsidiary Borrower will be primarily subject to the risk of delays in receipt, or risk of defaults in the making, of payments due from the relevant Indirect RP Borrower(s) in respect of the relevant intra-group loan agreement(s).

### ***Housing Market Risk***

RP Borrowers may generate a portion of their revenue from their housing for sale (and shared ownership) programmes and may, therefore, be exposed to market risk in relation to housing for sale, including both demand and pricing risks. Housing market risks which may impact upon both the rental market and the development of residential properties include overall conditions in the economy, the cost and availability of mortgage finance to prospective purchasers, the lack of skilled labour required to commence and sustain residential construction, increased costs for materials, the risk of increased costs associated with the replacement of insolvent contractors or subcontractors and the risk of changes to UK Government regulation (including, but not limited to, regulation relating to planning, taxation, landlords and tenants and welfare benefits). The maintenance of existing properties, development of existing sites and acquisition of additional sites may also be subject to the availability of finance facilities, the costs of facilities, interest rates and inflation.

Among other things, these market risks may impact upon the expenses incurred by an RP Borrower associated with their existing residential properties, the rental income produced by these properties, the value of its existing investments, its ability to develop land that it has acquired and its ability to acquire additional sites. Any or all of these could, in turn, impact upon the cash flows and on the ability of (a) a Direct RP Borrower to meet its payment obligations to the relevant Issuer under its Loan Agreement and (b) an Indirect RP Borrower to meet its payment obligations to the relevant Finance Subsidiary Borrower under its intra-group loan agreement and, in turn, the ability of the relevant Finance Subsidiary Borrower to meet its payment obligations to the relevant Issuer in respect of its Loan Agreement, and in the case of (a) and (b) above, in turn, the ability of the relevant Issuer to meet its payment obligations in respect of its Notes.

### ***Rental Income, Housing Benefit and Social Housing Spending***

A proportion of the rent received by each RP Borrower is derived from housing benefit payable by local authorities. Noteholders are exposed to the creditworthiness of RP Borrowers (and, where applicable, the Finance Subsidiary Borrowers) and any change in the welfare framework that could lead to the termination or reduction of tenants' housing benefit payments, or any delay in the payment of housing benefit, may increase the risks associated with this exposure.

If payments of housing benefit are reduced or terminated by the UK Government, this may accordingly have an adverse impact on the payment of rent, as tenants would then have to pay a higher proportion of the rent themselves. The process of establishing a new claimant's entitlement may lead to delays in payment of housing benefit by local authorities. The receipt of rental payments by an RP Borrower, as landlord, may be delayed by the failure of the claimant to regularly pay rent which is due in addition to the housing benefit and/or, in circumstances where the housing benefit is not paid directly to the landlord, a failure to pass on the housing benefit payments to the landlord. In such circumstances, non-payment, or any delay in payment, could impact on the cash flows and on the ability of (a) a Direct RP Borrower to meet its payment obligations to the relevant Issuer under its Loan Agreement and (b) an Indirect RP Borrower to meet its payment obligations to the relevant Finance Subsidiary Borrower under

its intra-group loan agreement and, in turn, the ability of the relevant Finance Subsidiary Borrower to meet its payment obligation to the relevant Issuer in respect of its Loan Agreement, and in the case of (a) and (b) above, in turn, the ability of the relevant Issuer to meet its payment obligations in respect of its Notes.

Universal Credit is currently in an extended "roll out" stage, the final managed migration stage of which is currently in progress. Universal Credit is a single means-tested benefit paid to those of working age (in and out of work), which will include an amount in respect of housing costs, which will replace housing benefit.

Currently, housing benefit can be paid directly to registered providers of social housing and UK Government commissioned research has shown that some households may go into rent arrears as a consequence of the introduction of Universal Credit. This could, in turn, impact upon the cash flows and on the ability of (a) a Direct RP Borrower to meet its payment obligations to the relevant Issuer under its Loan Agreement and (b) an Indirect RP Borrower to meet its payment obligations to the relevant Finance Subsidiary Borrower under its intra-group loan agreement and, in turn, the ability of the relevant Finance Subsidiary Borrower to meet its payment obligations to the relevant Issuer in respect of its Loan Agreement, and in the case of (a) and (b) above, in turn, the ability of the relevant Issuer to meet its payment obligations in respect of its Notes.

While Universal Credit starts on the first day of application, there remains a one calendar month assessment period to determine how much Universal Credit the claimant is entitled to and usually up to a further seven-day wait for the first payment to be made. Therefore, a claimant, assuming that they do not otherwise benefit from a Universal Credit advance, may not receive a payment of Universal Credit until at least one month and seven days after the date on which a claim was filed. The reduction in total benefits received by certain tenants and the delay in receiving such benefits may result in affected tenants falling into rental arrears which may have the effect of reducing an RP Borrower's total rental income. Any or all of these could, in turn, impact upon the cash flows and on the ability of (a) a Direct RP Borrower to meet its payment obligations to the relevant Issuer under its Loan Agreement and (b) an Indirect RP Borrower to meet its payment obligations to the relevant Finance Subsidiary Borrower under its intra-group loan agreement and, in turn, the ability of the relevant Finance Subsidiary Borrower to meet its payment obligations to the relevant Issuer in respect of its Loan Agreement, and in the case of (a) and (b) above, in turn, the ability of the relevant Issuer to meet its payment obligations in respect of its Notes.

### ***Rental Growth Risk***

In England, rents for social housing are regulated by the Regulator of Social Housing at the direction of the UK Government.

On 4 October 2017, the UK Government announced its proposals for increases in social housing rents to be limited to CPI plus 1 per cent. from 2020 to 2025. In order to implement this change, the Secretary of State directed the Regulator of Social Housing to set a new Rent Standard from April 2020 and the Regulator of Social Housing published the new Rent Standard, which came into effect on 1 April 2020. Notwithstanding the five-year Rent Standard however, due to inflationary pressures in 2022/23 potentially having a significant impact on the affordability of CPI plus 1 per cent. rent increases for social sector tenants, on 14 December 2022 the UK Government issued a direction to the Regulator of Social Housing that it must publish a revised Rent Standard giving effect to the following:

- a 7 per cent. cap to rent increases made in 2023/24 for social rents (including any fair rent tenancies) and affordable rents;

- the usual exemptions to the Rent Standard will apply (i.e. shared ownership, intermediate rent, specialised supported housing, temporary supported housing, student housing, PFI, care homes and local authority housing with a secretary of state waiver); and
- supported housing will be exempt from the 7 per cent. cap.

The direction made by the UK Government on 14 December 2022 does not change the basis for setting new formula rents or affordable rents. In addition, service charges remain outside the mandatory scope of the Rent Standard (although registered providers in England are expected to endeavour to keep increases in service charges in line with the increases in rents).

On 28 January 2026, the UK Government instructed the Regulator of Social Housing to set a rent standard that reflects the UK Government's 10-year rent settlement and it published a revised policy statement on rents for social housing, which sets out rent policy from 1 April 2026. The revised rent standard applies to all social landlords and sets out the following:

- social landlords will be allowed to increase rents for social rent and affordable rent homes by up to CPI+1 per cent. each year; and
- landlords will be able to further increase the weekly rent on social rent homes that are below 'formula rent'. In addition, rents for these homes can increase by up to £1 more each week from 1 April 2027 and £2 per week from 1 April 2028 until 'formula rent' is reached.

The housing association sector has been lobbying for the ability to correct the current disparities across social rents, caused by historical regulation and implementation, through "convergence", so that tenants pay a similar rent for similar properties. Convergence would allow RP Borrowers to gradually increase rents that are below the earnings-linked social rent formula to achieve alignment across their social rented stock. In January 2026, the UK Government published the outcome of a consultation on how to implement social rent convergence. The outcome of that consultation is to enable convergence to allow rents for social rent properties that are currently below a 'formula rent' to increase by an additional amount each year, over and above the CPI+1 per cent. limit, and for these purposes 'formula rent' is a formula that is used to calculate the rent that may be charged for a given property when it is let to a new tenant and CPI is assessed by reference to the rate of CPI in the previous September to the year in assessment. The UK Government's planned approach to implementing social rent convergence is to:

- permit rents on social rent homes that are below formula rent to increase gradually, over time, to formula rent;
- for social rent homes which are below formula rent, convergence will permit RPs to increase weekly rent by up to an additional £1 from 1 April 2027 over and above the CPI+1 per cent. limit and then, from 1 April 2028, an additional £2, until formula rent is reached;
- not permit rents to increase above formula rent through convergence. Once a rent reaches parity with formula rent, the maximum annual rent increase will be CPI+1 per cent.; and
- be strictly optional for RP Borrowers.

Social rent convergence is planned to commence in April 2027.

These arrangements relating to rental increases do not apply to Scotland. The Scottish Government does not generally stipulate a basis upon which rents charged for social housing in Scotland should be increased. There are, however, provisions in the Scottish Social Housing Charter (the **Charter**), a document issued by the Scottish Ministers on 1 November 2022, which sets out the standards and outcomes which Scottish registered social landlords (**Scottish RSLs**) should aim to achieve when

performing housing activities, in relation to rent setting. The expectation is that the new Charter will remain in place for five years. The powers of Scottish Ministers to prepare and publish the Charter are contained in the Housing (Scotland) Act 2010 (the **2010 Act**) and the Scottish Housing Regulator may take enforcement action against a Scottish RSL for failure to comply with the terms of the Charter.

Notwithstanding this five-year Charter however, due to inflationary pressures potentially having a significant impact on the affordability of rent increases, on 6 September 2022 the Scottish Government announced emergency legislation, in the form of the Cost of Living (Tenant Protection) (Scotland) Act 2022 to put in place a rent freeze until 31 March 2023. The new Act came into force on 28 October 2022, and was then extended by the Scottish Parliament to have effect until March 2024. The protections afforded by the Act were replaced by new temporary protection for private sector tenants contained in the Rent Adjudication (Temporary Modifications) (Scotland) Regulations 2024 from 1 April 2024.

While the provisions of the Cost of Living (Tenant Protection) (Scotland) Act 2022 were extended in relation to private sector tenancies (and similarly private sector tenants benefit from the Rent Adjudication (Temporary Modifications) (Scotland) Regulations 2024), on 21 December 2022, the Scottish Government announced that it would not implement legislation in relation to social rents on the basis of a voluntary agreement with the Scottish Federation of Housing Associations to the effect that housing associations will always set rents with regard to a full and transparent consultation process with tenants and will seek to mitigate as much of the cost implications of inflationary price increases and interest rate rises as possible.

Under the terms of the 2010 Act and the Charter, Scottish RSLs are required to set rents in consultation with their tenants and to ensure that such rents are affordable. In the event that the Scottish Housing Regulator considered that a Scottish RSL had set rents which were unaffordable to its tenants, the Scottish Housing Regulator would have the power to serve an enforcement notice on the Scottish RSL requiring the Scottish RSL to take action to remedy such failure, including reducing the level of rent set. There is therefore a risk that a Scottish RP Borrower may be required by the Scottish Housing Regulator to set rents at a level below that which such Scottish RP Borrower considers is necessary to cover its operating costs and liabilities, including meeting its payment obligations on a timely basis under the Loan Agreement(s) to which it is a party.

Pursuant to their powers under the Housing Associations Act 1985, the Housing Act 1996 and the Housing (Wales) Measure 2011, the Welsh Ministers have the power to set standards of performance in relation to Welsh registered social landlords' (**Welsh RSLs**) rents. In previous years they have published Welsh RSLs' target rent bands including annual statements in relation to increases to those rents, however the use of target rent bands has been suspended at the current time. The Welsh Government's Standard for Social Housing Rents and Service Charges (the **Rent and Service Charge Standard**) was first published on 16 February 2015, and most recently updated on 5 December 2024 to cover the period from April 2020 to March 2025. The Rent and Service Charge Standard applies to sheltered as well as general needs stock (although not extra care or supported housing). The Rent and Service Charge Standard caps annual rent increases by the increase in CPI (the relevant CPI figure taken from the September prior to the rent increase) plus 1 per cent.. The exception to this general rent increase rule is where CPI falls outside a range of between 0 per cent. and 3 per cent. (in which case the Minister for Housing and Regeneration makes a decision on the level of rent increases to be applied in that year only). The Rent and Service Charge Standard also provides that individual tenants' rent could increase by CPI+1 per cent. plus up to £2, on condition that the landlord's overall increase in rental income for all their stock is no greater than CPI+1 per cent. Social landlords are expected to have their own rent and service charge policies and make their own decisions on how rents are increased each year, after making an assessment of cost efficiencies, value for money and affordability for tenants and these assessments and decisions must be reported annually to the Welsh Government. Due to inflationary pressures, following a consultation with Welsh landlords, the Welsh Government stipulated

that rents may only rise by a maximum of CPI (the relevant CPI figure taken from the September prior to the rent increase) plus 1 per cent. for the financial year 2025/2026.

On 30 June 2025, the Welsh Government announced a formal consultation exercise on the Welsh Government's future social rent policy. The consultation sought responses on a proposal to maintain rent increases capped at the increase in CPI plus 1 per cent. and closed on 12 August 2025. On 29 September 2025, the Welsh Government published a new 10-year Rent and Service Charged Standard, which applies from 1 April 2026. Under this new long-term framework:

- where September CPI is between 0 per cent. and 3 per cent., the maximum permitted annual rent increase is CPI plus 1 per cent.;
- where September CPI is between three per cent. and five per cent., the maximum permitted annual rent increase is CPI plus 0.5 per cent.;
- where September CPI is in excess of five per cent., the Welsh Government will set the uplift for that year; and
- individual tenants' rents can be reduced, frozen or rise by up to an additional £2.55 per week on condition that the social landlord's overall increase in rental income is no greater than CPI plus 1 per cent. or CPI plus 0.5 per cent. (as appropriate).

In Northern Ireland, the Department for Communities is the regulatory authority for registered social housing providers (**RSHPs**). Although it publishes regulatory guidance, this does not prescribe particular rent increase requirements. The Housing Executive (the public housing authority for Northern Ireland) uses a set formula to work out how much rent it should charge for each of its properties. Each property is given a number of "points", depending on its building type, age, size and various other factors, and then each year the Housing Executive sets an increased monetary value for a "point", and tenants' rents are increased accordingly. Although many RSHPs in Northern Ireland will follow the same system that the Housing Executive uses (and the Housing Executive may ask RSHPs generally to use a particular rent increase each year), such arrangements are not compulsory, and so RSHPs are able to adopt their own rent policies (for example by increasing rents annually by a factor related to the increase in CPI). Unlike its counterparts in England, Scotland and Wales, the Department for Communities has not thus far intervened in rent setting for independent social landlords.

The Existing Issuers are each dependent on receiving payments under the Loan Agreements from Borrowers to fund payments in respect of the Notes and if rents are set by the relevant regulator or the Government at a level which impacts on the cash flows and on the ability of (a) a Direct RP Borrower to meet its payment obligations to the relevant Issuer under its Loan Agreement and (b) an Indirect RP Borrower to meet its payment obligations to the relevant Finance Subsidiary Borrower under its intra-group loan agreement and, in turn, the ability of the relevant Finance Subsidiary Borrower to meet its payment obligations to the relevant Issuer in respect of its Loan Agreement, and in the case of (a) and (b) above, in turn, the ability of the relevant Issuer to meet its payment obligations in respect of its Notes.

### ***Renters' Rights Act***

The Renters' Rights Act 2025 (the **Renters' Rights Act**) received Royal Assent on 27 October 2025 and introduces wide ranging reforms to the private rented sector in England. The Renters' Rights Act is being implemented on a phased basis and represents a material change to the legal framework governing landlord and tenant relationships. It primarily reforms the assured tenancy regime and applies to registered providers where they grant assured tenancies within scope of the private rented sector framework, including but not limited to market rent tenancies, subject to specific statutory exceptions and sector-specific grounds. Its provisions are intended to strengthen tenant security and regulate

landlord practices, but from a landlord perspective, the reforms may increase arrears risk, constrain rental growth and extend enforcement timelines.

From 27 December 2025, section 31 of the Renters' Rights Act provides that shared ownership leases will be treated as "long leases". As a result, landlords of shared ownership properties will no longer be able to rely on section 8 possession proceedings under the Housing Act 1988 to recover rent or service charge arrears. Instead, recovery will need to be pursued through forfeiture proceedings. Forfeiture is generally more procedurally complex and may involve additional notice requirements and court processes. This may increase the time and cost associated with recovering arrears and delay the point at which a defaulting occupier can be removed and the property re-let, potentially resulting in extended periods of non-payment and increased bad debt exposure.

From 1 May 2026, landlords with market rent tenancies will no longer be able to rely on section 21 of the Housing Act 1988 to obtain possession on a "no fault" basis. To compensate for the removal of section 21, a number of additional mandatory grounds for possession have been introduced. However, possession will in all cases be dependent on proving a statutory ground and may involve increased evidential requirements and court timetables. In circumstances of tenant default, including persistent or significant rent arrears, the inability to use section 21 may result in longer periods before possession is obtained and rental income streams are restored. Any such delay may adversely affect operating cash flows.

The Renters' Rights Act also introduces a number of other material changes, including:

- non-discrimination requirements – landlords must not refuse to let to prospective tenants on the basis that they are in receipt of benefits or have children. This may limit the ability to manage perceived credit risk through tenant selection criteria;
- restrictions on rent review mechanisms – landlords may not rely on contractual rent review clauses. Rent increases are limited to no more than once per year and must follow a prescribed statutory process; and
- enhanced tenant challenge rights – tenants are afforded enhanced rights to refer rent increases to the First-tier Tribunal for determination.

These measures may constrain an RP Borrower's ability to respond flexibly to inflationary pressures, rising maintenance and compliance costs or increased financing costs through timely rental adjustments. In addition, increased security of tenure and greater procedural complexity in possession and arrears recovery may reduce the liquidity and marketability of residential portfolios, particularly in enforcement scenarios. Potential purchasers may attribute lower values to assets subject to a more tenant-favourable regime, especially where vacant possession cannot readily be achieved.

Taken together, the reforms introduced by the Renters' Rights Act may increase arrears, extend enforcement timelines, increase legal and compliance costs, constrain rental growth and, in certain cases, reduce asset values. Any such impacts could adversely affect the cash flows of Direct RP Borrowers and indirect RP borrowers and on the ability of (a) a Direct RP Borrower to meet its payment obligations to the relevant Issuer under its Loan Agreement and (b) an Indirect RP Borrower to meet its payment obligations to the relevant Finance Subsidiary Borrower under its intra-group loan agreement and, in turn, the ability of the relevant Finance Subsidiary Borrower to meet its payment obligations to the relevant Issuer in respect of its Loan Agreement, and in the case

of (a) and (b) above, in turn, the ability of the relevant Issuer to meet its payment obligations in respect of its Notes.

### **Non-payment Risks**

The tenants of the RP Borrowers' properties are personally responsible for the rental payments on the relevant properties.

The "*Sector Risk Profile 2025*" published by the Regulator of Social Housing in October 2025, states that "*The high inflation and real-terms wage reductions seen in recent years have increased financial pressure on households and could result in an increase in arrears.*"

In the event that any tenants of an RP Borrower's properties fail to pay rent in full or fail to pay rent in full on a timely basis, this could also affect the cash flows and on the ability of (a) a Direct RP Borrower to meet its payment obligations to the relevant Issuer under its Loan Agreement(s) and (b) an Indirect RP Borrower to meet its payment obligations to the relevant Finance Subsidiary Borrower under its intra-group loan agreement and, in turn, the ability of the relevant Finance Subsidiary Borrower to meet its payment obligations to the relevant Existing Issuer in respect of its Loan Agreement, and in the case of (a) and (b) above, in turn, the ability of the relevant Issuer to meet its payment obligations in respect of its Notes.

### **Regulatory Risk**

England, Wales, Scotland and Northern Ireland are the subject of separate regulatory and funding regimes. The funding and regulation of housing associations has undergone significant change in recent years. Noteholders are exposed to the creditworthiness of RP Borrowers and any change in the applicable regulatory framework which could lead to RP Borrowers being less tightly regulated may increase the risks associated with this exposure.

Compliance with the regulatory requirements may result in increased costs for some registered providers of social housing but much of what is required is already normal practice in the sector. See "*Description of the Borrowers – Regulation of housing associations*". Any breach of the regulatory requirements by an RP Borrower could lead to the exercise of statutory powers by the relevant regulator, which in turn could impact on cash flows and on the ability of (a) a Direct RP Borrower to meet its payment obligations to the relevant Issuer under its Loan Agreement and (b) an Indirect RP Borrower to meet its payment obligations to the relevant Finance Subsidiary Borrower under its intra-group loan agreement and, in turn, the ability of the relevant Finance Subsidiary Borrower to meet its payment obligations to the relevant Issuer in respect of its Loan Agreement, and in the case of (a) and (b) above, in turn, the ability of the relevant Issuer to meet its payment obligations in respect of its Notes.

Further details of the regulatory regimes in England, Wales, Scotland and Northern Ireland are set out in "*Regulation of housing associations*" in the section headed "*Description of the Borrowers*".

### **Increased capital expenditure requirements**

RP Borrowers are currently facing additional capital expenditure requirements as a result of regulatory initiatives and other pressures.

Following on from the Grenfell Tower tragedy in 2017, the Fire Safety Act 2021 and the Building Safety Act 2022 introduced wide-ranging changes to the design, construction and maintenance of the built environment, including the creation of a new Building Safety Regulator with a range of enforcement powers and a new regulatory regime. Compliance with this new legislation has resulted in the need to undertake remedial action to a significant number of existing multi storey buildings.

The Climate Change Act 2008 (as amended) introduced a legal duty for the UK Government to act to reduce greenhouse gas emissions and provides the framework for the UK's approach to climate change. Through the Climate Change Act 2008 (2050 Target Amendment) Order 2019, the UK Government has committed to a 100 per cent. reduction in greenhouse gas emissions compared to 1990 levels by 2050 (Net Zero). There are, however, different approaches being adopted by England, Scotland and Wales. In England, the so-called "*Clean Growth Strategy*", the UK Government has set a target for social housing in England to attain the minimum rating of Energy Performance Certificate (**EPC**) C for rented properties by 2035 (or 2030 for 'fuel poor' households). This has been set as a milestone towards the longer term, and more ambitious and challenging, aspiration to make all homes Net Zero by 2050. On 23 September 2024, the UK Government announced that it would shortly consult on proposals for private and social rented homes to achieve Energy Performance Certificate C or equivalent by 2030. The Welsh Government has a target of EPC C by 2030. Scotland has previously had a target of attaining EPC B by 2032 but the Scottish Government is currently re-consulting on new performance metrics.. RP Borrowers' housing portfolios will have varying proportions of stock across the EPC bandings, but it is clear that considerable sums will need to be spent to achieve government targets.

Following the tragic death of an infant in 2022 whose underlying health conditions were adversely affected by damp and mould in the property rented to his family by a social landlord, the Social Housing (Regulation) Act 2023 was introduced to give more rights and protections to tenants living in homes which have damp or mould and inserts into social housing tenancy agreements an implied term that will require landlords to comply with new requirements, to be set in detail through secondary legislation. Addressing such issues may increase the expenses incurred by an RP Borrower associated with inspecting and refurbishing existing residential properties and/or may affect the rental income produced by these properties which could impact on the cash flows and on the ability of (a) a Direct RP Borrower to meet its payment obligations to the relevant Issuer under its Loan Agreement and (b) an Indirect RP Borrower to meet its payment obligations to the relevant Finance Subsidiary Borrower under its intra-group loan agreement and, in turn, the ability of the relevant Finance Subsidiary Borrower to meet its payment obligations to the relevant Issuer in respect of its Loan Agreement, and in the case of (a) and (b) above, in turn, the ability of the relevant Issuer to meet its payment obligations in respect of its Notes.

The need for RP Borrowers to undertake investment to respond to changing building safety and energy efficiency standards and consumer expectations, coupled with labour market and supply chain challenges and the disruption to the UK and global economies arising from geopolitical conflicts are issues which are likely to increase the expenses associated with building and maintaining residential properties which could, in turn, adversely impact on the cash flows and on the ability of (a) a Direct RP Borrower to meet its payment obligations to the relevant Issuer under its Loan Agreement and (b) an Indirect RP Borrower to meet its payment obligations to the relevant Finance Subsidiary Borrower under its intra-group loan agreement and, in turn, the ability of the relevant Finance Subsidiary Borrower to meet its payment obligations to the relevant Issuer in respect of its Loan Agreement, and in the case of (a) and (b) above, in turn, the ability of the relevant Issuer to meet its payment obligations in respect of its Notes.

### ***Risks related to increased inflation***

As developers, owners, landlords and managers of residential accommodation, the RP Borrowers are exposed to the cost of construction, maintenance and repair of buildings. As has been widely reported, costs in this area have increased and continue to increase due to factors including changing building safety and energy efficiency standards, and labour market and supply chain disruption.

A sustained period in which cost inflation exceeded income inflation, or a continued or sustained period in which central banks maintain interest rates at elevated levels to combat inflationary pressures, would put RP Borrowers under financial strain and could have an adverse impact on the cash flows and on the ability of (a) a Direct RP Borrower to meet its payment obligations to the relevant Issuer under its Loan

Agreement and (b) an Indirect RP Borrower to meet its payment obligations to the relevant Finance Subsidiary Borrower under its intra-group loan agreement and, in turn, the ability of the relevant Finance Subsidiary Borrower to meet its payment obligations to the relevant Issuer in respect of its Loan Agreement, and in the case of (a) and (b) above, in turn, the ability of the relevant Issuer to meet its payment obligations in respect of its Notes.

In addition, the tenants of the RP Borrowers' properties are personally responsible for the rental payments on their tenancies and, consequently, the RP Borrowers are exposed to the risk of tenant arrears and bad debts if the current inflation being experienced in relation to the cost of food, energy and other goods and services has a negative impact on their tenants' ability to pay rents.

This could impact on the cash flows and on the ability of (a) a Direct RP Borrower to meet its payment obligations to the relevant Issuer under its Loan Agreement and (b) an Indirect RP Borrower to meet its payment obligations to the relevant Finance Subsidiary Borrower under its intra-group loan agreement and, in turn, the ability of the relevant Finance Subsidiary Borrower to meet its payment obligations to the relevant Issuer in respect of its Loan Agreement, and in the case of (a) and (b) above, in turn, the ability of the relevant Issuer to meet its payment obligations in respect of its Notes.

### ***Housing Grant Risk***

RP Borrowers receive grant funding from a variety of sources. Due to the nature of grant funding, there is a risk that the amount of funding available and the terms of grants will vary. Following approval of a grant there is a risk that the grant provider may revise the terms of a grant and reduce entitlement, suspend or cancel any instalment of such a grant. On account of failure to comply with conditions associated with the grant or a disposal of the property funded by a grant or a wider decision to delay, reduce or cancel building programmes, the grant may be required to be repaid or reused. Any such reduction in, withdrawal of, repayment or re-use of grant funding could adversely impact the future development and/or the financial standing of an RP Borrower and, accordingly, may adversely affect the cash flows and on the ability of (a) a Direct RP Borrower to meet its payment obligations to the relevant Issuer under its Loan Agreement and (b) an Indirect RP Borrower to meet its payment obligations to the relevant Finance Subsidiary Borrower under its intra-group loan agreement and, in turn, the ability of the relevant Finance Subsidiary Borrower to meet its payment obligations to the relevant Issuer in respect of its Loan Agreement, and in the case of (a) and (b) above, in turn, the ability of the relevant Issuer to meet its payment obligations in respect of its Notes.

### ***Merger Risk***

RP Borrowers may merge or consider merging with another entity which could give rise to risks such as management distraction, the incurring of additional costs and, in the case of a merger, merger execution and implementation risks. The risk profile of the merged entity may be better or worse than that existing before any such merger.

### ***Commercial Property Risk***

Commercial property investment is subject to varying degrees of market and development risks, including operator risks. Market values of properties are generally affected by overall conditions in the local and national economy; political factors and systemic events, including the condition of the financial markets; the cost and availability of finance to businesses and consumers; fiscal and monetary policies; changes in UK Government legislation; political developments, including changes in regulatory or tax regimes; changes in unemployment, gilt yields, interest rates and credit spreads; levels of prevailing inflation; changes in consumer spending; an increase in the supply of, or a reduction in demand for, commercial property; infrastructure quality; the returns from alternative assets as compared to commercial property; environmental considerations; changes in planning laws and practices; and the perceived threat of terrorism.

Commercial property real estate values and rental revenues are affected by factors specific to each local market in which the property is located, including the supply of available comparable commercial property, demand for commercial real estate and commercial property rents. While the RP Borrowers are primarily providers of affordable housing, they are exposed to commercial pressures. If any RP Borrower provides commercial property assets as part of its Fixed Charge Security, then any commercial property market volatility or downturn could adversely affect an RP Borrower. This could impact asset values of such Fixed Charge Security, as well impact on the cash flows and on the ability of (a) a Direct RP Borrower to meet its payment obligations to the relevant Issuer under its Loan Agreement and (b) an Indirect RP Borrower to meet its payment obligations to the relevant Finance Subsidiary Borrower under its intra-group loan agreement and, in turn, the ability of the relevant Finance Subsidiary Borrower to meet its payment obligations to the relevant Issuer in respect of its Loan Agreement, and in the case of (a) and (b) above, in turn, the ability of the relevant Issuer to meet its payment obligations in respect of its Notes.

### ***Moratorium***

Under the Housing and Regeneration Act 2008, as amended by the Housing and Planning Act 2016, in order to protect the interests of tenants and to preserve the housing stock of a registered provider of social housing within the social housing sector, a 28 day moratorium will apply on the disposal of land (including the enforcement of any security over its land) by an insolvent non-profit registered provider of social housing, upon certain steps being taken in relation to that provider.

Similar moratorium procedures apply in Wales with power vested in the Welsh Ministers under Schedule 1 to the Housing Act 1996. In Scotland, similar provisions apply under the 2010 Act, although the relevant moratorium is 56 days (after the date on which notice has been given to the Scottish Housing Regulator by the entity which, for example, is taking a step to enforce a security over a registered social landlord's land), but it can be extended by the Scottish Housing Regulator. The Regulator of Social Housing in England or the Scottish Housing Regulator in Scotland will then seek to agree proposals about the future ownership and management of the provider's land with its secured creditors. The Welsh Ministers may appoint an interim manager of a Welsh RSL to manage during a moratorium on the sale of the land, pursuant to the Wales Measure 2011.

The moratorium procedure may adversely affect an Existing Issuer's ability to enforce the security provided by RP Borrowers as it stipulates actions that must be taken by a secured creditor prior to that secured creditor being able to enforce its security and gives powers to the Regulator of Social Housing in respect of certain secured assets. This may have an adverse effect on the relevant Existing Issuer's ability to make payments in respect of its Notes. See also "*Housing Administration*" below.

### ***Housing Administration***

The Housing and Planning Act 2016 introduced a special administration regime in England called housing administration which extends to private registered providers of social housing that are either companies, registered societies within the meaning of the Co-operative and Community Benefit Societies Act 2014, or charitable incorporated organisations within the meaning of Part 11 of the Charities Act 2011.

The Housing Administration (England and Wales) Rules 2018 came into effect on 5 July 2018.

Regulations to implement the housing administrator regime in the form of the Insolvency of Registered Providers of Social Housing Regulations 2018 came into force on 4 July 2018. Under the special administration regime, a court may make an order for a housing administration, which will require the appointment of a qualified insolvency practitioner (a **housing administrator**) to manage the affairs, business and property of a registered provider of social housing at risk of insolvency, following an

application from the Secretary of State for Housing, Communities and Local Government or the Regulator of Social Housing.

The housing administrator has two objectives. Objective 1 consists of the rescue of the registered provider as a going concern / achieving a better result for its creditors than possible on a winding-up / realising property to distribute to more secured or preferential creditors. Objective 2 is to keep the organisation's social housing under the ownership of a registered provider of social housing. Whilst the housing administrator is expected to work towards both these objectives, pursuit of the second objective is not permitted to prejudice the first objective and the first objective has been explicitly stated as being the priority.

When a housing administration order has been made, creditors cannot appoint their own administrator or liquidator. The existence of a wide-ranging moratorium on creditor action means they are also unable, for the duration of the housing administration, to enforce their security or take other actions against the insolvent entity unless they have the permission of the court or the consent of the housing administrator. They also have no veto over the housing administrator's proposals. Planning obligations under section 106 of the Town and Country Planning Act 1990 that are subject to mortgagee exclusion clauses will not bind land disposed of by the housing administrator.

The Secretary of State for Housing, Communities and Local Government is able to make grants or loans to help the registered provider of social housing achieve the objectives mentioned above, indemnify the housing administrator or his or her corporate employer against loss, damages and liabilities connected to the performance of the role, and guarantee the repayment of any sum plus interest borrowed by the registered provider of social housing, or the discharge or any other financial obligation it incurs in connection with its borrowing whilst the order is in force.

Whilst the 28-day moratorium under the Housing and Regeneration Act 2008 remains an option, it is unlikely to be used save in simple cases. For more complex insolvencies, the appointment of the housing administrator will buy the insolvent entity significantly more time. This is likely to mean that cash flows used to make payments to creditors may be disrupted for a longer period and restoration of these cash flows may be less certain in housing administration. Outside the housing administration regime, since the 28-day period under the Housing and Regeneration Act 2008 cannot be extended without the agreement of all of the secured creditors, any secured creditor can enforce their security after that point. This is not possible under housing administration. The housing administrator must act in the interests of the secured creditors as a whole as far as is consistent with Objective 1.

#### **Factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme**

***If the relevant Issuer has the right to redeem any Notes at its option, this may limit the market value of the Notes concerned and an investor may not be able to reinvest the redemption proceeds in a manner which achieves a similar effective return.***

An optional redemption feature is likely to limit the market value of Notes. During any period when the relevant Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The relevant Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

***The regulation and reform of "benchmarks" may adversely affect the value of Notes linked to or referencing such "benchmarks"***

Interest rates and indices which are deemed to be "benchmarks" are the subject of national and international regulatory guidance and reform aimed at supporting the transition to robust benchmarks. Most reforms have now reached their planned conclusion, and benchmarks remain subject to ongoing monitoring. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or to have other consequences which cannot be predicted. Any such consequences could have a material adverse effect on any Notes referencing such a benchmark.

Regulation (EU) 2016/1011 (the **EU Benchmarks Regulation**) applies, subject to certain transitional provisions to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU. Among other things, it:

- (a) requires benchmark administrators to be authorised or registered (or, if non-EU based, to be subject to an equivalent regime or otherwise recognised or endorsed); and
- (b) prevents certain uses by EU supervised entities of benchmarks of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed).

Regulation (EU) 2016/1011 as it forms part of domestic law by virtue of the EUWA (the **UK Benchmarks Regulation**) among other things, applies to the provision of benchmarks and the use of a benchmark in the UK. Similarly, it prohibits the use in the UK by the UK supervised entities of benchmarks of administrators that are not authorised by the FCA or registered on the FCA register (or, if non-UK based, not deemed equivalent or recognised or endorsed).

The EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable, could have a material impact on any Notes linked to or referencing a benchmark in particular, if the methodology or other terms of the benchmark are changed in order to comply with the requirements of the EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the relevant benchmark.

More broadly, any of the international or national reforms, or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements.

Such factors may have (without limitation) the following effects on certain benchmarks: (a) discouraging market participants from continuing to administer or contribute to a benchmark; (b) triggering changes in the rules or methodologies used in the benchmark and/or (c) leading to the disappearance of the benchmark.

Any of the above changes, or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes linked to, referencing, or otherwise dependent (in whole or in part) upon, a benchmark.

The Conditions of the Notes provide for certain fallback arrangements in the event that an Original Reference Rate and/or any page on which an Original Reference Rate may be published (or any other successor service) becomes unavailable or a Benchmark Event (as defined in the Conditions) otherwise occurs. Such fallback arrangements include the possibility that the Rate of Interest could be set by reference to a Successor Rate or an Alternative Rate (both as defined in the Conditions), with the application of an Adjustment Spread and may include amendments to the Conditions of the Notes, the

Note Trust Deed and/or the Agency Agreement to ensure the proper operation of the successor or replacement benchmark, all as determined by the relevant Issuer (acting in good faith and in consultation with an Independent Adviser). An Adjustment Spread could be positive or negative or zero and would be applied with a view to reducing or eliminating, to the fullest extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to investors arising out of the replacement of an Original Reference Rate. However, it may not be possible to determine or apply an Adjustment Spread and, even if an Adjustment Spread is applied, such Adjustment Spread may not be effective to reduce or eliminate economic prejudice to investors. The use of a Successor Rate or Alternative Rate and an Adjustment Spread will still result in any Notes linked to or referencing an Original Reference Rate performing differently (which may include payment of a lower Rate of Interest) than they would if the Original Reference Rate were to continue to apply in its current form.

If, following the occurrence of a Benchmark Event, no Successor Rate or Alternative Rate or, in either case, an Adjustment Spread is determined, the ultimate fallback for the purposes of calculation of the Rate of Interest for a particular Interest Period may result in the Rate of Interest for the last preceding Interest Period being used. This may result in the effective application of a fixed rate for Floating Rate Notes based on the rate which was last observed on the Relevant Screen Page. Due to the uncertainty concerning the availability of Successor Rates and Alternative Rates, the involvement of an Independent Adviser and the potential for further regulatory developments, there is a risk that the relevant fallback provisions may not operate as intended at the relevant time. It should also be noted that fallbacks for benchmarks in hedges may operate differently than under Notes. Investors are recommended to consult their own independent advisers.

***Notes which are issued at a substantial discount or premium may experience price volatility in response to changes in market interest rates***

The market values of securities issued at a substantial discount (such as Zero Coupon Notes) or premium to their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for more conventional interest-bearing securities. Generally, the longer the remaining term of such securities, the greater the price volatility as compared to more conventional interest-bearing securities with comparable maturities. Such volatility could have a material adverse effect on the value of, and return on, any such Notes.

***Taxation – No Gross Up***

The Issuers will not be obliged to pay any additional amounts to Noteholders to reimburse them for any tax, assessment or charge required to be withheld or deducted from payments in respect of the Notes by the relevant Issuer or any Paying Agent. Accordingly, in the event of a change of tax law, there may be an effect on the amount of principal or interest receivable by Noteholders under the terms of the Notes.

***Changes of Law***

The structure of the Notes is based on English law in effect as at the date of this Programme Memorandum. The Issuers cannot provide assurance as to the impact of any possible change to English law (including any change in regulation which may occur without a change in primary legislation), tax treatment or administrative practice in the UK after the date of this Programme Memorandum nor can any assurance be given as to whether any such change would adversely affect the ability of the relevant Issuer to make payments under the Notes.

***Change in UK Government Policy on Tax and National Insurance***

The current economic environment and any changes to UK Government policy on tax and national insurance could affect the THFC Group. Any unanticipated additional or increased taxes could have an

effect on the finances of the THFC Group. As employers, the RP Borrowers are (or expected to be, as the case may be) required to calculate and pay National Insurance contributions in respect of the earnings of their respective employees. From 6 April 2025 the employers' National Insurance rate went up from 13.8 per cent. to 15 per cent.. Additionally, any changes to UK tax policy could affect some of the RP Borrowers' tenants and their ability to meet rent obligations, which may increase rental arrears. In such circumstances, increased costs and/or an increase the rental income arrears and bad debts, could adversely affect the Borrowers' ability to meet their payment obligations under the Loan Agreements, and therefore adversely affect the ability of the relevant Issuer to meet its payment obligations on a timely basis under its Notes.

### ***Liquidation expenses***

The costs and expenses of a liquidation (including certain tax charges) will be payable out of floating charge assets in priority to the claims of the floating charge-holder. In respect of certain litigation expenses of the liquidator only, this is subject to approval of the amount of such expenses by the floating charge-holder (or, in certain circumstances, the court) pursuant to provisions set out in the Insolvency (England and Wales) Rules 2016.

Therefore, upon the enforcement of the floating charge security granted by the relevant Issuer, floating charge realisations which would otherwise be available to satisfy the claims of secured creditors will be reduced by at least a significant proportion of any liquidation expenses. There can be no assurance that the Noteholders will not be adversely affected by such a reduction in floating charge realisations.

***The conditions of the Notes and the Note Trust Deed contain provisions which may permit their modification without the consent of all investors and confer significant discretions on the Note Trustee which may be exercised without the consent of the Noteholders and without regard to the individual interests of particular Noteholders.***

The Conditions contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority. In respect of modifications to Conditions 4 (*Security*) and 6 (*Covenants*), the Conditions permit defined majorities of the holders of all Series of Notes to bind holders of each individual Series of Notes outstanding (regardless of how the Noteholders of a particular Series of Notes voted in respect of such resolution).

The conditions of the Notes also provide that the Note Trustee may (a) without the consent of the Noteholders (but subject to confirmation from the Rating Agencies (as defined in the Conditions) that its then current rating of the Notes would not be adversely affected and provided that the subject matter is not a Noteholder Entrenched Right), agree to any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the Conditions or any of the provisions of the Note Trust Deed or the Security Trust Deed or determine that any Event of Default or potential Event of Default (as defined in the Note Trust Deed) shall not be treated as such (provided that, in any such case, it is not, in the opinion of the Note Trustee, materially prejudicial to the interests of the Noteholders) or (b) agree, without such consent or confirmation as aforesaid, to any modification which, in its opinion, is of a formal, minor or technical nature or to correct a manifest error or an error which is proven to the satisfaction of the Note Trustee.

Furthermore, while each Loan will incorporate the core terms as set out in the Note Trust Deed in respect of each Issuer and as amended from time to time in accordance with Condition 6(d) (*Covenants*) (the **Core Terms** and, as they apply to each Issuer, the **relevant Core Terms**, the current Core Terms for each Existing Issuer being described in "*Description of the Loan Agreements and the Core Terms*") as required by the Note Trust Deed, the Core Terms may be modified from time to time without the consent

of the Noteholders, but with the consent to such modification of the Note Trustee, and the Note Trustee shall (subject as provided in the Note Trust Deed) be obliged to consent to such modification where the Rating Agencies confirm that the then current rating of the Notes issued by the relevant Issuer would not be adversely affected.

### ***Corporate Insolvency and Governance Act 2020***

Where a relevant Issuer encounters, or is likely to encounter, financial difficulties that are affecting, or will or may affect, its ability to carry on business as a going concern, it may propose a Restructuring Plan (a **Plan**) with its creditors under Part 26A of the Companies Act 2006 (introduced by the Corporate Insolvency and Governance Act 2020) to eliminate, reduce, prevent or mitigate the effect of any of those financial difficulties. Should this happen, creditors whose rights are affected are organised into creditor classes and can vote on any such Plan (subject to being excluded from the vote by the English courts for having no genuine economic interest in the relevant Issuer). Providing that one class of creditors (who would receive a payment, or have a genuine economic interest in the relevant Issuer) has approved the Plan, and in the view of the English courts any dissenting class(es) who did not approve the Plan are no worse off under the Plan than they would be in the event of the "relevant alternative" (such as, broadly, liquidation or administration), then the English court can sanction the Plan where it would be a proper exercise of its discretion. A sanctioned Plan is binding on all creditors and members, regardless of whether they approved it. Any such sanctioned Plan in relation to the relevant Issuer may, therefore, adversely affect the rights of Noteholders and the price or value of their investment in the Notes, as it may have the effect of modifying or disapplying certain terms of the Notes (by, for example, writing down the principal amount of the Notes, modifying the interest payable on the Notes, the maturity date or dates on which any payments are due or substituting the relevant Issuer).

### ***Redemption prior to maturity***

In the event that the Notes are redeemed early or become repayable prior to their Expected Maturity Date, Maturity Date or Instalment Dates, as applicable, and the Notes are redeemed in full at their principal amount, plus accrued interest, in such circumstances, it may not be possible for an investor to reinvest the redemption proceeds at an effective yield as high as the interest rate on the Notes.

The occurrence of an Event of Default under the Notes as set out in Condition 13 (*Events of Default and Enforcement*) entitles the Note Trustee (subject as provided in Conditions 4.2 (*Enforcement of Security*) and 13 (*Events of Default and Enforcement*)) to accelerate the maturity of the Notes and to direct the Security Trustee to enforce the security for the Notes (including converting the floating charge granted by the relevant Issuer into a fixed charge). However, an event of default under the Notes will not, by itself, be an event of default under the Loan Agreements and accordingly acceleration of the maturity of the Notes and enforcement of the security for the Notes will not, by itself, entitle the Security Trustee to accelerate the maturity of the Loan Agreements or to enforce the security given by Borrowers (or any Indirect RP Borrowers) under the Loan Agreements. Such an entitlement would arise upon the occurrence, in relation to a Borrower (or an Indirect RP Borrower), of one of the events of default under its Loan Agreement.

### ***The value of the Notes could be adversely affected by a change in English law or administrative practice.***

The conditions of the Notes, and the ratings assigned to them, are based on English law and regulatory and administration practice in effect as at the date of this Programme Memorandum (including taxation). No assurance can be given as to the impact of any possible judicial decision or change to English law, regulatory or administrative practice in the UK, or to UK tax law, or the interpretation or administration thereof, or to the published practice of HM Revenue & Customs as applied in the UK after the date of

this Programme Memorandum and any such change could materially adversely impact the value of any Notes affected by it.

### ***Business Relationships***

Each of the Issuers, the Arranger, the Dealers, the Note Trustee, the Security Trustee, the Paying Agents, the Custodian, the Administrator, the Borrowers, Indirect RP Borrowers and any of their affiliates may have existing or future business relationships with any of the others (including, but not limited to, lending, depositary, risk management, advisory and banking relationships and certain officers of the Administrator holding directorships in the Issuers), and will pursue actions and take steps that they deem or it deems necessary or appropriate to protect their or its interests arising therefrom without regard to the consequences for a Noteholder. Furthermore, the Arranger, the Dealers, the Note Trustee, the Security Trustee, the Paying Agents, the Custodian or any of their respective affiliates may buy, sell or hold positions in obligations of, or act as investment or commercial bankers, advisers or fiduciaries to, or hold directorship and officer positions in the Borrowers or the Indirect RP Borrowers without regard to or constraint as a result of any such conflicts of interest arising. Accordingly, there can be no assurance that any such relationships or actions will not have consequences for Noteholders (for example, an impact on the trading price of the Notes).

### ***Investors who hold less than the minimum Specified Denomination may be unable to sell their Notes and may be adversely affected if definitive Notes are subsequently required to be issued.***

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts in excess of the minimum Specified Denomination that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in their account with the relevant clearing system would not be able to sell the remainder of such holding without first purchasing a principal amount of Notes at or in excess of the minimum Specified Denomination such that their holding amounts to a Specified Denomination. Further, a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in their account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes at or in excess of the minimum Specified Denomination such that their holding amounts to a Specified Denomination.

If such Notes in definitive form are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

### ***Disclosure***

Each Borrower in respect of a Loan Agreement will be identified in the applicable Pricing Supplement. The Pricing Supplement will also include a summary of certain limited financial information regarding such Borrower (and the Indirect RP Borrowers) and further information in respect of each such Borrower (and any Indirect RP Borrower if applicable) (including, but not limited to, interim financial statements (if any) and trading statements (if any)) may be available on the website of such Borrower specified in the applicable Pricing Supplement or, in the case of a Borrower with debt securities admitted to the Official List of the FCA, on a Regulatory Information Service as such term is defined in the Listing Rules of the FCA. None of the Arranger, the Dealers, the Note Trustee, the Security Trustee or the Issuers makes any representation as to the accuracy of such information.

## **Risks related to the market generally**

Set out below is a description of material market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

***An active secondary market in respect of the Notes may never be established or may be illiquid and this would adversely affect the value at which an investor could sell their Notes***

Notes may have no established trading market when issued, and one may never develop. If a market for the Notes does develop, it may not be very liquid and may be sensitive to changes in financial markets. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case should the relevant Issuer be in financial distress, which may result in any sale of the Notes having to be at a substantial discount to their principal amount or for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors.

***If an investor holds Notes which are not denominated in the investor's home currency, they will be exposed to movements in exchange rates adversely affecting the value of their holding. In addition, the imposition of exchange controls in relation to any Notes could result in an investor not receiving payments on those Notes.***

The Issuers will pay principal and interest on the Notes in Sterling. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the **Investor's Currency**) other than Sterling. These include the risk that exchange rates may significantly change (including changes due to devaluation of Sterling or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to Sterling would decrease (a) the Investor's Currency-equivalent yield on the Notes, (b) the Investor's Currency equivalent value of the principal payable on the Notes and (c) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the Issuers to make payments in respect of the Notes. As a result, investors may receive less interest or principal than expected, or no interest or principal.

***The value of Fixed Rate Notes may be adversely affected by movements in market interest rates***

Investment in Fixed Rate Notes involves the risk that if market interest rates subsequently increase above the rate paid on the Fixed Rate Notes, this will adversely affect the value of the Fixed Rate Notes.

***Credit ratings assigned to the relevant Issuer (if any) or any Notes may not reflect all the risks associated with an investment in those Notes***

One or more independent credit rating agencies may assign credit ratings to the relevant Issuer or the Notes. Credit ratings of debt securities represent the rating agencies' opinions regarding their credit quality and are not a guarantee of quality. The ratings may be affected by the rating agencies' opinions regarding the credit quality of one or more Borrowers, which may be affected by, *inter alia*, the risks previously highlighted in "*Risk Factors – Factors which may affect the Borrowers' ability to fulfil their obligations under the Loan Agreements*". The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. Also, rating agencies may fail to make timely changes in credit ratings in response

to subsequent events, so that an Issuer's current financial condition may be better or worse than a rating indicates. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the rating agency at any time.

## **Risks related to Sustainability Notes**

### ***Notes issued as Sustainability Notes may not be a suitable investment for all investors seeking exposure to sustainable assets***

In the event that an Issuer issues Sustainability Notes (as defined in "*Use of Proceeds Sustainable Bond Framework*"), it is the relevant Issuer's intention that the net proceeds from the issue of Sustainability Notes will be used for projects defined as "sustainable" in accordance with the Sustainable Bond Framework (as defined in "*Use of Proceeds Sustainable Bond Framework*"). Prospective investors should have regard to the information set out in the relevant Pricing Supplement and must determine for themselves the relevance of such information for the purpose of any investment in such Sustainability Notes together with any other investigation such investor deems necessary.

In particular, no assurance is given by the Issuers, the Arranger the Dealers or any other person that the use of the proceeds of issue of any Sustainability Notes will satisfy, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates. Neither the Arranger nor the Dealers or any of their respective affiliates shall be responsible for the ongoing monitoring or verification of the use of proceeds in respect of any such Notes or any of the other commitments of the relevant Issuer set out in Sustainable Bond Framework relating to any such Notes.

Furthermore, it should be noted that there is currently no clearly-defined definition (legal, regulatory or otherwise) of, nor market consensus as to what constitutes, a "sustainable" or an equivalently-labelled project or as to what precise attributes are required for a particular project to be defined as "sustainable" or such other equivalent label nor can any such assurance be given that such a clear definition or consensus will develop over time. On 18 June 2020, Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment was adopted by the Council and the European Parliament (the **EU Taxonomy Regulation**). The EU Taxonomy Regulation establishes a single EU-wide classification system or "taxonomy", which provides companies and investors with a common language for determining which economic activities can be considered environmentally sustainable. In addition, the FCA has, on 31 May 2024, introduced its Anti-Greenwashing Rule which requires that references to the sustainability characteristics of products or services are (a) consistent with the sustainability characteristics of the product or service and (b) fair, clear and not misleading. The "*Finalised non handbook guidance on the Anti Greenwashing Rule*" further clarifies that sustainability references should be correct and capable of being substantiated, clear and presented in a way that can be understood and complete (they should not omit or hide important information and should consider the full life cycle of the product or service), and comparisons to other products or services should be fair and meaningful. The guidance recognises that the terms "environmental", "social" and "governance" are used to refer to sustainability matters, but also notes that there is no single definition of sustainability. Accordingly, no assurance is or can be given by any of the Issuers, the Arranger, the Dealers or any other person to investors that any projects or uses of the proceeds will meet any or all investor expectations regarding such "sustainable" or other equivalently-labelled performance objectives or that any adverse sustainable and/or other impacts will not occur during the implementation of any projects or uses of the proceeds. In addition, no assurance can be given by any Issuer, the Arranger, the Dealers or any other person to investors that any Sustainability Notes will comply with any future standards or requirements for being Sustainability Notes and, accordingly, the Sustainability Note status of the Notes could be withdrawn at any time.

No assurance or representation is given by any Issuer, the Arranger, the Dealers or any other person as to the suitability or reliability for any purpose whatsoever of any opinion or certification of any third party (whether or not solicited by the Issuer) which may be made available in connection with the issue of any Sustainability Notes, and the Noteholders shall have no recourse against the relevant Issuer, the Arranger or any of the Dealers (or any of their respective affiliates) in respect of the contents of any such opinion or certification. For the avoidance of doubt, any such opinion or certification is not, nor shall it be deemed to be, incorporated in and/or form part of this Programme Memorandum. Any such opinion or certification is not, nor should it be deemed to be, a recommendation by any Issuer, the Arranger, the Dealers or any other person to buy, sell or hold any such Sustainability Notes. Any such opinion or certification is only current as at the date that opinion was initially issued and the providers of such opinions and certifications are under no obligation to update them following their issue. Prospective investors must determine for themselves the relevance of any such opinion or certification and/or the information contained therein and/or the provider of such opinion or certification for the purpose of any investment in any such Notes. The criteria and/or considerations that form the basis of any such opinion or certification may change at any time and any such opinion or certification may be amended, updated, supplemented, replaced and/or withdrawn at any time. Any withdrawal of any opinion or certification may have a material adverse effect on the value of any Sustainability Notes in respect of which such opinion or certification is given and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose. As at the date of this Programme Memorandum, the providers of such opinions and certifications are not subject to any specific or regulatory or other regime or oversight. Prospective investors must determine for themselves the relevance of any opinion or certification and/or the information contained therein.

In the event that any Sustainability Notes are listed or admitted to trading on any dedicated "sustainable" or other equivalently-labelled segment of any stock exchange or securities market (whether or not regulated), including the SBM of the London Stock Exchange, no representation or assurance is given by the relevant Issuer, the Arranger, the Dealers or any of their respective affiliates or any other person that such listing or admission satisfies, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect sustainable impact of any projects or uses, the subject of or related to, any sustainable reports. Furthermore, it should be noted that the criteria for any such listings or admission to trading may vary from one stock exchange or securities market to another. Nor is any representation or assurance given or made by any Issuer, the Arranger, the Dealers or any of their respective affiliates or any other person that any such listing or admission to trading will be obtained in respect of any such Sustainability Notes or, if obtained, that any such listing or admission to trading will be maintained during the life of the Sustainability Notes.

Any such event or failure to apply an amount equivalent to the net proceeds of any Notes issued as Sustainability Notes for any eligible sustainable project and/or any withdrawal of any such opinion or certification or any such opinion or certification attesting that the relevant Issuer is not complying in whole or in part with any matters for which such opinion or certification is opining or certifying on and/or any such Sustainability Notes no longer being listed or admitted to trading on any stock exchange or securities market as aforesaid may have a material adverse effect on the value of such Sustainability Notes and also potentially the value of any other Sustainability Notes and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose.

## **The impact on investor demand for Sustainability Notes of the European Green Bond Standard is unclear**

Regulation (EU) 2023/2631 introduced the European Green Bond Standard, which applied from 21 December 2024, which is a voluntary label for issuers of green use of proceeds bonds (such as any Sustainability Notes which may be issued under the Programme) where the proceeds will be invested in economic activities aligned with the EU Taxonomy Regulation and a prospectus is published in respect of such bonds under the Regulation (EU) 2017/1129. The Sustainability Notes issued under the Programme are intended to comply with the criteria and processes set out in the Sustainable Bond Framework and are not aligned with the European Green Bond Standard. As the European Green Bond Standard is a voluntary label, it is not clear, at this stage, whether the European Green Bond Standard, if and when implemented, may impact investor demand for, and pricing of, green use of proceeds bonds (such as any Sustainability Notes which may be issued under the Programme) that do not meet such standard and it could reduce demand and liquidity for Sustainability Notes and their price.

## Documents incorporated by Reference

This Programme Memorandum should be read and construed in conjunction with:

- (a) future audited annual financial statements of each Issuer and future unaudited interim financial statements of each Issuer (if any); and
- (c) future inside information as required to be made public under Regulation (EU) No. 596/2016 on market abuse as it forms part of domestic law by virtue of the EUWA (as amended or superseded),

in each case, as and when such future financial statements or inside information are published in accordance with the ISM Rulebook.

Such future financial statements and inside information shall (in the case of future financial statements and inside information, upon publication) be incorporated in, and form part of, this Programme Memorandum.

Copies of such future financial statements and inside information will be available from the registered office of each Issuer and from the specified office of the Principal Paying Agent for the time being in London during normal business hours upon written request and provision of proof of holding and identity (in a form satisfactory to the Principal Paying Agent) and will be available for viewing on the THFC Group's website at <https://www.thehousingfinancecorp.com/investors/> and via the relevant regulatory announcement on the website of the London Stock Exchange at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html>.

Any documents themselves incorporated by reference in the documents incorporated by reference in this Programme Memorandum shall not form part of this Programme Memorandum. Any non-incorporated parts of a document referred to herein are either deemed not relevant for an investor or otherwise covered elsewhere in this Programme Memorandum.

## Form of the Notes

Each Tranche of Notes will be in bearer form and will initially be issued in the form of a temporary global note (each a **Temporary Global Note**) or, if so specified in the applicable Pricing Supplement, a permanent global note (each a **Permanent Global Note** and, together with each Temporary Global Note, each a **Global Note**) which, in either case, will:

- (a) if the Global Notes are intended to be issued in new global note (**NGN**) form, as stated in the applicable Pricing Supplement, be delivered on or prior to the original issue date of the Tranche to a common safekeeper (the **Common Safekeeper**) for Euroclear Bank SA/NV (**Euroclear**) and Clearstream Banking S.A. (**Clearstream, Luxembourg**); and
- (b) if the Global Notes are not intended to be issued in NGN Form, be delivered on or prior to the original issue date of the Tranche to a common depository (the **Common Depository**) for Euroclear and Clearstream, Luxembourg.

Where the Global Notes issued in respect of any Tranche are in NGN form, the applicable Pricing Supplement will also indicate whether such Global Notes are intended to be held in a manner which would allow Eurosystem eligibility. Any indication that the Global Notes are to be so held does not necessarily mean that the Notes of the relevant Tranche will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any time during their life as such recognition depends upon satisfaction of the Eurosystem eligibility criteria. The Common Safekeeper for NGNs will be The Bank of New York Mellon, London Branch (unless, at the time of issue of a Tranche of Notes, such Notes would satisfy the Eurosystem eligibility criteria and Euroclear or Clearstream, Luxembourg agrees to act as Common Safekeeper, in which case the Common Safekeeper will be Euroclear or Clearstream, Luxembourg or another entity approved by Euroclear and Clearstream, Luxembourg).

Whilst any Note is represented by a Temporary Global Note, payments of principal, interest (if any) and any other amount payable in respect of the Notes due prior to the Exchange Date (as defined below) will be made (against presentation of the Temporary Global Note if the Temporary Global Note is not intended to be issued in NGN form) only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in the Temporary Global Note are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg and Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it has received) to the Principal Paying Agent.

On and after the date which is 40 days after a Temporary Global Note is issued (the **Exchange Date**), interests in such Temporary Global Note will be exchangeable (free of charge) upon a request as described therein either for:

- (a) interests in a Permanent Global Note of the same Series; or
- (b) definitive Notes of the same Series with, where applicable, receipts, interest coupons and talons attached (as indicated in the applicable Pricing Supplement),

in each case against certification of beneficial ownership as described above unless such certification has already been given. The holder of a Temporary Global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Global Note for an interest in a Permanent Global Note or for definitive Notes is improperly withheld or refused.

Payments of principal, interest (if any) or any other amounts on a Permanent Global Note will be made through Euroclear and/or Clearstream, Luxembourg (against presentation or surrender (as the case may be) of the Permanent Global Note if the Permanent Global Note is not intended to be issued in NGN form without any requirement for certification.

The applicable Pricing Supplement will specify that a Permanent Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Notes with, where applicable, receipts, interest coupons and talons attached upon the occurrence of an Exchange Event. For these purposes, **Exchange Event** means that:

- (c) an Event of Default (as defined in Condition 13.1 (*Events of Default*)) has occurred and is continuing;
- (d) the relevant Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system satisfactory to the Note Trustee is available; or
- (e) the relevant Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Permanent Global Note in definitive form and a certificate to such effect signed by two Directors of the relevant Issuer is given to the Note Trustee.

The relevant Issuer will promptly give notice to Noteholders in accordance with Condition 17 (*Notices*) if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Global Note) or the Note Trustee may give notice to the Principal Paying Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in (c) above, the relevant Issuer may also give notice to the Principal Paying Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Principal Paying Agent.

The following legend will appear on all Notes (other than Temporary Global Notes), receipts and interest coupons relating to such Notes where TEFRA D is specified in the applicable Pricing Supplement:

"ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE."

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Notes, receipts or interest coupons and will not be entitled to capital gains treatment in respect of any gain on any sale, disposition, redemption or payment of principal in respect of Notes, receipts or interest coupons.

Notes which are represented by a Global Note will only be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be.

## **General**

Pursuant to the Agency Agreement (as defined under "*Terms and Conditions of the Notes*"), the Principal Paying Agent shall arrange that, where a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes at a point after the Issue Date of the further Tranche, the Notes of such further Tranche shall be assigned a common code and ISIN which are

different from the common code and ISIN assigned to Notes of any other Tranche of the same Series until such time as the Tranches are consolidated and form a single Series which shall not be prior to the expiry of the distribution compliance period (as defined in Regulation S under the Securities Act) applicable to the Notes of such Tranche.

Any reference herein to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Pricing Supplement.

No Noteholder, Receiptholder or Couponholder shall be entitled to proceed directly against the relevant Issuer unless the Note Trustee, having become bound so to proceed, (a) fails so to do within a reasonable period or (b) is unable for any reason so to do, and the failure or inability shall be continuing. The relevant Issuer may agree with any Dealer and the Note Trustee that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes, in which event, a supplement to this Programme Memorandum or a new Programme Memorandum will be made available which will describe the effect of the agreement reached in relation to such Notes.

## Applicable Pricing Supplement

Set out below is the form of Pricing Supplement which will be completed for each Tranche of Notes issued under the Programme.

**[PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the **EEA**). For these purposes, a **retail investor** means a person who is one (or both) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended or superseded, **MiFID II**); or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended or superseded, 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.]<sup>1</sup>

**[PROHIBITION OF SALES TO UK RETAIL INVESTORS** – The Notes are not intended to be offered, sold, distributed or otherwise made available to and should not be offered, sold, distributed or otherwise made available to any retail investor in the United Kingdom (the **UK**). For these purposes, a **retail investor** means a person who is one (or both) of the following: (i) not a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended, (the **EUWA**); or (ii) not a qualified investor as defined in paragraph 15 of Schedule 1 to the Public Offers and Admissions to Trading Regulations 2024 (the **POATRs**). Consequently, no disclosure document required by the FCA Product Disclosure Sourcebook (the **DISC**) for offering, selling or distributing the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering, selling or distributing the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the DISC and the Consumer Composite Investments (Designated Activities) Regulations 2024.]<sup>2</sup>

**MiFID II product governance / Professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in [Directive 2014/65/EU (as amended, **MiFID II**) [MiFID II]; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*] Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.

**UK MiFIR product governance / Professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible

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<sup>1</sup> Subject as follows, the Legend to be included on front of the Pricing Supplement if the Notes potentially constitute "packaged" products and no key information document will be prepared or the Issuer wishes to prohibit offers to EEA retail investors for any other reason, in which case the selling restriction should be specified to be "Applicable". The legend will always be included on the front of the Pricing Supplement if the Notes are to be admitted to trading on the London Stock Exchange's International Securities Market.

<sup>2</sup> Legend to be included on the front of the Pricing Supplement if the Notes potentially constitute "packaged" products and no key information document will be prepared in the UK or the issuer wishes to prohibit offers to UK retail investors for any other reason, in which case the selling restriction should be specified to be "Applicable". The legend will always be included on the front of the Pricing Supplement if the Notes are to be admitted to trading on the London Stock Exchange's International Securities Market.

counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (the **COBS**), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the [European Union (Withdrawal) Act 2018][EUWA] (**UK MiFIR**); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the **UK MiFIR Product Governance Rules**) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.

[Date]

**[Social Housing Finance 1 Plc  
Legal entity identifier (LEI): 213800QGB22DM8ZN2855]**

**[Social Housing Finance 1 Plc  
Legal entity identifier (LEI): 213800WV9G874SY99H09]**

**[Urban Housing Finance Plc  
Legal entity identifier (LEI): 2138009LYRAL444KQL62]**

**[Shared Ownership Funding Plc  
Legal entity identifier (LEI): 213800GSVBOUVB6QPL08]**

**[Temporary Accommodation Funding Plc  
Legal entity identifier (LEI): 213800GSVBOUVB6QPL08]**

**[Name of Additional Issuer]  
Legal entity identifier (LEI): [LEI of Additional Issuer]]<sup>3</sup>**

**Issue of £[Aggregate Principal Amount of Tranche] [[•] per cent.] [Title of Notes]  
under the £5,000,000,000  
Secured Euro Medium Term Note Programme**

## **PART A – CONTRACTUAL TERMS**

This document constitutes the Pricing Supplement for the Notes described herein. This document must be read in conjunction with the Programme Memorandum dated 8 April 2026 [as supplemented by the supplement[s] dated [date[s]]] (the **Programme Memorandum**). Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement and the Programme Memorandum. The Programme Memorandum has been published on the Issuer's website at <https://www.thehousingfinancecorp.com/investors/>.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the **Conditions**) set forth in the Programme Memorandum.

*[Include whichever of the following apply or specify as "Not Applicable". Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs. Italics denote directions for completing the Pricing Supplement.]*

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<sup>3</sup> Insert relevant Issuer.

- 1 Issuer: [specify]
- 2
- (a) Series Number: [specify]
- (b) Tranche Number: [specify]
- (c) Date on which the Notes will be consolidated and form a single Series: The Notes will be consolidated and form a single Series with [identify earlier Tranches] on [the Issue Date][the date that is 40 days after the Issue Date][exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph [21] below, which is expected to occur on or about [date]][Not Applicable]
- 3 Aggregate Principal Amount:
- (a) Series: [specify]
- (b) Tranche: [specify]
- 4 Issue Price: [specify] per cent. of the Aggregate Principal Amount [plus accrued interest from [insert date] (if applicable)]
- 5 Specified Denominations: [specify]
- (N.B. Notes must have a minimum denomination in Sterling equivalent to €100,000)*
- (Note – where multiple denominations above the equivalent of €100,000 are being used the following sample wording should be followed:*
- "£[100,000 and integral multiples of £[1,000] in excess thereof up to and including £[199,000]. No Notes in definitive form will be issued with a denomination above £[199,000].")*)
- 6 Calculation Amount for Notes in definitive form (and in relation to calculation of interest in global form see Conditions): [specify]
- (If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)*
- 7 Trade Date: [specify]
- 8 Issue Date: [specify]

- 9 Interest Commencement Date: [specify][Issue Date]
- 10
- (a) [Legal ]Maturity Date: [specify]
- (b) [Expected Maturity Date:] [specify]
- [In each case, specify date falling in or nearest to [specify month and year]]
- 11 Interest Basis: [[specify] per cent. Fixed Rate]  
[[specify benchmark] +/- [specify] per cent. Floating Rate]  
[Index Linked Interest]  
[Zero Coupon]  
(see paragraph [14][15][16][17] below)
- 12 Redemption/Payment Basis: [Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Expected] Maturity Date or such later date subject to, and in accordance with, Condition 10.1(a)(i) (*Redemption at maturity or in instalments*) at [specify] per cent. of their principal amount.]  
[Redemption on the Maturity Date at the Final Redemption Amount]  
[Instalment Redemption]  
[Index Linked Redemption]  
  
(see paragraph[s] [18][19] [and 20] below)
- 13 Date [Board] approval for issuance of Notes obtained: [specify][Not Applicable]  
  
(*N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes*)

**Provisions relating to interest payable**

- 14 Fixed Rate Note Provisions: [Applicable][Not Applicable]
- (a) Rate(s) of Interest: [specify] per cent. per annum payable in arrear on each Interest Payment Date
- (b) Interest Payment Date(s): [specify] [and [specify]] in each year up to and including the [Legal ]Maturity Date  
  
(*Amend appropriately in the case of irregular coupons*)
- (c) Fixed Coupon Amount(s) for Notes in definitive form (and in [specify] per Calculation Amount

- relation to Notes in global form  
see Conditions):
- (d) Broken Amount(s) for Notes in definitive form (and in relation to Notes in global form see Conditions): *[[specify] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [specify]][Not Applicable]*
- (e) Determination Date(s): *[specify] [and [specify]] in each year*  
*(Insert regular interest payment dates, ignoring issue date or legal maturity date in the case of a long or short first or last coupon)*
- 15 Floating Rate Note Provisions: *[Applicable][Not Applicable]*  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Specified Period(s)/Specified Interest Payment Dates: *[specify]*, subject to adjustment in accordance with the Business Day Convention set out in (b) below/, not subject to any adjustment, as the Business Day Convention in (b) below is specified to be Not Applicable]
- (b) Business Day Convention: *[Floating Rate Convention] [Following Business Day Convention] [Modified Following Business Day Convention] [Preceding Business Day Convention] [specify other] [Not Applicable]*
- (c) Additional Business Centre(s): *[specify]*
- (d) Manner in which the Rate of Interest and Interest Amount is to be determined: *Screen Rate Determination*
- (e) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent Bank): *[specify]*
- (f) Screen Rate Determination: *[Applicable][Not Applicable]*
- Interest Determination Date(s): *[specify]*  
*(NB To be not less than 5 London Banking Days prior to each Interest Payment Date in respect of interest determined pursuant to Condition 7.2(b)(i) (Rate of Interest for Floating Rate Notes)*
  - Relevant Screen Page: *[specify]*

- Calculation Method: [Compounded Daily SONIA Formula]  
[Sonia Index Determination]
- Observation Method: [Lag]  
[Observation Shift]  
[Not Applicable]
- Lag Lookback Period (p): [[5][specify] London Banking Days][Not Applicable]
- Observation Shift Period: [[5][specify] London Banking Days][Not Applicable]

*(N.B. When setting the Lag Lookback Period (p) or the Observation Shift Period, the practicalities of this period should be discussed with the Agent Bank or, if applicable, such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Pricing Supplement. It is anticipated that '(p)' will be no fewer than 5 London Banking Days unless otherwise agreed with the Agent Bank or, if applicable/required, such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Pricing Supplement, in relation to the relevant issuance)*

- Relevant Number: [[5][specify] London Banking Days][Not Applicable]

*(NB not applicable unless Calculation Method is SONIA Index Determination)*

*(N.B. When setting the Relevant Number, the practicalities of this period should be discussed with the Agent Bank or, if applicable, such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Pricing Supplement. It is anticipated that the Relevant Number will be no fewer than 5 London Banking Days unless otherwise agreed with the Agent Bank or, if applicable/required, such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Pricing Supplement, in relation to the relevant issuance)*

*(It is anticipated that Screen Rate Determination will be used on an issue by issue basis, unless otherwise agreed between the Issuer and the relevant Dealer or the relevant managers on the launch of a particular issue)*

16 Index Linked Interest Note Provisions [Applicable][Not Applicable]

(If not applicable, delete the remaining subparagraphs of this paragraph)

- (a) Rate of Interest: [specify]
- (b) Party responsible for calculating the Rate(s) of Interest and Interest Amount (if not the Calculation Agent): [specify]
- (c) Provisions for determining Interest Amount where calculation by reference to Index and/or Formula is impossible, impracticable or otherwise disrupted: Conditions 8.3 (*Changes in Circumstances Affecting the Index*) to [8.4 (*Application of Changes*)] [8.5 (*Cessation of, or Fundamental Changes to, the Index*)] apply
- (d) Specified Period(s)/Specified Interest Payment Dates: [specify]
- (e) Business Day Convention: [Floating Rate Convention] [Following Business Day Convention] [Modified Following Business Day Convention] [Preceding Business Day Convention] [specify other] [Not Applicable]
- (f) Additional Business Centre(s): [specify] [Not Applicable]
- (g) Day Count Fraction: [Actual/Actual] [Actual/365 (Fixed)] [Actual/365 (Sterling)] [Actual/360] [360/360] [Bond Basis] [30E/360] [Eurobond Basis] [30E/360 (ISDA)]
- (h) Minimum Indexation Factor: [Not Applicable] [specify]
- (i) Maximum Indexation Factor: [Not Applicable] [specify]
- (j) Limited Indexation Month(s) or period for calculation of Limited Indexation Factor: [specify] [Not Applicable]
- (k) Base Index Figure: [specify]
- (l) "Index" or "Index Figure" (Condition 8.1 (*Definitions*)): [Sub-paragraph [(a)][(b)][(c)] of the definition of "Index" or "Index Figure" as set out in Condition 8.1 (*Definitions*) shall apply] [Not Applicable]
- (m) Minimum Rate of Interest: [[specify] per cent. per annum] [Not Applicable]
- (n) Maximum Rate of Interest: [[specify] per cent. per annum] [Not Applicable]
- (o) Reference Gilt: [specify] [Not Applicable]
- (p) Condition 8.5 (*Cessation of, or Fundamental Changes to, the Index*) applicable: [Yes] [No]

17	Zero Coupon Note Provisions	[Applicable][Not Applicable]
	(a) Accrual Yield:	[specify] per cent. per annum payable (for sole purpose of determining Amortised Face Amount)
	(b) Reference Price:	[specify]
	(c) Day Count Fraction in relation to Early Redemption Amounts and late payment:	[Actual/Actual (ICMA)] [30/360]

**Provisions relating to redemption**

18	Issuer Call:	[Applicable][Not Applicable]
		<i>(If not applicable, delete the remaining subparagraphs of this paragraph)</i>
	(a) Optional Redemption Date(s):	[At any time][specify dates]
	(b) Optional Redemption Amount and method, if any, of calculation of such amount(s):	In relation to Condition 10.2(a) ( <i>Redemption at the option of the Issuer (Issuer Call)</i> ): [par/specify other]  In relation to Condition 10.2(d) ( <i>Redemption at the option of the Issuer (Issuer Call)</i> ): [In relation to each Note, [specify] per cent. of its Outstanding Principal Amount][Spens Amount]
	(c) If Spens Amount is applicable:	
	(i) Benchmark Gilt:	[specify]
	(ii) Spens Margin:	[specify] per cent.
	(d) If redeemable in part:	
	(i) Minimum Redemption Amount:	[specify]
	(ii) Maximum Redemption Amount:	[specify]
	(e) Notice periods:	Minimum period: [15] days  Maximum period: [30] days  <i>(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 5 clearing system business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for</i>

*example, as between the Issuer and the Principal Paying Agent or the Note Trustee.)*

19 Final Redemption Amount: [[specify] per Calculation Amount] [specify other]  
[Not Applicable]

20 Instalment Redemption: [Applicable][Not Applicable]

*Instalment Dates*

*Instalment Amounts*

[specify]

[specify]

[specify]

[specify]

21 Index Linked Redemption Note Provisions: [Applicable] [Not Applicable]

(a) Party responsible for calculating the Final Redemption Amount (if not the Calculation Agent): [specify] [Not Applicable]

(b) Provisions for determining Final Redemption Amount where calculated by reference to Index and/or Formula: [The Final Redemption Amount per Note shall be its outstanding nominal amount adjusted in accordance with Condition 8 (*Indexation*).] [specify other]

(c) Provisions for determining Final Redemption Amount where calculation by reference to Index and/or Formula is impossible or impracticable or otherwise disrupted: [Condition(s) 8.3 (*Changes in Circumstances Affecting the Index*) to 8.4 (*Application of Changes*)] [8.5 (*Cessation of, or Fundamental Changes to, the Index*)] apply.] [specify other]

(d) Reference Gilt: [specify]

(e) Notice Periods (Condition 8.6 (*Redemption for Index Reasons*)): Minimum Period: [30] [specify] days  
Maximum Period: [60] [specify] days

(f) Condition 8.5 (*Cessation of, or Fundamental Changes to, the Index*) applicable: [Yes][No]

**General provisions applicable to the Notes**

22 Form of Notes:

(a) Form: [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes upon an Exchange Event]

[Permanent Global Note exchangeable for Definitive Notes upon an Exchange Event]

	(b) New Global Note:	[Yes][No]
23	Retained Notes:	[Applicable, £[●] in principal amount][Not Applicable]
24	Talons for future Coupons to be attached to Definitive Notes:	[Yes, as the Notes have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made.][No]

## Responsibility

The Issuer accepts responsibility for the information contained in this Pricing Supplement. [[*Relevant third party information*] has been extracted from [*specify source*]. [The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [*specify source*], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of  
[*relevant Issuer*]:

By:

*Duly authorised*

By:

*Duly authorised*

## Part B – Other Information

### 1 Admission to trading

- (i) Admission to trading: [Application [has been made/is expected to be made] by the Issuer (or on its behalf) for the Notes to be admitted to trading on [the London Stock Exchange plc's International Securities Market] [and Sustainable Bond Market] with effect from [*specify*].] [Not Applicable]
- (ii) Estimate of total expenses related to admission to trading: [*specify*]

### 2 Ratings

Ratings: [The Notes to be issued [have been]/[are expected to be] rated "[●]" by [*insert the legal name of the relevant credit rating agency entity(ies)*].][Not Applicable]

### 3 Interests of natural and legal persons involved in the Issue

[Save for the fees [of [*insert relevant fee disclosure*]] payable to the [Managers named below/Dealers], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business - *Amend as appropriate if there are other interests*]

### 4 Yield (for Fixed Rate Notes only)

[*specify*]. The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

### 5 Performance of Index and other information concerning the underlying (for Index Linked Notes only)

- (i) Name of underlying index: U.K. Retail Prices Index (**RPI**) (all items) published by the Office for National Statistics
- (ii) Information about the index, its volatility and past and future performance can be obtained from: Information on RPI can be found at [www.ons.gov.uk](http://www.ons.gov.uk)

### 6 Operational Information

- (i) ISIN: [*specify*]
- (ii) Common Code: [*specify*]
- (iii) CFI: [[*specify*], as updated, as set out on the website of the Association of National Numbering]

- Agencies (**ANNA**) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN][As set out on the website of the Association of National Numbering Agencies (**ANNA**) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN][Not Applicable][Not Available]
- (iv) FISN: [[*specify*], as updated, as set out on the website of the ANNA or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN][As set out on the website of the Association of National Numbering Agencies (**ANNA**) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN][Not Applicable][Not Available]
- (If the CFI and/or FISN is not required, requested or available, it/they should be specified to be "Not Applicable")*
- (v) Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): [Not Applicable][*give name(s) and number(s)*]
- (vi) Delivery: Delivery [against][free of] payment
- (vii) Names and addresses of additional Paying Agent(s) (if any): [*specify*]
- (viii) Intended to be held in a manner which would allow Eurosystem eligibility: [Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]
- [No. Whilst the designation is specified as "no" at the date of this Pricing Supplement, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common

safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]]

- (ix) Use of proceeds: *[give details if additional to the "Use of Proceeds and Sustainable Bond Framework" section in the Programme Memorandum]*
- (x) Sustainability Note: *[Yes][Not Applicable]*  
*(if not applicable, delete the remaining subparagraphs of this paragraph)*
- (A) Second Party Opinion Provider(s): *[Name of relevant rating agencies and name of third party assurance agent, if any and details of compliance opinion(s) and availability]*
- (B) Date of Second Party Opinion(s): *[give details]*

## 7 **Distribution**

- (i) Method of distribution: *[Syndicated][Non-syndicated]*
- (ii) If syndicated, names of Managers: *[Not Applicable][give names]*
- (iii) Date of [Subscription] Agreement: *[Not Applicable][specify]*
- (iv) Stabilisation Manager(s) (if any): *[Not Applicable][give name]*
- (v) If non-syndicated, name of relevant Dealer: *[Not Applicable][give name]*
- (vi) U.S. Selling Restrictions: *Reg. S Compliance Category 2; [TEFRA C][TEFRA D][TEFRA not applicable]*
- (vii) Additional selling restrictions: *[Not Applicable][give details]*
- (viii) Prohibition of Sales to EEA Retail Investors: *[Applicable][Not Applicable]*  
*(If Notes clearly do not constitute "packaged" products, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no key information document in the EEA will be prepared, "Applicable" should be specified. If the Notes are listed on the*

London Stock Exchange's International Securities Market, "Applicable" shall be specified.)

(ix) Prohibition of Sales to UK Retail Investors:

[Applicable][Not Applicable]

*(If Notes clearly do not constitute "packaged" products, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no key information document in the UK will be prepared, "Applicable" should be specified. If the Notes are listed on the London Stock Exchange's International Securities Market, "Applicable" shall be specified.)*

## 8 Borrowers

### [Borrower summary financial information:

The following table sets out summary financial information in respect of the Borrowers (including the Relevant Borrowers which have entered into Note Funded Loan Agreements in respect of the proceeds of the Notes to be issued). The summary financial information in this table is provided at the group level to provide an overall picture of the profile of the group of which each Borrower is a member. The financial information set out below is extracted from the latest set of audited consolidated financial statements for each Borrower and may not therefore correspond with the same financial information if it were to be calculated on an unconsolidated basis at the Borrower level.

Unless otherwise stated on the respective website for each Borrower set out below, the financial statements of each Borrower have been prepared and audited in accordance with the generally accepted auditing standards in the United Kingdom as applicable as at their date.

Borrower	Website	Nominal loan £k	No. of units owned	Housing properties £k	Net debt £k*	Operating Surplus £k	Net interest payable £k*	Social housing lettings turnover £k	Total turnover £k	Regulatory status	Year end

\* The information set out in the columns entitled "Net debt £k" and "Net interest payable £k" in the above summary table has been calculated from extracted information from the latest set of audited financial statements for each Borrower (or the latest set of audited consolidated financial statements for such Borrower's group). The information set out in the remaining columns has been extracted from the latest set of audited consolidated financial statements for each Borrower although the headings of the line items may vary.

\*\* Denotes a Borrower which has entered into a Note Funded Loan Agreement to be funded from the proceeds of the Notes to be issued.

This Pricing Supplement sets out financial information as at the relevant year end of each Borrower only. Interim financial statements (if any) and/or trading statements (if any) may be available on the website of the relevant Borrower at the address set out above. In the case of a Borrower with debt securities admitted to the Official List of the Financial Conduct Authority, interim financial

statements (if any) and/or trading statements (if any) of such Borrower may also be available on a Regulatory Information Service (as such term is defined in the Listing Rules of the Financial Conduct Authority). [The Issuer is aware that the following Borrowers have published interim financial statements and/or a trading statement since the publication of such Borrower's latest audited consolidated financial statements:

[●]; and

[●].]

**[Borrower compliance with the Asset Cover Test:**

The following table summarises the Asset Cover Ratio (as defined below) derived from the security portfolio for each Borrower.

Borrower	Aggregate principal amount of Loan £k	Interest payable £k	Fixed charge security £k		Cash security £k	Asset Cover Ratio (Min 1x) <sup>(1)</sup>
			EUV-SH	MV-ST		

Notes:

Asset Cover Ratio means the sum of:

- (a) the Minimum Value of the Charged Properties; and
- (b) the Cash Security,

divided by the nominal amount of the Loan. Defined terms in this section have the meaning given in the section entitled "*Description of the Loan Agreements and the Core Terms*" of the Programme Memorandum.

For new Borrowers, or Borrowers taking additional funding, the funding is initially secured by the cash proceeds of the advance pending the charging of property security. Such cash is shown in the column entitled "Cash security £k". Borrowers have up to 12 months to complete the charging of property security.]

## Terms and Conditions of the Notes

*The following (other than any footnotes in italics) are the Terms and Conditions of the Notes which will be incorporated by reference into each Global Note (as defined below) and each definitive Note, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the relevant Issuer and the relevant Dealer at the time of issue but, if not so permitted and agreed, such definitive Note will have endorsed thereon or attached thereto such Terms and Conditions. The term **Issuer** as used in these Terms and Conditions refers to the Issuer specified as such in the applicable Pricing Supplement in relation to a particular Tranche of Notes. The applicable Pricing Supplement (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and definitive Note. Reference should be made to "Applicable Pricing Supplement" for a description of the content of Pricing Supplements, which will specify which of such terms are to apply in relation to the relevant Notes.*

This Note is one of a Series (as defined below) of Notes issued by the Issuer specified as such in the applicable Pricing Supplement (as defined below) constituted by the Note Trust Deed (as defined below) made between, *inter alios*, the Issuer and The Law Debenture Trust Corporation p.l.c. (the **Note Trustee**, which expression shall include any successor as Note Trustee).

References herein to the **Notes** shall, unless the context otherwise requires, be references to the Notes of this Series and shall mean:

- (a) in relation to any Notes represented by a global Note (a **Global Note**), units of each Specified Denomination in Sterling;
- (b) any Global Note; and
- (c) any definitive Notes issued in exchange for a Global Note.

The Notes, the Receipts and the Coupons (as defined below) have the benefit of an amended and restated Agency Agreement dated 8 April 2026 (as amended and/or supplemented and/or restated from time to time, the **Agency Agreement**) and made between, *inter alios*, the Issuer, the Note Trustee and The Bank of New York Mellon, London Branch as issuing and principal paying agent (the **Principal Paying Agent**, which expression shall include any successor principal paying agent, and, together with any other paying agents appointed thereunder, the **Paying Agents**, which expression shall include any additional or successor paying agents).

The final terms for this Note (or the relevant provisions thereof) are set out in Part A of the Pricing Supplement attached to or endorsed on this Note which supplement these Terms and Conditions (the **Conditions**) or, if the final terms for this Note specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the Conditions, replace or modify the Conditions for the purposes of this Note, the final terms (or the relevant provisions thereof) are set out in a separate programme memorandum specific to this Note (a **Drawdown Memorandum**). References to the **applicable Pricing Supplement** are, unless otherwise stated, to Part A of the Pricing Supplement (or the relevant provisions thereof) attached to or endorsed on this Note or, if this Note is the subject of a Drawdown Memorandum, each reference in these Conditions to information being specified or identified in the applicable Pricing Supplement shall be read and construed as a reference to such information being specified or identified in the relevant Drawdown Memorandum.

Interest bearing definitive Notes have interest coupons (**Coupons**) and, in the case of Notes which, when issued in definitive form, have more than 27 interest payments remaining, talons for further Coupons (**Talons**) attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Where Instalment Redemption is specified as applicable in the applicable Pricing Supplement, definitive Notes will have

receipts (**Receipts**) attached. Global Notes do not have Receipts, Coupons or Talons attached on issue.

The Note Trustee acts for the benefit of the Noteholders (which expression shall mean the holders of the Notes and shall, in relation to any Notes represented by a Global Note, be construed as provided below), the holders of the Receipts (the **Receiptholders**) and the holders of the Coupons (the **Couponholders**, which expression shall, unless the context otherwise requires, include the holders of the Talons), in accordance with the provisions of the Note Trust Deed.

As used herein, **Tranche** means Notes which are identical in all respects (including as to listing and admission to trading) and **Series** means a Tranche of Notes together with any further Tranche or Tranches of Notes which (a) are expressed to be consolidated and form a single series and (b) have the same terms and conditions or terms and conditions which are the same in all respects (including as to listing and/or admission to trading) save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue.

Copies of the Note Trust Deed, the Security Trust Deed, the Agency Agreement and the Custody Agreement (as defined below) are available for inspection upon reasonable notice during normal business hours at the registered office of the Note Trustee at 8th Floor, 100 Bishopsgate, London EC2N 4AG or any such other registered office from time to time and at the specified office (as defined below) of each of the Paying Agents upon written request and provision of proof of holding and identity (in a form satisfactory to the Note Trustee or the relevant Paying Agent, as applicable). If the Notes are to be admitted to trading on the London Stock Exchange's International Securities Market, the applicable Pricing Supplement will be published on the website of the London Stock Exchange through a regulatory information service or published in any other manner permitted by the International Securities Market Rulebook effective as of 19 January 2026 (as may be modified and/or supplemented and/or restated from time to time). The Noteholders, the Receiptholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Note Trust Deed, the Security Trust Deed, the Agency Agreement, the Custody Agreement and the applicable Pricing Supplement which are applicable to them. The statements in the Conditions include summaries of, and are subject to, the detailed provisions of the Note Trust Deed, the Security Trust Deed, the Agency Agreement and the Custody Agreement.

Words and expressions defined in the Note Trust Deed or the Agency Agreement or used in the applicable Pricing Supplement shall have the same meanings where used in the Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Note Trust Deed and the Agency Agreement, the Note Trust Deed will prevail and, in the event of inconsistency between the Note Trust Deed or the Agency Agreement and the applicable Pricing Supplement, the applicable Pricing Supplement will prevail.

## 1 Definitions

For the purposes of the Conditions:

**Administrator** means T.H.F.C. (Services) Limited or any successor or replacement administrator under the Management Services Agreement;

**Available Issuer Receipts** means all amounts from time to time received, and available for distribution, in relation to the Notes by the Issuer, the Note Trustee or any receiver appointed by the Issuer or the Note Trustee;

**Beneficiary** has the meaning given to that term in the Security Trust Deed;

**Borrower** means an Eligible Borrower which borrows monies pursuant to a Loan Agreement (including, without limitation, a Relevant Borrower);

**Business Day** means any day other than a Saturday or a Sunday on which banks are open for business in London and each Additional Business Centre (if any) specified in the applicable Pricing Supplement;

**Core Terms** means the core terms applicable to the Issuer set out in the Note Trust Deed and which the Issuer is required by the Note Trust Deed to impose on all Borrowers;

**Custodian** means The Bank of New York Mellon, London Branch as custodian of the Retained Notes, which expression shall include any successor custodian;

**Custody Agreement** means:

- (a) where Social Housing Finance 1 Plc or Social Housing Finance 2 Plc is specified as the Issuer in the applicable Pricing Supplement, the Custody Agreement dated 13 October 2025 between, *inter alios*, the Issuer and the Custodian, as amended and/or supplemented and/or restated from time to time;
- (b) where Urban Housing Finance Plc, Shared Ownership Funding Plc or Temporary Accommodation Funding Plc is specified as the Issuer in the applicable Pricing Supplement, the Custody Agreement dated 8 April 2026 between, *inter alios*, the Issuer and the Custodian, as amended and/or supplemented and/or restated from time to time; and
- (c) otherwise, a Custody Agreement to be entered into on or prior to the Issue Date in respect of any Tranche of Notes between the Issuer and the Custodian, as amended and/or supplemented and/or restated from time to time;

**Dealers** means Barclays Bank PLC, HSBC Bank plc, Lloyds Bank Corporate Markets plc, NatWest Markets Plc and RBC Europe Limited and any other dealers appointed in accordance with the Programme Agreement from time to time;

**Eligible Borrower** means:

- (a) where Social Housing Finance 1 Plc, Social Housing Finance 2 Plc, Urban Housing Finance Plc, Shared Ownership Funding Plc or Temporary Accommodation Funding Plc is specified as the Issuer in the applicable Pricing Supplement:
  - (i) a not-for-profit Registered Provider; or
  - (ii) a finance subsidiary undertaking (a **Finance Subsidiary Borrower**) within a group that on-lends the proceeds of a Loan pursuant to an intra-group loan agreement to one or more not-for-profit Registered Providers within the same group (each an **Indirect RP Borrowers**); and
- (b) otherwise, as specified in the Issuer Accession Deed of the Issuer;

**Enforcement Priority of Payments** has the meaning given in Condition 4.3 (*Application of proceeds*);

**Event of Default** has the meaning given in Condition 13.1 (*Events of Default*);

**Issuer Accession Deed** means a duly completed accession deed in the form set out in Schedule 5 (*Issuer Accession Deed*) to the Note Trust Deed;

**Issuer Expenses** means amounts due and payable by the Issuer:

- (a) in respect of fees and expenses (including indemnities) to the Note Trustee under the Note Trust Deed;
- (b) to the Security Trustee under the Security Trust Deed;
- (c) to the Paying Agents under the Agency Agreement;
- (d) to the Custodian under the Custody Agreement;
- (e) to the independent accountants, agents and counsel of the Issuer for fees and expenses (including amounts payable in connection with the preparation of tax forms on behalf of the Issuer and any registered office fees);
- (f) to any other person in respect of any governmental fee, charge or tax;
- (g) to the Dealers in respect of any amounts payable under the Programme Agreement;
- (h) to the Rating Agencies in respect of fees and expenses in connection with the ratings of the Issuer (if applicable) and its securities;
- (i) to the London Stock Exchange in respect of the admission to trading of the Issuer's securities;
- (j) to the Administrator under the Management Services Agreement; and
- (k) to any other person in respect of any other fees or expenses (including indemnities) permitted under the Note Trust Deed;

**Liabilities** has the meaning given to that term in the Note Trust Deed;

**Loan** means a loan (including, without limitation, a Note Funded Loan) made by the Issuer to a Borrower in respect of which the advances to the Borrower and/or the acquisition of which has been or is to be funded by the Issuer through any indebtedness from time to time incurred by the Issuer and for the time being outstanding which is expressed to rank *pari passu* with the Notes and (to the extent that any such loan has been prepaid (in whole or in part) prior to its maturity date) each other loan to a Borrower which the Issuer has made as a replacement therefor;

**Loan Agreement** means either:

- (a) an agreement made between, *inter alios*, the Issuer and a Borrower documenting the terms of a Loan (including, without limitation, a Note Funded Loan Agreement); or
- (b) an agreement with a Borrower documenting the terms of a Loan (including, without limitation, a Note Funded Loan Agreement) which the Issuer has acquired;

**Management Services Agreement** means:

- (a) where Social Housing Finance 1 Plc or Social Housing Finance 2 Plc is specified as the Issuer in the applicable Pricing Supplement, the Management Services Agreement

dated 3 October 2025 between the Issuer and the Administrator, as amended and/or supplemented and/or restated from time to time;

- (b) where Urban Housing Finance Plc, Shared Ownership Funding Plc or Temporary Accommodation Funding Plc is specified as the Issuer in the applicable Pricing Supplement, the Management Services Agreement dated 8 April 2026 between the Issuer and the Administrator, as amended and/or supplemented and/or restated from time to time; and
- (c) otherwise, a Management Services Agreement to be entered into on or prior to the Issue Date in respect of any Tranche of Notes between the Issuer and the Administrator, as amended and/or supplemented and/or restated from time to time;

**Note Funded Loan** means a loan by the Issuer to a Relevant Borrower in respect of which the advances to the Relevant Borrower and/or the acquisition of which has been or is to be funded by the Issuer through the issue of Notes, or the sale of Retained Notes, and (to the extent that any such loan has been prepaid (in whole or in part) prior to its maturity date) each other loan to a Relevant Borrower which the Issuer has made as a replacement therefor;

**Note Funded Loan Agreement** means:

- (a) an agreement made between the Issuer and a Relevant Borrower documenting the terms of a Note Funded Loan; or
- (b) an agreement made with a Relevant Borrower documenting the terms of a Note Funded Loan which the Issuer has acquired;

**Note Trust Deed** means the amended and restated Note Trust Deed dated 8 April 2026 made between, *inter alios*, the Issuer and the Note Trustee (as modified and/or supplemented and/or restated from time to time);

**Note Trustee** means The Law Debenture Trust Corporation p.l.c. as note trustee under the Note Trust Deed for the Noteholders in respect of each Series of Notes or any successor note trustee appointed thereunder;

**Noteholder Entrenched Right** means the right to vote on any proposal:

- (a) to change any date fixed for payment of principal, interest or other amounts in respect of the Notes, the Receipts or the Coupons, to reduce the amount of principal or interest payable on any date in respect of the Notes, the Receipts or the Coupons, to alter the method of calculating the amount of any payment in respect of the Notes, the Receipts or the Coupons or the date for any such payment;
- (b) to effect any exchange of the Notes for, or the conversion of the Notes into, shares, bonds or other obligations of the Issuer or any other person or to approve the substitution of any person for the Issuer as principal obligor under the Notes, the Receipts and the Coupons;
- (c) to change the currency of payments under the Notes, the Receipts or the Coupons;
- (d) to change the quorum required at any meeting of the Noteholders or the majority required to pass an Extraordinary Resolution;

- (e) to release the security granted by the Issuer pursuant to these Conditions and the Security Trust Deed;
- (f) to approve any amendment which would result in a change or elimination of the rights of the Noteholders, Receiptholders or Couponholders to receive any payment not contemplated by the original terms of the Notes (save as results from procedural and/or administrative changes which are not material and arise in the ordinary course of administration of the Notes); or
- (g) to amend this definition or the use thereof in these Conditions and the Note Trust Deed;

**Pre-Enforcement Priority of Payments** has the meaning given in Condition 5 (*Pre-Enforcement Priority of payments*);

**Programme Agreement** means the amended and restated Programme Agreement dated 8 April 2026 between, *inter alios*, the Issuer and the Dealers (as the same may be amended and/or supplemented and/or restated from time to time);

**Rating Agencies** means any internationally recognised rating agency or agencies which has or have assigned a rating to the Issuer or the Notes at the request of the Issuer (or, in each case, any successor to its rating business);

**Registered Provider** means a registered provider of social housing, registered social landlord or registered housing association whose activities are regulated by the Regulator of Social Housing (in England), the Welsh Assembly Government (in Wales), the Scottish Housing Regulator (in Scotland) or the Department for Communities (in Northern Ireland) or, in each case, any replacement or successor regulator thereto;

**Relevant Borrower** means an Eligible Borrower which borrows monies pursuant to a Note Funded Loan Agreement;

**Representative** has the meaning given to that term in the Security Trust Deed;

**Retained Notes** means the Notes purchased by the Issuer on the Issue Date (if any);

**Secured Debt** has the meaning given to that term in the Security Trust Deed;

**Secured Debt Event of Default** has the meaning given to that term in the Security Trust Deed;

**Secured Liabilities** has the meaning given to that term in the Security Trust Deed;

**Security Trust Deed** means the Security Trust Deed dated 13 October 2025 made between, *inter alios*, the Issuer and the Security Trustee (as modified and/or supplemented and/or restated from time to time);

**Security Trustee** means The Law Debenture Trust Corporation p.l.c. as security trustee under the Security Trust Deed for, *inter alios*, the Noteholders in respect of each Series of Notes or any successor security trustee appointed thereunder;

**specified office** of any Paying Agent means the office specified or any other specified office as may from time to time be duly notified by a Paying Agent pursuant to the Agency Agreement;

**Sterling** means the lawful currency for the time being of the United Kingdom; and

**Subsidiary** means, in relation to any entity, any company which is for the time being a subsidiary (within the meaning of Section 1159 of the Companies Act 2006, as amended or re-enacted from time to time) of such entity.

## 2 Form, denomination and title

The Notes are in bearer form and, in the case of definitive Notes, serially numbered, denominated in Sterling and in the denominations (the **Specified Denomination(s)**) specified in the applicable Pricing Supplement. Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination.

Definitive Notes are issued with Coupons attached (unless they are Zero Coupon Notes in which case references to Coupons and Couponholders in these Conditions are not applicable) and (if Instalment Redemption is specified as applicable in the applicable Pricing Supplement) Receipts attached.

Subject as set out below, title to the Notes, Receipts and Coupons will pass by delivery. The Issuer, the Note Trustee and any Paying Agent will (except as otherwise required by law) deem and treat the bearer of any Note, Receipt or Coupon as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Note, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear Bank SA/NV (**Euroclear**) and/or Clearstream Banking S.A. (**Clearstream, Luxembourg**), each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular principal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the principal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Note Trustee and the Paying Agents as the holder of such principal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such principal amount of such Notes, for which purpose the bearer of the relevant Global Note shall be treated by the Issuer, the Note Trustee and any Paying Agent as the holder of such principal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions **Noteholder** and **holder of Notes** and related expressions shall be construed accordingly.

In determining whether a particular person is entitled to a particular principal amount of Notes as aforesaid, the Note Trustee may rely on such evidence and/or information and/or certification as it shall, in its absolute discretion, think fit and, if it does so rely, such evidence and/or information and/or certification shall, in the absence of manifest error, be conclusive and binding on all concerned.

Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear and Clearstream, Luxembourg, as the case may be. References to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in Part B of the applicable Pricing Supplement.

## 3 Status of the Notes

The Notes and any relative Receipts and Coupons are direct, unconditional and secured obligations of the Issuer and rank *pari passu* without any preference or priority among

themselves. The Notes are secured by the security set out in Condition 4 (*Security*) but rank subordinate in priority in point of payment to any claims of, *inter alios*, the Note Trustee and the Security Trustee against the Issuer as set out in the Pre-Enforcement Priority of Payments and the Enforcement Priority of Payments.

## **4 Security**

### **4.1 Security**

Pursuant to the Security Trust Deed, the obligations of the Issuer under, *inter alia*, the Note Trust Deed, the Security Trust Deed, the Agency Agreement, the Custody Agreement, all Notes issued by it under the Note Trust Deed and the relative Receipts and Coupons are secured by a first floating charge on the whole of the Issuer's undertaking, property and assets, whatsoever and wheresoever situated, present and future, in favour of the Security Trustee for the benefit of itself and, *inter alios*, the Noteholders. All Notes issued by the Issuer under the Note Trust Deed shall rank *pari passu* under such security.

### **4.2 Enforcement of Security**

The security granted by the Issuer under the Security Trust Deed as referred to in Condition 4.1 (*Security*) will become enforceable upon the occurrence of a Secured Debt Event of Default, including an Event of Default as provided in Condition 13 (*Events of Default and Enforcement*).

Following such security becoming enforceable the Note Trustee may, in its discretion, or shall, if so requested in writing by holders of at least 20 per cent. in aggregate principal amount of the Notes of this Series then outstanding or by an Extraordinary Resolution of the Noteholders of this Series, subject to it being indemnified and/or secured and/or prefunded to its satisfaction, and without any liability as to the consequence of such action and without having regard to individual Noteholders, Receiptholders or Couponholders, direct the Security Trustee to take action to enforce such security (including without limitation converting the floating charge into a fixed charge).

The Security Trustee may be directed to enforce such security by:

- (a) the Note Trustee, upon being requested or directed in the manner referred to above in respect of another Series or Notes issued by the Issuer; or
- (b) the Representative of any other holder or lender of Secured Debt issued by, or incurred by, the Issuer.

Such enforcement will constitute an Event of Default in relation to the Notes of this Series pursuant to Condition 13.1(c) (*Events of Default*), but will not result in the acceleration of the Issuer's obligations under the Notes of this Series unless notice of such acceleration is given by the Note Trustee in accordance with Condition 13 (*Events of Default and Enforcement*).

*Enforcement of the security granted by any other Issuer will not constitute an Event of Default in relation to the Notes of this Series nor will the security in relation to the Notes of this Series become enforceable as a result.*

### **4.3 Application of proceeds**

The Security Trust Deed requires that all monies received by or on behalf of the Security Trustee following enforcement of the security created thereunder shall be applied as follows:

- (a) first, in payment of the fees, costs, charges, expenses, liabilities incurred by the Security Trustee, any appointee of the Security Trustee or any receiver in connection with the enforcement of security;
- (b) second, in payment, on a *pari passu* and *pro rata* basis, of the Secured Liabilities owing to each Beneficiary; and
- (c) third, in payment of the balance (if any) to the Issuer.

All payments to be made in respect of Secured Liabilities owing in connection with any Series of Notes pursuant to (b) above shall be made to the Note Trustee for application in accordance with the Enforcement Priority of Payments.

The Note Trust Deed requires that all monies received by or on behalf of the Note Trustee from the Security Trustee following enforcement with respect to the Notes and/or the security therefor (in the event that the Notes have become due and repayable in full) and apportioned by the Note Trustee to the Notes pursuant to the Note Trust Deed shall be applied according to the following priority (**Enforcement Priority of Payments**):

- (a) to the payment of the fees, costs, charges, expenses and liabilities incurred by the Note Trustee or any receiver in connection with the enforcement of security and any other unpaid fees and expenses of the Note Trustee (including, but not limited to, all amounts payable to the Note Trustee under the Note Trust Deed);
- (b) to the payment, on a *pari passu* and *pro rata* basis, of all amounts owing to the Paying Agents under the Agency Agreement and the Custodian under the Custody Agreement;
- (c) to the payment, on a *pari passu* and *pro rata* basis, of any other due but unpaid Issuer Expenses relating to the Notes;
- (d) to the payment, on a *pari passu* and *pro rata* basis, of any due but unpaid interest on the Notes;
- (e) to the payment, on a *pari passu* and *pro rata* basis, of the principal due and payable on the Notes; and
- (f) any surplus to the Issuer and any other person entitled thereto.

## 5 **Pre-Enforcement Priority of payments**

Prior to the Notes having become due and repayable in full and the security in respect of the Notes being enforced as described in Condition 4.2 (*Enforcement of Security*) and subject as provided in the Note Trust Deed, on each Interest Payment Date and/or Instalment Date up to, and including, the Expected Maturity Date (and, if the Notes are not redeemed in full on the Expected Maturity Date, each Interest Payment Date up to, and including, the Legal Maturity Date) or the Maturity Date, as applicable, the Issuer shall apply the Available Issuer Receipts in the order set out below (the **Pre-Enforcement Priority of Payments**):

- (a) to the payment of any accrued and unpaid taxes and statutory fees owing by the Issuer to any tax authority;
- (b) to the payment of any unpaid fees and expenses of the Note Trustee and the Security Trustee (including, but not limited to, all amounts payable to the Note Trustee under the

Note Trust Deed and all amounts payable to the Security Trustee under the Security Trust Deed) (insofar as they relate to the Notes);

- (c) to the payment, on a *pari passu* and *pro rata* basis, of all amounts owing to the Paying Agents under the Agency Agreement and the Custodian under the Custody Agreement;
- (d) to the payment, on a *pari passu* and *pro rata* basis, of any other due but unpaid Issuer Expenses;
- (e) (in the case of payment on an Interest Payment Date) to the payment, on a *pari passu* and *pro rata* basis, of the interest due and payable on the Notes on such Interest Payment Date; and
- (f) to the payment, on a *pari passu* and *pro rata* basis, of any principal due and payable on the Notes.

## 6 Covenants

So long as any of the Notes remains outstanding, the Issuer covenants that, unless the Note Trustee otherwise gives prior written consent, it will:

- (a) not engage in any activity other than:
  - (i) carry out the business of a company which has as its purpose raising finance and on-lending such finance to Eligible Borrowers or otherwise acquiring Loans made to Eligible Borrowers; and
  - (ii) perform any act incidental to or necessary in connection with (i) above;
- (b) not create or permit to subsist any other security over any of its assets other than the security granted by it in favour of the Security Trustee pursuant to the Security Trust Deed;
- (c) maintain up-to-date lists of Loans and (without prejudice to its listing obligations) make such lists, and the then current Core Terms, publicly available at all times;
- (d) not:
  - (i) make any Loan to any Eligible Borrower on terms less onerous to such Registered Provider or less beneficial to the Issuer than the then current Core Terms;
  - (ii) agree to any modification, abrogation, waiver or release in respect of the obligations of an Eligible Borrower under any Loan made to it if such modification, abrogation, waiver or release would have the effect of making the terms of such Loan less onerous to the Eligible Borrower or less beneficial to the Issuer than the then current Core Terms; or
  - (iii) modify the Core Terms,

except with the prior written consent of the Note Trustee who shall (subject as provided in the Note Trust Deed) be obliged to provide its consent in relation to a proposed modification of the Core Terms if each Rating Agency has confirmed that such modification to the Core Terms will not have an adverse effect on the then current rating of the Notes issued by the Issuer assigned by it; and

- (e) promptly and diligently enforce in all material respects the terms in each Loan Agreement equivalent to the Core Terms unless the Issuer shall have consented to any waiver or release of any specific default in connection therewith in circumstances where in the opinion of the Issuer the interests of the Noteholders will not be materially prejudiced thereby.

## 7 Interest

### 7.1 Interest on Fixed Rate Notes

This Condition 7.1 (*Interest on Fixed Rate Notes*) applies to Fixed Rate Notes only.

The applicable Pricing Supplement contains provisions applicable to the determination of fixed rate interest and must be read in conjunction with this Condition 7.1 (*Interest on Fixed Rate Notes*) for full information on the manner in which interest is calculated on Fixed Rate Notes. In particular, the applicable Pricing Supplement will specify the Interest Commencement Date, the Rate(s) of Interest, the Interest Payment Date(s), the Legal Maturity Date, the Expected Maturity Date, the Fixed Coupon Amount, any applicable Broken Amount, the Calculation Amount, the Day Count Fraction and any applicable Determination Date(s).

Each Fixed Rate Note bears interest on its principal amount from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Legal Maturity Date or the Maturity Date, as applicable.

If the Notes are in definitive form, except as provided in the applicable Pricing Supplement, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Pricing Supplement, amount to the Broken Amount so specified.

As used in the Conditions, **Fixed Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

Except in the case of Notes in definitive form where an applicable Fixed Coupon Amount or Broken Amount is specified in the applicable Pricing Supplement, interest shall be calculated in respect of any period by applying the Rate of Interest to:

- (a) in the case of Fixed Rate Notes which are represented by a Global Note, the aggregate principal amount outstanding of the Fixed Rate Notes represented by such Global Note; or
- (b) in the case of Fixed Rate Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest penny, half a penny being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

**Day Count Fraction** means, in respect of the calculation of an amount of interest, in accordance with this Condition 7.1 (*Interest on Fixed Rate Notes*):

- (a) where interest is required to be calculated in respect of a Determination Period:
  - (i) one, divided by
  - (ii) the number of Determination Dates (as specified in the applicable Pricing Supplement) that would occur in one calendar year;
- (b) where interest is required to be calculated in respect of a period of less than a full Determination Period:
  - (i) the actual number of days in the period from and including the date on which interest begins to accrue (the **Accrual Date**) to but excluding the date on which it falls due, divided by
  - (ii) the actual number of days in such Determination Period multiplied by the number of Determination Dates that would occur in one calendar year; or
- (c) where interest is required to be calculated in respect of a period which is longer than a Determination Period, the sum of:
  - (i)
    - (A) the actual number of days in the period from and including the Accrual Date to but excluding the next following Determination Date, divided by
    - (B) the actual number of days in such Determination Period multiplied by the number of Determination Dates that would occur in one calendar year; and
  - (ii) in the next following Determination Period:
    - (A) the actual number of days from and including the Determination Date at the start of such Determination Period to but excluding the date on which interest falls due, divided by
    - (B) the actual number of days in such Determination Period multiplied by the number of Determination Dates that would occur in one calendar year;

**Determination Period** means each period from (and including) a Determination Date (as specified in the Applicable Pricing Supplement) to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date).

## 7.2 **Interest on Floating Rate Notes and Index Linked Interest Notes**

This Condition 7.2 (*Interest on Floating Rate Notes and Index Linked Interest Notes*) applies to Floating Rate Notes and Index Linked Interest Notes only.

The applicable Pricing Supplement contains provisions applicable to the determination of floating rate interest and index linked interest and must be read in conjunction with this Condition

7.2 (*Interest on Floating Rate Notes*) for full information on the manner in which interest is calculated on Floating Rate Notes and Index inked Interest Notes. In particular, in the case of Floating Rate Notes, the applicable Pricing Supplement will identify any Specified Interest Payment Dates, any Specified Period, the Interest Commencement Date, the Legal Maturity Date, the Expected Maturity Date, the Business Day Convention, any Additional Business Centres, whether ISDA Determination or Screen Rate Determination applies to the calculation of interest, the party who will calculate the amount of interest due if it is not the Agent Bank, the Margin, any maximum or minimum interest rates (if applicable) and the Day Count Fraction. In the case of Index Linked Interest Notes, the applicable Pricing Supplement will identify the Specified Interest Payment Dates, any Specified Period, the Business Day Convention, the Minimum/Maximum Indexation Factors and other provisions pursuant to Condition 8 (*Indexation*).

(a) **Interest Payment Dates**

Each Floating Rate Note and Index Linked Interest Note bears interest on its principal amount from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

- (i) the Specified Interest Payment Date(s) in each year specified in the applicable Pricing Supplement; or
- (ii) if no Specified Interest Payment Date(s) is/are specified in the applicable Pricing Supplement, each date (each such date, together with each Specified Interest Payment Date, an **Interest Payment Date**) which falls the number of months or other period specified as the Specified Period in the applicable Pricing Supplement after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period. In these Conditions, **Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

If a Business Day Convention is specified in the applicable Pricing Supplement and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (A) in any case where Specified Periods are specified in accordance with Condition 7.2(a)(ii) (*Interest Payment Dates*), the Floating Rate Convention, such Interest Payment Date:
  - 1) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (ii) below shall apply mutatis mutandis; or
  - 2) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event:
    - (a) such Interest Payment Date shall be brought forward to the immediately preceding Business Day; and
    - (b) each subsequent Interest Payment Date shall be the last Business Day in the month which falls in the Specified Period after the preceding applicable Interest Payment Date occurred; or

- (B) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (C) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or

the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In these Conditions, **Business Day** means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and each Additional Business Centre specified in the applicable Pricing Supplement.

(b) **Rate of Interest for Floating Rate Notes**

The Rate of Interest payable from time to time in respect of Floating Rate Notes will be determined in the manner specified in the applicable Pricing Supplement.

- (i) Where Screen Rate Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined, and the Calculation Method is specified in the applicable Pricing Supplement as being Compounded Daily SONIA Formula, the Rate of Interest for each Interest Period will, subject to Condition 7.2(c) (*Benchmark Replacement*) and as provided below, be the Compounded Daily SONIA Formula Rate with respect to such Interest Period plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any).

**Compounded Daily SONIA Formula Rate** means, with respect to an Interest Period, the rate of return of a daily compound interest investment in Sterling (with the Sterling Overnight Index Average as the reference rate for the calculation of interest) as calculated by the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Pricing Supplement) on the relevant Interest Determination Date in accordance with the following formula (and the resulting percentage will be rounded, if necessary, to the nearest fourth decimal place, with 0.00005 being rounded upwards):

$$\left[ \prod_{i=1}^{d_0} \left( 1 + \frac{SONIA_i \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}$$

where:

**d** is the number of calendar days in:

- (a) where "Lag" is specified as the Observation Method in the applicable Pricing Supplement, the relevant Interest Period; or
- (b) where "Observation Shift" is specified as the Observation Method in the applicable Pricing Supplement, the relevant Observation Period;

**d<sub>0</sub>** is the number of London Banking Days in:

- (a) where "Lag" is specified as the Observation Method in the applicable Pricing Supplement, the relevant Interest Period; or

- (b) where "Observation Shift" is specified as the Observation Method in the applicable Pricing Supplement, the relevant Observation Period;

$i$  is a series of whole numbers from one to  $d_o$ , each representing the relevant London Banking Day in chronological order from, and including, the first London Banking Day in:

- (a) where "Lag" is specified as the Observation Method in the applicable Pricing Supplement, the relevant Interest Period; or
- (b) where "Observation Shift" is specified as the Observation Method in the applicable Pricing Supplement, the relevant Observation Period;

**London Banking Day** means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

$n_i$ , means, for any London Banking Day "i", the number of calendar days from (and including) such London Banking Day "i" up to (but excluding) the following London Banking Day;

**Observation Period** means, in respect of an Interest Period, the period from (and including) the date falling "p" London Banking Days prior to the first day of the relevant Interest Period to (but excluding) the date falling "p" London Banking Days prior to:

- (a) the Interest Payment Date for such Interest Period or
- (b) if applicable, the relevant payment date if the Notes become due and payable on a date other than an Interest Payment Date;

**p** means:

- (a) where "Lag" is specified as the Observation Method in the applicable Pricing Supplement, the number of London Banking Days included in the "Lag Lookback Period (p)" in the applicable Pricing Supplement (which, unless otherwise agreed with the Agent Bank, or, if applicable/required, such other party responsible for the calculation of the Rate of Interest, shall be no less than five London Banking Days); or
- (b) where "Observation Shift" is specified as the Observation Method in the applicable Pricing Supplement, the number of London Banking Days included in the "Observation Shift Period" in the applicable Pricing Supplement (which, unless otherwise agreed with the Agent Bank, or, if applicable/required, such other party responsible for the calculation of the Rate of Interest, shall be no less than five London Banking Days);

**SONIA reference rate** means, in respect of any London Banking Day, a reference rate equal to the daily Sterling Overnight Index Average (SONIA) rate for such London Banking Day as provided by the administrator of SONIA to authorised distributors and as then published on the Relevant Screen Page (or, if the Relevant Screen Page is unavailable, as otherwise published by such authorised distributors) on the London Banking Day immediately following such London Banking Day; and

**SONIA<sub>i</sub>** means, in respect of any London Banking Day "i":

- (a) where "Lag" is specified as the Observation Method in the applicable Pricing Supplement, the SONIA reference rate in respect of the London Banking

Day falling "p" London Banking Days prior to the relevant London Banking Day "i"; or

- (b) where "Observation Shift" is specified as the Observation Method in the applicable Pricing Supplement, the SONIA reference rate in respect of the relevant London Banking Day "i".
- (ii) Where Screen Rate Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined, and the Calculation Method is specified in the applicable Pricing Supplement as being SONIA Index Determination, the Rate of Interest for an Interest Period will, subject to Condition 7.2(c) (*Benchmark Replacement*) and as provided below, be the SONIA Compounded Index Rate with respect to such Interest Period plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any).

**SONIA Compounded Index Rate** means, with respect to an Interest Period, the rate of return of a daily compound interest investment as calculated by the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the Pricing Supplement) on the relevant Interest Determination Date in accordance with the following formula (and the resulting percentage will be rounded, if necessary, to the nearest fourth decimal place, with 0.00005 being rounded upwards):

$$\left( \frac{\text{SONIA Compounded Index (End)}}{\text{SONIA Compounded Index (Start)}} - 1 \right) \times \frac{365}{d}$$

where:

**d** is the number of calendar days from (and including) the day in relation to which "SONIA Compounded Index<sub>Start</sub>" is determined to (but excluding) the day in relation to which "SONIA Compounded Index<sub>End</sub>" is determined (being the number of calendar days in the applicable reference period);

**London Banking Day** has the meaning set out in Condition 7.2(b)(i) above;

**Relevant Number** means 5 (five) or such higher number (or if agreed with the Agent Bank (or, if applicable/required, such other party responsible for the calculation of the Rate of Interest), such lower number) as is specified in the applicable Pricing Supplement;

**SONIA Compounded Index<sub>End</sub>** means the SONIA Compounded Index value relating to the London Banking Day falling the Relevant Number of London Banking Days prior to

- (a) the Interest Payment Date for the relevant Interest Period; or
- (b) if applicable, the relevant payment date if the Notes become due and payable on a date other than an Interest Payment Date;

**SONIA Compounded Index<sub>Start</sub>** means the SONIA Compounded Index value relating to the London Banking Day falling the Relevant Number of London Banking Days prior to the first day of the relevant Interest Period; and

**SONIA Compounded Index** means, with respect to any London Banking Day, the value of the SONIA Compounded Index that is provided by the administrator of the SONIA reference rate to authorised distributors and as then published on the Relevant Screen Page (or, if the Relevant Screen Page is unavailable, as otherwise published by such authorised distributors) in respect of such London Banking Day.

If the relevant SONIA Compounded Index is not published or displayed by the administrator of the SONIA reference rate or other information service at the Relevant Time specified in the applicable Pricing Supplement on the relevant Interest Determination Date, the SONIA Compounded Index Rate for the applicable Interest Period for which the SONIA Compounded Index is not available shall be the Compounded Daily SONIA Formula Rate determined in accordance with Condition 7.2(b)(ii) above as if the Calculation Method specified in the applicable Pricing Supplement were Compounded Daily SONIA Formula (and not SONIA Index Determination), and for these purposes:

- (a) the "Observation Method" shall be deemed to be "Observation Shift"; and
- (b) the "Observation Shift Period" shall be deemed to be equal to the Relevant Number of London Banking Days,

as if those alternative elections had been made in the applicable Pricing Supplement.

- (iii) For the purposes of Condition 7.2(b)(ii) above, and subject to Condition 7.2(c) below, if, in respect of any London Banking Day in the relevant Observation Period or the relevant Interest Period, as applicable, the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Pricing Supplement) determines that the applicable SONIA reference rate has not been made available on the Relevant Screen Page or has not otherwise been published by the relevant authorised distributors, then the Agent Bank (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Pricing Supplement, as applicable) shall determine the SONIA reference rate in respect of such London Banking Day as being:

(A)

- (a) the Bank of England's Bank Rate (the **Bank Rate**) prevailing at 5.00 p.m. (or, if earlier, close of business) on such London Banking Day; plus
- (b) the mean of the spread of the SONIA reference rate to the Bank Rate over the previous five London Banking Days in respect of which the SONIA reference rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and the lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads) to the Bank Rate; or

(B) if the Bank Rate under (1)(a) above is not available at the relevant time, either:

- (a) the SONIA reference rate published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors) for the first preceding London Banking Day in respect of which the SONIA reference rate was published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors); or
- (b) if this is more recent, the latest rate determined under (1)(a) above,

and in each case **SONIA reference rate** shall be interpreted accordingly.

- (iv) In the event that the Rate of Interest cannot be determined in accordance with the foregoing provisions, the Rate of Interest shall be:
  - (A) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin, Maximum Rate of Interest and/or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin, Maximum Rate of Interest and/or Minimum Rate of Interest (as the case may be) relating to the relevant Interest Period, in place of the Margin, Maximum Rate of Interest and/or Minimum Rate of Interest (as applicable) relating to that last preceding Interest Period); or
  - (B) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to such Series of Notes for the first scheduled Interest Period had the Notes been in issue for a period equal in duration to the first scheduled Interest Period but ending on (and excluding) the Interest Commencement Date (and applying the Margin and, if applicable, any Maximum Rate of Interest and/or Minimum Rate of Interest, applicable to the first scheduled Interest Period).
- (v) If Notes becomes due and payable in accordance with Condition 13 (*Events of Default and Enforcement*), the final Rate of Interest shall be calculated for the period from (and including) the previous Interest Payment Date to (but excluding) the date on which the Notes become so due and payable, and such Rate of Interest shall continue to apply to the Notes for so long as interest continues to accrue thereon as provided in Condition 7.2 and the Note Trust Deed.

(c) **Benchmark Replacement**

This Condition 7.2(c) applies only where Screen Rate Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined.

(i) **Independent Adviser**

If the Issuer determines that a Benchmark Event has occurred in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine, following consultation with the Issuer and no later than five Business Days prior to the relevant Interest Determination Date relating to the next succeeding Interest Period (the **IA Determination Cut-off Date**), a Successor Rate, failing which an Alternative Rate (in accordance with Condition 7.2(c)(ii) (*Successor Rate or Alternative Rate*)) and, in either case, an Adjustment Spread (in accordance with Condition 7.2(c)(iii) (*Adjustment Spread*)) and any Benchmark Amendments (in accordance with Condition 7.2(c)(iv) (*Benchmark Amendments*)).

An Independent Adviser appointed pursuant to this Condition 7.2(c) shall act in good faith and in a commercially reasonable manner following consultation with the Issuer. In the absence of wilful default, bad faith or fraud, the Independent Adviser shall have no liability whatsoever to the Noteholders, the Note Trustee, the Paying Agents or the Agent Bank for any determination it makes pursuant to this Condition 7.2(c). No Independent Adviser appointed in connection with the Notes (acting in such capacity), shall have any relationship of agency or trust with the Noteholders.

If:

- (A) the Issuer is unable to appoint an Independent Adviser; or
- (B) the Independent Adviser fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with this Condition 7.2(c)(i) prior to the relevant IA Determination Cut-off Date,

the Rate of Interest applicable to the next succeeding Interest Period shall be equal to the Rate of Interest last determined in relation to the Notes in respect of the immediately preceding Interest Period. If there has not been a first Interest Payment Date, the Rate of Interest shall be the initial Rate of Interest. Where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the immediately preceding Interest Period, the Margin, Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Period shall be substituted in place of the Margin, Maximum Rate of Interest or Minimum Rate of Interest relating to that immediately preceding Interest Period. For the avoidance of doubt, this sub-paragraph shall apply to the relevant next succeeding Interest Period only and any subsequent Interest Periods are subject to the subsequent operation of, and to adjustment as provided in, this Condition 7.2(c).

(ii) **Successor Rate or Alternative Rate**

If the Independent Adviser, following consultation with the Issuer and acting in good faith and in a commercially reasonable manner, determines that:

- (A) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 7.2(c)(iii) (*Adjustment Spread*)) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the further operation of this Condition 7.2(c)); or
- (B) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in Condition 7.2(c)(iii) (*Adjustment Spread*)) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the subsequent operation of this Condition 7.2(c)).

(iii) **Adjustment Spread**

The Adjustment Spread (or the formula or methodology for determining the Adjustment Spread) shall be applied to the Successor Rate or the Alternative Rate (as the case may be).

Following any such determination by the Independent Adviser, following consultation with the Issuer, of the Adjustment Spread, the Issuer shall give notice thereof in accordance with Condition 7.2(c)(v) (*Notices*). The Principal Paying Agent or the Agent Bank, as applicable, shall apply such Adjustment Spread to the Successor Rate or the Alternative Rate (as the case may be) for each subsequent determination of a relevant Rate of Interest (or any component part(s) thereof) by reference to such Successor Rate or Alternative Rate (as applicable).

(iv) **Benchmark Amendments**

If any Successor Rate or Alternative Rate and Adjustment Spread is determined in accordance with this Condition 7.2(c) and the Independent Adviser, following consultation with the Issuer and acting in good faith and in a commercially reasonable manner, determines:

- (A) that amendments to the Conditions, the Note Trust Deed or the Agency Agreement are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (such amendments, the **Benchmark Amendments**); and
- (B) the terms of the Benchmark Amendments,

then the Issuer shall, following consultation with the Independent Adviser and subject to the Issuer giving notice thereof in accordance with Condition 7.2(c)(v) (*Notices*), without any requirement for the consent or approval of the Noteholders, the Receiptholders, the Couponholders or any other Series Secured Party, vary the Conditions, the Note Trust Deed and/or the Agency Agreement to give effect to such Benchmark Amendments with effect from the date specified in such notice, provided that neither the Principal Paying Agent nor the Agent Bank shall be bound by or be obliged to give effect to any Successor Rate, Alternative Rate, Adjustment Spread or Benchmark Amendment, if in the opinion of the Principal Paying Agent or the Agent Bank the same would not be operable or would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the rights and/or the protective provisions afforded to it in these Conditions and/or the Agency Agreement and/or any documents to which it is a party in any way.

At the request of the Issuer, but subject to receipt by the Note Trustee of a certificate signed by two Authorised Signatories of the Issuer pursuant to Condition 7.2(c)(v), the Note Trustee shall (at the expense and direction of the Issuer), without any requirement for the consent or approval of the Noteholders, the Receiptholders or the Couponholders, be obliged to use its best endeavours to implement any Benchmark Amendments (including, *inter alia*, by the execution of a deed supplemental to or amending the Note Trust Deed) and the Note Trustee shall not be liable to any party for any consequences thereof (irrespective of whether such Benchmark Amendment(s) relate(s) to a Basic Terms Modification (as defined in the Note Trust Deed)), provided that the Note Trustee shall not be obliged so to implement, if in the opinion of the Note Trustee doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the rights and/or the protective provisions afforded to it in these Conditions and/or the Note Trust Deed and/or any documents to which it is a party (including, for the avoidance of doubt, any supplemental trust deed) in any way.

In connection with any such modifications in accordance with this Condition 7.2(c)(iv), the Issuer and the Independent Adviser shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

(v) **Notices**

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments determined under this Condition 7.2(c) will be notified promptly by the Issuer to the Note Trustee, the Paying Agents, the Agent Bank (if applicable) and, in accordance with Condition 17 (*Notices*), the Noteholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

No later than notifying the Note Trustee of the same, the Issuer shall deliver to the Note Trustee a certificate signed by two Authorised Signatories of the Issuer:

- (A) confirming (i) that a Benchmark Event has occurred, (ii) the Successor Rate or, as the case may be, the Alternative Rate, (iii) any Adjustment Spread and (iv) the specific terms of any Benchmark Amendments, in each case as determined in accordance with the provisions of this Condition 7.2(c); and
- (B) certifying that the Benchmark Amendments are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread.

The Note Trustee shall be entitled to rely on such certificate (without enquiry or liability to any person) as sufficient evidence thereof. The Successor Rate or Alternative Rate and the Adjustment Spread and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error in the determination of the Successor Rate or Alternative Rate and the Adjustment Spread and the Benchmark Amendments (if any) and without prejudice to the ability of the Note Trustee to rely on such certificate as aforesaid) be binding on the Issuer, the Note Trustee, the Principal Paying Agent, the Agent Bank and the Noteholders.

(d) **Survival of Original Reference Rate**

Without prejudice to the obligations of the Issuer or the Independent Adviser under Conditions 7.2(c)(i), (ii), (iii), (iv) and (v), the Original Reference Rate and the fallback provisions provided for in Condition 7.2(b) and the Agency Agreement will continue to apply unless and until a Benchmark Event has occurred and the Note Trustee has been notified of the Successor Rate or the Alternative Rate (as the case may be), the Adjustment Spread and any Benchmark Amendments, in accordance with Condition 7.2(c)(v).

(e) **Definitions**

As used in this Condition 7.2(c):

**Adjustment Spread** means either a spread (which may be positive, negative or zero), or the formula or methodology for calculating a spread, in either case, which the Independent Adviser, following consultation with the Issuer and acting in good faith and in a commercially reasonable manner, determines is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) to reduce or eliminate, to the fullest extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Noteholders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

- (A) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or
- (B) (if no such recommendation has been made, or in the case of an Alternative Rate) the Independent Adviser, following consultation with the Issuer and acting in good faith and in a commercially reasonable manner determines, is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); or
- (C) (if the Independent Adviser, in consultation with the Issuer, determines that no such industry standard is recognised or acknowledged), the Independent Adviser, in its

discretion, following consultation with the Issuer and acting in good faith and in a commercially reasonable manner, determines to be appropriate;

**Alternative Rate** means an alternative benchmark or screen rate which the Independent Adviser, following consultation with the Issuer and acting in good faith and in a commercially reasonable manner, determines in accordance with Condition 7.2(c)(ii) has replaced the Original Reference Rate in customary market usage in the international debt capital markets for the purposes of determining floating rates of interest (or the relevant component part thereof) in Sterling;

**Benchmark Event** means the Original Reference Rate ceasing to be published for a period of at least 5 Business Days or ceasing to exist; or

- (A) the later of (i) the making of a public statement by the administrator of the Original Reference Rate that it will, on or before a specified date, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate) and (ii) the date falling six months prior to the date specified in (i); or
- (B) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that (i) the Original Reference Rate has been permanently or indefinitely discontinued or (ii) the Original Reference Rate is no longer representative of an underlying market;
- (C) the later of (i) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate will, on or before a specified date, be permanently or indefinitely discontinued and (ii) the date falling 6 months prior to the date specified in (i); or
- (D) the later of (i) the making of a public statement by the supervisor of the administrator of the Original Reference Rate as a consequence of which the Original Reference Rate will, on or before a specified date, be prohibited from being used either generally, or in respect of the Notes and (ii) the date falling 6 months prior to the date specified in (i); or
- (E) it has or will prior to the next Interest Determination Date become unlawful for the Agent Bank or the Issuer to determine any Rate of Interest and/or calculate any payments due to be made to any Noteholders using the Original Reference Rate;

**Independent Adviser** means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Issuer at its own expense under Condition 7.2(c)(i) (*Independent Adviser*) and notified in writing to the Note Trustee;

**Original Reference Rate** means the benchmark or screen rate (as applicable) specified in the applicable Pricing Supplement for the purposes of determining the relevant Rate of Interest (or any component part(s) thereof) in respect of the Notes or (if applicable) any other successor or alternative rate (or any component part(s) thereof) determined and applicable to the Notes pursuant to the earlier operation of this Condition 7.2(c); and

**Relevant Nominating Body** means, in respect of a benchmark or screen rate (as applicable):

- (A) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or

- (B) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof; and

**Successor Rate** means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body.

(f) **Rate of Interest for Index Linked Interest Notes**

The Rate of Interest payable from time to time in respect of Index Linked Interest Notes shall be determined in accordance with Condition 8 (*Indexation*) and in the manner specified in the applicable Pricing Supplement.

(g) **Minimum Rate of Interest and/or Maximum Rate of Interest and Rounding**

Unless otherwise stated in the applicable Pricing Supplement the Minimum Rate of Interest shall be deemed to be zero.

If the applicable Pricing Supplement specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of Condition 7.2(b) (*Rate of Interest*) is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Pricing Supplement specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of Condition 7.2(b) (*Rate of Interest*) is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified):

- (i) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred thousandth of a percentage point (with halves being rounded up);
- (ii) all figures shall be rounded to seven significant figures (with halves being rounded up); and
- (iii) all currency amounts that fall due and payable shall be rounded to the nearest penny (with halves being rounded up).

(h) **Determination of Rate of Interest and calculation of Interest Amounts**

The Agent Bank, in the case of Floating Rate Notes, and the Calculation Agent, in the case of Index Linked Interest Notes, will, at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period. In the case of Index Linked Interest Notes, the Calculation Agent will notify the Agent Bank of the Rate of Interest for the relevant Interest Period as soon as practicable after calculating the same.

The Agent Bank will calculate the amount of interest (the **Interest Amount**) payable on the Floating Rate Notes or Index Linked Interest Notes for the relevant Interest Period by applying the Rate of Interest to:

- (i) in the case of Floating Rate Notes or Index Linked Interest Notes which are represented by a Global Note, the aggregate principal amount of the Notes represented by such Global Note; or
- (ii) in the case of Floating Rate Notes or Index Linked Interest Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest penny, half a penny being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Note or Index Linked Interest Note in definitive form is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination without any further rounding.

**Day Count Fraction** means, in respect of the calculation of an amount of interest in accordance with this Condition 7.2 (*Interest on Floating Rate Notes*):

- (i) if "Actual/Actual (ISDA)" or "Actual/Actual" is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (I) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (II) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (ii) if "Actual/365 (Fixed)" is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365;
- (iii) if "Actual/365 (Sterling)" is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (iv) if "Actual/360" is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 360;
- (v) if "30/360", "360/360" or "Bond Basis" is specified in the applicable Pricing Supplement, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)}{360}$$

360

where:

**Y1** is the year, expressed as a number, in which the first day of the Interest Period falls;

**Y2** is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

**M1** is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

**M2** is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

**D1** is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D1 will be 30; and

**D2** is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D2 will be 30.

(i) **Linear Interpolation**

Where Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Pricing Supplement, the Rate of Interest for such Interest Period shall be calculated by the Agent Bank by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified as applicable in the applicable Pricing Supplement), one of which shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period and the other of which shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period provided however that if there is no rate available for a period of time next shorter or, as the case may be, next longer, then the Agent Bank shall determine such rate at such time and by reference to such sources as the Issuer shall determine appropriate for such purposes.

**Designated Maturity** means, in relation to Screen Rate Determination, the period of time designated in the Reference Rate.

(j) **Notification of Rate of Interest and Interest Amounts**

The Agent Bank will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer, the Note Trustee and any stock exchange on which the relevant Floating Rate Notes or Index Linked Interest Notes are for the time being listed and/or admitted to trading and notice thereof to be published in accordance with Condition 17 (*Notices*) as soon as possible after their determination but in no event later than (other than where Screen Rate Determination is specified in the applicable Pricing Supplement) the fourth Business Day thereafter or (where Screen Rate Determination is specified in the applicable Pricing Supplement) the second London Banking Day thereafter (as defined in Condition 7.2(b)(i)(A)). Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will promptly be notified to each stock exchange on which the relevant Floating Rate Notes or Index Linked Interest Notes are for the time being listed and to the Noteholders in accordance with Condition 17 (*Notices*). For the purposes of this Condition 7.2(j), the expression **London Business Day** means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in London.

(k) **Inability or failure of Agent Bank to make determinations or calculations**

The Agent Bank shall not be obliged to make any determination or calculation required by the Conditions if it is not legally permitted to do so. If for any reason at any relevant time the Agent Bank is unable, or fails, to determine the Rate of Interest or to calculate any Interest Amount in accordance with Condition 7.2(b)(i) (*Screen Rate Determination for Floating Rate Notes*), as the case may be, the Issuer shall be obliged to appoint an alternative agent approved by the Note Trustee to make such determination or calculation or a successor Agent Bank in accordance with Condition 7.2(m) (*Agent Bank*).

(l) **Certificates to be final**

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 7 (*Interest*) by the Agent Bank or, if applicable, the Calculation Agent shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Principal Paying Agent, the other Paying Agents, the Agent Bank, the Calculation Agent (if applicable), the Note Trustee and all Noteholders, Receiptholders and Couponholders and (in the absence of wilful default or bad faith) no liability to the Issuer, the Noteholders, the Receiptholders or the Couponholders shall attach to the Agent Bank or, if applicable, the Calculation Agent or the Note Trustee in connection with the exercise or non exercise by it of its powers, duties and discretions pursuant to such provisions.

(m) **Agent Bank**

The Issuer shall procure that, so long as any of the Notes remains outstanding, there is at all times an Agent Bank for the purposes of the Notes and the Issuer may, subject to the prior written approval of the Note Trustee, terminate the appointment of the Agent Bank. In the event of the appointed office of any bank being unable or unwilling to continue to act as the Agent Bank or failing duly to determine the Rate of Interest and the Interest Amount for any Interest Period, the Issuer shall, subject to the prior written approval of the Note Trustee, appoint the London office of another major bank engaged in the London interbank market to act in its place. The Agent Bank may not resign its duties or be removed without a successor having been appointed.

7.3 **Accrual of interest**

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless payment of principal is improperly withheld or refused or default is otherwise made in the payment thereof. Subject as follows, in such event, interest will continue to accrue as provided in the Note Trust Deed.

**8 Indexation**

This Condition 8 (*Indexation*) is applicable only if the applicable Pricing Supplement specifies the Notes as Index Linked Interest Notes and/or Index Linked Redemption Notes (**Index Linked Notes**).

8.1 **Definitions**

Where the applicable Pricing Supplement specifies the Notes as Index Linked Notes, Conditions 8.1 to 8.6 (*Redemption for Index Reasons*) will apply. For the purposes of Conditions 8.1 to 8.6 (*Redemption for Index Reasons*), unless the context otherwise requires, the following defined terms shall have the following meanings:

**Base Index Figure** means (subject to Condition 8.3(a) (*Change in base*)) the base index figure as specified in the applicable Pricing Supplement;

**Calculation Agent** means the person appointed by the Issuer as calculation agent in relation to a Series of Index Linked Notes and specified in the applicable Pricing Supplement, and shall include any successor calculation agent appointed in respect of such Notes;

**HM Treasury** means HM Treasury or any officially recognised party performing the function of a calculation agent (whatever such party's title), on its or its successor's behalf, in respect of the Reference Gilt;

**Index** or **Index Figure** means, subject as provided in Condition 8.3(a) (*Change in base*), the U.K. Retail Price Index (for all items) published by the Office for National Statistics (January 1987 = 100) or any comparable index which may replace the U.K. Retail Price Index for the purpose of calculating the amount payable on repayment of the Reference Gilt (the **RPI**). Any reference to the Index Figure which is specified in the applicable Pricing Supplement as:

- (a) applicable to a particular month, shall, subject as provided in Conditions 8.3 (*Changes in Circumstances Affecting the Index*) and 8.5 (*Cessation of, or Fundamental Changes to, the Index*), be construed as a reference to the Index Figure published in the seventh month prior to that particular month and relating to the month before that of publication; or
- (b) applicable to the first calendar day of any month shall, subject as provided in Conditions 8.3 (*Changes in Circumstances Affecting the Index*) and 8.5 (*Cessation of, or Fundamental Changes to, the Index*), be construed as a reference to the Index Figure published in the second month prior to that particular month and relating to the month before that of publication; or
- (c) applicable to any other day in any month shall, subject as provided in Conditions 8.3 (*Changes in Circumstances Affecting the Index*) and 8.5 (*Cessation of, or Fundamental Changes to, the Index*), be calculated by linear interpolation between:
  - (i) the Index Figure applicable to the first calendar day of the month in which the day falls, calculated as specified in sub-paragraph (b) above; and
  - (ii) the Index Figure applicable to the first calendar day of the month following, calculated as specified in sub-paragraph (b) above and rounded to the nearest fifth decimal place;

**Index Anticipated Change** means a change to the coverage or calculation of the Index which, in the opinion of the Indexation Advisor, is in a form or substantially in a form which, as at the Issue Date, was the proposed change to the calculation of the Index as described in "A Response to the Consultation on the Reform to Retail Prices Index (RPI) Methodology" dated 25 November 2020 issued by H.M. Treasury and the UK Statistics Authority in relation to the alignment of the RPI calculation methodology with that of the Consumer Prices Index including owner occupier's housing costs (commonly known as CPIH);

**Index-linked Treasury Gilt Compensatory Change** means a change volunteered and applied generally by the UK Debt Management Office (or any successor body) for the purposes of payments of interest or principal owing in respect of its index-linked treasury gilts outstanding as at the Issue Date that is as a result of, and aims to mitigate the effects of, the implementation of an Index Anticipated Change (which change may, for example, comprise a change to the coverage or calculation of RPI as such index is applied by the UK Debt Management Office (or any successor body)) to such index-linked treasury gilts or another change affecting the return characteristics of such gilts);

**Index Ratio** applicable to any month or date, as the case may be, means the Index Figure applicable to such month or date, as the case may be, divided by the Base Index Figure and rounded to the nearest fifth decimal place;

**Indexation Advisor** means such gilt edged market maker or other advisor appointed by the Note Trustee and the Issuer for the purpose of providing advice (in particular in relation to indices) as set out in this Condition 8;

**Limited Index Ratio** means:

- (d) in respect of any month or date, as the case may be, prior to the relevant Issue Date, the Index Ratio for that month or date, as the case may be;
- (e) in respect of any Limited Indexation Date after the relevant Issue Date, the product of the Limited Indexation Factor for that month or date, as the case may be, and the Limited Index Ratio as previously calculated in respect of the month or date, as the case may be, twelve months prior thereto; and
- (f) in respect of any other month, the Limited Index Ratio as previously calculated in respect of the most recent Limited Indexation Month;

**Limited Indexation Date** means any date falling during the period specified in the applicable Pricing Supplement for which a Limited Indexation Factor is to be calculated;

**Limited Indexation Factor** means, in respect of a Limited Indexation Month or Limited Indexation Date, as the case may be, the ratio of the Index Figure applicable to that month or date, as the case may be, divided by the Index Figure applicable to the month or date, as the case may be, twelve months prior thereto, provided that:

- (a) if such ratio is greater than the Maximum Indexation Factor specified in the applicable Pricing Supplement, it shall be deemed to be equal to such Maximum Indexation Factor; and
- (b) if such ratio is less than the Minimum Indexation Factor specified in the applicable Pricing Supplement, it shall be deemed to be equal to such Minimum Indexation Factor;

**Limited Indexation Month** means any month specified in the applicable Pricing Supplement for which a Limited Indexation Factor is to be calculated;

**Limited Index Linked Notes** means Index Linked Notes to which a Maximum Indexation Factor and/or a Minimum Indexation Factor (as specified in the applicable Pricing Supplement) applies; and

**Reference Gilt** means the index-linked Treasury Stock/Treasury Gilt specified as such in the applicable Pricing Supplement for so long as such gilt is in issue, and thereafter such issue of index-linked Treasury Stock/Treasury Gilt determined to be appropriate by an Indexation Adviser.

## 8.2 **Application of the Index Ratio**

Each payment of interest (in the case of Index Linked Interest Notes) and principal (in the case of Index Linked Redemption Notes) in respect of the Notes shall be the amount provided in, or determined in accordance with, these Conditions, multiplied by the Index Ratio or Limited Index Ratio in the case of Limited Index Linked Notes applicable to the month in or date on, as the case may be, which such payment falls to be made and rounded in accordance with Condition 7.2(g) (*Minimum Rate of Interest and/or Maximum Rate of Interest and Rounding*).

## 8.3 **Changes in Circumstances Affecting the Index**

- (a) **Change in base**

If at any time and from time to time the Index is changed by the substitution of a new base therefor, then with effect from the month from and including that in which such substitution takes effect or the first date from and including that on which such substitution takes effect, as the case may be:

- (i) the definition of **Index** and **Index Figure** in Condition 8.1 (*Definitions*) shall be deemed to refer to the new date or month in substitution for January 1987 (or, as the case may be, to such other date or month as may have been substituted therefor); and
- (ii) the new Base Index Figure shall be the product of the existing Base Index Figure and the Index Figure for the date on which such substitution takes effect, divided by the Index Figure for the date immediately preceding the date on which such substitution takes effect.

(b) **Delay in publication of Index (if sub-paragraph (i) of the definition of Index Figure is applicable)**

If the Index Figure which is normally published in the seventh month and which relates to the eighth month (the **relevant month**) before the month in which a payment is due to be made is not published on or before the fourteenth business day before the date on which such payment is due (the **date for payment**), the Index Figure applicable to the month in which the date for payment falls shall be:

- (i) such substitute index figure (if any) as the Indexation Adviser considers to have been published by the United Kingdom Debt Management Office or the Bank of England, as the case may be, for the purposes of indexation of payments on the Reference Gilt or, failing such publication, on any one or more issues of index-linked Treasury Stock selected by an Indexation Adviser; or
- (ii) if no such determination is made by such Indexation Adviser within seven days, the Index Figure last published (or, if later, the substitute index figure last determined pursuant to Condition 8.3(a) (*Change in base*)) before the date for payment.

(c) **Delay in publication of Index (if sub-paragraph (ii) and/or (iii) of the definition of Index Figure is applicable)**

If the Index Figure relating to any month (the **calculation month**) which is required to be taken into account for the purposes of the determination of the Index Figure for any date is not published on or before the fourteenth business day before the date on which such payment is due (the **date for payment**), the Index Figure applicable for the relevant calculation month shall be:

- (i) such substitute index figure (if any) as the Indexation Adviser considers to have been published by the United Kingdom Debt Management Office or the Bank of England, as the case may be, for the purposes of indexation of payments on the Reference Gilt or, failing such publication, on any one or more issues of index-linked Treasury Stock selected by an Indexation Adviser (and approved by the Note Trustee (acting solely on the advice of the Indexation Adviser)); or
- (ii) if no such determination is made by such Indexation Adviser within seven days, the Index Figure last published (or, if later, the substitute index figure last

determined pursuant to Condition 8.3(a) (*Change in base*) before the date for payment.

#### 8.4 **Application of Changes**

Where the provisions of Condition 8.3(b) (*Delay in publication of Index (if sub-paragraph (i) of the definition of Index Figure is applicable)*) or Condition 8.3(c) (*Delay in publication of Index (if sub-paragraph (ii) and/or (iii) of the definition of Index Figure is applicable)*) apply, the determination of the Indexation Adviser as to the Index Figure applicable to the month in which the date for payment falls or the date for payment, as the case may be, shall be conclusive and binding. If, an Index Figure having been applied pursuant to Condition 8.3(b)(ii) (*Delay in publication of Index (if sub-paragraph (i) of the definition of Index Figure is applicable)*) or Condition 8.3(c)(ii) (*Delay in publication of Index (if sub-paragraph (ii) and/or (iii) of the definition of Index Figure is applicable)*), the Index Figure relating to the relevant month or relevant calculation month, as the case may be, is subsequently published while a Note is still outstanding, then:

- (a) in relation to a payment of principal (in the case of Index Linked Redemption Notes) or interest (in the case of Index Linked Interest Notes) in respect of such Note other than upon final redemption of such Note, the principal or interest (as the case may be) next payable after the date of such subsequent publication shall be increased or reduced, as the case may be, by an amount equal to the shortfall or excess, as the case may be, of the amount of the relevant payment made on the basis of the Index Figure applicable by virtue of Condition 8.3(b)(ii) (*Delay in publication of Index (if sub-paragraph (i) of the definition of Index Figure is applicable)*) or Condition 8.3(c)(ii) (*Delay in publication of Index (if sub-paragraph (ii) and/or (iii) of the definition of Index Figure is applicable)*) below or above the amount of the relevant payment that would have been due if the Index Figure subsequently published had been published on or before the fourteenth business day before the date for payment; and
- (b) in relation to a payment of principal (in the case of Index Linked Redemption Notes) or interest (in the case of Index Linked Interest Notes) upon final redemption, no subsequent adjustment to amounts paid will be made.

#### 8.5 **Cessation of, or Fundamental Changes to, the Index**

- (a) If:
  - (i) the Note Trustee has been notified by the Calculation Agent that the Index has ceased to be published; or
  - (ii) only if Condition 8.5 is specified in the Pricing Supplement as applicable to the Notes, any change (other than an Index Anticipated Change or an Index-linked Treasury Gilt Compensatory Change) is made to the coverage or the basic calculation of the Index which constitutes a fundamental change which would, in the opinion of (A) the Issuer be materially prejudicial to the interests of the Issuer, or (B) the Note Trustee (acting solely on the advice of the Indexation Adviser), be materially prejudicial to the interests of the Noteholders, the Issuer will give written notice of such occurrence to the Note Trustee in the case of (A) or the Note Trustee will give written notice of such occurrence to the Issuer in the case of (B), or
  - (iii) an Index Anticipated Change or an Index-linked Treasury Gilt Compensatory Change has occurred,

the Issuer and the Note Trustee (acting solely on the advice of the Indexation Adviser) together shall seek to agree for the purpose of the Notes one or more adjustments to the Index or a substitute index (with or without adjustments):

- (A) in the case of (i) and (ii) above, with the intention that the same should leave both the Issuer and the Noteholders in substantially a no better and no worse position than they would have been had the Index not ceased to be published or, if applicable, the relevant fundamental change not been made; and
  - (B) in the case of (iii) above, to reflect the Index Anticipated Change or Index-linked Treasury Gilt Compensatory Change.
- (b) If the Issuer and the Note Trustee (acting solely on the advice of the Indexation Adviser) fail to reach agreement as mentioned above within 20 Business Days following the giving of notice as mentioned in Condition 8.5(a), a bank or other person in London shall be appointed by the Issuer and the Note Trustee or, failing agreement on and the making of such appointment within 20 Business Days following the expiry of the 20 day period referred to above, by the Note Trustee (acting solely on the advice of the Indexation Adviser) (in each case, such bank or other person so appointed being referred to as the **Expert**), to determine for the purpose of the Notes one or more adjustments to the Index or a substitute index (with or without adjustments) with the intention that the same should leave the Issuer and the Noteholders in substantially a no better and no worse position than they would have been had the Index not ceased to be published or the relevant fundamental change not been made. Any Expert so appointed shall act as an expert and not as an arbitrator and all fees, costs and expenses of the Expert and of any Indexation Adviser and of any of the Issuer and the Note Trustee in connection with such appointment shall be borne by the Issuer and neither the Expert nor the Indexation Adviser shall be liable to the Noteholders for determinations made by it pursuant to this Condition 8 (*Indexation*).
- (c) The Index shall be adjusted or replaced by a substitute index as agreed by the Issuer and the Note Trustee (acting solely on the advice of the Indexation Adviser) or as determined by the Expert pursuant to the foregoing paragraphs, as the case may be, and references in these Conditions to the Index and to any Index Figure shall be deemed amended in such manner as the Note Trustee (acting solely on the advice of the Indexation Adviser) and the Issuer agree are appropriate to give effect to such adjustment or replacement. Such amendments shall be effective from the date of such notification and binding upon the Issuer, the Note Trustee and the Noteholders, and the Issuer shall give notice to the Noteholders in accordance with Condition 17 (*Notices*) of such amendments as promptly as practicable following such notification.

## 8.6 **Redemption for Index Reasons**

If either:

- (a) the Index Figure for three consecutive months is required to be determined on the basis of an Index Figure previously published as provided in Condition 8.3(b)(ii) (*Delay in publication of Index (if sub-paragraph (i) of the definition of Index Figure is applicable)*) and the Note Trustee has been notified by the Calculation Agent that publication of the Index has ceased; or
- (b) notice is published by HM Treasury, or on its behalf, following a change in relation to the Index, offering a right of redemption to the holders of the Reference Gilt, and (in

either case) no amendment or substitution of the Index shall have been advised by the Indexation Adviser to the Issuer and such circumstances are continuing,

the Issuer may, upon giving not more than 60 nor less than 30 days' notice to the Note Trustee and the Noteholders (or such other notice period as may be specified in the applicable Pricing Supplement) in accordance with Condition 17 (*Notices*), redeem all, but not some only, of the Notes at their Optional Redemption Amount together (if appropriate) with interest accrued to (but excluding) the date of redemption (in each case adjusted in accordance with Condition 8.2 (*Application of the Index Ratio*)).

## **9 Payments**

### **9.1 Method of payment**

Subject as provided below, payments will be made by credit or transfer to a Sterling account maintained by the payee with or at the option of the payee, by cheque in Sterling drawn on, a bank in London.

Payments will be subject in all cases to:

- (a) any fiscal or other laws and regulations applicable thereto in the place of payment; and
- (b) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the **Code**) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto.

### **9.2 Presentation of definitive Notes, Receipts and Coupons**

Subject as follows in respect of Instalment Redemption, payments of principal in respect of definitive Notes will (subject as provided below) be made in the manner provided in Condition 9.1 (*Method of payment*) only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of definitive Notes. Where Instalment Redemption is specified as applicable in the applicable Pricing Supplement, payment of instalments of principal on an Instalment Date (other than the Instalment Date falling on the Maturity Date) in respect of definitive Notes will be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Receipt. Each Receipt must be presented for payment together with the Note to which it appertains. Any Receipt presented without the Note to which it appertains does not constitute valid obligations of the Issuer.

Payments of interest in respect of definitive Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia and its possessions)).

Fixed Rate Notes in definitive form (other than Index Linked Interest Notes or Long Maturity Notes (as defined below)) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid

in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 12 (*Prescription*)) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 12 (*Prescription*) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Note in definitive form becoming due and repayable prior to its Legal Maturity Date or Maturity Date, as applicable, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note, Index Linked Interest Note or Long Maturity Note in definitive form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof.

A **Long Maturity Note** is, in relation to any date, a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) on which the aggregate amount of interest remaining to be paid after that date (other than interest represented by Talons which have not been exchanged for further Coupons) is more than the principal amount of such Fixed Rate Note.

If the due date for redemption of any definitive Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant definitive Note.

### 9.3 **Payments in respect of Global Notes**

Payments of principal and interest (if any) in respect of Notes represented by any Global Note will (subject as provided below) be made in the manner specified above in relation to definitive Notes or otherwise in the manner specified in the relevant Global Note, where applicable against presentation or surrender, as the case may be, of such Global Note at the specified office of any Paying Agent outside the United States. A record of each payment made, distinguishing between any payment of principal and any payment of interest, will be made either on such Global Note by the Paying Agent to which it was presented or in the records of Euroclear and Clearstream, Luxembourg, as applicable.

### 9.4 **General provisions applicable to payments**

The holder of a Global Note shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the Issuer will be discharged by payment to, or to the order of, the holder of such Global Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the beneficial holder of a particular principal amount of Notes represented by such Global Note must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for its share of each payment so made by the Issuer to, or to the order of, the holder of such Global Note.

### 9.5 **Payment Day**

If the date for payment of any amount in respect of any Note, Receipt or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, **Payment Day** means any day which (subject to Condition 12 (*Prescription*)) is a Business Day and, in the case of Notes in definitive form, a day

on which commercial banks and foreign exchange markets settle payments and are open for general business in the relevant place of presentation.

## 9.6 Interpretation of principal

Any reference in the Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

- (a) the Final Redemption Amount of the Notes (or, in the case of Notes redeemable in instalments, the Instalment Amounts);
- (b) the Optional Redemption Amount(s) (if any) of the Notes;
- (c) in relation to the Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 10.2(c) (*Redemption at the option of the Issuer (Issuer Call)*)); and
- (d) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

## 10 Redemption and Purchase

### 10.1 Redemption at maturity or in instalments

- (a) Unless previously redeemed or purchased and cancelled as specified below, each Note will be redeemed by the Issuer, by application of the Available Issuer Receipts in accordance with the Pre-Enforcement Priority of Payments:
  - (i) where an Expected Maturity Date and a Legal Maturity Date is specified in the applicable Pricing Supplement, at its Final Redemption Amount in Sterling on each Interest Payment Date in the period from and including the Expected Maturity Date to and including the Legal Maturity Date, until redemption and payment in full of all amounts (including principal and interest) payable in respect of the Notes. All interest accrued on the Notes will be paid in accordance with the Pre-Enforcement Priority of Payments on each Interest Payment Date to and including the Legal Maturity Date, until redemption and payment in full of all amounts (including principal and interest) payable in respect of the Notes;
  - (ii) where a Maturity Date is specified in the applicable Pricing Supplement and Instalment Redemption is specified as not applicable in the applicable Pricing Supplement, at its Final Redemption Amount in Sterling on the Maturity Date; or
  - (iii) where Instalment Redemption is specified as applicable in the applicable Pricing Supplement, in part on each Instalment Date in the Instalment Amount in Sterling, all as specified in the applicable Pricing Supplement.
- (b) In respect of Condition 10.1(a)(i):
  - (i) all outstanding Notes not redeemed in full prior to the Legal Maturity Date will be redeemed by the Issuer in accordance with the Pre-Enforcement Priority of Payments in full on the Legal Maturity Date, together with interest accrued to (but excluding) the Legal Maturity Date; and

- (ii) the Issuer will give notice to the Noteholders in accordance with Condition 17(*Notices*) at least 5 Business Days prior to each date of payment pursuant to Condition 10.1(a)(i)) of the relevant amounts to be paid on such payment date.

## 10.2 Redemption at the option of the Issuer (Issuer Call)

If Issuer Call is specified as being applicable in the applicable Pricing Supplement, the Issuer may, having given not less than the minimum period nor more than the maximum period of notice specified in applicable Pricing Supplement to the Noteholders in accordance with Condition 17(*Notices*) (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a principal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Pricing Supplement. In the case of any such redemption pursuant to the occurrence of an event in respect of a Note Funded Loan Agreement or a Relevant Borrower, such redemption shall be in respect of Notes of a corresponding Series in an aggregate nominal amount equal to the nominal amount of the applicable Note Funded Loan to be repaid.

The Optional Redemption Amount will be:

- (a) if the Issuer certifies to the Note Trustee that it is redeeming the Notes due to it having become unlawful, or contrary to a request from or requirement of any applicable fiscal, monetary or other authority, for the Issuer to perform any of its obligations as contemplated in a Note Funded Loan Agreement, or to fund or maintain a Note Funded Loan or allow a Note Funded Loan to remain outstanding, par or such other amount as may be specified in the applicable Pricing Supplement;
- (b) if the Issuer certifies to the Note Trustee that it is redeeming the Notes due to an event of default having occurred under a Note Funded Loan or a Relevant Borrower (or, where the Relevant Borrower is a Finance Subsidiary Borrower, any of its Indirect RP Borrowers) ceasing to be:
  - (i) where Social Housing Finance 1 Plc, Social Housing Finance 2 Plc, Urban Housing Finance Plc, Shared Ownership Funding Plc or Temporary Accommodation Funding Plc is specified as the Issuer in the applicable Pricing Supplement, a not-for-profit Registered Provider; and
  - (ii) otherwise, an Eligible Borrower,(other than if such Relevant Borrower or Indirect RP Borrower regains its status as such within 180 days), par;
- (c) in the case of Zero Coupon Notes, an amount (the Amortised Face Amount) calculated in accordance with the following formula:

$$\text{Optional Redemption Amount} = \text{RP} \times (1 + \text{AY})^y$$

where:

**RP** means Reference Price;

**AY** means the Accrual Yield expressed as a decimal; and

y is the Day Count Fraction specified in the applicable Pricing Supplement; or

- (d) in each other case, the specified percentage of the principal amount of the Notes stated in the applicable Pricing Supplement, unless Spens Amount is specified in the applicable Pricing Supplement, in which case it will be the higher of the following:
- (i) par; and
  - (ii) the amount (as calculated by a financial adviser nominated by the Issuer and approved by the Note Trustee (a **Nominated Financial Adviser**) and reported in writing to the Issuer and the Note Trustee) which is equal to the principal amount of the Notes to be redeemed multiplied by the price (expressed as a percentage and calculated by the Nominated Financial Adviser) (rounded to three decimal places (0.0005 being rounded upwards)) at which the Gross Redemption Yield on the Notes (if the Notes were to remain outstanding until their Legal Maturity Date or Maturity Date, as applicable) on the Determination Date would be equal to the sum of:
    - (A) the Gross Redemption Yield at 3.00pm (London time) on the Determination Date of the Benchmark Gilt (determined by reference to the middle market price); and
    - (B) the Spens Margin specified in the applicable Pricing Supplement,

in each case, together with any interest accrued up to (but excluding) the date of redemption.

For the purposes of this Condition:

**Benchmark Gilt** means the gilt specified as such in the applicable Pricing Supplement or such other conventional (i.e. not index-linked) UK Government Gilt as the Issuer (with the advice of the Nominated Financial Adviser) may determine to be the most appropriate benchmark conventional UK Government Gilt;

**Determination Date** means two Business Days prior to the dispatch of the notice of redemption; and

**Gross Redemption Yield** means a yield calculated by the Nominated Financial Adviser on the basis set out by the United Kingdom Debt Management Office in the paper "*Formulae for Calculating Gilt Prices from Yields*" page 4, Section One: Price/Yield Formulae (Conventional Gilts; Double-dated and Undated Gilts with Assumed (or Actual) Redemption on a Quasi-Coupon Date) (published on 8 June 1998 and updated on 15 January 2002, 16 March 2005 and 18 December 2024) (as amended or supplemented from time to time).

### 10.3 Partial redemption

In the case of a partial redemption of Notes, the Notes to be redeemed (the **Redeemed Notes**) will:

- (a) in the case of Redeemed Notes represented by definitive Notes, be selected individually by lot, not more than 30 days prior to the date fixed for redemption; and
- (b) in the case of Redeemed Notes represented by a Global Note, be selected in accordance with the rules of Euroclear and/or Clearstream, Luxembourg, (to be

reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in principal amount, at their discretion).

In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 17 (*Notices*) not less than 15 days prior to the date fixed for redemption.

#### 10.4 **Purchases**

The Issuer, any Borrower, any holding company of the Issuer or any such Borrower or Subsidiary of any such holding company or the Issuer or any such Borrower may at any time purchase Notes, including, in the case of the Issuer, Retained Notes, (provided that, in the case of definitive Notes, all unmatured Receipts, Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. Such Notes may be held, resold or (in the case of the Issuer, any Relevant Borrower, any holding company of the Issuer or any such Relevant Borrower or Subsidiary of any such holding company of the Issuer or any such Relevant Borrower), at the option of the relevant Noteholder, surrendered to any Paying Agent for cancellation.

#### 10.5 **Retained Notes**

- (a) If "Retained Notes" is specified as applicable in the applicable Pricing Supplement, Notes in a principal amount as specified in the applicable Pricing Supplement will be purchased by or on behalf of, and held by or for the account of, the Issuer following issue and may be sold or otherwise disposed of in whole or in part by private treaty at any time (**Retained Notes**), and shall cease to be Retained Notes to the extent of and upon such sale or disposal.
- (b) Retained Notes shall, pending sale or disposal by the Issuer, carry the same rights and be subject in all respects to the same Conditions as the other Notes, except that the Retained Notes will not be treated as outstanding for the purposes of, *inter alia*, the right to attend and vote at meetings of Noteholders, the determination of how many Notes are outstanding for the purposes of a partial redemption of the Notes, enforcement, Events of Default and meetings of Noteholders, any discretion, power or authority which the Note Trustee is required to exercise in or by reference to the interest of the holders of the Notes and the determination by the Note Trustee of whether a circumstance is materially prejudicial to the interests of the holders of the Notes as provided in the Note Trust Deed. Notes which have ceased to be Retained Notes shall carry the same rights and be subject in all respects to the same Conditions as the other Notes.

#### 10.6 **Cancellation**

All Notes which are redeemed by the Issuer pursuant to Condition 10.2 (*Redemption at the option of the Issuer (Issuer Call)*) or purchased by the Issuer, any Relevant Borrower under a Note Funded Loan, any holding company of the Issuer or any such Relevant Borrower or Subsidiary of any such holding company or the Issuer or any such Relevant Borrower and surrendered for cancellation pursuant to Condition 10.4 (*Purchases*) will forthwith be cancelled (together with all unmatured Receipts, Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled (together with all unmatured Receipts, Coupons and Talons cancelled therewith) shall be forwarded to the Principal Paying Agent and cannot be reissued or resold.

The Issuer may cancel any Retained Notes held by it or on its behalf at any time.

## 10.7 Late payment on Zero Coupon Notes

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to these Conditions, or upon its becoming due and repayable as provided in Condition 13 (*Events of Default and Enforcement*) is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 10.2(c) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

- (a) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and
- (b) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Note has been received by the Principal Paying Agent or the Trustee and notice to that effect has been given to the Noteholder in accordance with Condition 17 (*Notices*).

## 11 Taxation

All payments of principal and interest in respect of the Notes, Receipts and Coupons by or on behalf of the Issuer will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction unless such withholding or deduction is required by law. In such event, the Issuer will not be obliged to make any additional payments to Noteholders, Receiptholders or Couponholders in respect of such withholding or deduction. Any such withholding or deduction will not constitute an Event of Default under Condition 13 (*Events of Default and Enforcement*).

As used herein **Tax Jurisdiction** means the United Kingdom or any political subdivision or any authority thereof or therein having power to tax or any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax to which the Issuer becomes subject in respect of payments made by it of principal and interest on the Notes, Receipts and Coupons.

## 12 Prescription

The Notes, Receipts and Coupons will become void unless claims in respect of principal and/or interest are made within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date therefor.

As used herein, the **Relevant Date** means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Note Trustee or the Principal Paying Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 17 (*Notices*).

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 9.2 (*Presentation of definitive Notes, Receipts and Coupons*) or any Talon which would be void pursuant to Condition 9.2 (*Presentation of definitive Notes, Receipts and Coupons*).

## 13 Events of Default and Enforcement

### 13.1 Events of Default

The Note Trustee at its discretion may, and if so requested in writing by the holders of at least 20 per cent. in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall (subject in each case to being indemnified and/or secured and/or pre-funded to its satisfaction), give notice in writing to the Issuer that each Note is, and each Note shall thereupon immediately become, due and repayable at par together with accrued interest as provided in the Note Trust Deed (and the security shall thereupon become enforceable as referred to in Condition 4.2 (*Enforcement of Security*)) if any of the following events (each an **Event of Default**) occurs and is continuing:

- (a) if default is made in the payment of any principal or interest due in respect of any of the Notes and (in the case of interest) the default continues for a period of 14 days;
- (b) if the Issuer fails to perform or observe any of its other obligations under the Notes, the Receipts, the Coupons, the Note Trust Deed or the Security Trust Deed, the breach of which obligation the Note Trustee certifies to be materially prejudicial to the interests of the Noteholders, and (except in any case where the Note Trustee considers the failure to be incapable of remedy or certifies that in its opinion any delay would be materially prejudicial to the interests of the Noteholders when no continuation or notice as is hereinafter mentioned will be required) such failure continues for a period of 21 days (or such longer period as the Note Trustee may permit) next following the service by the Note Trustee upon the Issuer of notice requiring the same to be remedied;
- (c) the security for any other indebtedness of the Issuer shall become enforceable and steps are taken to enforce the same or any unsecured indebtedness of the Issuer shall by reason of default become repayable by reference to any due date for repayment or shall not be repaid when due and validly demanded and steps are taken to demand repayment of the same;
- (d) if any order shall be made by any competent court or any resolution passed for the winding up or dissolution of the Issuer (save for the purposes of amalgamation, merger, consolidation, reorganisation or other similar arrangement on terms approved by the Note Trustee) or the Issuer becomes unable to pay its debts as and when they fall due, or is deemed unable to pay its debts within the meaning of section 123 of the Insolvency Act 1986;
- (e) if:
  - (i) proceedings are initiated against the Issuer under any applicable liquidation, insolvency, composition, reorganisation or other similar laws or an application is made (or documents filed with a court) for the appointment of an administrative or other receiver, manager, administrator or other similar official, or an administrative or other receiver, manager, administrator or other similar official is appointed, in relation to the Issuer or, as the case may be, in relation to the whole or any part of the undertaking or assets of the Issuer or an encumbrancer takes possession of the whole or any part of the undertaking or assets of the Issuer, or a distress, execution, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against the whole or any part of the undertaking or assets of the Issuer; and

- (ii) in any such case (other than the appointment of an administrator or an administrative receiver appointed following presentation of a petition for an administration order), is not discharged within 14 days;
- (f) if the Issuer (or its directors, board members or shareholders) initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or other similar laws (including the obtaining of a moratorium) or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors) or any meeting is convened to consider a proposal for an arrangement or composition with its creditors generally (or any class of its creditors); or
- (g) if any event occurs which, under the laws of any relevant jurisdiction, has or may have, in the Note Trustee's opinion, an analogous effect to any of the events referred to in subparagraphs (c) to (f) above.

### **13.2 Enforcement**

The Note Trustee may at any time, at its discretion and without notice, take such actions, steps or proceedings against the Issuer as it may think fit to enforce the provisions of the Note Trust Deed, the Notes, the Receipts and the Coupons, or otherwise to direct the Security Trustee to take such proceedings and/or other steps or actions against or in relation to the Issuer as it may think fit to enforce the provisions of the Security Trust Deed, but it shall not be bound to take any such actions, steps or proceedings or any other action in relation to the Note Trust Deed, the Notes, the Receipts or the Coupons or to direct the Security Trustee as aforesaid unless it shall have been so directed by an Extraordinary Resolution or so requested in writing by the holders of at least 20 per cent. in principal amount of the Notes then outstanding and it shall have been indemnified and/or secured and/or pre-funded to its satisfaction.

No Noteholder, Receiptholder or Couponholder shall be entitled to proceed directly against the Issuer to enforce its rights in respect of the Notes or to enforce all or any of the security constituted by the Security Trust Deed unless the Note Trustee, having become bound so to proceed:

- (i) fails so to do within a reasonable period; or
- (ii) is unable for any reason so to do, and the failure or inability shall be continuing.

### **14 Replacement of Notes, Receipts, Coupons and Talons**

Should any Note, Receipt, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Principal Paying Agent upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

### **15 Agents**

The initial Paying Agents are set out above. If any additional Paying Agents are appointed in connection with any Series, the names of such Paying Agents will be specified in Part B of the applicable Pricing Supplement.

The Issuer is entitled, with the prior written approval of the Note Trustee, to vary or terminate the appointment of any Paying Agent and/or appoint additional or other Paying Agents and/or approve any change in the specified office through which any Paying Agent acts, provided that:

- (a) there will at all times be a Principal Paying Agent; and
- (b) so long as the Notes are listed and/or admitted to trading on any stock exchange or securities market, there will at all times be a Paying Agent with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or securities market.

In acting under the Agency Agreement, the Paying Agents act solely as agents of the Issuer and, in certain circumstances specified therein, of the Note Trustee and do not assume any obligation to, or relationship of agency or trust with, any Noteholder, Receiptholder or Couponholder. The Agency Agreement contains provisions permitting any entity into which any Paying Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor agent.

## **16 Exchange of Talons**

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of any Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 12 (*Prescription*).

## **17 Notices**

All notices regarding the Notes will be deemed to be validly given if published in a leading English language daily newspaper of general circulation in London. It is expected that any such publication in a newspaper will be made in the *Financial Times* in London. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules of any stock exchange or other relevant authority on which the Notes are for the time being listed or by which they have been admitted to trading including publication on the website of the relevant stock exchange or relevant authority if required by those rules. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers. If publication as provided above is not practicable, a notice will be given in such other manner, and will be deemed to have been given on such date, as the Note Trustee shall approve.

Until such time as any definitive Notes are issued, there may, so long as any Global Notes representing the Notes are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg, be substituted for such publication in such newspaper(s) or such websites the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg for communication by them to the holders of the Notes and, in addition, for so long as any Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published on the website of the relevant stock exchange or relevant authority and/or in a daily newspaper of general circulation in the place or places required by those rules. Any such notice shall be deemed to have been given to the holders of the Notes on the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg.

## 18 Meetings of Noteholders, modification, waiver, authorisation and determination

### 18.1 Meetings of Noteholders

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 of a modification of the Notes, the Receipts, the Coupons or any of the provisions of the Note Trust Deed. Such a meeting may be convened by the Issuer or the Note Trustee and shall be convened by the Issuer if required in writing by Noteholders holding not less than five per cent. in principal amount of the Notes for the time being remaining outstanding.

The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than 50 per cent. in principal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons holding or representing Notes whatever the principal amount of the Notes so held or represented. The Note Trust Deed does not contain any provisions requiring higher quorums in any circumstances.

The Note Trust Deed provides that:

- (a) a resolution passed at a meeting duly convened and held in accordance with the Note Trust Deed by a majority consisting of not less than 75 per cent. of the votes cast on such resolution;
- (b) a resolution in writing signed by or on behalf of the holders of not less than 75 per cent. in principal amount of the Notes for the time being outstanding; or
- (c) consent given by way of electronic consents through the relevant clearing system(s) (in a form satisfactory to the Note Trustee) by or on behalf of the holders of not less than 75 per cent. in principal amount of the Notes for the time being outstanding, shall, in each case, be effective as an Extraordinary Resolution of the Noteholders.

An Extraordinary Resolution passed by the Noteholders will be binding on all the Noteholders, whether or not they are present at any meeting, and whether or not they voted on the resolution, and on all Receiptholders and Couponholders.

The Note Trust Deed contains provisions allowing for modification of Condition 4 (*Security*) and Condition 6 (*Covenants*) in respect of all Series of Notes issued by the Issuer to be sanctioned by a meeting of the holders of all such Series of Notes (provided that the relevant Condition(s) (or parts thereof) subject to modification are the same for all such Series of Notes prior to such modification and shall be modified in the same manner in respect of all such Series of Notes). For the purposes of any such modification in respect of all such Series of Notes, the same provisions (including in relation to quorum) as for meetings of the Noteholders of one Series of Notes shall apply, save that all references to **Notes** shall be construed as references to "all Series of Notes issued by the Issuer" and all references to **Noteholders** or **holders of Notes** shall be construed as references to the "holders of all Series of Notes issued by the Issuer".

### 18.2 Modification, waiver, authorisation and determination

The Note Trustee may:

- (a) without the consent of the Noteholders, Receiptholders or Couponholders (but, if a rating has been assigned in respect of the Notes, subject to confirmation from each Rating Agency that its then current rating of the Notes would not be adversely affected,

and provided that the subject matter is not a Noteholder Entrenched Right), agree to any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of the Notes, the Note Trust Deed or the Security Trust Deed, or determine that any Event of Default or potential Event of Default shall not be treated as such or direct the Security Trustee to any modification of, or to waive or authorise any breach or proposed breach by the Issuer or any of the covenants or provisions contained in the Security Trust Deed, where, in any such case, it is not, in the opinion of the Note Trustee, materially prejudicial to the interests of the Noteholders so to do; or

- (b) agree, without any such consent or confirmation as aforesaid, to any modification which in its opinion is of a formal, minor or technical nature or to correct a manifest error or an error which is proven to the satisfaction of the Note Trustee.

In addition, the Note Trustee shall be obliged:

- (i) (subject to the provisions of Condition 7.2(c) (*Benchmark Replacement*)) to use its best endeavours to implement any modifications to the Note Trust Deed, the Agency Agreement and the Conditions as may be required in order to give effect to Condition 7.2(c) (*Benchmark Replacement*) in connection with effecting any Benchmark Amendments; and
- (ii) (subject as provided in the Note Trust Deed) to consent to modifications to the Core Terms in the circumstances specified in Condition 6(d) (*Covenants*),

in each case, without the requirement for the consent or sanction of the Noteholders, Receiptholders or Couponholders. Any such modification shall be binding on the Noteholders, Receiptholders and the Couponholders and any such modification shall be notified to the Noteholders in accordance with Condition 17. (*Notices*) as soon as practicable thereafter.

### **18.3 Note Trustee to have regard to interests of Noteholders as a Class**

In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation or determination), the Note Trustee shall have regard to the general interests of the Noteholders as a class (but shall not have regard to any interests arising from circumstances particular to individual Noteholders, Receiptholders or Couponholders whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Noteholders, Receiptholders or Couponholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Note Trustee shall not be entitled to require, nor shall any Noteholder, Receiptholder or Couponholder be entitled to claim, from the Issuer, the Note Trustee or any other person any indemnification or payment in respect of any tax consequences of any such exercise upon individual Noteholders, Receiptholders or Couponholders.

### **19 Indemnification of the Note Trustee and the Security Trustee and the Note Trustee and the Security Trustee contracting with the Issuer and the Borrowers**

The Note Trust Deed and the Security Trust Deed contain provisions for the indemnification of the Note Trustee and the Security Trustee, respectively, and for their relief from responsibility, including provisions relieving it from taking action unless indemnified and/or secured and/or pre-funded to its satisfaction.

The Note Trust Deed and the Security Trust Deed also contain provisions pursuant to which the Note Trustee and the Security Trustee are entitled, *inter alia*:

- (a) to enter into business transactions with the Issuer, the Borrowers and their respective subsidiaries or associated companies, or any of them, and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, any of them;
- (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, or consequences for, the Noteholders, Receiptholders or Couponholders; 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.

## **20 Further Issues**

Subject as follows, the Issuer shall be at liberty from time to time without the consent of the Noteholders, Receiptholders or the Couponholders to create and issue further notes having terms and conditions the same as the Notes or the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue and so that the same shall be consolidated and form a single Series with the outstanding Notes and rank *pari passu* with, and share the same security as, the Notes.

## **21 Contracts (Rights of Third Parties) Act 1999**

No person shall have any right to enforce any term or condition of this Note under the Contracts (Rights of Third Parties) Act 1999, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

## **22 Governing law and submission to jurisdiction**

### **22.1 Governing law**

The Note Trust Deed, the Security Trust Deed, the Agency Agreement, the Notes and the Coupons and any non-contractual obligations arising out of or in connection with the Note Trust Deed, the Security Trust Deed, the Agency Agreement, the Custody Agreement, the Notes and the Coupons are governed by, and construed in accordance with, English law.

### **22.2 Submission to jurisdiction**

- (a) Subject to Condition 22.2(c) (*Submission to jurisdiction*), the English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with the Note Trust Deed, the Security Trust Deed, the Notes and/or the Coupons, including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with the Note Trust Deed, the Security Trust Deed, the Notes, the Receipts and/or the Coupons (each a **Dispute**) and accordingly each of the Issuer, the Note Trustee, the Security Trustee and any Noteholders, Receiptholders or Couponholders in relation to any Dispute submits to the exclusive jurisdiction of the English courts.

- (b) For the purposes of this Condition 22.2 (*Submission to jurisdiction*), the Issuer waives any objection to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute.
- (c) To the extent allowed by law, the Note Trustee, the Security Trustee, the Noteholders, the Receiptholders and the Couponholders may, in respect of any Dispute or Disputes, take:
  - (i) proceedings in any other court with jurisdiction; and
  - (ii) concurrent proceedings in any number of jurisdictions.

### 22.3 **Other documents**

The Issuer has in the Note Trust Deed, the Security Trust Deed, the Agency Agreement and the Custody Agreement submitted to the jurisdiction of the English courts.

## Use of Proceeds and Sustainable Bond Framework

### Use of Proceeds

The net proceeds from each issue of Notes (excluding the Retained Notes (if any)) will be advanced by the relevant Issuer, or applied by the relevant Issuer in the acquisition of Note Funded Loans, to one or more Relevant Borrowers on the terms in respect of such Issuer set out under "*Description of the Borrowers*" and "*Description of the Loan Agreements and the Core Terms*" below, subject to there being no event under the relevant Note Funded Loan Agreement pursuant to which the advance would not be made.

In each case, the net proceeds from each issue of Notes will be advanced by the relevant Issuer pursuant to, or applied by the relevant Issuer in the acquisition of, Note Funded Loans to be applied (or already applied) by the Relevant Borrowers for the purposes described in "*Description of the Loan Agreements and Core Terms*" below in respect of such Issuer.

In the event that a Relevant Borrower's drawdown date under or the acquisition date of, as applicable, the relevant Note Funded Loan Agreement is later than the issue date of the relevant Tranche of Notes, the net proceeds will, until advanced or applied, be:

- (a) held on deposit with a bank or financial institution with a credit rating which will not adversely affect the then current rating of the relevant Issuer (if any) or the Notes;
- (b) invested in instruments denominated in Sterling which have a maturity date before the drawdown date under or the acquisition date of, as applicable, the relevant Note Funded Loan Agreement and which are direct obligations of the UK or of any agency or instrumentality of the UK which are guaranteed by the UK; or
- (c) invested in instruments denominated in Sterling which have a maturity date before the drawdown date under or the acquisition date of, as applicable, the relevant Note Funded Loan Agreement and which are issued by or guaranteed by sovereign or supranational issuers with a rating as provided by a Rating Agency at least equal to the rating of the UK as provided by such Rating Agency at the time of such investment.

The net proceeds of the sale of Retained Notes to a third party will be advanced by the relevant Issuer (with the exception of a sum equivalent to the relevant number of days' accrued interest, which will be retained by the Issuer), or applied by the relevant Issuer in the acquisition of Note Funded Loans, to one or more Relevant Borrowers, for the purposes and on the terms set out in respect of such Issuer under "*Description of the Borrowers*" and "*Description of the Loan Agreements and the Core Terms*" below, subject to there being no event under the relevant Note Funded Loan Agreement pursuant to which the advance would not be made. In the event that a Relevant Borrower's drawdown date under or the acquisition date of, as applicable, the relevant Note Funded Loan Agreement is later than the date of the sale of Retained Notes to a third party, the net proceeds will, until advanced or applied, be:

- (a) held on deposit with a bank or financial institution with a credit rating which will not adversely affect the then current rating of the relevant Issuer (if any) or the Notes;
- (b) invested in instruments denominated in Sterling which have a maturity date before the drawdown date under or the acquisition date of, as applicable, the relevant Note Funded Loan Agreement and are direct obligations of the UK or of any agency or instrumentality of the UK which are guaranteed by the UK; or
- (c) invested in instruments denominated in Sterling which have a maturity date before the drawdown date under or the acquisition date of, as applicable, the relevant Note Funded Loan

Agreement and which are issued by or guaranteed by sovereign or supranational issuers with a rating as provided by a Rating Agency at least equal to the rating of the UK as provided by such Rating Agency at the time of such investment.

### **Sustainable Bond Framework**

The THFC Group has also established its sustainable bond framework (the **Sustainable Bond Framework**). Under the Sustainable Bond Framework, an Issuer may issue Sustainability Notes to finance and/or refinance, in whole or in part, sustainable housing projects falling within the categories set out in the Sustainable Bond Framework or other activities carried out in support of those projects and the relevant Borrower's sustainable purpose (**Sustainability Notes**).

The THFC Group may, in the future, update the Sustainable Bond Framework. The Sustainable Bond Framework is available on the Issuers' website. For the avoidance of doubt, the Sustainable Bond Framework and the second party opinion(s) referred to in the applicable Pricing Supplement are not, nor shall they be deemed to be, incorporated in and/or form part of this Programme Memorandum.

Any additional information related to the use of proceeds will be set out in the applicable Pricing Supplement.

Neither the Arranger nor the Dealers or any of their respective affiliates shall be responsible for the contents of the Sustainable Bond Framework or any related frameworks and no investor in any Sustainability Notes will have any recourse to the Arranger, the Dealers or any of their respective affiliates therewith. No assurance or representation is given by any Issuer, the Arranger, the Dealers or any other person as to the suitability or reliability for any purpose whatsoever of any opinion or certification of any third party (whether or not solicited by the Issuer) which may be made available in connection with the issue of any Notes. For the avoidance of doubt, any such opinion or certification is not, nor shall it be deemed to be, incorporated in and/or form part of this Programme Memorandum. Any such opinion or certification is not, nor should it be deemed to be, a recommendation by the relevant Issuer, the Arranger, the Dealers or any other person to buy, sell or hold any such Notes. The Noteholders have no recourse against the relevant Issuer, the Arranger, any Dealer, any of their respective affiliates or the provider of any such opinion or certification for the contents of any such opinion or certification. Any such opinion or certification is only current as at the date that opinion was initially issued and the providers of such opinions and certifications are under no obligation to update them following their issue. Prospective investors must determine for themselves the relevance of any such opinion or certification and/or the information contained therein and/or the provider of such opinion or certification for the purpose of any investment in any Notes. Currently, the providers of such opinions and certifications are not subject to any specific or regulatory or other regime or oversight.

No assurance is given by the relevant Issuer, the Arranger, the Dealers or any other person that the use of the proceeds of issue of any Notes will satisfy, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates. None of the Note Trustee, the Arranger and the Dealers (or any of their respective affiliates) will have any responsibility for monitoring the application of any such proceeds.

For the avoidance of doubt, the Sustainable Bond Framework and any second party opinion(s) referred to in the applicable Pricing Supplement (a) may be amended, supplemented or replaced from time to time and (b) are not, nor shall they be deemed to be, incorporated in and/or form part of this Programme Memorandum.

## Description of the Issuers

### Incorporation and Status

Each Existing Issuer is a public limited company incorporated in England under the Companies Act 2006, with the registered numbers set out below:

Issuer	Registered number	Date of Incorporation
Social Housing Finance 1 Plc	16659332	19 August 2025
Social Housing Finance 2 Plc	16659461	19 August 2025
Urban Housing Finance Plc	16659563	19 August 2025
Shared Ownership Funding Plc	16659676	19 August 2025
Temporary Accommodation Funding Plc	16667170	22 August 2025

The registered address of each Existing Issuer is 3rd Floor, 17 St. Swithin's Lane, London EC4N 8AL and its telephone number is (+44) (0)20 7337 9920. No Existing Issuer has any subsidiaries.

### Principal activities of the Issuers

Each Existing Issuer was established to raise debt for the purpose of on lending to non-profit registered providers of social housing, registered social landlords and registered housing associations in England, Wales, Scotland and Northern Ireland, either by lending to a Direct RP Borrower or to a Finance Subsidiary Borrower.

In undertaking these activities each Existing Issuer will be reliant on the services provided by the Administrator under its Management Services Agreement.

### Share capital and organisational structure of each Issuer

The share capital of each Existing Issuer consists of £50,000 divided into 50,000 ordinary shares of £1 par value each, all of which have been issued one-quarter paid. The paid-up capital of each Existing Issuer is £12,500. The shares in each Existing Issuer are held by the Administrator.

The ultimate parent undertaking of each Existing Issuer is The Housing Finance Corporation Limited (**THFC**). THFC is a registered society pursuant to the Co-operative and Community Benefit Societies Act 2014, having been incorporated in 1987 as an industrial and provident society by the Housing Corporation and the National Housing Federation to provide access to institutional finance to housing associations.

The THFC group currently consists of THFC itself, a number of registered society and company subsidiaries (which act as aggregating vehicles in their own right), Affordable Housing Finance Plc (which acts as an aggregating vehicle in accordance with the terms of a licence granted to it by the Ministry of Housing, Communities and Local Government in 2013) and the Administrator (together, the **THFC Group**).

Whilst each Existing Issuer is a member of the THFC Group by virtue of the shares held in it by the Administrator, each Issuer is a separate legal entity and, as such, no Existing Issuer expects to provide financial support to any other member of the THFC Group nor does it expect to receive financial support from any other member of the THFC Group, including in each case the other Issuers.

## Directors

The directors of each Existing Issuer and their principal activities outside each Existing Issuer are:

### Directors of the Existing Issuers

<b>Name</b>	<b>Principal Activities outside the Issuer</b>
Priyanka Nair	Chief Executive, THFC Company Director
Benjamin Rick	Chief Finance Officer, THFC Company Director
Martin James Fent	Chief Risk and Operations Officer, THFC Company Director

The business address of each director is 3rd Floor, 17 St. Swithin's Lane, London EC4N 8AL.

The secretary of each Issuer is Martin James Fent whose business address is 3rd Floor, 17 St. Swithin's Lane, London EC4N 8AL.

With the exception of the above, no Existing Issuer has any employees or non-executive directors. The executive team of each Existing Issuer (each of whom is employed by the Administrator) consists of Priyanka Nair, Chief Executive, Benjamin Rick, Chief Finance Officer and Martin Fent, Chief Risk and Operations Officer.

Subject as follows, there are no potential conflicts of interest between any duties to any Existing Issuer of the directors of such Existing Issuer and their private interests and/or duties.

Each of the directors of the Existing Issuers is also a director of the Administrator and of THFC. It is possible that their duties as directors of the Administrator and THFC (as applicable) may give rise to a potential conflict with duties to such Existing Issuer as the Administrator is a provider of services to such Existing Issuer and THFC may be considered to be a competitor of such Issuer.

### T.H.F.C. (Services) Limited

T.H.F.C. (Services) Limited (the **Administrator**) is the parent company of each Existing Issuer. The Administrator's business is principally the provision of staff and various management and company secretarial services to members of the THFC Group and managed third party loan aggregating companies.

### Management Services Agreements

Social Housing Finance 1 Plc and Social Housing Finance 2 Plc has each entered into a Management Services Agreement dated 3 October 2025 with the Administrator

Urban Housing Finance Plc, Shared Ownership Funding Plc and Temporary Accommodation Funding Plc has each entered into a Management Services Agreement dated 8 April 2026 with the Administrator.

Pursuant to each Management Services Agreement, the Administrator has agreed to perform various financing and ancillary services set out therein.

These services include:

- (a) arranging financing and other services on behalf of the relevant Issuer, including:
  - (i) in respect of the Loans, undertaking marketing to potential Borrowers and sourcing lending opportunities, undertaking credit due diligence on potential Borrowers, negotiating the commercial terms of the Loans, reviewing and approving Loan documentation in respect of the entry by the relevant Issuer into new Loans, record-keeping in respect of the Loans, monitoring the performance of the Borrowers' obligations in respect of the Loans and taking such action as the relevant Issuer and the Administrator consider appropriate in the event that payments due under the Loans are not received on the due date;
  - (ii) in respect of any security granted by the Borrowers in favour of the relevant Issuer, checking for initial suitability of the relevant housing stock, assisting the relevant Issuer in reviewing and approving security documentation, managing substitution requests from Borrowers, reviewing security (including reviewing any valuations received from Borrowers), reporting to the relevant Issuer on security and facilitating approvals and consents by the issuer in respect of the above as required; and
  - (iii) monitoring the financing and liquidity requirements of the relevant Issuer and assisting the relevant Issuer with the management of its assets and liabilities, including making recommendations to the board of directors of the relevant Issuer and carrying out any administrative functions as may be required in respect of any issuance, redemption or purchase or exchange of Notes; and
- (b) providing various corporate administration services, including:
  - (i) administrative services relating the establishment of the Programme, the monitoring and administration of the relevant Issuer's accounts, the preparation of various notices and reports and record-keeping;
  - (ii) financial services relating to the maintenance of accounting records and the preparation of financial statements and corporate tax returns; and
  - (iii) additional services necessary to enable the relevant Issuer to comply with its obligations under the Programme Documents (other than the relevant Management Services Agreement).

In performing its duties under each Management Services Agreement, the Administrator has covenanted, *inter alia*:

- (a) to devote such time and effort and provide such facilities and make available such staff of such skill and experience as may be required from time to time to enable it to perform its duties under such Management Services Agreement efficiently and in a proper and business-like manner;
- (b) at all times, to act in accordance with all reasonable and proper directions, orders and instructions given to it by the relevant Issuer; and
- (c) not to do or omit to do anything which would constitute a breach by the relevant Issuer of any provision of the Secured Debt (including, without limitation, the Notes), the Programme Documents (other than such Management Services Agreement), its articles of association or of any other legally binding restrictions applicable to the Issuer,

together, in each case, the **Required Standard of Care**.

Pursuant to Clause 14 of each Management Services Agreement, the Administrator may delegate any of its functions to an agent of the Administrator on such terms as it thinks reasonably fit. In respect of any agent appointment by it, the Administrator has covenanted to ensure that such agent complies with the Required Standard of Care.

### **Auditors**

Each Issuer has appointed S&W Partners Group Limited of 45 Gresham Street, London EC2V 7BG as its auditors. S&W Partners Group Limited are chartered accountants and registered auditors and are members of the Institute of Chartered Accountants in England and Wales.

### **Operations**

Since the date of its incorporation, no Issuer has yet commenced operations nor does it have any material assets or liabilities, and therefore no audited financial statements have been prepared as at the date of this Programme Memorandum.

## Description of the Borrowers in respect of the Existing Issuers

### Borrowers

Each Loan has been and will be made by each Existing Issuer in the normal course of its business and will comply with the Core Terms as set out in the Note Trust Deed and as may be amended from time to time (the **Core Terms**, the current terms of which are described in "*Description of the Loan Agreements and the Core Terms*") below.

Under the Core Terms, the Existing Issuers are required to lend only to:

- (a) not-for-profit registered providers of social housing, registered social landlords, registered housing associations or registered social housing providers whose activities are regulated by the Regulator of Social Housing (in England), the Welsh Assembly Government (in Wales), the Scottish Housing Regulator (in Scotland) or the Department for Communities (in Northern Ireland) or any replacement or successor regulator thereto (each, a **Direct RP Borrower**); or
- (b) finance subsidiary undertakings within a group (each, a **Finance Subsidiary Borrower**) that on-lends the proceeds pursuant to an intra-group loan agreement to one or more entities within the scope of (a) above within the same group (each, an **Indirect RP Borrower** and, together with each Direct RP Borrower, each an **RP Borrower**; and each Direct RP Borrower, together with a Finance Subsidiary Borrower, each a **Borrower**).

Each RP Borrower is or will therefore be an entity whose principal purpose, objects and powers are to provide, construct, improve, manage, facilitate or encourage the construction or improvement of housing accommodation. Each is either a registered society, a company limited by guarantee or a charitable trust. Each RP Borrower is or will be prohibited by its constitution from trading for profit and any surplus which may result from its operations may not be distributed, either directly or indirectly, in any way whatsoever among its members.

### Regulation of housing associations

#### *England*

The funding and regulation of housing associations has undergone significant change in recent years under the Housing and Regeneration Act 2008, as amended by the Localism Act 2011 and the Housing and Planning Act 2016 (the **2008 Act**). The functions of the Regulator of Social Housing were previously carried out through a separate committee of the HCA (the **Regulation Committee**). In October 2018, the Legislative Reform (Regulator of Social Housing) (England) Order 2018 brought the "Regulator of Social Housing" into existence as an independent stand-alone non-departmental public body of the government. The investment function, namely the provision of grant funding for the creation of new social housing, is carried out through the rebranded arm of the HCA – Homes England (or the Greater London Authority in London).

The objectives of the Regulator of Social Housing are split into an economic regulation objective and consumer regulation objectives.

The economic regulation objective is:

- to ensure that registered providers of social housing are financially viable and properly managed and perform their functions efficiently and economically;
- to support the provision of social housing sufficient to meet reasonable demands (including by encouraging and promoting private investment in social housing); and

- to ensure that value for money is obtained from public investment in social housing and that unreasonable burden is not imposed (directly or indirectly) on public funds and they are not misused.

The consumer regulation objective is:

- to support the provision of social housing that is well managed, safe, energy efficient and of appropriate quality and there is sufficient choice and protection to actual or potential tenants of social housing;
- to ensure that tenants of social housing have the opportunity to be involved in its management and to hold their landlords to account and that landlords act in a transparent manner in relation to their tenants; and
- to encourage registered providers of social housing to contribute to the environmental, social and economic wellbeing of the areas in which the housing is situated.

The Regulator of Social Housing has a duty to exercise its functions in a way that minimises interference and is (as far as is possible) proportionate, consistent, transparent and accountable. These requirements underpin how the Regulator of Social Housing carries out all of its functions.

In England, registered providers of social housing are categorised as private registered providers or local authority registered providers. Private registered providers may be profit-making and non-profit making. Profit-making registered providers are subject to a slightly different regulatory regime. Local authority registered providers are regulated only in respect of the consumer regulation objective and, from April, 2020, the rent standard element of the economic regulation objective.

Regulatory standards have been set by the Regulator of Social Housing. There are three economic standards (governance and financial viability; value for money; and rent) and four consumer standards (neighbourhood and community; safety and quality; tenancy; and transparency, influence and accountability), all of which are supplemented by various guidance, policies and codes of practice which set out more information about how the Regulator of Social Housing will regulate in practice and how it will gain assurances in order to form judgments on registered providers of social housing.

The Regulator of Social Housing continues to provide proactive regulation of the economic standards, but in relation to the consumer standards it had previously been reactive in response to referrals or other information received. However, the Social Housing (Regulation) Act 2023 changed the position so that the Regulator of Social Housing's role is proactive and puts the consumer standards on an equal footing with the economic standards, as well as updating the Regulator of Social Housing's statutory objectives (to include "safe" and "energy efficient") and its regulatory and enforcement powers.

The Social Housing (Regulation) Act 2023 removed the "serious detriment" test (therefore lowering the threshold at which the Regulator of Social Housing can use its statutory powers to enforce the consumer standards), and provides the Regulator of Social Housing with an ability to issue codes of practice relating to the consumer standards. Routine inspections of larger landlords are also proposed, together with more reactive inspections where issues of concern are raised.

The Regulator of Social Housing has enforcement powers including powers to require information, to make appointments to a private registered provider's board, to issue enforcement notices and penalties, to require payment of compensation to tenants and to outsource management functions as well as to conduct inquiries. The Social Housing (Regulation) Act 2023 contains various mechanisms to strengthen the enforcement powers of the Regulator of Social Housing, including the extension of statutory enforcement powers to for profit registered providers, the removal of the financial cap on fines, and an ability to require performance improvement plans from registered providers of social housing.

The Regulator of Social Housing also has statutory powers in relation to moratorium under the 2008 Act in the event of the insolvency of a registered provider of social housing. Under the Insolvency of Registered Providers of Social Housing Regulations 2018, it has the power to ask the court to appoint a housing administrator under the special administration provisions incorporated within the Housing and Planning Act 2016 (see "*Risk Factors – Factors which may affect the Borrowers' ability to fulfil their obligations under the Loan Agreements*" for a discussion of housing administration and the 2008 Act moratorium more generally).

As the Regulator of Social Housing takes a risk-based proportionate approach it regulates registered providers of social housing differently depending upon its judgement as to their level of risk exposure. In particular, registered providers of social housing that own fewer than a thousand social housing units are subject to a different and lighter level of regulatory engagement than larger registered providers of social housing.

On 30 October 2015, the ONS announced the reclassification of housing associations in England from "private non-financial corporations" to "public non-financial corporations" for the purposes of national accounts and other ONS economic statistics. In response the UK Government confirmed in November 2015 that it would introduce statutory deregulatory measures with the intention that the private sector status of registered providers of social housing be restored. From April 2017 onwards the Housing and Planning Act 2016 introduced a deregulation regime in respect of certain actions of registered providers of social housing (e.g. disposing of social housing dwellings and certain other land, obtaining consent prior to undertaking certain constitutional amendments, restructurings or mergers) and replaced it with a notification regime.

### **Wales, Scotland and Northern Ireland**

Wales, Scotland and Northern Ireland are the subject of separate regulatory and funding regimes, operated by the Welsh Ministers, the Scottish Housing Regulator and the Northern Ireland Department for Social Development, respectively.

#### **Wales**

The Welsh Ministers regulate housing associations in Wales. They have powers under the Housing Associations Act 1985, the Housing Act 1996 and the Housing (Wales) Measure 2011 in respect of both the registration and regulation of Welsh RSLs and the funding of social housing. The Welsh framework is currently set out in the 2025 Regulatory Framework for Welsh Registered Social Landlords.

This framework incorporates performance standards specified by the Welsh Ministers which must be met by Welsh RSLs. These cover matters such as effective board and executive management, tenant involvement, the quality of services, risk management, value for money and viability. Failure to meet a performance standard is grounds for the exercise of enforcement powers. The Welsh Ministers are committed to a regulatory approach based on, among other things, proportionality, honesty and openness, consistency and sharing learning.

The Welsh Ministers also have the power to set standards of performance in relation to Welsh RSL rents. The Welsh Assembly Government has published a Social Housing Rent and Service Charge Standard which governs rents (as to which see *Risk Factors – Factors which may affect the Borrowers' ability to fulfil their obligations under the Loan Agreements – Rental Growth Risk* above).

The Welsh Ministers have consulted upon deregulatory measures similar to those which are currently in force for England and the Regulation of Social Landlords (Wales) Act 2018 was enacted on 13 June 2018 in order to help Welsh RSLs be reclassified to the private sector for ONS purposes. The operative provisions of the Act in relation to the deregulation regime came into force on 15 August 2018. Under

the Act, transitional provisions removed the requirement for Welsh RSLs to show net disposal proceeds separately in their accounts with effect from 15 August 2021.

### ***Scotland***

Scottish RSLs are regulated by the Scottish Housing Regulator which was created pursuant to the Housing (Scotland) Act 2010 as independent regulator directly accountable to the Scottish Parliament. Its powers include the maintenance of a register of Scottish RSLs, setting standards of performance, financial management and governance. Its regulatory framework includes regulatory standards and detailed supporting guidance. The Scottish Ministers have a duty to establish standards and outcomes which Scottish RSLs should aim to achieve and to publish these in the Charter. Each Scottish RSL is responsible for meeting these outcomes and standards set out in the Charter. The Scottish Housing Regulator is responsible for monitoring and reporting on this performance against these outcomes and standards. It will name any Scottish RSL it considers to have failed to achieve the outcomes and standards or which it considers to be at risk of doing so. It has the power to set performance improvement targets for individual Scottish RSLs or categories of Scottish RSL.

The Scottish government has passed similar deregulatory measures to those adopted in England to ensure that Scottish RSLs are classified to the private sector for ONS purposes. These are in the Housing (Amendment) (Scotland) Act 2018 which has been fully operative since 8 March 2019.

### ***Northern Ireland***

The Department for Communities is the housing regulator in Northern Ireland. The Department for Communities' functions are set out in article 4 of the Housing (Northern Ireland) Order 1992 and include, amongst other matters, the functions of promoting and assisting the development of registered housing associations in Northern Ireland; facilitating the proper exercise and performance of the functions; and publicising the aims and principles of registered housing associations in Northern Ireland. It is also responsible for establishing and maintaining a register of housing associations in Northern Ireland, for exercising supervision and control over registered housing associations in Northern Ireland and for considering applications for, and to make payments of, grants to registered housing associations in Northern Ireland. The Department for Communities performs equivalent functions in Northern Ireland with regard to the registration and supervisory functions of the Regulator of Social Housing in England and, to a more limited extent, to the funding functions of Homes England (as its funding abilities are not as extensive as Homes England's). Pursuant to the Housing (Amendment) (Northern Ireland) Order 2006, the funding powers of the Department for Communities were delegated to the Northern Ireland Housing Executive.

## Description of the Loan Agreements and the Core Terms

*The following description of the Loan Agreements consists of a summary of certain provisions of the Loan Agreements and a description of the Core Terms and is qualified by reference to the detailed provisions of the Loan Agreements. The Loan Agreements are not, however, incorporated by reference into, and therefore do not form part of, this Programme Memorandum.*

*Definitions used in this section but not otherwise defined in this Programme Memorandum have the meanings given to them in the Loan Agreements.*

References in this Programme Memorandum to the **relevant Loan Agreements** and the **relevant Core Terms** shall be to the Loan Agreements entered into or acquired by, the relevant Issuer and the Core Terms applicable to the relevant Issuer, respectively.

### DESCRIPTION OF THE LOAN AGREEMENTS

#### Description of the Loan Agreements to be entered into or acquired by the Existing Issuers

Each loan agreement entered into, or acquired, by each Existing Issuer with a Borrower (including, without limitation, a **Relevant Borrower**) will provide for a loan to be made available by such Existing Issuer to such Borrower, which will be funded by the issue of Notes (or the sale of Retained Notes) or any other indebtedness from time to time incurred by such Existing Issuer and for the time being outstanding which is expressed to rank *pari passu* with the Notes issued by that Existing Issuer (each a relevant **Loan Agreement** and a relevant **Loan**, respectively).

Each Loan Agreement will include the terms described below or such other terms as the relevant Existing Issuer may agree from time to time in respect of a Loan Agreement, provided that such other terms will not adversely affect the then current rating of the Notes issued by that Existing Issuer.

#### **Purpose**

Each Loan may only be used by:

- (a) the relevant RP Borrower in furtherance of the provision of housing, to provide finance for the purchase and/or acquisition and/or development and/or repair and/or improvement and/or refurbishment and/or financing and/or refinancing of existing loans or drawings from the relevant RP Borrower's other resources in each case relating to freehold or leasehold property and in accordance with the relevant RP Borrower's constitutional documents and compatible with its status as a non-profit registered provider of social housing, registered social landlord or registered housing association with the relevant regulator, including, the repayment of any existing indebtedness of the relevant RP Borrower and any other amounts due and payable thereunder, or
- (b) the relevant Finance Subsidiary Borrower for the purpose of on-lending the proceeds of such Loan to an RP Borrower in the same group to be applied in accordance with (a) above.

#### **Loans**

Subject to the provisions of each Loan Agreement, each Existing Issuer shall commit to make a loan to a Borrower which may be drawn by the Borrower in one or more advances. The Borrower can also request a Forward Fix Advance which is an advance with a drawdown date at the end of a deferral period but the amount is agreed in advance on the Forward Fix Pricing Date.

### ***Prepayment if RP Borrower ceases to be a Registered Provider***

Under a Loan Agreement, if an RP Borrower ceases to be a Registered Provider (or, in the case of a Loan Agreement with a Finance Subsidiary Borrower, the Finance Subsidiary Borrower), it must notify the relevant Existing Issuer and then prepay the whole of the outstanding balance of its Loans, together with any interest and any prepayment premium payable under the terms of the relevant Loan Agreement, within 180 days. However, if such RP Borrower regains its status as a Registered Provider within that period of 180 days, the Direct RP Borrower or the Finance Subsidiary Borrower (as the case may be) shall no longer be required to prepay the relevant Loans. In addition, if an RP Borrower ceases to be a Registered Provider and does not regain its status prior to drawdown of a Forward Fix Advance for which a drawdown notice has been submitted, the relevant Existing Issuer will be released from its obligation to fund the Forward Fix Advance under the relevant Loan Agreement and the Direct RP Borrower or Finance Subsidiary Borrower (as applicable) will be required to pay the Make Whole Payment to the relevant Existing Issuer.

### ***Initial Security***

The proceeds of each Loan will be initially deposited in the Cash Security Account of the relevant Existing Issuer and will be released to the relevant Borrower upon sufficient fixed charge security over social housing property being granted in favour of Housing Finance Trustee Limited (a private company incorporated under the laws of England and Wales with registered number 11939585 whose registered office is at 3rd Floor, 17 St. Swithin's Lane, London EC4N 8AL) acting as security trustee for the Issuers (the **Security Trustee**), subject to compliance with the Asset Cover Test.

Each Loan must be fully secured by fixed charge security over social housing property (in accordance with the security covenants specified therein) within 12 months of the drawdown date under the relevant Loan Agreement.

If the Loan is a Forward Fix Advance, the relevant Borrower will have 6 months to provide or procure fixed charge security over social housing property to satisfy the Asset Cover Test without taking into account any Cash Security assuming 25 per cent. of the Forward Fix Advance has been made on the Forward Fix Pricing Date (being the date the amount of the Loan is agreed).

### ***Release and Substitution***

Charged Properties may be released and substituted in accordance with the terms of each Loan Agreement subject to compliance with the Asset Cover Test.

### ***Cash Security***

Each Borrower may deposit the proceeds of disposal of the relevant Charged Properties which are released from charge into the Cash Security Account for the purpose of maintaining compliance with the Asset Cover Test. The Cash Security may be withdrawn from the Cash Security Account:

- (a) to be applied by a Borrower in the acquisition of a Substitute Property; or
- (b) to the extent that such withdrawal would not cause a breach of the Asset Cover Test.

Notwithstanding the above, a Borrower may, at any time, deposit, or arrange for the deposit of, any other money into the Cash Security Account for the purposes of satisfying the Asset Cover Test.

### ***Statutory Disposals***

Each Borrower shall have the right to withdraw Property from the Fixed Charge Security pursuant to any Statutory Disposal subject to compliance with the Asset Cover Test.

### ***Full Valuations***

Each Borrower shall deliver a Valuation Report to the relevant Existing Issuer at least once in every period of five calendar years.

### ***Desk Top Valuations***

Each Borrower shall deliver to the Agent a Desk Top Valuation (being a valuation prepared by a valuer on a "desk-top" basis) once in each year other than a year in respect of which a Valuation Report is required to be delivered.

### ***Loan Events of Default***

Each Loan will include, *inter alia*, the following events of default:

- (a) non-payment under the Finance Documents (as defined in the relevant Loan Agreement);
- (b) breach of other obligations under the Finance Documents (as defined in the relevant Loan Agreement);
- (c) cross-default and cross-acceleration;
- (d) winding up or dissolution of the relevant Borrower, save for a Permitted Reorganisation (as defined in the relevant Loan Agreement) or other reorganisation with the consent of the relevant Existing Issuer;
- (e) cessation of business of the relevant Borrower, save for a Permitted Reorganisation (as defined in the relevant Loan Agreement) or other reorganisation with the consent of the relevant Existing Issuer;
- (f) failure or inability to pay debts;
- (g) insolvency;
- (h) the relevant Borrower initiates or consents to insolvency proceedings;
- (i) the relevant Borrower makes an arrangement with creditors;
- (j) it becomes unlawful for the relevant Borrower to perform any of its obligations under the Finance Documents (as defined in the relevant Loan Agreement); and
- (k) breach of the Asset Cover Test.

### ***Obligation to notify the relevant Existing Issuer***

Each Borrower shall notify the relevant Existing Issuer of any Event of Default (and the steps, if any, being taken to remedy it) or potential Event of Default in respect of the Loan Agreement, to which it is a party, promptly upon becoming aware of the same.

## **Governing Law**

Each Loan Agreement, and any non-contractual obligations or matters arising from or connected with it, will be governed by and shall be construed in accordance with English law.

## **DESCRIPTION OF THE CORE TERMS**

### **Description of the Core Terms in respect of each Existing Issuer**

This section contains a summary of the existing core terms which are set out in the Note Trust Deed and which may be amended from time to time in accordance with Condition 6(d) (*Covenants*) (the **Core Terms**).

Each Existing Issuer is required by the Note Trust Deed to impose the Core Terms on all Borrowers who borrow monies from them pursuant to a Loan Agreement. The Core Terms in respect of each Additional Issuer will be set out in the Schedule to its Issuer Accession Deed.

Full details of the Core Terms are contained in the Note Trust Deed as amended, modified and/or restated from time to time (which is available for inspection, see "*General Information – Documents Available*"). The Core Terms may be further supplemented or amended from time to time. Any amendment may only be made with the consent of the Note Trustee and the Note Trustee shall, subject as provided in the Note Trust Deed, be obliged to consent to such amendment if each Rating Agency has confirmed that such amendment will not adversely affect the then current rating of the Notes issued by the applicable Issuer.

The Core Terms as at the date of this Programme Memorandum are as follows:

**Eligible Borrowers:** each Borrower under a Loan Agreement must be a Direct RP Borrower or a Finance Subsidiary Borrower.

**Asset Cover Test:** each Borrower shall ensure that at all times the sum of:

- (a) the Minimum Value of the Charged Properties forming part of the Fixed Charge Security; and
- (b) the Cash Security,

will not be less than the aggregate principal amount of the Loan (or, in the case of a Loan which is funded by Zero Coupon Notes, the Amortised Face Amount of the Loan).

**Liquidity Reserve Fund:** each Borrower shall be required to establish a Liquidity Reserve Fund, which shall be constituted as a trust not revocable at the instance of such Borrower. Each Borrower shall at all times ensure that the amount of the Liquidity Reserve Fund shall be not less than an amount equal to twelve months Interest Payments in respect of its Loan.

## **Interpretation**

For these purposes:

**Amortised Face Amount** means an amount equal to:

$$RP \times (1 + AY)^y$$

where:

**RP** means Reference Price specified in the relevant Loan;

**AY** means the Accrual Yield expressed as a decimal (which shall correspond with the Accrual Yield in respect of the Zero Coupon Notes funding such Loan); and

**y** is the Day Count Fraction (which shall correspond with the Day Count Fraction in respect of the Zero Coupon Notes funding such Loan);

**Charged Property** means any Property which forms part of the Fixed Charge Security;

**Commercial Property Valuation Basis** means any valuation basis which an Issuer has agreed is an appropriate basis of valuation for the relevant Property;

**Desk Top Valuation** means, in relation to the Charged Properties, a valuation of those properties conducted in accordance with the same methodology as a Valuation Report addressed to, *inter alios*, the applicable Issuer provided by a Valuer on a "desk-top" basis;

**Direct RP Borrower** means a not-for-profit registered provider of social housing, registered social landlord, registered housing association or registered social housing provider whose activities are regulated by the Regulator of Social Housing (in England), the Welsh Assembly Government (in Wales), the Scottish Housing Regulator (in Scotland) or the Department for Communities (in Northern Ireland) or any replacement or successor regulator thereto;

**Finance Subsidiary Borrower** means a finance subsidiary undertaking within a group that on-lends the proceeds of a Loan pursuant to an intra-group loan agreement to one or more entities within the definition of "Direct RP Borrower" within the same group (an **Indirect RP Borrower**);

**Fixed Charge Security** means any fixed charge(s) (in form and content reasonably satisfactory to the applicable Issuer) in favour of the applicable Issuer over real property and/or the Cash Security Account approved by the applicable Issuer and designated as security for the Loan(s);

**Minimum Value** means:

$$\left( \frac{A}{105} + \frac{B}{115} + \frac{C}{D} \right) \times 100$$

where:

A = the Value of the residential EUV-SH Charged Properties determined on the basis of EUV-SH;

B = the Value of the residential MV-ST Charged Properties determined on the basis of MV-ST;

C = the Value of the commercial property Charged Properties determined on the Commercial Property Valuation Basis; and

D = a number to be agreed on a case by case basis with each Borrower.

For the avoidance of doubt, the social housing Properties forming part of the Fixed Charge Security shall each be treated as EUV-SH Charged Properties for the purpose of determining the Minimum Value unless and until designated as MV-ST Charged Properties in accordance with the relevant terms of the Loan Agreement.

Borrowers shall be permitted to use commercial property assets and other residential housing assets, including care, key worker, student accommodation and private rented sector housing as part of the Fixed Charge Security.

**Property** means all estates or interests of a Borrower (or an Indirect RP Borrower, where applicable) in any freehold, heritable or leasehold property wheresoever situate now or in the future belonging to it and all buildings, fixtures, fittings (other than tenants' fixtures and fittings) and fixed plant and machinery from time to time thereon (and **Properties** shall be construed accordingly);

**Valuation Report** means, in relation to the Charged Properties, a valuation of those properties addressed to the applicable Issuer provided by a Valuer containing such information as is relevant to the portfolio of Charged Properties and showing the value of the properties on the basis of EUV-SH, MV-ST and/or Commercial Property Valuation Basis (to the extent applicable) or, where agreed between the applicable Issuer and the Borrower, a letter from the relevant Valuer confirming that there have been no material changes in respect of a previous Valuation Report given by such Valuer in respect of such properties;

**Value** means, at any time and in relation to the Charged Properties, the value of those properties as shown in the then latest Valuation Report or Desk Top Valuation on the basis of EUV-SH, MV-ST or on a Commercial Property Valuation Basis (provided that if any Charged Property or part thereof is sold, the Value of the relevant Charged Property shall, for the purposes of this definition and with effect from the date of the relevant sale or release, be zero (if the entire relevant Charged Property has been sold) or (if only part of the relevant Charged Property has been sold) shall be the proportion of the value of the Charged Property which has not been sold); and

**Valuer** means an independent professional valuer or reputable firm of surveyors which is a member of RICS as may be appointed by a Borrower and approved by the applicable Issuer from time to time.

## Description of the Security Trust Deed

The Existing Issuers have entered into the Security Trust Deed (in the case of UHF, SOF and TAF, by means of an Accession and Supplemental Charge) and each Additional Issuer shall, upon accession to the Programme, accede to the Security Trust Deed. The holder of each Series of Notes shall be a Beneficiary under the Security Trust Deed in respect of the security granted by the relevant Issuer.

### **Security**

Pursuant to Clauses 4.1 (*Swithins 1 floating charge*) and 4.2 (*Swithins 2 floating charge*) of the Security Trust Deed, SHF1 and SHF2 has, and pursuant to Clause 3(a) (*Floating Charge*) of its respective Accession and Supplemental Charge UHF, SOF and TAF has, (and each Additional Issuer, upon its accession, will have), with full title guarantee and as continuing security for its Secured Liabilities, charged by way of floating charge in favour of the Security Trustee (for itself and on behalf of the Beneficiaries (which includes the Noteholders in respect of the Notes issued by it) the whole of its undertaking, property and assets, whatsoever and wherever situated, present and future.

The Secured Debt of each Issuer (which includes the Notes issued by such Issuer) shall rank *pari passu* under such security with all other Secured Debt of that Issuer.

### **Enforcement of Security**

The security granted by each Issuer under the Security Trust Deed will become enforceable upon the occurrence of a Secured Debt Event of Default in respect of that Issuer (which includes an Event of Default under any Series of Notes issued by that Issuer).

Upon a Floating Charge becoming enforceable, the Security Trustee may or (if directed in accordance with Clause 9 (*Proceedings, Action and Indemnification*)) of the Security Trust Deed) shall enforce the relevant Floating Charge by notice to the relevant Issuer, whereupon such Floating Charge shall be converted into a fixed charge.

The Security Trustee shall only be required to take action (including, without limitation, the enforcement of a Floating Charge, the institution of any proceedings, the exercise of all rights, discretions or powers and the granting of consents or releases) or, as the case may be, refrain from taking action under or pursuant to the Security Trust Deed acting, on the written instructions of any relevant Representative (being, in respect of the Notes issued by the relevant Issuer, the Note Trustee).

In the event that the Security Trustee shall receive conflicting instructions from two or more relevant Representatives, it shall seek instructions from all relevant Representatives. Such instructions shall be requested prior to the relevant Instruction Deadline. To the extent that not all relevant Representatives have responded by the Instruction Deadline and/or are in agreement as to such instructions, the Security Trustee shall act in accordance with the instructions of the Required Majority.

The Note Trustee may, in its discretion, and if so requested in writing by holders of at least 20 per cent. in aggregate principal amount of the Notes of the relevant Series then outstanding or by an Extraordinary Resolution of the Noteholders of such Series shall, subject to it being indemnified and/or secured and/or prefunded to its satisfaction, direct the Security Trustee, to take action to enforce the Floating Charge granted by the relevant Issuer.

Enforcement of a Floating Charge granted by the relevant Issuer by the relevant Representative of any other holder or lender of Secured Debt will constitute an Event of Default in relation to the Notes of each Series issued by the relevant Issuer pursuant to Condition 13.1(c) (*Events of Default*) but will not result in the acceleration of the relevant Issuer's obligations under the Notes of any Series unless notice of

such acceleration is given by the Note Trustee in respect of such Series in accordance with Condition 13 (*Events of Default and Enforcement*).

Enforcement of a Floating Charge granted by any Issuer will not constitute an Event of Default in relation to the Notes of any Series issued by another Issuer nor will the Floating Charge of another Issuer become enforceable as a result.

The Security Trustee may refrain from taking action under the Security Trust Deed unless indemnified and/or secured and/or pre-funded to its satisfaction against all Liabilities to which it may thereby render itself liable or which it may incur by so doing.

### ***Application of Proceeds***

All monies received by the Security Trustee pursuant to a Security Trust Deed shall be applied as follows:

- (a) first, in payment of the fees, costs, charges, expenses, liabilities incurred by the Security Trustee, any appointee of the Security Trustee or any receiver in connection with the enforcement of security;
- (b) second, in payment, on a *pari passu* and *pro rata* basis, of the Secured Liabilities of the relevant Issuer owing to each Beneficiary under that Security Trust Deed; and
- (c) third, in payment of the balance (if any) to the relevant Issuer.

All payments to be made in respect of Secured Liabilities owing in connection with any Series of Notes pursuant to (b) above shall be made to the Note Trustee for application in accordance with the Note Trust Deed.

### ***Definitions***

For these purposes:

**Beneficiaries** means, in respect of each Issuer, from time to time:

- (a) in respect of each Series of Notes issued by such Issuer, the Note Trustee (for itself and on behalf of the Noteholders and Couponholders), any Receiver or other Appointee of the Note Trustee, the Security Trustee, the Paying Agents and the Custodian in respect of such Series; and
- (b) in respect of any other Secured Debt incurred by such Issuer, the holders and/or lenders in respect of such Secured Debt, the relevant Representative and any other person to whom amounts are payable by such Issuer in connection with such Secured Debt,

and references to the **relevant Beneficiaries** shall, in respect of an Issuer, be to the Beneficiaries of the security granted by such Issuer;

**Instruction Deadline** means such date as the Security Trustee shall, acting reasonably, consider reasonable and appropriate in the relevant circumstances, provided, however, that any such deadline shall allow for sufficient time for the Note Trustee to seek directions from Noteholders in respect of Notes issued by the relevant Issuer pursuant to and in accordance with the Note Trust Deed;

**Representative** means, in respect of each Issuer:

- (a) in respect of each Series of Notes issued by such Issuer, the Note Trustee as note trustee in respect of that Series; and
- (b) in respect of any other Secured Debt incurred by such Issuer, the holder and/or lender in respect of such Secured Debt or, where specified in the relevant Secured Debt Document, the representative or facility or other agent appointed as such therein,

and references to the **relevant Representative** shall, in respect of an Issuer, be to the Representative in respect of Notes or other Secured Debt issued or incurred by such Issuer;

**Required Majority** means, in respect of each Issuer:

- (a) subject to (b), (c) and (d) below, the relevant Representatives acting on behalf of relevant Beneficiaries holding in excess of 50 per cent. in nominal amount of the Secured Debt of such Issuer then outstanding;
- (b) subject to (c) and (d) below, in respect of any instructions sought by the Security Trustee from the relevant Representatives, the relevant Representatives acting on behalf of relevant Beneficiaries holding in excess of 50 per cent. in nominal amount of the Secured Debt in respect of which instructions were received by the Security Trustee prior to the Instruction Deadline;
- (c) in respect of any consent or sanction sought by such Issuer or the Security Trustee from the relevant Representatives in respect of any modification to the Security Trust Deed which solely affects the security granted by such Issuer, the relevant Representatives acting on behalf of Beneficiaries holding in excess of 75 per cent. in nominal amount of the Secured Debt of such Issuer which have responded to the same prior to the Instruction Deadline; and
- (d) in respect of any consent or sanction sought in respect of any modification to the Security Trust Deed which affects the security granted by more than one Issuer, the relevant Representatives in respect of each Issuer acting on behalf of Beneficiaries holding in excess of 75 per cent. in nominal amount of the Secured Debt of each Issuer which have responded to the same prior to the Instruction Deadline,

provided that, for these purposes, any Secured Debt held by or on behalf of the relevant Issuer, any relevant Borrower, any holding company of the relevant Issuer or a relevant Borrower or any Subsidiary of any such holding company, the relevant Issuer or a Borrower, in each case as beneficial owner shall be excluded;

**Secured Debt** means, in respect of each Issuer, the Notes issued by such Issuer and any other indebtedness (whether under loan agreements or in the form of debt securities (including, without limitation, any privately placed notes issued pursuant to a note purchase agreement)) from time to time incurred by such Issuer and for the time being outstanding, which is expressed to rank *pari passu* with the Notes issued by such Issuer;

**Secured Debt Document** means, in respect of each Issuer:

- (a) in respect of the Notes issued by such Issuer, the Note Trust Deed, the Agency Agreement, the Custody Agreement, in each case, to the extent applicable to such Notes, all Notes issued by such Issuer under the Note Trust Deed and the relative Receipts and Coupons; and

- (b) any other instrument evidencing Secured Debt incurred by such Issuer including, without limitation, any note purchase agreement entered into by such Issuer and any purchaser in respect of privately placed notes;

**Secured Debt Event of Default** means, in respect of each Issuer:

- (a) in respect of the Notes issued by such Issuer, an Event of Default pursuant to such Notes; and
- (b) in respect of any other Secured Debt incurred by such Issuer, an event of default (howsoever described) under the relevant Secured Debt Document;

**Secured Liabilities** means, in respect of each Issuer, all present and future monies, obligations, fees, expenses and other liabilities (whether actual or contingent and whether sole or joint) payable, owing, due or incurred by such Issuer to:

- (a) each Beneficiary in respect of its Secured Debt or otherwise payable by such Issuer in respect of any Secured Debt Document; and
- (b) the Security Trustee pursuant to the relevant Security Trust Deed.

***Governing Law***

The Security Trust Deed, and any non-contractual obligations or matters arising from or connected with it, is governed by, and shall be construed in accordance with, English law.

## Taxation

### UK Taxation

The following is a summary of the Issuers' understanding of current UK tax law and published HM Revenue and Customs practice (both of which are subject to change, possibly retrospectively) relating only to the UK withholding tax treatment of payments of interest (as that term is understood for UK tax purposes) in respect of Notes and the other matters explicitly set out below. It does not otherwise deal with any other UK taxation implications of acquiring, holding or disposing of Notes. The UK tax treatment of prospective Noteholders depends on their individual circumstances and may be subject to change in the future. Prospective Noteholders who may be subject to tax in a jurisdiction other than the UK or who may be unsure as to their tax position should seek their own professional advice.

#### Withholding tax on payments of interest

Payments of interest on the Notes may be made without deduction of or withholding on account of UK income tax provided that the Notes carry a right to interest and the Notes are and continue to be "admitted to trading on a multilateral trading facility" operated by a "regulated recognised stock exchange" within the meaning of section 987 of the Income Tax Act 2007 that is regulated in the UK, Gibraltar or the EEA. The ISM is a multilateral trading facility for this purpose. The ISM is operated by the London Stock Exchange which is a recognised stock exchange that is regulated in the UK. Provided, therefore, that the Notes carry a right to interest and are and remain admitted to trading on a multilateral trading facility operated by a recognised stock exchange that is regulated in the UK, Gibraltar or the EEA, interest on the Notes will be payable without deduction of or withholding on account of UK income tax.

Additionally, where relevant, payments of interest on Notes may be made without deduction of or withholding on account of UK income tax where the maturity of the Notes is less than 365 days and those Notes do not form part of a scheme or arrangement of borrowing intended to be capable of remaining outstanding for more than 364 days.

In other cases, an amount must generally be withheld from payments of interest on the Notes that has a UK source on account of UK income tax at the basic rate (currently 20 per cent.), subject to any other available exemptions and reliefs. However, where an applicable double tax treaty provides for a lower rate of withholding tax (or for no tax to be withheld) in relation to a Noteholder, HMRC can issue a notice to the relevant Issuer to pay interest to the Noteholder without deduction of tax (or for interest to be paid with tax deducted at the rate provided for in the relevant double tax treaty).

#### Deeply discounted securities

Notes issued under the Programme may (depending on their terms, issue price and redemption amount) be deeply discounted securities for United Kingdom income tax purposes. A Noteholder who is subject to United Kingdom income tax and who disposes of Notes (including by redemption or repayment) may be liable to United Kingdom income tax on any profit realised on that disposal.

#### Foreign Account Tax Compliance Act

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a **foreign financial institution** (as defined by FATCA) may be required to withhold on certain payments it makes (**foreign passthru payments**) to persons that fail to meet certain certification, reporting or related requirements. The relevant Issuer may be a foreign financial institution for these purposes. A number of jurisdictions (including the UK) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (**IGAs**), which modify the

way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register and Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining foreign passthru payments are filed with the U.S. Federal Register generally would be grandfathered for purposes of FATCA withholding unless materially modified after such date. However, if additional Notes (as described under Condition 20 (*Further Issues*)) that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisers regarding how these rules may apply to their investment in Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

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

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

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in Notes (including secondary market transactions) in certain circumstances. Primary market transactions referred to in Article 5(c) of Regulation (EC) No 1287/2006 are expected to be exempt.

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 Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

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

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

## Subscription and Sale

The Dealers have, in an amended and restated Programme Agreement dated 8 April 2026 (as modified and/or supplemented and/or restated from time to time, the **Programme Agreement**) agreed with the Issuers a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under "*Form of the Notes*" and "*Terms and Conditions of the Notes*". In the Programme Agreement, each Existing Issuer has agreed (and each Additional Issuer will agree) to reimburse the Dealers for certain of their expenses in connection with the establishment and any future update of the Programme and the issue of Notes by such Issuer under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

### United States

The Notes have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold within the United States or to, or for the account or the benefit of U.S. persons except pursuant to an exemption from or in a transaction not subject to, the registration requirements of the Securities Act.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and Treasury regulations promulgated thereunder. The applicable Pricing Supplement will identify whether TEFRA C rules or TEFRA D rules apply or whether TEFRA is not applicable.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or deliver Notes:

- (a) as part of their distributions at any time; or
- (b) otherwise until 40 days after the completion of the distribution of all Notes of the Tranche of which such Notes are a part,

within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S of the Securities Act. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells any Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

Until 40 days after the commencement of the offering of any Series of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Terms used above have the meanings given to them by Regulation S under the Securities Act.

### United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) in relation to any Notes which have a maturity of less than one year:

- (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and
  - (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the relevant Issuer;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the relevant Issuer; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the UK.

### **Japan**

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended; the **FIEA**) and each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

### **Republic of Korea**

The Notes have not been and will not be registered under the Financial Investment Services and Capital Markets Act (the **FSCMA**). Each Dealer has represented and agreed, and each new Dealer further appointed under the Programme will be required to represent and agree, that it has not offered, sold or delivered, directly or indirectly, in the Republic of Korea or to any resident (as such term is defined in the Foreign Exchange Transaction Law) of the Republic of Korea for a period of one year from the date of issuance of the Notes, except:

- (a) to or for the account or benefit of a resident of the Republic of Korea which falls within certain categories of "professional investors" as specified in the FSCMA, its Enforcement Decree and the Regulation on Securities Issuance and Disclosure, in the case that the Notes are issued as bonds other than convertible bonds, bonds with warrants or exchangeable bonds, and where other relevant requirements are further satisfied, or
- (b) as otherwise permitted under applicable laws and regulations in the Republic of Korea.

### **Prohibition of sales to EEA Retail Investors**

Unless the Pricing Supplement in respect of any Notes specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the

subject of the offering contemplated by this Programme Memorandum as completed by the Pricing Supplement in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

- (a) the expression **retail investor** means a person who is one (or both) of the following:
  - (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
  - (ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; and
- (b) the expression an **offer** includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

### **Prohibition of sales to UK Retail Investors**

Unless the Pricing Supplement in respect of any Notes specifies "*Prohibition of Sales to UK Retail Investors*" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Programme Memorandum as completed by the Pricing Supplement in relation thereto to any retail investor in the United Kingdom. For the purposes of this provision:

- (a) the expression **retail investor** means a person who is neither:
  - (i) a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; nor
  - (ii) a qualified investor as defined in paragraph 15 of Schedule 1 to the Public Offers Admissions to Trading Regulations 2024; and
- (b) the expression an **offer** includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

### **General**

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Programme Memorandum and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the relevant Issuer, the Note Trustee, the Security Trustee nor any of the other Dealers shall have any responsibility therefor.

None of the Issuers, the Note Trustee, the Security Trustee and the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

## General Information

### Authorisation

The update of the Programme (and, in the case of UHF, SOF and TAF, its accession as an issuer) has been duly authorised by resolutions of the Board of Directors of each Existing Issuer dated 23 March 2026.

### Admission to trading of Notes

It is expected that each Tranche of Notes which is to be admitted to trading on the ISM will be admitted separately as and when issued, subject only to the issue of one or more Global Notes initially representing the Notes of such Tranche. Application has been made to the London Stock Exchange for such Notes to be admitted to trading on the ISM. The admission to trading of the Programme in respect of Notes is expected to be granted on or before 8 April 2026.

### Documents Available

For the period of 12 months following the date of this Programme Memorandum, copies of the following documents will, when published in accordance with the ISM Rulebook, be available for inspection from the registered office of each Issuer and from the specified office of the Principal Paying Agent for the time being in London during usual business hours on any weekday (Saturday and public holidays excepted) upon written request and provision of proof of holding and identity (in a form satisfactory to the Principal Paying Agent):

- (a) the Articles of Association of each Issuer;
- (b) the most recently published audited unconsolidated annual financial statements of each Issuer and the most recently published unaudited interim unconsolidated financial statements (if any) of each Issuer, in each case together with any audit or review reports prepared in connection therewith;
- (c) the Note Trust Deed, the Security Trust Deed, the Agency Agreement, the Calculation Agency Agreements (if any), the Custody Agreement, the Management Services Agreements and the forms of the Global Notes, the Notes in definitive form, the Coupons and the Talons;
- (d) a copy of this Programme Memorandum; and
- (e) any future programme memoranda, offering circulars, prospectuses, information memoranda, supplements and Pricing Supplements to this Programme Memorandum and any other documents incorporated herein or therein by reference.

### Clearing Systems

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The appropriate Common Code and ISIN for each Tranche of Notes allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Pricing Supplement. If the Notes are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Pricing Supplement.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels. The address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg.

### **Conditions for determining price**

The price and amount of Notes to be issued under the Programme will be determined by the relevant Issuer and each relevant Dealer at the time of issue in accordance with prevailing market conditions.

### **Characteristics of underlying assets**

The Loan Agreements will have characteristics that demonstrate capacity to produce funds to service any payments due and payable on any Notes.

### **Significant or Material Change**

There has been no significant change in the financial or trading position of any Existing Issuer since the date of its incorporation and there has been no material adverse change in the financial position or prospects of any Existing Issuer since the date of its incorporation.

### **Litigation**

No Existing Issuer is and has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which such Existing Issuer is aware) since the date of its incorporation which may have or have in such period had a significant effect on the financial position or profitability of such Existing Issuer.

### **Auditors**

The auditors of each Existing Issuer are S&W Partners Group Limited, Chartered Accountants.

As at the date of this Programme Memorandum no financial statements have been prepared in respect of any Existing Issuer.

S&W Partners Group Limited has no material interest in any Issuer.

The bank accounts of each Existing Issuer are and will be held with Barclays Bank PLC, 1 Churchill Place, London E14 5HP.

### **Post-issuance information**

No Issuer intends to provide any post-issuance information in relation to the Notes issued by it under the Programme, other than as required pursuant to Condition 6(c) (*Covenants*) and in accordance with the Sustainable Bond Framework.

### **Arranger and Dealers transacting with the Issuers**

The Arranger and certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for the Issuers and their respective affiliates in the ordinary course of business.

The Arranger, the Dealers and their affiliates may have positions, deal or make markets in the Notes issued under the Programme, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of an Issuer and/or its respective affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities.

In addition, in the ordinary course of their business activities, the Arranger, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the

accounts of their customers. Such investments and securities activities may involve securities and/or instruments of one or more of any Issuer or their respective affiliates. The Arranger, certain of the Dealers or their affiliates that have a lending relationship with any Issuer routinely hedge their credit exposure to such Issuer consistent with their customary risk management policies. Typically, the Arranger, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes. Any such positions could adversely affect future trading prices of the Notes issued under the Programme. The Arranger, the Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

### Third Party Information

In respect of the information relating to:

- (a) the rules in relation to universal credit referred to on page 27 of this Programme Memorandum in the section headed "*Risk Factors - Rental Income, Housing Benefit and Social Housing Spending*" was obtained from: <https://www.gov.uk/government/publications/universal-credit-and-rented-housing--2/universal-credit-and-rented-housing-guide-for-landlords>;
- (b) the announcement by the Government on 4 October 2017 referred to on page 27 of this Programme Memorandum in the section headed "*Risk Factors - Rental Growth Risk*" which was obtained from: <https://www.gov.uk/government/news/2-billion-boost-for-affordable-housing-and-long-term-deal-for-social-rent>;
- (c) the instruction by the Government on 28 January 2026 referred to on page 28 of this Programme Memorandum in the section headed "*Risk Factors – Rental Growth Risk*" which was obtained from How to implement Social Rent convergence - GOV.UK;
- (d) the publication by the Government in January 2026 referred to on page 28 of this Programme Memorandum in the section headed "*Risk Factors – Rental Growth Risk*" which was obtained from: Outcome to consultations on future social housing rent policy and Social Rent convergence - GOV.UK;
- (e) the Charter referred to on page 28 of this Programme Memorandum in the section headed "*Risk Factors – Rental Growth Risk*" which was obtained from: <http://www.gov.scot/Publications/2017/03/8379/downloads>;
- (f) the announcement of the Scottish Government on 21 December 2022 referred to on page 29 of this Programme Memorandum in the section headed "*Risk Factors - Rental Growth Risk*" which was obtained from: <https://www.gov.scot/news/agreement-on-social-rents-for-2023-24/>;
- (g) details of the Rent and Service Charge Standard regarding rent policy in Wales referred to on page 29 of this Programme Memorandum in the section headed "*Risk Factors - Rental Growth Risk*" which was obtained from: <https://gov.wales/rent-and-service-charge-standard-2020-2025>;
- (h) the consultation on social rent announced by the Welsh Government on 30 June 2025 referred to on page 30 of this Programme Memorandum in the section headed "*Risk Factors - Rental Growth Risk*" which was obtained from: <https://www.gov.wales/new-rent-and-service-charge-standard-wales-html#175602>;
- (i) the publication of the Welsh Government regarding future social rent policy on 29 September 2025 referred to on page 30 of this Programme Memorandum in the section headed "*Risk*

*Factors - Rental Growth Risk*" which was obtained from: Rent and service charge standard 2026 to 2036 | GOV.WALES;

- (j) the formula used by the Housing Executive to determine how much rent it should charge for each of its properties referred to on page 30 of this Programme Memorandum in the section headed "*Risk Factors - Rental Growth Risk*" which was obtained from: [https://www.nihe.gov.uk/rent\\_scheme](https://www.nihe.gov.uk/rent_scheme); and
- (k) the *Sector Risk Profile 2025* published by the Social Housing Regulator and referred to on page 32 of this Programme Memorandum in the section headed "*Risk Factors – Non-payment Risks*" which was obtained from Sector Risk Profile 2025 - GOV.UK,

each Issuer confirms that such information has been sourced from a third party, it has been accurately reproduced and that, as far as such Issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

#### **Note Trustee and Security Trustee's action**

The Conditions, the Note Trust Deed and the Security Trust Deed provide for the Note Trustee and the Security Trustee, respectively, to take action on behalf of the Noteholders in certain circumstances, but only if the Note Trustee or the Security Trustee, as applicable, is indemnified and/or secured and/or pre-funded to its satisfaction. It may not always be possible for the Note Trustee or the Security Trustee to take certain actions, notwithstanding the provision of an indemnity and/or security and/or pre-funding to it. Where the Note Trustee or the Security Trustee is unable to take any action, the Noteholders are permitted by the Conditions and the Note Trust Deed to take the relevant action directly.

## **EXISTING ISSUERS**

### **Social Housing Finance 1 Plc**

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### **Social Housing Finance 2 Plc**

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### **Urban Housing Finance Plc**

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### **Shared Ownership Funding Plc**

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### **Temporary Accommodation Funding Plc**

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## **ADMINISTRATOR**

### **T.H.F.C. (Services) Limited**

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## **NOTE TRUSTEE AND SECURITY TRUSTEE**

### **The Law Debenture Trust Corporation p.l.c.**

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## **PRINCIPAL PAYING AGENT AND CUSTODIAN**

### **The Bank of New York Mellon, London Branch**

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## **LEGAL ADVISERS**

*To the Existing Issuers as to English law*

*To the Arranger, the Dealers, the Note Trustee  
and the Security Trustee as to English law*

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## **ARRANGER**

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