

THIS NOTICE CONTAINS IMPORTANT INFORMATION OF INTEREST TO THE REGISTERED AND BENEFICIAL OWNERS OF THE NOTES (AS DEFINED BELOW). IF APPLICABLE, ALL DEPOSITARIES, CUSTODIANS AND OTHER INTERMEDIARIES RECEIVING THIS NOTICE ARE REQUESTED TO PASS THIS NOTICE TO SUCH BENEFICIAL OWNERS IN A TIMELY MANNER.

UK RETAIL INVESTORS – Manufacturer target market is eligible counterparties and professional clients only (all distribution channels) pursuant to Regulation (EU) No 2017/565, Regulation (EU) No 600/2014 and Regulation (EU) 2017/1129 as they form part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("EUWA"). No key information document (KID) pursuant to Regulation (EU) No 1286/2014 as it forms part of UK domestic law by virtue of the EUWA ("UK PRIIPs Regulation") has been prepared as the Notes referred to in this Notice are not available to retail investors in the UK.

If you are in any doubt as to the action you should take, you are recommended to seek your own financial advice immediately from your stockbroker, bank manager, accountant or other financial adviser authorised under the Financial Services and Markets Act 2000 (if you are in the United Kingdom), or from another appropriately authorised independent financial adviser and such other professional advice from your own professional advisors as you deem necessary.

This Notice is addressed only to holders of the Notes (as defined below) and persons to whom it may otherwise be lawful to distribute it ("relevant persons"). It is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this Notice relates is available only to relevant persons and will be engaged in only with relevant persons.

If you have recently sold or otherwise transferred your entire holding(s) of Notes referred to below, you should notify the Tabulation Agent (as defined below) accordingly.

THIS NOTICE DOES NOT CONSTITUTE OR FORM PART OF, AND SHOULD NOT BE CONSTRUED AS, AN OFFER FOR SALE, EXCHANGE OR SUBSCRIPTION OF, OR A SOLICITATION OF ANY OFFER TO BUY, EXCHANGE OR SUBSCRIBE FOR, ANY SECURITIES OF THE ISSUER OR ANY OTHER ENTITY IN ANY JURISDICTION. THE NOTICE AND ITS CONTENTS MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE LAWS OF APPLICABLE JURISDICTIONS.

In accordance with normal practice, none of the Issuer, the Solicitation Agent (as defined below), the Trustee, the Agents or their affiliates (or their respective directors, employees, officers, consultants or agents) expresses any view or opinion whatsoever as to the Proposed LIBOR Modification, the Proposed Amendments, the Amended Documents (each as defined below) or the information set out in this Notice; and neither the Solicitation Agent nor the Trustee (nor their respective affiliates, directors, employees, officers, consultants or agents) makes any representation or recommendation whatsoever as to any action to be taken or not taken by Noteholders in relation to the Proposed

LIBOR Modification, the Proposed Amendments, the Amended Documents or this Notice, or any document prepared in connection with any of them. Accordingly, the Issuer, the Solicitation Agent (and its affiliates) and the Trustee urge Noteholders who are in doubt as to the impact of the implementation of the Proposed LIBOR Modification, the Proposed Amendments, the Amended Documents or this Notice or any document prepared in connection with any of them (including any tax or other consequences), to seek their own independent financial, tax and legal advice. Neither the Issuer, the Trustee nor the Solicitation Agent (nor their respective directors, employees, officers, consultants or agents) has made or will make any assessment of the merits of the Proposed LIBOR Modification, the Proposed Amendments, the Amended Documents or this Notice or of the impact of the Proposed LIBOR Modification, the Proposed Amendments, the Amended Documents or this Notice on the interests of the Noteholders either as a class or as individuals.

KENRICK NO.3 PLC
11th Floor, 200 Aldersgate Street
EC1A 4HD London
United Kingdom
(the "Issuer")

NOTICE OF BASE RATE AND SWAP RATE MODIFICATION

to the holders of the following notes of the Issuer presently outstanding

£350,000,000 Class A Mortgage Backed Floating Rate Notes Due 2054
ISIN: XS1725341041

£33,100,000 Class B Mortgage Backed Floating Rate Notes Due 2054
ISIN: XS1725342015
(the "Noteholders" and the "Notes", respectively)

THIS NOTICE IS IMPORTANT AND REQUIRES THE IMMEDIATE ATTENTION OF NOTEHOLDERS.

NOTICE IS HEREBY GIVEN by the Issuer to the Noteholders in accordance with Condition 22 (*Notices*) (as defined below) that the Issuer intends to amend the Notes and make certain other amendments on 12 April 2021, by amending the documents specified in this Notice in order to effect the Proposed LIBOR Modification (as defined below).

1. We refer to the trust deed dated 25 January 2018 between the Issuer and Citicorp Trustee Company Limited as trustee (the "**Trust Deed**"), including the terms and conditions of the Notes set out at Schedule 3 thereto (the "**Conditions**"), pursuant to which the Notes were constituted on the terms and subject to the conditions contained therein and to the incorporated terms memorandum dated 25 January 2018 between, inter alios, the Issuer and Citicorp Trustee Company Limited as trustee (the "**Incorporated Terms Memorandum**"). Capitalised terms used but not defined in this Notice shall have the meanings given to them in the Incorporated Terms Memorandum.
2. Pursuant to Condition 17.2(g) (*Additional Right of Modification*), the Issuer may make, and the Trustee shall be obliged to concur in making without any consent or sanction of the Noteholders, any modifications to the Conditions or any other Transaction Documents in order to change the Screen Rate (and making such other related or consequential amendments as are necessary or advisable in the reasonable judgment of the Issuer to facilitate such change) provided that such modification is undertaken due to the circumstances set out in Condition 17.2(g)(i)(A), the LIBOR Replacement Rate is a rate that satisfies Condition 17.2(g)(i)(B) and the other procedural formalities of Condition 17.2 (*Additional Right of Modification*) have been met.
3. Pursuant to Condition 17.2(h) (*Additional Right of Modification*), the Issuer may make, and the Trustee shall be obliged to concur in making without any consent or sanction of the Noteholders, any modifications to the Conditions or any other Transaction Document for the purpose of changing the base rate that then applies in respect of the Fixed Rate Swap Agreement to an alternative base rate as is necessary or advisable in the commercially reasonable judgement of the Issuer (or the Cash Manager on its behalf) and the Fixed Rate Swap Provider solely as a consequence of a LIBOR Modification

and for the purpose of aligning the base rate of the Fixed Rate Swap to the base rate of the Class A Notes following such LIBOR Modification, provided that the other procedural formalities of Condition 17.2 (*Additional Right of Modification*) have been met.

4. The Issuer intends to amend and restate the Incorporated Terms Memorandum, the Trust Deed, the Mortgage Administration Agreement, the front swap confirmation relating to the Fixed Rate Swap Agreement and the Account Bank Agreement (the "**Amended Documents**") as prescribed below to:
 - (a) remove references to "LIBOR";
 - (b) change the reference rate to refer to a "SONIA" based rate;
 - (c) change the interest rate calculation provisions to refer to a "SONIA" based rate,
 - (d) reprice the Relevant Margin on the Notes to reflect the move from a LIBOR reference rate to a SONIA reference rate;
 - (e) align the base rate of the Fixed Rate Swap to the updated reference rate for the Class A Notes; and
 - (f) certain other changes necessary or advisable to facilitate the changes in (a) to (e) above,

(the "**Proposed LIBOR Modification**").

The Amended Documents in blackline format can be viewed at the following link <https://www.westbrom.co.uk/about-us/financial-information/securitisation-transactions>, with the changes set out therein being the "**Proposed Amendments**".

5. Condition 17.1 (*Modification*) requires that, in relation to any proposed modification (including pursuant to Condition 17.2(h) (*Additional Right of Modification*)), the Issuer provides certification to the Trustee that (i) the Fixed Rate Swap Provider has been notified of such proposed modification and (ii) either the Fixed Rate Swap Provider has given its prior written consent to such modification or the prior written consent of the Fixed Rate Swap Provider is not required for such modification. The Fixed Rate Swap Provider is a party to the Fixed Rate Swap Agreement and so its prior written consent is required to the amendments to the Fixed Rate Swap Agreement in connection with the Proposed LIBOR Modification. As the Proposed LIBOR Modification is being implemented following the end of the Brexit transition period, the Fixed Rate Swap Provider is required, from a regulatory perspective, to incorporate provisions within the Fixed Rate Swap Agreement regarding the mandatory regulatory requirements which the Fixed Rate Swap Provider is required to adhere to under the EU bank recovery and resolution directive and US QFC Stay Rules. Therefore, such provisions are included in the scope of the Proposed Amendments to be made to the Fixed Rate Swap Agreement pursuant to Condition 17.2(h)(*Additional Right of Modification*).

6. The Proposed LIBOR Modification is being undertaken due to:
 - (a) a public statement by the Financial Conduct Authority of the UK (the "FCA") as supervisor of the administrator of LIBOR that LIBOR will be permanently or indefinitely discontinued; and
 - (b) a public statement by the FCA as supervisor of the administrator of LIBOR that LIBOR might no longer be used and that its usage might be subject to restrictions or adverse consequences.

7. The FCA has confirmed that that it will no longer persuade or compel banks to submit rates for the calculation of the LIBOR benchmark after the end of 2021 and expects some panel banks will cease contributing to LIBOR at such time. In addition, the Bank of England and the FCA have announced that they have mandated a working group to promote a broad-based transition to SONIA across sterling bond, loan and derivative markets, so that SONIA is established as the primary sterling interest rate benchmark by the end of 2021. The continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021 and regulators have urged market participants to take active steps to implement the transition to SONIA and other risk-free rates ahead of the end of 2021. In this regard we refer to the following items which are available from the website of the FCA at www.fca.org.uk:
 - (a) the statement of the FCA entitled "*Next steps for LIBOR transition in 2020: the time to act is now*" dated 16 January 2020;
 - (b) the speech of Edwin Schooling Latter, Director Markets and Wholesale Policy at the FCA, on 14 July 2020 entitled "*LIBOR transition - the critical tasks ahead of us in the second half of 2020*"; and
 - (c) the statement of the FCA entitled "*FCA announcement on future cessation and loss of representativeness of the LIBOR benchmarks*" dated 5 March 2021.

8. In connection with the Proposed LIBOR Modification, prior to the first Interest Payment Date on which such modification is effective, an adjustment to the Relevant Margin on the Notes will be calculated to reflect the spread differential between LIBOR and SONIA by reference to such rates on a specified date. The intended method of calculation and intended date of calculation is set out in Appendix 1 (*Pricing Steps Paper*) hereto (the "**Pricing Steps Paper**").

9. Pursuant to Condition 17.2 (*Additional Right of Modification*) the Trustee is required to concur with the Issuer in making the Proposed LIBOR Modification if:
 - (a) the Trustee has not been contacted by Noteholders representing at least 10 per cent. of the aggregate Principal Amount Outstanding of the most senior Class of Notes (being the Class A Notes) within 30 calendar days of the date of this Notice notifying the Trustee that such Noteholders do not consent to the Proposed LIBOR Modification; and
 - (b) all other conditions set out in Condition 17.2 (*Additional Right of Modification*) have been satisfied.

10. The Rating Agencies have been informed of the Proposed LIBOR Modification by the Issuer and, as at the date of this Notice, none of the Rating Agencies has indicated that such modification would result in (a) a downgrade, withdrawal or suspension of the then current ratings assigned to any Class of the Notes by such Rating Agency or (b) such Rating Agency placing any Notes on rating watch negative (or equivalent).
11. Copies of the Trust Deed, drafts of the Amended Documents and related documents may be inspected in electronic form.
12. Class A Noteholders who wish to notify the Trustee that they do not consent to the Proposed LIBOR Modification must do so by 4 p.m. (London time) on 8 April 2021 (the "**Deadline**"). No physical or virtual meetings of Noteholders will be held.
13. **NO ACTION IS REQUIRED TO BE TAKEN BY ANY CLASS A NOTEHOLDER WHO DOES NOT WISH TO REJECT THE PROPOSED LIBOR MODIFICATION.**
14. Each Class A Noteholder that wishes to vote to reject the Proposed LIBOR Modification must ensure that:
 - (a) it gives electronic voting instructions to the relevant clearing system (in accordance with that clearing system's procedures):
 - (i) TO REJECT the Proposed LIBOR Modification; and
 - (ii) specifying the full name of the direct participant submitting the voting instruction and the account number(s) for the party making the voting submission(s),such that the Tabulation Agent will receive that Noteholder's voting instructions on or before the Deadline; and
 - (b) the relevant clearing system has received irrevocable instructions (with which they have complied) to block the Class A Notes held by such holder in the securities account to which they are credited with effect from and including the day on which the electronic voting instruction is delivered to the relevant clearing system so that no transfers may be effected in relation to the Notes held by such holder at any time after such date until the Deadline. Votes will only apply to the Principal Amount Outstanding of Notes blocked in the relevant clearing system.

Class A Notes should be blocked in accordance with the procedures of the relevant clearing system and the deadlines required by the relevant clearing system. Class A Noteholders should note that clearing system deadlines for submission of electronic voting instructions may be different to the Deadline set out herein, and as such Noteholders who wish to reject the Proposed LIBOR Modification should check the relevant clearing system's procedures and deadlines ahead of the Deadline.
15. Any beneficial owner of Class A Notes who is not a direct participant in the clearing systems must contact its broker, dealer, bank, custodian, trust company or other nominee to arrange for the accountholder in Euroclear or Clearstream, Luxembourg, as the case may be, through which it holds Class A Notes to deliver an electronic voting

instruction in accordance with the requirements of the relevant clearing system and procure that the Notes are blocked in accordance with the normal procedures of the relevant clearing system and the deadlines imposed by such clearing system.

16. Each Class A Noteholder that wishes to reject the Proposed LIBOR Modification should ensure that the relevant blocking instructions to the relevant clearing system can be allocated to the relevant electronic voting instruction. For the avoidance of doubt, each electronic voting instruction must have an individual matching blocking instruction.
17. By providing electronic voting instructions as described above, each beneficial owner of the Notes authorises the clearing systems at which their account is maintained to disclose to the Tabulation Agent, the Solicitation Agent, the Principal Paying Agent, the Trustee and the Issuer confirmation that they are the beneficial owner of such Notes and the Principal Amount Outstanding of such Notes.
18. Following expiry of the Deadline, the Tabulation Agent will calculate the number of rejection instructions received and notify each of the Issuer, the Solicitation Agent and the Trustee. If "Reject" votes are received from Class A Noteholders representing at least 10 per cent. of the aggregate Principal Amount Outstanding of the most senior Class of Notes then outstanding by the Deadline, the Issuer will not be entitled to enter into the Proposed LIBOR Modification unless an Extraordinary Resolution of the Noteholders of the most senior Class of Notes then outstanding is subsequently passed approving the Proposed LIBOR Modification. If the 10 per cent. threshold is not reached and the other requirements of Condition 17.2(g) and (h) are satisfied, the Issuer and the Cash Manager will certify to the Trustee in writing that the requirements of Condition 17.2(g) have been met (the "**LIBOR Modification Certificate**") and that the requirements of Condition 17.2(h) have been met (the "**Swap Modification Certificate**", and together with the LIBOR Modification Certificate, the "**Modification Certificates**") and the Trustee (in reliance solely on the Modification Certificates), the Issuer and the other parties to the Amended Documents will then enter into the Amended Documents on the Interest Payment Date falling on 12 April 2021 to effect the Proposed Amendments. The Noteholders will be bound by such Proposed Amendments.
19. Pursuant to Condition 17.2 (*Additional Right of Modification*), when implementing any modification pursuant to Condition 17.2 (*Additional Right of Modification*) (save to the extent that the Trustee considers that the proposed modification would constitute a Reserved Matter), the Trustee shall not consider the interests of the Noteholders, any other Secured Creditor or any other person and shall act and rely solely and without further investigation on any certificate (including any Modification Certificate) or evidence provided to it by the Issuer or the relevant Transaction Party, as the case may be, pursuant to Condition 17.2 (*Additional Right of Modification*) and shall not be liable to the Noteholders, any other Secured Creditor or any other person for so acting or relying, irrespective of whether any such modification is or may be materially prejudicial to the interests of any such person.
20. Each person receiving this Notice is deemed to acknowledge that such person has not relied on the Issuer, the Trustee, the Solicitation Agent, the Tabulation Agent, the Principal Paying Agent or any other party to the Transaction Documents in connection with its decision on how to vote in relation to the Proposed LIBOR Modification. Each

such person must make its own analysis and investigation regarding the Proposed LIBOR Modification, the Proposed Amendments and the Amended Documents and make its own voting decision, with particular reference to its own investment objectives and experience, and any other factors which may be relevant to it in connection with such voting decision. If such person is in any doubt about any aspect of the Proposed LIBOR Modification, the Proposed Amendments and the Amended Documents and/or the action it should take, it should consult its professional advisers. Each such person should also carefully consider the risk factors set out in Appendix 2 (Risk Factors) to this Notice prior to making a voting decision.

21. Additional notifications will be made to Noteholders in accordance with Condition 22 (*Notices*) as soon as reasonably practicable following:
 - (a) the Deadline, notifying Noteholders of the voting results;
 - (b) the Pricing Date (as defined in the Pricing Steps Paper), notifying Noteholders of the Adjusted Margins, the Class A Adjusted Step-Up Margin, the LIBOR vs SONIA Interpolated Basis, the Forward Adjustment Spread and the Class A Step-Up Margin Adjustment (each as defined in the Pricing Steps Paper); and
 - (c) the entry into of the Amended Documents.
22. Questions and requests for assistance in connection with (i) the Notice may be directed to the Solicitation Agent and (ii) the delivery of electronic voting instructions for the Class A Notes may be directed to the Tabulation Agent, the contact details for which are on the last page of this Notice.
23. None of the Trustee, the Solicitation Agent, the Tabulation Agent or the Agents (or their respective affiliates, directors, employees, officers, consultants or agents) makes any representation that all relevant information has been disclosed to Noteholders in or pursuant to this Notice or otherwise. Noteholders should take their own independent legal, financial, tax or other advice on the merits and the consequences of voting to reject the Proposed LIBOR Modification, including any tax consequences, and on the impact of the implementation of the Proposed LIBOR Modification. None of the Trustee, the Solicitation Agent, the Tabulation Agent or the Agents (or their respective affiliates, directors, employees, officers, consultants or agents) is responsible for the accuracy, completeness, validity or correctness of the statements made in this Notice or omissions therefrom.
24. The delivery of this Notice shall not, under any circumstances, create any implication that the information contained in this Notice is correct as of any time subsequent to the date hereof or that there has been no change in the information set forth in this Notice or in the affairs of the Issuer or that the information in this Notice has remained accurate and complete. None of the Solicitation Agent, the Tabulation Agent, the Trustee or the Agents (or their respective affiliates, directors, employees, officers, consultants or agents) accepts any responsibility for the information contained in this Notice.
25. None of the Trustee, the Solicitation Agent, the Tabulation Agent or the Agents (or their respective affiliates, directors, employees, officers, consultants or agents) or any other party to the Amended Documents or any other person, except the Issuer, has

independently verified, or assumes any responsibility for, the accuracy of the information and statements contained in this Notice.

26. No person has been authorised to make any recommendation on behalf of the Issuer, the Trustee, the Solicitation Agent, the Tabulation Agent or the Agents (or their respective affiliates, directors, employees, officers, consultants or agents) as to whether or how a Noteholder should reject the Proposed LIBOR Modification. No person has been authorised to give any information, or to make any representation in connection therewith, other than those contained herein. If made or given, such recommendation or any such information or representation must not be relied upon as having been authorised by the Issuer, the Trustee, the Solicitation Agent, the Tabulation Agent or the Agents (or their respective affiliates, directors, employees, officers, consultants or agents).
27. This Notice is issued and directed only to the Noteholders and no other person shall, or is entitled to, rely or act on, or be able to rely or act on, its contents, and it should not be relied upon by any Noteholder for any purpose other than the Proposed LIBOR Modification. For the avoidance of doubt, any Notes held by or on behalf of or for the benefit of the Issuer or any other Relevant Person shall be deemed not to remain outstanding.
28. The Issuer and the Solicitation Agent are entitled to have or hold positions in the Notes either for their own account or for the account, directly or indirectly, of third parties and may make or continue to make a market in, or subject to the provisions of the Trust Deed, vote in respect of, or act as principal in any transactions in, or relating to, or otherwise act in relation to, the Notes and may or may not, subject to the provisions of the Trust Deed, submit or deliver valid instructions in respect of the Notes. The Issuer and the Solicitation Agent are entitled to continue to hold or dispose of, in any manner it may elect, the Notes that it may hold as at the date of this Notice or, from such date, to acquire further Notes, subject to applicable law and may or may not, subject to the provisions of the Trust Deed, submit or deliver valid instructions in respect of such Notes. For the avoidance of doubt, any Notes held by or on behalf of or for the benefit of the Issuer shall be deemed not to be outstanding. No such submission or non-submission by the Solicitation Agent or the Issuer should be taken by any Noteholder or any other person as any recommendation or otherwise by any of the Issuer, the Solicitation Agent, as the case may be, or any other person as to the merits of rejecting or not rejecting the Proposed LIBOR Modification.
29. Noteholders with queries concerning the content of this Notice are kindly requested to contact the Issuer, Lloyds Bank Corporate Markets plc in its capacity as the solicitation agent (the "**Solicitation Agent**") or Citibank, N.A., London Branch as tabulation agent (the "**Tabulation Agent**") using the details set out below.

Contact Details:

Issuer:

Kenrick No.3 Plc
c/o Maples Fiduciary Services (UK) Limited
11th Floor, 200 Aldersgate Street
London EC1A 4HD
United Kingdom

Tel: +44 (0)20 7466 1600

Attention: The Directors
Email: london_structured@maples.com

Solicitation Agent:

Lloyds Bank Corporate Markets plc
10 Gresham Street
London EC2V 7AE
United Kingdom

Tel: +44 (0)20 7158 1726/1719
Attention: Liability Management Team
Email: liability.management@lloydsbanking.com

Tabulation Agent:

Citibank N.A., London Branch
Citigroup Centre Canada Square
London E14 5LB
United Kingdom

Tel: +44 (0)20 7508 3867
Attention: Exchange Team
Email: exchange.gats@citi.com

This Notice is given by

KENRICK NO.3 PLC

as **Issuer**

Dated 8 March 2021

APPENDIX 1

PRICING STEPS PAPER

1. The Proposal

Conversion of the Note Rate (as defined in paragraph 3 below) for the £350,000,000 Class A Mortgage Backed Floating Rate Notes due October 2054 (**ISIN: XS1725341041**) (the "**Class A Notes**") and the £33,100,000 Class B Mortgage Backed Floating Rate Notes due October 2054 (**ISIN: XS1725342015**) (the "**Class B Notes**") and, together with the Class A Notes, the "**Notes**") issued by Kenrick No.3 Plc from LIBOR to SONIA, with a consequential adjustment to the Relevant Margin (as defined below) of each Class of Notes and the Step-Up Margin of the Class A Notes. Together, the Relevant Margin and the Step-Up Margin shall be collectively referred to herein as the "**Applicable Margins**".

2. Rationale for the Proposal

Due to the differences in the nature of LIBOR and SONIA, the replacement of LIBOR as the reference rate for the Notes will also require corresponding adjustments to the Applicable Margins payable in respect of the Notes. The pricing methodology proposed for the amendment of the Applicable Margins for the Notes on conversion of the reference rate from LIBOR to SONIA uses only market observable screen spot rates.

The date from which the proposed change in reference rate is to occur will be the Interest Payment Date falling in April 2021, being 12 April 2021 (the "**Effective Date**").

The determination of the relevant market observable screen spot rates will take place at or around 2 p.m. London time (the "**Pricing Time**") on 9 April 2021 (the "**Pricing Date**"). This is to ensure that the Pricing Date is as close as possible to the Effective Date whilst allowing sufficient time for the necessary changes to be implemented following the determination of the Adjusted Margins and the Class A Adjusted Step-Up Margin (each as defined below).

To reflect the time between the Pricing Date and the Effective Date, a Forward Adjustment Spread to be determined by the Solicitation Agent at its sole discretion will be applied to the Adjusted Margins, as detailed below. The Forward Adjustment Spread will be determined at or around the Pricing Time on the Pricing Date and announced in conjunction with the publication of the LIBOR vs SONIA Interpolated Basis.¹

For the avoidance of doubt, the reference rate applicable to the Notes up to but excluding the Effective Date will continue to be 3 month GBP LIBOR and the interest payment made on the Effective Date will not be affected by the pricing methodology described herein.

¹ Based on market data as at 8 March 2021, the indicative Forward Adjustment Spread was less than 0.1bps and no adjustment would have been made.

3. **The Adjusted Margins**

The relevant "**Note Rate**" for each of the Notes effective on the Effective Date will be equal to Compounded Daily SONIA plus the Relevant Margin as adjusted as follows (each such adjusted Relevant Margin, an "**Adjusted Margin**"):

the sum of:

- A. the Relevant Margin; *plus*
- B. the LIBOR vs SONIA Interpolated Basis; *plus*
- C. the Forward Adjustment Spread,

where:

Relevant Margin means:

- (a) in respect of the Class A Notes, 0.37 per cent. per annum;
- (b) in respect of the Class B Notes, 0.00 per cent. per annum.

"LIBOR vs SONIA Interpolated Basis" is a number of basis points rounded to the nearest 0.1 basis points (with 0.05 basis points rounded upwards) as calculated by the Solicitation Agent at or around the Pricing Time on the Pricing Date, as follows:

On the Pricing Date, the Solicitation Agent will determine:

- (a) the 1 Year LIBOR vs SONIA Basis (as quoted on the Bloomberg page ICAB21 at or around the Pricing Time, or such other page as may replace it on that information service, or on such similar or replacement service as may be determined by the Solicitation Agent); and
- (b) the 2 Year LIBOR vs SONIA Basis (as quoted on the Bloomberg page ICAB21 at or around the Pricing Time or such other page as may replace it on that information service, or on such similar or replacement service as may be determined by the Solicitation Agent).

Thereafter the Solicitation Agent will calculate the linear interpolation for the applicable LIBOR vs SONIA Interpolated Basis to the Weighted Average Life of the Class A Notes (the "**LIBOR vs SONIA Interpolated Basis**") by:

- (i) subtracting (a) above from (b) above and multiplying the result of such subtraction by the Maturity Weight; and
- (ii) adding (a) to the result calculated in accordance with sub-paragraph (i).

If the rate determined for the LIBOR vs SONIA Interpolated Basis is negative then the LIBOR vs SONIA Interpolated Basis shall be deemed to be 0.00 basis points.

"Forward Adjustment Spread" is a number of basis points rounded to the nearest 0.1 basis points (with 0.05 basis points rounded upwards) as calculated by the Solicitation

Agent at its sole discretion in accordance with market practice reflecting the time period from the Pricing Date to the Effective Date, and will be determined at or around the Pricing Time on the Pricing Date.

For the purposes of these calculations:

"Maturity Weight" means the amount, expressed as a percentage, calculated as the Weighted Average Life (expressed in years) of the Class A Notes minus 1.

"Weighted Average Life" means the Weighted Average Life of the Class A Notes as at the Pricing Date, rounded to two decimal places.

Assumptions used in calculating the Weighted Average Life

In determining a Weighted Average Life of 1.48 years via the CFT function of the KENRICK 3 A Mtge Bloomberg page, the following assumptions have been used:

- (a) the Pricing Date is 9 April 2021;
- (b) the Issuer exercises its option to redeem the Notes on the Step-Up Date;
- (c) the Loans are subject to a constant prepayment rate ("**CPR**") (in addition to scheduled principal redemptions) of 10 per cent.;
- (d) no Loan is delinquent or in default;
- (e) no Loan is on payment holiday;
- (f) the Current Balance of Notes is as at the Interest Payment Date falling on 11 January 2021; and
- (g) the Current Balance of all Loans in the portfolio is as at 31 December 2020.

All other assumptions remain in line with those outlined in the section headed "Weighted Average Lives of the Notes" of the prospectus dated 23 January 2018 published by the Issuer in relation to the Notes.

4. **The Class A Adjusted Step-Up Margin**

The Note Rate payable on the Class A Notes from (and including the Interest Payment Date falling in January 2023 (the "**Step-Up Date**")) will be equal to Compounded Daily SONIA plus the Step-Up Margin (as defined below) as adjusted as set out below (the "**Class A Adjusted Step-Up Margin**"). No step-up margin is applicable in respect of the Class B Notes and the Relevant Margin will continue to apply in respect of the Class B Notes.

The Step-Up Margin for the Class A Notes will be adjusted as follows:

- (a) the Step-Up Margin; *plus*
- (b) Class A Step-Up Margin Adjustment,

where:

- (i) **"Step-Up Margin"** means 0.74 per cent. per annum; and
- (ii) **"Class A Step-Up Margin Adjustment"** means the 3 month tenor spread adjustment between GBP LIBOR and SONIA, as specified in the column entitled "Spread Adjustments" of the Basis Screen Page (as defined below) in respect of the 5 year median difference between 3 month LIBOR and realised SONIA fixings within the same 3 month period, as calculated by Bloomberg Index Services Limited (or a successor provider as approved and/or appointed by ISDA from time to time) and rounded to the nearest 0.1 basis points (with 0.05 basis points rounded upwards).

The **"Basis Screen Page"** is the Bloomberg page GDCO 9003 6 1, or any successor page.

For the avoidance of doubt:

- (A) Following (i) the FCA announcement² on 5th March 2021 regarding the future cessation and loss of representativeness of the LIBOR benchmarks, (ii) the subsequent statement by ISDA³ on 5th March 2021 that the FCA's announcement constitutes an index cessation event under the IBOR Fallbacks Supplement and the ISDA 2020 IBOR Fallbacks Protocol and (iii) the announcement by Bloomberg Index Services Limited⁴ on 5th March 2021 of a Spread Adjustment Fixing Date for all LIBOR tenors and currencies, the Class A Step-Up Margin Adjustment is expected to be 11.9 basis points (being 0.1193 per cent. rounded to the nearest 0.1 basis points with 0.05 basis points rounded upwards). Bloomberg Index Services Limited reserves the right to adjust spread adjustments fixed at the Spread Adjustment Fixing Date for errors and so the 3 month tenor spread adjustment between GBP LIBOR and SONIA to be used for the purposes of the Class A Step-Up Margin Adjustment will be the rate appearing on the Basis Screen Page as at the Pricing Time on the Pricing Date;
- (B) the 3 month tenor spread adjustment between GBP LIBOR and SONIA can also be found (I) on the Bloomberg screen "SBP0003M Index"; and (II) from the Bloomberg page "FBAK" by selecting "Official Spread Adjustments between the Adjusted Reference Rates and IBOR Rates" then "GBP LIBOR" as the applicable IBOR (**"Alternative Sources"**); and

² <https://www.fca.org.uk/publication/documents/future-cessation-loss-representativeness-libor-benchmarks.pdf>

³ <https://www.isda.org/2021/03/05/isda-statement-on-uk-fca-libor-announcement>

⁴ https://assets.bbhub.io/professional/sites/10/IBOR-Fallbacks-LIBOR-Cessation_Announcement_20210305.pdf

- (C) in the event that the Class A Step-Up Margin Adjustment cannot be obtained from either the Basis Screen Page or the Alternative Sources, the Class A Step-Up Margin Adjustment will be 11.9 basis points (being 0.1193 per cent. rounded to the nearest 0.1 basis points with 0.05 basis points rounded upwards as per the announcement of a Spread Adjustment Fixing Date by Bloomberg Index Services Limited on 5th March 2021).⁵

The method of calculation specified in the Class A Step-Up Margin Adjustment above accords with the methodology for such adjustments contained in ISDA IBORs Fallback Supplement found at <http://assets.isda.org/media/3062e7b4/23aa1658-pdf>.

The Adjusted Margins, the Class A Adjusted Step-Up Margin, the LIBOR vs SONIA Interpolated Basis, the Forward Adjustment Spread and the Class A Step-Up Margin Adjustment will be announced to Noteholders in accordance with Condition 22 (*Notice to Noteholders*) as soon as practicable following the Pricing Time on the Pricing Date.

The detailed provisions relating to the calculation of Compounded Daily SONIA are set out in the Amended Documents available at the following link <https://www.westbrom.co.uk/about-us/financial-information/securitisation-transactions>.

⁵ https://assets.bbhub.io/professional/sites/10/IBOR-Fallbacks-LIBOR-Cessation_Announcement_20210305.pdf

APPENDIX 2 RISK FACTORS

Responsibility for complying with the procedures for submitting instructions in connection with the Proposed LIBOR Modification

Noteholders are solely responsible for complying with all of the procedures for submitting instructions. None of the Issuer, the Solicitation Agent, the Principal Paying Agent, the Trustee or the Tabulation Agent assumes any responsibility for informing Noteholders of irregularities with respect to instructions.

No assurance that the Proposed LIBOR Modification will be implemented

Until the Proposed LIBOR Modification is approved by way of negative consent of the Class A Noteholders, the Amended Documents are executed and all requirements of Condition 17.2 (*Additional Right of Modification of Transaction Documents*) are met, no assurance can be given that the Proposed LIBOR Modification will be implemented in respect of the Notes.

The market continues to develop in relation to risk free rates (including overnight rates) as reference rates for the Notes

If the Proposed LIBOR Modification is approved by way of negative consent of the Class A Noteholders and implemented, from and including the date of implementation, the Note Rate for the Notes will be determined on the basis of Compounded Daily SONIA (as set out in the Amended Documents). Compounded Daily SONIA differs from LIBOR in a number of material respects, including (without limitation) that Compounded Daily SONIA is a backwards-looking, compounded, risk-free overnight rate, whereas LIBOR is expressed on the basis of a forward-looking term and includes a risk-element based on inter-bank lending. As such, Class A Noteholders and Class B Noteholders should be aware that LIBOR and SONIA may behave materially differently as interest reference rates for the Notes. The use of Compounded Daily SONIA as a reference rate for Eurobonds is relatively recent, and is subject to change and development, both in terms of the substance of the calculation and in the development and adoption of market infrastructure for the issuance and trading of bonds referencing Compounded Daily SONIA.

Accordingly, Noteholders should be aware that the market continues to develop in relation to SONIA as a reference rate in the capital markets and its adoption as an alternative to sterling LIBOR. The market or a significant part thereof may adopt an application of SONIA that differs significantly from that set out in the Conditions and used in relation to the Notes that reference a SONIA rate. Interest on Notes which reference a SONIA rate is only capable of being determined at the end of the relevant observation period and immediately prior to the relevant Interest Payment Date.

It may be difficult for Class A Noteholders and Class B Noteholders to estimate reliably the amount of interest which will be payable on the Notes, and certain investors may be unable or unwilling to trade such Notes without changes to their IT systems, both of which factors could adversely impact the liquidity of such Notes. Further, if the Notes become due and payable under Conditions 9 (*Final Redemption, Mandatory Redemption in part, Optional Redemption, Purchase and Cancellation*) or 13 (*Events of Default*), the Note Rate payable shall be determined on the date the Notes became due and payable and shall not be reset thereafter. Investors should carefully consider how any mismatch between the adoption of SONIA in the bond, loan and derivatives markets may impact any hedging or other financial arrangements

which they may put in place in connection with any acquisition, holding or disposal of any Notes.