



ORBIT CAPITAL PLC

(incorporated in England and Wales with limited liability under the Companies Act 2006, registered number 9402193)

£300,000,000 2.000 per cent. Secured Bonds due 2038

Issue Price: 98.908 per cent.

The £300,000,000 2.000 per cent. Secured Bonds due 2038 (the **Bonds**) are issued by Orbit Capital plc (the **Issuer**).

This Prospectus has been approved by the Financial Conduct Authority (the **FCA**), as competent authority under Regulation (EU) 2017/1129 (the **Prospectus Regulation**). The FCA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer or the Original Borrower (as defined below) or the quality of the Bonds that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the Bonds.

Application has been made to the FCA for the Bonds to be admitted to the Official List of the FCA (the **Official List**) and to the London Stock Exchange plc (the **London Stock Exchange**) for the Bonds to be admitted to trading on the London Stock Exchange's regulated market. The London Stock Exchange's regulated market is a regulated market for the purposes of Directive 2014/65/EU (as amended or superseded, **MiFID II**).

An investment in the Bonds involves certain risks. For a discussion of these risks see "Risk Factors".

Subject as set out below, the net proceeds from the issue of the Bonds will be advanced by the Issuer to Orbit Group Limited (**Orbit**), Orbit South Housing Association Limited (**Orbit South**) and Heart of England Housing Association Limited (**Heart of England**) and, together with Orbit and Orbit South, the **Original Borrowers** and each an **Original Borrower** pursuant to bond loan agreements between each Original Borrower and the Issuer to be dated on or around 24 November 2020 (the **Issue Date**) (each an **Original Loan Agreement**) to be applied in accordance with each Original Borrower's respective constitutional documents.

The Initial Original Borrower Commitments (as defined below) may be drawn in one or more drawings, each in a principal amount up to an amount which corresponds to the sum of (i) the Minimum Value of the Initial Properties (as defined below) and (ii) the Minimum Value of any Additional Properties (as defined below) which have been charged in favour of the Security Trustee, for the benefit of the Issuer, less the principal amount of all previous drawings in respect of the Initial Original Borrower Commitments. For so long as insufficient security has been granted by the Original Borrowers in favour of the Security Trustee, for the benefit of the Issuer, to permit the drawing of the Initial Original Borrower Commitments in full or the Original Borrowers have not otherwise drawn any part of the Initial Original Borrower Commitments, the amount of the Initial Original Borrower Commitments that remains undrawn shall be retained in a charged account (the **Initial Cash Security Account**) of the Issuer in accordance with the terms of the Account Agreement (as defined below) (and may be invested in Permitted Investments (as defined below)) (the **Retained Proceeds**). Any Retained Proceeds, any net issue proceeds from a further issue of Bonds pursuant to Condition 19 (*Further Issues*) and, if applicable, any net sale proceeds from a sale by the Issuer of Retained Bonds (as defined below) (less any Retained Bond Premium Amount (as defined below)) shall be advanced, at a later date, to the Original Borrowers pursuant to the Original Loan Agreements and/or to any other charitable (or exempt charitable) Registered Providers of Social Housing within the Group (each as defined below) that have acceded to the Security Trust Deed as a borrower in respect of the Bonds pursuant to an additional bond loan agreement between an Additional Borrower and the Issuer (each an **Additional Loan Agreement** and, together with the Original Loan Agreements, the **Loan Agreements** and each a **Loan Agreement**), as applicable, to the extent that Properties (as defined below) of a corresponding value have been charged in favour of the Security Trustee for the benefit of the Issuer and, if applicable, subject to the issue by the Issuer of further Bonds and, if applicable, the sale by the Issuer of Retained Bonds.

Interest on the Bonds is payable semi-annually in arrear in equal instalments on 24 May and 24 November in each year, commencing on 24 May 2021. Interest on the Bonds will accrue from, and including, 24 November 2020 to, but excluding, 24 November 2038 (the **Maturity Date**) at the rate of 2.000 per cent. per annum on their principal amount, as described in Condition 7 (*Interest*). Payments of principal of, and interest on, the Bonds will be made without withholding or deduction on account of United Kingdom taxes unless required by law. In the event that any such withholding or deduction is so required, the Issuer may opt to gross up payments due to the Bondholders (as defined below) in respect thereof as described in Condition 10 (*Taxation*).

The Bonds may be redeemed at any time upon the prepayment by a Borrower of its loan (each a **Loan**) in whole or in part in accordance with the terms of its Loan Agreement at the higher of their principal amount and an amount calculated by reference to the sum of (i) the yield on the relevant outstanding United Kingdom Government benchmark gilt having the nearest maturity to that of the Bonds and (ii) 0.25 per cent., together with accrued interest. The Bonds will also be redeemed (a) at their principal amount, plus accrued interest, in an aggregate principal amount equal to the principal amount outstanding of the relevant Loan in the event of a mandatory prepayment of a Loan following the relevant Borrower ceasing to be a Registered Provider of Social Housing (other than if such Borrower regains its status as a Registered Provider of Social Housing within 180 days) or a Loan becoming repayable as a result of a Borrower Default (as defined in each Loan Agreement) and (b) at their principal amount, plus accrued interest, in full in the event of any withholding or deduction on account of United Kingdom taxes being required and the Issuer not opting to pay (or having so opted to pay having notified the Bond Trustee (as defined below) of its intention to cease to pay) additional amounts in respect of such withholding or deduction.

Unless previously redeemed, or purchased and cancelled, the Bonds will be redeemed at their principal amount on the Maturity Date.

The Group is rated "A3" by Moody's Investors Service Limited (**Moody's**). It is expected that the Bonds will be rated "A3" by Moody's. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation. As of the date of this Prospectus, Moody's is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**). As such, Moody's is included in the list of credit rating agencies published by the European Securities and Markets Authority (**ESMA**) on its website (at <https://www.esma.europa.eu/supervision/credit-rating-agencies/risk>) in accordance with the CRA Regulation.

The Bonds will be issued in denominations of £100,000 and integral multiples of £1,000 in excess thereof.

The Bonds will initially be represented by a temporary global bond (the **Temporary Global Bond**), without interest coupons, which will be deposited on the Issue Date with a common safekeeper for Euroclear Bank SA/NV (**Euroclear**) and Clearstream Banking S.A. (**Clearstream, Luxembourg**). Interests in the Temporary Global Bond will be exchangeable for interests in a permanent global bond (the **Permanent Global Bond** and, together with the Temporary Global Bond, the **Global Bonds**), without interest coupons, on or after 3 January 2021 (the **Exchange Date**), upon certification as to non-U.S. beneficial ownership. Interests in the Permanent Global Bond will be exchangeable for definitive Bonds only in certain limited circumstances. See "*Form of the Bonds and Summary of Provisions relating to the Bonds while in Global Form*".

Joint Lead Managers

HSBC

NATWEST MARKETS

SANTANDER CORPORATE & INVESTMENT BANKING

The date of this Prospectus is 20 November 2020.

This Prospectus comprises a prospectus for the purposes of the Prospectus Regulation.

The Issuer accepts responsibility for the information contained in this Prospectus. To the best of the knowledge of the Issuer, the information contained in this Prospectus is in accordance with the facts and this Prospectus makes no omission likely to affect its import.

Each of the Original Borrowers accepts responsibility for:

- (a) the information under the heading "*Factors which may affect the Borrowers' ability to fulfil their obligations under the Loan Agreements which, in turn, may affect the Issuer's ability to fulfil its obligations under the Bonds*" in the section headed "*Risk Factors*";
- (b) the information under the heading "*Guarantee and Indemnity*" in the sections headed "*Overview*" and "*Description of the Loan Agreements*";
- (c) the information relating to it in the section headed "*Description of the Group*";
- (d) the information in the section headed "*Description of the Regulation and Funding Environment applicable to the Borrowers*";
- (e) the information relating to it in the section headed "*Documents Incorporated by Reference*";
- (f) the information relating to the security created (and to be created) by it pursuant to the Security Agreements (as defined below) under the heading "*Underlying Security*" in the section "*Overview*", under the heading "*Considerations relating to the Issuer Security and the Underlying Security*" in the section headed "*Risk Factors*" and in the section headed "*Description of the Security Agreements and the Security Trust Deed*"; and
- (g) the information relating to it under the headings "*Material or Significant Change*" and "*Litigation*" in the section headed "*General Information*",

and, to the best of the knowledge of each Original Borrower, such information is in accordance with the facts and such information makes no omission likely to affect its import.

Jones Lang LaSalle Limited (the *Valuer*) accepts responsibility for the information contained in the section headed "*Valuation Report*" and, to the best of its knowledge, such information is in accordance with the facts and such information makes no omission likely to affect its import.

The figures referred to in the Valuation Report (as defined below) in the sections entitled "*Valuation Commentary – Rented Stock*" and "*Market Commentary*" were obtained from Statistical Data Return, the Office of National Statistics (the *ONS*), the Regulator of Social Housing, HM Revenue & Customs (*HMRC*), the Bank of England, Royal Institution of Chartered Surveyors (*RICS*), the Ministry of Housing, Communities and Local Government (*MHCLG*) and HM Land Registry. The Issuer confirms that such figures have been accurately reproduced and that, as far as the Issuer is aware and is able to ascertain from information published by Statistical Data Return, the *ONS*, the Regulator of Social Housing, *HMRC*, the Bank of England, *RICS*, *MHCLG* and HM Land Registry, no facts have been omitted which would render the reproduced figures inaccurate or misleading.

This Prospectus 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 Prospectus should be read and construed on the basis that such documents are incorporated in, and form part of, this Prospectus.

Save for the Issuer, the Original Borrowers and the Valuer, no other person has independently verified (a) the information contained herein or (b) any matter which is the subject of any statement, representation, warranty or covenant of the Issuer or any Original Borrower contained in the Bonds or any of the Transaction Documents (as defined below). Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by Banco Santander, S.A., HSBC Bank plc or NatWest Markets Plc (together, the *Joint Lead Managers*) or Prudential Trustee Company Limited (the *Bond Trustee* and the *Security Trustee*) as to (i) the accuracy or completeness of the information contained in, or incorporated by reference in, this Prospectus or any other information provided by the Issuer, any Original Borrower or any other person in connection with the offering of the Bonds or (ii) the execution, legality, effectiveness, genuineness validity, enforceability or admissibility in evidence of the Bonds or any Transaction Document. None of the Joint Lead Managers, the Bond Trustee and the Security Trustee accepts any liability in relation to the information contained in, or incorporated by reference in, this Prospectus or any other information provided by the Issuer, the Original Borrowers or any other person in connection with the offering of the Bonds.

No person is or has been authorised by the Issuer, the Joint Lead Managers, the Bond Trustee or the Security Trustee to give any information or to make any representation not contained in or not consistent with this Prospectus or any other information supplied in connection with the offering of the Bonds and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Joint Lead Managers, the Bond Trustee or the Security Trustee.

To the fullest extent permitted by law, none of the Joint Lead Managers, the Bond Trustee and the Security Trustee accepts any responsibility for the contents of this Prospectus or for any other statement made or purported to be made by it or on its behalf in connection with the Issuer, the Original Borrowers or the issue and offering of the Bonds. Each of the Joint Lead Managers, the Bond Trustee and the Security Trustee accordingly disclaims all and any liability whether arising in tort or contract or otherwise which it might otherwise have in respect of this Prospectus or any such statement.

Neither this Prospectus nor any other information supplied in connection with the Bonds (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer, the Original Borrowers, the Joint Lead Managers, the Bond Trustee or the Security Trustee that any recipient of this Prospectus or any other information supplied in connection with the Bonds should purchase any Bonds. Each investor contemplating purchasing any Bonds should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and the Borrowers. Neither this Prospectus nor any other information supplied in connection with the offering of the Bonds constitutes an offer or invitation by or on behalf of the Issuer, the Joint Lead Managers, the Bond Trustee or the Security Trustee to any person to subscribe for or to purchase the Bonds.

Neither the delivery of this Prospectus nor the offering, sale or delivery of the Bonds shall in any circumstances imply that the information contained herein concerning the Issuer or any Borrower is correct at any time subsequent to the date hereof or that any other information supplied in connection with the offering of the Bonds is correct as of any time subsequent to the date indicated in the document containing the same. The Joint Lead Managers, the Bond Trustee and the Security Trustee expressly do not undertake to review the financial condition or affairs of the Issuer or any Borrower during the life of the Bonds or to advise any investor in the Bonds of any information coming to their attention.

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

This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Bonds in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Prospectus and the offer or sale of Bonds may be restricted by law in certain jurisdictions. The Issuer, the Joint Lead Managers, the Bond Trustee and the Security Trustee do not represent that this Prospectus may be lawfully distributed, or that the Bonds may be lawfully offered or sold, 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 Issuer, the Joint Lead Managers, the Bond Trustee or the Security Trustee which is intended to permit a public offering of the Bonds or the distribution of this Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Bonds may be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus or any Bonds may come must inform themselves about, and observe, any such restrictions on the distribution of this Prospectus and the offering and sale of Bonds. In particular, there are restrictions on the distribution of this Prospectus and the offer or sale of Bonds in the United States and the United Kingdom and a prohibition on the sale of any Bonds to EEA or UK retail investors (see "*Subscription and Sale*").

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Presentation of Financial Information

Unless otherwise indicated, the financial information in this Prospectus has been derived from the Financial Statements (as defined below).

The Issuer's and each Original Borrowers' financial year ends on 31 March, and references in this Prospectus to any specific year are to the 12-month period ended on 31 March of such year. The Financial Statements of the Issuer have been prepared in accordance with applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland. The Financial Statements of the Original Borrowers have each been prepared and audited in accordance with Financial Reporting Standard 102 the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland, the Statement of Recommended Practice for registered social housing providers 2018 and the Accounting Direction for Private Registered Providers of Social Housing 2019 (together, the *Original Borrowers' Accounting Standards*).

Certain Defined Terms and Conventions

Capitalised terms which are used but not otherwise defined in any particular section of this Prospectus will have the meanings attributed to them in the section headed "*Conditions of the Bonds*" or any other section of this Prospectus. In addition, all references in this Prospectus to *Sterling* and £ refer to pounds sterling and all references to a *billion* refer to a thousand million.

Certain figures and percentages included in this Prospectus 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 Bonds may not be a suitable investment for all investors. Each potential investor in the Bonds 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 Bonds, the merits and risks of investing in the Bonds and the information contained in this Prospectus;
- (ii) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact the Bonds 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 Bonds including where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understands thoroughly the terms of the Bonds and is familiar with the behaviour of financial markets; and
- (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.

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

IN CONNECTION WITH THE ISSUE OF THE BONDS, NATWEST MARKETS PLC AS STABILISATION MANAGER (THE *STABILISATION MANAGER*) (OR PERSONS ACTING ON BEHALF OF THE STABILISATION MANAGER) MAY OVER-ALLOT BONDS OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE BONDS AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, STABILISATION ACTION 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 BONDS 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 BONDS AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE BONDS. ANY STABILISATION ACTION OR OVER-ALLOTMENT MUST BE CONDUCTED BY THE STABILISATION MANAGER (OR PERSONS ACTING ON BEHALF OF THE STABILISATION MANAGER) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.

MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPs ONLY TARGET MARKET – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Bonds has led to the conclusion that: (a) the target market

of the Bonds is eligible counterparties and professional clients only, each as defined in MiFID II; and (b) all channels for the distribution of the Bonds to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Bonds (a *distributor*) should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Bonds (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

PROHIBITION OF SALES TO EEA AND UK RETAIL INVESTORS – The Bonds 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*) or the United Kingdom (the *UK*). 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 (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, the *PRIPs Regulation*) for offering or selling the Bonds or otherwise making them available to retail investors in the EEA or the UK has been prepared and therefore offering or selling the Bonds or otherwise making them available to any retail investor in the EEA or the UK may be unlawful under the *PRIPs Regulation*.

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Overview

The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Prospectus.

This overview must be read as an introduction to this Prospectus and any decision to invest in the Bonds should be based on a consideration of this Prospectus as a whole.

Words and expressions defined in "*Form of the Bonds and Summary of Provisions relating to the Bonds while in Global Form*", "*Conditions of the Bonds*" and "*Description of the Loan Agreements*" shall have the same meanings in this overview.

Issuer:	Orbit Capital plc Legal Entity Identifier (LEI): 213800QIGGLJLT7WXP16
Description of the Bonds:	£300,000,0000 2.000 per cent. Secured Bonds due 2038 (the Bonds) to be issued by the Issuer on 24 November 2020 (the Issue Date).
Status of the Bonds:	The Bonds and the Coupons will constitute direct, secured, unsubordinated obligations of the Issuer and will rank <i>pari passu</i> among themselves.
Use of Proceeds:	<p>The net proceeds of the issue of the Bonds (after deduction of expenses payable by the Issuer) will be on-lent by the Issuer to the Original Borrowers or (to the extent that one or more of the Original Borrowers has reduced its Initial Original Borrower Commitment) to an Additional Borrower.</p> <p>Subject as described in "<i>Initial Cash Security Account</i>" below, the Issuer will lend such proceeds to the Original Borrowers and/or one or more Additional Borrowers pursuant to the relevant Loan Agreement, to be applied in accordance with the constitutional documents of such Original Borrower or such Additional Borrower, as the case may be, (including, for the avoidance of doubt, the repayment of any existing indebtedness of such Original Borrower or such Additional Borrower, as the case may be, and any other amounts due and payable thereunder).</p> <p>The Issuer may from time to time invest the funds held in the Initial Cash Security Account and the Ongoing Cash Security Account in Permitted Investments (as defined below) until such time as such funds are on-lent, or returned, to a Borrower pursuant to the relevant Loan Agreement.</p>
Issue Price:	98.908 per cent.

- Form of Bonds:** The Bonds will be issued in bearer form as described in "*Form of the Bonds and Summary of Provisions relating to the Bonds while in Global Form*".
- Interest:** The Bonds will bear interest at a fixed rate of 2.000 per cent. per annum and interest on the Bonds will accrue from (and including) the Issue Date to (but excluding) 24 November 2038 (the **Maturity Date**).
- Interest on the Bonds is payable semi-annually in arrear in equal instalments on 24 May and 24 November of each year, commencing on 24 May 2021, subject to adjustment in accordance with Condition 8.5 (*Payment Day*) (each, an **Interest Payment Date**).
- Final Redemption:** Unless previously redeemed or purchased and cancelled in accordance with Condition 9 (*Redemption and Purchase*), the Bonds will be redeemed in full on the Maturity Date.
- Early Redemption:** Subject as described in "*Mandatory Early Redemption*" below, the Bonds may be redeemed in whole or in part at any time prior to the Maturity Date upon the optional prepayment by a Borrower of its Loan in accordance with the terms of the relevant Loan Agreement at the higher of their principal amount and an amount calculated by reference to the sum of:
- (a) the yield on the relevant outstanding UK Government benchmark conventional gilt having the nearest maturity to that of the Bonds; and
 - (b) 0.25 per cent.,
- together with accrued interest.
- Early Redemption for Tax Reasons:** The Issuer shall redeem the Bonds in whole, but not in part, at their principal amount, together with any interest accrued, if, as a result of any actual or proposed change in tax law, the Issuer determines that it would be required to make a withholding or deduction on account of tax in respect of payments to be made by it in respect of the Bonds and the Issuer does not opt to pay additional amounts pursuant to Condition 10.2 (*No obligation to pay additional amounts*) or, having so opted, notifies the Bond Trustee of its intention to cease paying such additional amounts.
- Mandatory Early Redemption:** The Bonds shall be redeemed at their principal amount, plus accrued interest, in an aggregate principal amount equal to the principal amount of the relevant Loan upon the mandatory prepayment of a Loan following the relevant Borrower ceasing to be a Registered Provider of

Social Housing (other than if such Borrower regains its status as a Registered Provider of Social Housing within 180 days).

In addition, if a Loan becomes repayable as a result of a Borrower Default the Bonds shall be redeemed at their principal amount, plus accrued interest, in an aggregate principal amount equal to the principal amount of the relevant Loan.

A **Borrower Default** includes non-payment, breach of other obligations, cross-acceleration, winding-up, cessation of business, insolvency, unlawfulness and breach of the asset cover ratio, in each case as set out in Clause 14 (*Borrower Default*) of each Original Loan Agreement (or as will be set out in the corresponding clause of each Additional Loan Agreement) and described further in "*Description of the Loan Agreements*".

Purchase:

The Issuer and any Borrower or any other member of the Group may purchase Bonds at any time in the open market or otherwise at any price.

Any Bonds so purchased by a Borrower or another member of the Group may be surrendered to the Issuer for cancellation in consideration for an amount equal to the principal amount of the Bonds being surrendered being deemed to be prepaid under the Loan Agreement specified by such Borrower or such other member of the Group or, to the extent that the relevant Loan is not then outstanding, an amount of the Undrawn Commitment (as defined below) in respect of such Loan Agreement equal to the outstanding balance of the Bonds surrendered being deemed to be cancelled.

Events of Default:

Following an Event of Default, the Bond Trustee may, and if so requested by the holders of at least one-fourth in principal amount of the Bonds then outstanding shall (subject to it being secured and/or indemnified and/or pre-funded to its satisfaction and, upon certain events, the Bond Trustee having certified to the Issuer that such event is, in its opinion, materially prejudicial to the interests of the Bondholders), give notice to the Issuer and the Bonds shall become immediately due and repayable.

The Events of Default include, *inter alia*, non-payment of any principal and interest due in respect of the Bonds, failure of the Issuer to perform or observe any of its other obligations under the Conditions and the Bond Trust Deed, insolvency, unlawfulness and acceleration, or non-payment, in respect of other indebtedness in an

aggregate amount equal to or in excess of £10,000,000 (or its equivalent).

Upon the Bonds becoming repayable prior to the Maturity Date (other than as a result of a prepayment or termination of a Loan Agreement), each Borrower is required to prepay its Loan in full together with accrued interest and commitment fee to and including the date of redemption. Each Borrower is also required to pay to the Issuer, within three Business Days of demand, its *pro rata* share of the Issuer's reasonable costs, expenses and liabilities throughout the life of the Bonds.

Issuer Security:

The Issuer's obligations in respect of the Bonds are secured pursuant to the Bond Trust Deed in favour of the Bond Trustee for the benefit of itself and the Bondholders and the other Secured Parties by the following (the **Issuer Security**):

- (a) an assignment by way of security of the Issuer's rights, title and interest arising under the Loan Agreements, the Security Trust Deed, the Security Agreements, the Agency Agreement, the Account Agreement and the Custody Agreement, in each case to the extent that they relate to the Bonds;
- (b) a charge by way of first fixed charge over all moneys and/or securities from time to time standing to the credit of the Transaction Account, the Ongoing Cash Security Account, the Initial Cash Security Account and the Custody Account and all debts represented thereby; and
- (c) a charge by way of first fixed charge over all sums held from time to time by the Paying Agents for the payment of principal or interest in respect of the Bonds.

Initial Cash Security Account:

For so long as insufficient security has been granted by the Borrowers in favour of the Issuer to permit the drawing of the Initial Original Borrower Commitments in full or the Original Borrowers have not otherwise drawn any part of the Initial Original Borrower Commitments, the amount of the Initial Original Borrower Commitments that remains undrawn shall be retained in a charged account (the **Initial Cash Security Account**) of the Issuer, and may be invested in Permitted Investments, in accordance with the terms of the Account Agreement and the Custody Agreement (the **Retained Proceeds**).

Any Retained Proceeds shall be advanced to one or more Borrowers at a later date pursuant to the relevant Loan Agreement(s) to the extent that Properties of a

corresponding value have been charged in favour of the Issuer.

Funds standing to the credit of the Initial Cash Security Account may:

- (a) be held on deposit, in which case they shall accrue interest at a rate notified from time to time by the Account Bank pursuant to the Account Agreement; or
- (b) be invested in Permitted Investments in accordance with the Custody Agreement. See "*Permitted Investments*" below.

Pursuant to the Loan Agreements, each Borrower shall pay to the Issuer a commitment fee in respect of its Undrawn Commitment on each Loan Payment Date in an amount equal to its *pro rata* share of:

- (a) the aggregate of the interest payable by the Issuer under the Bonds on the following Interest Payment Date, less
- (b) the aggregate amount of interest received from the Borrowers under the Loan Agreements on such Loan Payment Date and the interest otherwise received by the Issuer in respect of the Retained Proceeds during that period (including, but not limited to, any income received in respect of any Permitted Investments in which any Retained Proceeds are, for the time being, invested).

See "*Description of the Loan Agreements*" below.

Ongoing Cash Security Account:

Pursuant to the Loan Agreements, each Borrower is (or will be) required to procure that the specified asset cover ratio is maintained (see "*Description of the Loan Agreements*" below).

In the event that the value of any Charged Property is insufficient to maintain the specified asset cover ratio, the Borrowers may deposit moneys into the Ongoing Cash Security Account. Such moneys will be charged in favour of the Bond Trustee pursuant to the terms of the Bond Trust Deed.

Funds standing to the credit of the Ongoing Cash Security Account may:

- (a) be held on deposit, in which case they shall accrue interest at a rate notified from time to time by the

Account Bank pursuant to the Account Agreement;
or

- (b) be invested in Permitted Investments in accordance with the Custody Agreement. See "*Permitted Investments*" below.

Moneys standing to the credit of the Ongoing Cash Security Account may be withdrawn:

- (a) to be applied in the acquisition of Property to be charged in favour of the Security Trustee for the benefit of the Issuer; or
- (b) to the extent that the specified asset cover ratio would not be breached immediately after such withdrawal.

Permitted Investments:

Permitted Investments shall consist of:

- (a) triple-A rated off-shore money market funds;
- (b) direct obligations of the United Kingdom or of any agency or instrumentality of the United Kingdom which are guaranteed by the United Kingdom;
- (c) demand and time deposits in, certificates of deposit of and bankers' acceptances issued by any depositary institution or trust company with a maturity of no more than 360 days subject to, inter alia, such debt obligation having a long term debt credit rating of not less than "AA" from S&P Global Ratings Europe Limited (**S&P**) and "Aa2" from Moody's or a short term debt or issuer (as applicable) credit rating of not less than "A-1" from S&P and "P-1" from Moody's (or, in each case, any other equivalent rating given by a credit rating agency registered under the CRA Regulation (an **Equivalent Rating**));
- (d) securities bearing interest or sold at a discount to the face amount thereof issued by any corporation having a long term credit rating of not less than "AA" from S&P and "Aa2" from Moody's (or an Equivalent Rating); and
- (e) commercial paper or other short-term obligations which, inter alia, have a short term credit rating of not less than "A-1" from S&P and "P-1" from Moody's (or an Equivalent Rating),

provided that, in the case of (b) to (e) above, such investment shall be an investment which is an obligation of the United Kingdom or a company incorporated in the

United Kingdom and (i) in all cases, such investment shall be an investment which is denominated in Sterling and (ii) in all cases other than where the Permitted Investment is the Benchmark Gilt (as defined in Condition 9.2 (*Early Redemption*)), such investment shall have a maturity which is not later than the Maturity Date.

In the event that any Permitted Investments are sold to fund a drawing by a Borrower pursuant to a Loan Agreement and such sale results in a loss realised by the Issuer, such drawing to be made by the Issuer to such Borrower pursuant to such Loan Agreement shall be advanced at a discount in an amount equal to the Actual Advance Amount (as defined in each Loan Agreement).

In the event that any Permitted Investments are sold to fund an advance to a Borrower pursuant to a Loan Agreement and such sale results in a gain realised by the Issuer (such gain, the **Permitted Investment Profit**), the Issuer shall advance monies to such Borrower in an amount equal to the Actual Advance Amount and may (at its discretion) make a Gift Aid Payment to a charitable member of the Group which is connected with Orbit for the purposes of section 939G of the Corporation Tax Act 2010 (a **Charitable Group Member**) in an amount equal to the Permitted Investment Profit.

Immediately prior to the end of each accounting period, to the extent that the Issuer would otherwise be required to recognise a profit for tax purposes in respect of its Permitted Investments and/or Retained Bonds as a result of the movement in the fair value recognised in its accounts of such Permitted Investments and/or Retained Bonds for that accounting period, the Issuer shall sell Permitted Investments in an aggregate amount equal to the amount required to offset or discharge any corporation tax liability (either by the payment of such corporation tax liability or by making a Gift Aid Payment to a Charitable Group Member) in respect of the Accounting Profit and may (at its discretion), in the same accounting period or such later period permitted under section 199 of the Corporation Tax Act 2010, make a Gift Aid Payment to any Charitable Group Member in an amount equal to the Accounting Profit.

The Issuer's right to make a Gift Aid Payment exists to the extent that there are distributable reserves available for such purpose in the Issuer and, prior to taking into account the Gift Aid Payment, the Issuer has taxable profits for corporation tax purposes in the accounting period in which the Gift Aid Payment is or would but for

the above otherwise be made or treated as made by section 199 of the Corporation Tax Act 2010.

See "*Description of the Loan Agreements – Facility*".

Account Agreement and Custody Agreement:

The Issuer has appointed The Bank of New York Mellon, London Branch as its account bank (the **Account Bank**) and its custodian in respect of the Permitted Investments (the **Custodian**).

Pursuant to the Account Agreement, the Account Bank shall maintain three accounts for the Issuer in respect of the Bonds: the Transaction Account, the Initial Cash Security Account and the Ongoing Cash Security Account. Pursuant to the Account Agreement and the Bond Trust Deed, the Issuer has entered into certain covenants in respect of the monies which may be credited to and debited from each Account.

Pursuant to the Custody Agreement, the Custodian shall, subject to receipt of such documents as it may require, open the Custody Account (consisting of the Initial Cash Security Custody Sub-Account, the Ongoing Cash Security Custody Sub-Account, the Initial Cash Security Cash Sub-Account and the Ongoing Cash Security Cash Sub-Account). The Issuer has authorised the Custodian to make payments and delivery out of the Custody Account only for the purpose of any acquisition or sale of Permitted Investments or as set out therein.

See "*Description of the Account Agreement and the Custody Agreement*" below.

Guarantee and Indemnity:

Pursuant to the Loan Agreements, each Original Borrower has (and each Additional Borrower will have) irrevocably and unconditionally:

- (a) guaranteed to the Issuer the punctual performance by each other Borrower of all such Borrowers' obligations under, *inter alia*, their respective Loan Agreements, the Security Trust Deed and their respective Security Agreements, other than each other Borrowers' obligations to repay principal and any prepayment premium thereon pursuant to their respective Loan Agreements (such amounts being, the **Guaranteed Interest and Fee Amounts**);
- (b) undertaken with the Issuer that, whenever any other Borrower does not pay any Guaranteed Interest and Fee Amounts when due under its respective Loan Agreement, the Security Trust Deed or its respective Security Agreement(s), it

must, immediately on demand by the Security Trustee and/or the Issuer, pay the Guaranteed Interest and Fee Amounts as is if it were the principal obligor;

- (c) undertaken with the Issuer that, to the extent that the proceeds of the enforcement of the Underlying Security are insufficient to satisfy the Borrowers' obligations under their respective Loan Agreements in full (the shortfall being, the **Guaranteed Principal Amount**), it must, immediately on demand by the Security Trustee and/or the Issuer, pay the Guaranteed Principal Amount as if it were the principal obligor; and
- (d) agreed to indemnify the Issuer immediately on demand against any loss or liability suffered by the Issuer if any obligation guaranteed by it is or becomes illegal or invalid.

Underlying Security:

Pursuant to the Security Agreements and the Security Trust Deed, each Original Borrower has created, and each Additional Borrower will have (if agreed with the Issuer and upon such entities becoming Borrowers in accordance with the terms of the Security Trust Deed) created, the following security in favour of the Security Trustee for the benefit of itself and, *inter alios*, the Issuer:

- (a) first fixed legal mortgages over all of the right, title and interest from time to time in the Mortgaged Property (as defined in each Security Agreement) of the relevant Borrower;
- (b) first fixed charges over, *inter alia*, all plant and machinery of the relevant Borrower which form part of or are operated on the Mortgaged Property and the benefit of the Insurances (as defined in each Security Agreement) and all present and future licences, consents and authorisations in respect thereof; and
- (c) (in the case of each Borrower that is registered as a company under the Companies Act 2006 (or otherwise to the extent that the provisions of Part II of the Insolvency Act 1986 (or any similar provision) apply to it)) a first floating charge over the whole of such Borrower's undertaking and assets, present and future,

and has (or will have) also assigned to the Security Trustee for the benefit of itself and, *inter alios*, the Issuer, all of the rights, title and interest in and to certain agreements and covenants held by the relevant Borrower

as more particularly described in the Security Agreements, together, the **Underlying Security**.

The Issuer has secured its rights, title and interest in respect of the Underlying Security in favour of the Bond Trustee pursuant to the Bond Trust Deed.

See "*Description of the Security Agreements and the Security Trust Deed*" below.

Pursuant to the Security Trust Deed, on or prior to entering into a Security Agreement in respect of any Property for the benefit of the Issuer, the relevant Borrower must, in respect of such security, provide the conditions precedent documents specified therein. In addition, pursuant to the Loan Agreements, the relevant Borrower must provide a completed Additional Property Certificate confirming that, *inter alia*, the proposed Additional Properties are residential properties of a type and nature that are usually owned by Registered Providers of Social Housing; Valuation Reports in respect of each such Additional Property; and a Certificate of Title in respect of each tranche of Additional Properties charged.

At the request and expense of a Borrower, the Security Trustee shall (subject to receiving an amended Security Certificate from the Borrowers and the Issuer in accordance with the Security Trust Deed) release from the relevant Security Documents (and/or reallocate, if applicable) such of the Properties forming part of the Issuer's Designated Security and substitute such of the Properties as may be selected by such Borrower, provided that the relevant Borrower satisfies the conditions precedent specified in its respective Loan Agreement in relation to the Substitute Properties. Such conditions precedent include, *inter alia*, a completed Substitute Property Certificate certifying, *inter alia*, that the relevant Substitute Property is a residential property of a type and nature that is usually owned by Registered Providers of Social Housing and that, immediately following such release (and/or reallocation, if applicable) and substitution, the Asset Cover Test will not be breached as a result of the substitution of the relevant Charged Properties and that no Event of Default or Potential Event of Default has occurred and is continuing; Valuation Reports in respect of each Substitute Property; and a Certificate of Title in respect of the Substitute Properties.

At the request and expense of a Borrower, the Security Trustee shall release (subject to receiving an amended Security Certificate from the Borrowers and the Issuer in

accordance with the Security Trust Deed) from the relevant Security Documents (and/or reallocate, if applicable) such Charged Properties as may be selected by such Borrower provided that such Borrower delivers to the Issuer and the Security Trustee a completed Property Release Certificate, certifying that, immediately following such release (and/or reallocation, if applicable), the Asset Cover Test will not be breached as a result of the release (and/or reallocation, if applicable) of such part of the security and that no Event of Default or Potential Event of Default has occurred and is continuing.

Notwithstanding the above, where any disposal is a Statutory Disposal, a Borrower shall have the right to withdraw such Property from the Issuer's Designated Security. In such circumstances such Borrower is obliged to deliver, as soon as reasonably practicable after it has received notice of such Statutory Disposal, a completed Statutory Disposal Certificate to the Issuer and the Security Trustee confirming that the relevant withdrawal relates to a Statutory Disposal and, if the Statutory Disposal would result in a breach of the Asset Cover Test, confirming that it shall procure that Additional Properties are charged pursuant to the Security Trust Deed and/or moneys are deposited into the Ongoing Cash Security Account, in accordance with the Loan Agreements, such that any breach of the Asset Cover Test will be cured.

Enforcement of the Underlying Security and the Issuer Security:

Following a Borrower Default, the Issuer may declare the Underlying Security immediately enforceable and/or declare the relevant Loan immediately repayable. Pursuant to the Security Trust Deed, the Security Trustee shall only be required to take action to enforce or protect the security in respect of the Loan Agreements if so instructed by the Issuer (and may in its discretion elect not to act pending receipt of an indemnity and/or security to its reasonable satisfaction from the Issuer).

The Issuer has assigned its rights under, *inter alia*, the Security Agreements and the Security Trust Deed, and, pursuant to Condition 6.2, has covenanted not to take any action or direct the Security Trustee to take any action pursuant thereto except with the prior consent of the Bond Trustee. The Bond Trustee may, but is not obliged to, seek the consent of the Bondholders in accordance with the Bond Trust Deed prior to giving any such consent.

In enforcing the Issuer Security (including the Issuer's rights, title and interests in the Security Agreements and the Security Trust Deed insofar as they relate to the Bonds) the Bond Trustee may act in its discretion. It is, however, required to take action, pursuant to Condition 12.2, where so directed by the requisite majority of the

Bondholders provided, however, that it is secured and/or indemnified and/or pre-funded to its satisfaction.

See "*Description of the Security Agreements and the Security Trust Deed*" below.

Priorities of Payments:

Prior to the enforcement of the Issuer Security, the Issuer shall apply the monies standing to the credit of the Transaction Account on each Interest Payment Date and such other dates on which a payment is due in respect of the Bonds in the following order of priority (the **Pre-enforcement Priority of Payment**):

- (a) first, in payment of any taxes due and owing by the Issuer to any taxing authority (insofar as they relate to the Bonds);
- (b) second, in payment of any unpaid fees, costs, charges, expenses and liabilities incurred by the Bond Trustee and any Appointee (including remuneration payable to the Bond Trustee and any such Appointee) in carrying out its functions under the Bond Trust Deed;
- (c) third, in payment, on a *pro rata* and *pari passu* basis, of any unpaid fees, costs, charges, expenses, liabilities and indemnity payments of the Issuer owing to the Paying Agents under the Agency Agreement, the Account Bank under the Account Agreement, the Custodian under the Custody Agreement and the Retained Bond Custodian under the Retained Bond Custody Agreement;
- (d) fourth, in payment, on a *pro rata* and *pari passu* basis, of any other unpaid fees, expenses and liabilities of the Issuer (in so far as they relate to the Bonds);
- (e) fifth, in payment, on a *pro rata* and *pari passu* basis, to the Bondholders of any interest due and payable in respect of the Bonds;
- (f) sixth, in payment, on a *pro rata* and *pari passu* basis, to the Bondholders of any principal due and payable in respect of the Bonds;
- (g) seventh, in payment, on a *pro rata* and *pari passu* basis, to the Borrowers of any amounts due and payable under the terms of the Loan Agreements; and
- (h) eighth, in payment of any Permitted Investment Profit, Accounting Profit or Retained Bond

Premium Amount, as the case may be, to any Charitable Group Member.

Following the enforcement of the Issuer Security, all monies standing to the credit of the Transaction Account, the Ongoing Cash Security Account and the Initial Cash Security Account and the net proceeds of enforcement of the Issuer Security shall be applied in the following order of priority (the **Post-enforcement Priority of Payment**):

- (a) first, in payment of any unpaid fees, costs, charges, expenses and liabilities incurred by the Bond Trustee, any Appointee or any receiver in preparing and executing the trusts under the Bond Trust Deed (including the costs of realising any Issuer Security and the Bond Trustee's, any such Appointee's and any such receiver's remuneration);
- (b) second, in payment, on a *pro rata* and *pari passu* basis, of all amounts owing to the Paying Agents under the Agency Agreement, the Account Bank under the Account Agreement, the Custodian under the Custody Agreement and the Retained Bond Custodian under the Retained Bond Custody Agreement;
- (c) third, in payment, on a *pro rata* and *pari passu* basis, to the Bondholders of any interest due and payable in respect of the Bonds;
- (d) fourth, in payment, on a *pro rata* and *pari passu* basis, to the Bondholders of any principal due and payable in respect of the Bonds;
- (e) fifth, in payment, on a *pro rata* and *pari passu* basis, of any other unpaid fees and expenses of the Issuer (insofar as they relate to the Bonds);
- (f) sixth, in payment, on a *pro rata* and *pari passu* basis, to the Borrowers of any amounts due and payable under the terms of the Loan Agreements; and
- (g) seventh, in payment of any Permitted Investment Profit, Accounting Profit or Retained Bond Premium Amount, as the case may be, to any Charitable Group Member.

Covenants:

Pursuant to Condition 6 (*Covenants*), the Issuer has covenanted not to engage in any activity or do anything other than carry out the business of a company which has as its purpose raising finance and on-lending such

finance to or for the benefit of members of the Group or perform any act incidental to or necessary in connection with the aforesaid, without the consent of the Bond Trustee.

The Issuer has also covenanted to deliver to the Bond Trustee and, upon request by a Bondholder to the Issuer, to make available to any of the Bondholders, a copy of the Compliance Certificates received from the Borrowers pursuant to the terms of the Loan Agreements and a copy of the consolidated annual reports of the Group Parent following publication of the same. In addition to the rights of Bondholders to convene a meeting pursuant to Condition 17 (*Meetings of Bondholders, Modification and Waiver*), at the request of the requisite majority of the Bondholders, the Issuer shall hold a meeting of the Bondholders to discuss the financial position of the Issuer and the Group, provided that the Issuer shall not be required to hold any such meeting more than once in any calendar year.

In addition, the Issuer has covenanted that, for so long as any of the Bonds remain outstanding, it shall not consent to any waiver, amendment or modification of, or take any action or direct the Security Trustee to take any action pursuant to, the Loan Agreements, the Security Agreements or the Security Trust Deed except with the prior consent of the Bond Trustee. The Bond Trustee may seek the consent of the Bondholders in accordance with the Bond Trust Deed prior to giving any such consent.

Taxation:

All payments in respect of the Bonds will be made without withholding or deduction for, or on account of, any taxes unless a tax deduction is required by law. In the event that any such withholding or deduction is required, the Issuer may at its option, but will not be obliged to, pay to Bondholders such additional amounts as may be necessary in order that the net amounts received by the Bondholders after such withholding or deduction will equal the amounts of principal and interest which would have been received in respect of the Bonds in the absence of such withholding or deduction. In the event that the Issuer does not opt to pay, or opts to pay and thereafter notifies the Bond Trustee and the Bondholders of its intention to cease paying, such additional amounts the Bonds shall be redeemed at their principal amount, together with any accrued interest, in accordance with Condition 9.3 (*Early Redemption for Tax Reasons*).

Meetings of Bondholders:

The Conditions of the Bonds and the Bond Trust Deed contain provisions for calling meetings of Bondholders to consider matters affecting their interests generally.

These provisions permit defined majorities to bind all Bondholders including Bondholders who did not attend and vote at the relevant meeting and Bondholders who voted in a manner contrary to the majority.

Risk Factors:

There are certain factors that may affect the Issuer's ability to fulfil its obligations under the Bonds. These are set out under "*Risk Factors*" below and include factors which may affect the Issuer's and/or a Borrower's ability to fulfil its obligations under the Bonds, its Loan Agreement and/or its Security Agreement(s), respectively, factors which are material for the purpose of assessing the market risks associated with the Bonds, risks relating to the security for the Bonds and risks relating to the market generally.

See "*Risk Factors*" below.

Rating:

The Group is rated "A3" by Moody's. It is expected that the Bonds will be rated "A3" by Moody's. 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. As of the date of this Prospectus, Moody's is established in the European Union and is registered under the CRA Regulation. As such, Moody's is included in the list of credit rating agencies published by ESMA on its website in accordance with the CRA Regulation.

Listing and admission to trading:

Application has been made to the FCA for the Bonds to be admitted to the Official List and to the London Stock Exchange for the Bonds to be admitted to trading on the London Stock Exchange's regulated market.

Joint Lead Managers:

Banco Santander, S.A.
HSBC Bank plc
NatWest Markets Plc

Principal Paying Agent, Account Bank and Custodian:

The Bank of New York Mellon, London Branch

Bond Trustee and Security Trustee:

Prudential Trustee Company Limited

Original Borrowers:

Orbit Group Limited
Orbit South Housing Association Limited
Heart of England Housing Association Limited

Borrowers:

The Original Borrowers and any other member of the Group that has charitable (or exempt charitable) status, is a Registered Provider of Social Housing and has acceded to the Security Trust Deed as a borrower in respect of the Bonds.

Selling Restrictions:

There are restrictions on the offer, sale and transfer of the Bonds in the United States and the United Kingdom and a prohibition on the sale of any Bonds to EEA and UK retail investors, see "*Subscription and Sale*".

MiFID II Product Governance:

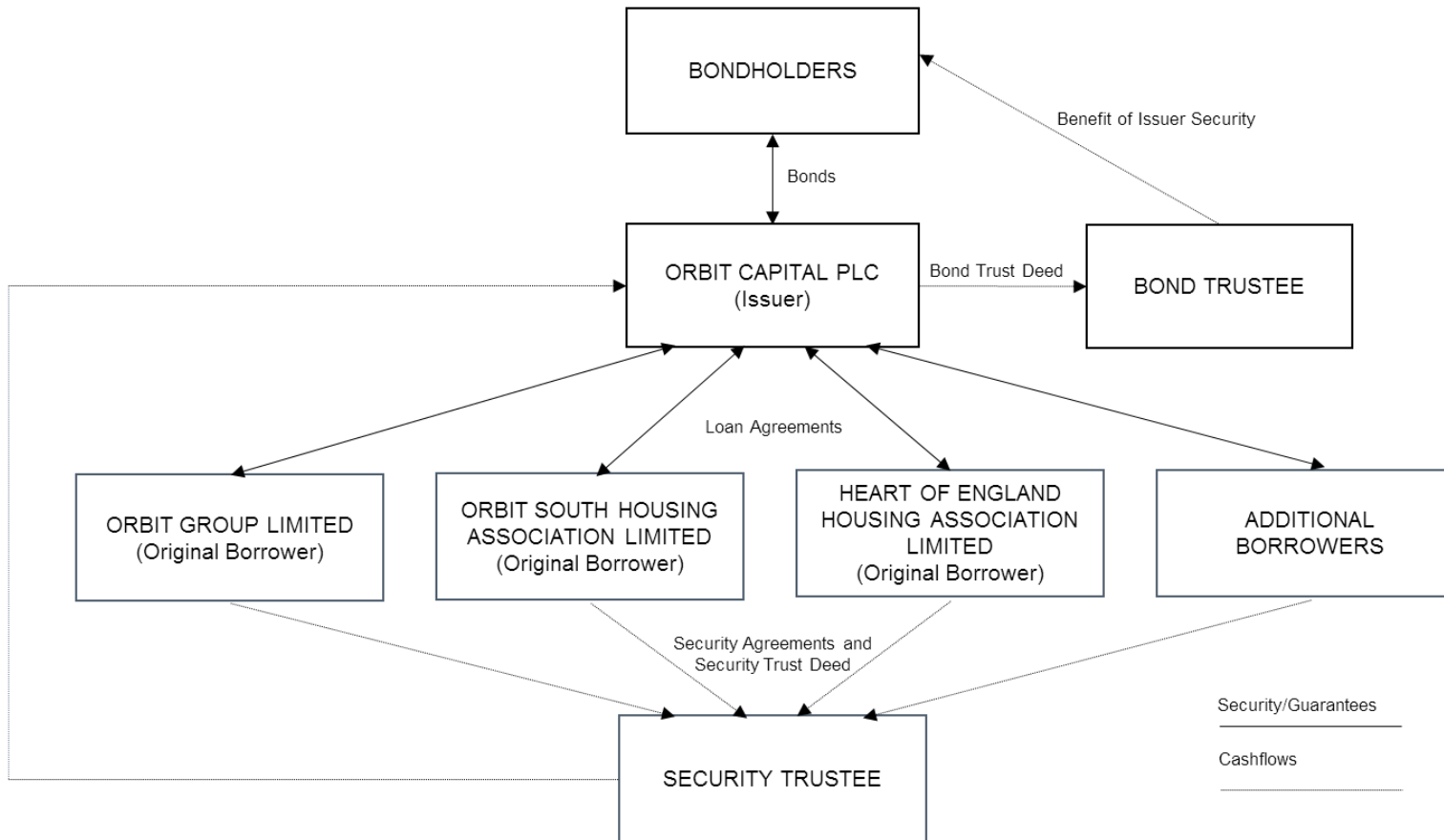
Solely for the purposes of each manufacturer's product approval processes, the manufacturers have concluded that:

- (a) the target market for the Bonds is eligible counterparties and professional clients only; and
- (b) all channels for distribution of the Bonds to eligible counterparties and professional clients are appropriate.

Governing Law:

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

Structured Diagram of Transaction



Risk Factors

An investment in the Bonds involves a degree of risk. Any of the following risks could adversely affect the Issuer's business, results of operations, financial condition and/or prospects (which include factors which may affect the ability of the Borrowers to fulfil their respective obligations under the Loan Agreements, the Security Agreements and the Security Trust Deed), in which case, the trading price of the Bonds could decline, resulting in the loss of all or part of an investment in the Bonds, and the Issuer's ability to pay all or part of the interest or principal on the Bonds could be adversely affected.

The Issuer believes that the following factors (which include factors which may affect the ability of the Borrowers to fulfil their respective obligations under the Loan Agreements, the Security Agreements and the Security Trust Deed) may affect its ability to fulfil its obligations under the Bonds.

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

The Issuer believes that the factors described below represent the principal risks inherent in investing in the Bonds, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with the Bonds may occur for other reasons which may not be considered significant risks by the Issuer based on information currently available to it or which it may not currently be able to anticipate. This section is not intended to be exhaustive and prospective investors should also read the detailed information set out elsewhere in this Prospectus and reach their own views prior to making any investment decision. If any of the following risks actually materialise, the Issuer's and/or the Borrowers' business, financial condition and prospects could be materially and adversely affected. No assurance can be given that prospective Bondholders will receive full and/or timely payment of interest and principal or ultimate recovery in relation to the Bonds.

Factors which may affect the Issuer's ability to fulfil its obligations under the Bonds

Special Purpose Vehicle Issuer: The Issuer is a special purpose finance entity with no business operations other than the incurrence of financial indebtedness, including the issuance of the Bonds, on-lending the proceeds thereof to or for the benefit of members of the Group and investing in Permitted Investments. As such, the Issuer is entirely dependent upon receipt of funds from the Borrowers in order to fulfil its obligations under the Bonds.

Credit Risk: The Issuer, and therefore payments by the Issuer in respect of the Bonds, will be subject to the credit risk of the Borrowers. The Issuer will be subject to the risk of delays in the receipt, or risk of defaults in the making, of payments due from the Borrowers in respect of their respective Loan Agreements. However, each Original Borrower has guaranteed (and any additional Borrower will guarantee) the obligations of the other Borrowers to the Issuer under their Loan Agreements and it is envisaged that in the event that a Borrower is unable to make a payment under its Loan Agreement such payment will be made by the other Borrowers pursuant to their respective guarantees.

Effect of Losses on a Loan on Interest Payments and Repayments on the Bonds: There can be no assurance that the levels or timeliness of payments of collections received in respect of the Loans will be adequate to ensure fulfilment of the Issuer's obligations to the Bondholders in respect of the Bonds on each Interest Payment Date or on the Maturity Date. In addition, a default by a Borrower under its Loan Agreement could ultimately result in the enforcement of the Underlying Security. The proceeds of any such enforcement may be insufficient to cover the full amount due from the Borrowers resulting in a shortfall in funds available to repay the Bonds. However, it is expected that in the event that any Borrower's payment obligations under its respective Loan Agreement are not fulfilled, the other Borrowers will fulfil such obligations, in accordance with their respective guarantees, without the need to enforce the Underlying Security or seek recourse through the courts.

Factors which may affect the Borrowers' ability to fulfil their obligations under the Loan Agreements which, in turn, may affect the Issuer's ability to fulfil its obligations under the Bonds

(A) Risks relating to the Borrowers' business activities and industry

Members of the Group may be impacted by investment and development risks in relation to residential properties: The Group undertakes diversified residential property investment activities in the form of construction, outright sale, land sales and non-social housing lettings (market rent, commercial and other tenures). The Group uses its wholly-owned subsidiaries to assist with the delivery of investment activities. Profits can be gift aided to the Borrowers as a means of recycling capital for the provision of affordable housing.

The development of residential properties for market sale (including first tranche shared ownership sales) is subject to varying degrees of market and development risks, including both demand and pricing risks. Market values of properties are generally affected by overall conditions in the 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, residential property; infrastructure quality; the returns from alternative assets as compared to residential property; environmental considerations; changes in planning laws and practices; and the perceived threat from terrorism. Residential real estate values and rental revenues are also affected by factors specific to each local market in which the property is located, including the supply of available property and demand for residential real estate and the availability of mortgage finance to prospective purchasers. Among other things, these market risks may be heightened as a result of the UK leaving the European Union (see "*Macro-economic risks*", below).

For the year ended 31 March 2020, sales of residential property (including first tranche shared ownership sales) generated 26 per cent. of the turnover of the Group and 8 per cent. of the Group's operating surplus (excluding pension exit costs). As at 31 March 2020, the Group had 2,745 properties under development of which 1,105 were shared ownership and 24 were market sale.

Investment requirements in respect of existing homes might rise in the future if there are wide-ranging changes to legislation. In the financial year ended 31 March 2020 the expenditure on the Group's existing properties was £81.8 million.

Market and development risks may impact upon the expenditure incurred by the Borrowers or other members of the Group associated with existing residential properties, rental income produced by these properties, the value of existing investments, the ability to develop land that a Borrower or any other Group member has acquired, fluctuations in the cost of developing property and also associated services and new materials, the ability to sell properties and acquire additional sites. The Group's development programme is exposed to market risk in relation to housing for sale, including both demand and pricing risks. Delays in planned sales (including under the Group's shared ownership programme) would delay sales receipts. Significant falls in sales values caused through deterioration in the housing market could cause schemes to become loss making.

As at 31 March 2020, only 61 per cent. of spend relating to identified development activities was in contract.

The Group's future income and profitability is therefore exposed to market and development risk including both demand and pricing risks. This, in turn, could impact on the Borrowers' cash flow and their ability to satisfy any covenants which they are required to maintain pursuant to the terms of existing financing arrangements. If any of the circumstances described in this risk factor occur, this could have

an adverse impact on the ability of the Borrowers to meet their payment obligations in respect of the Loan Agreements and, therefore, the ability of the Issuer to meet its payment obligations under the Bonds.

Risks related to joint ventures: The Group may, on occasion, undertake development activity through joint venture arrangements: this enables the Group to access expertise, supply chains and land, as well as share risk.

Indirectly, the Borrowers are exposed to the performance of these joint ventures through investment in Group members through intragroup loans. Subsequently such funding may be made available by the relevant Group member to, for example, a joint venture LLP via member loan.

There is the risk that any joint venture might fail to deliver expected returns, for example because of financial difficulty or insolvency of the other member(s) of the joint venture. This could result in the loss of the initial investment made and any expected profit. In such circumstances the relevant member of the Group may decide (but is not obliged to) to take over a joint venture vehicle in its entirety with the intention of ensuring the planned delivery of affordable housing is secured. Returns which the Group may expect to receive from joint ventures will be influenced by the profitability of the activities of the joint venture entities. This in turn is affected by market, economic and political factors at the prevailing time.

While as at the date of this Prospectus, the Group has no such joint ventures, it is likely that future development may be carried out through joint ventures. Future investments made by the Group in joint ventures and the income derived from these may be relied upon to service any debt obligations of the Borrowers and to satisfy any covenants which the Borrowers are required to comply with pursuant to the terms of their respective financing arrangements. Should these be materially lower than expected, this could have an adverse impact on cash flows of certain members of the Group. This could, in turn, affect their ability to meet their payment obligations on a timely basis under their other financing arrangements.

If any of the circumstances described in this risk factor occur, this could have an adverse impact on the ability of the Borrowers to meet their payment obligations in respect of the Loan Agreements and, therefore, the ability of the Issuer to meet its payment obligations under the Bonds.

Risks related to social and affordable rental income and Universal Credit: Please refer to the section headed "*Description of the Regulation and Grant Funding Environment for the Social Housing Sector in England*" below for relevant information concerning this risk factor.

The tenants of the Borrowers' properties are personally responsible for the rental payments on the relevant occupied properties, and consequently the Borrowers are exposed to the risk of arrears and bad debts. For the financial year ended 31 March 2020, the Group's turnover from social housing lettings was £221.9 million of the Group's £323.5 million of turnover on a combined basis, and operating surpluses from social housing lettings were £88.0 million of the Group's £129.7 million of operating surpluses on a combined basis. As at 31 March 2020, the Group, on a combined basis, had a tenant arrears balance of £7.7 million of which £3.2 million has been fully provided for.

The Group receives a proportion of its regulated rental income from housing benefit payable by local authorities. For the financial year ended 31 March 2020, 34 per cent. of the Group's annual rental income was received in the form of housing benefit.

The Welfare Reform Act 2012 introduced a size criterion for working age social housing tenants in receipt of housing benefit known as the "removal of the spare room subsidy" or "bedroom tax". The arrangements allow each of certain defined categories of people to be entitled to one bedroom. Exemptions are applied to supported housing tenants. Where a household has one extra bedroom, housing benefit is reduced by 14 per cent. of the rent charge. Where a household has two or more extra

rooms, the reduction to housing benefit is 25 per cent.. As at the date of this Prospectus, the Borrowers estimate that around 50 households who do not receive a discretionary housing payment from the local authority and who are tenants of the Borrowers could be impacted by this size criterion. The application of occupation size criteria may have an adverse impact on the ability of tenants to pay their rent.

The Welfare Reform and Work Act 2016, which received royal assent on 16 March 2016 and came into force in stages through various commencement orders, makes provisions on social housing rents, the household benefit cap and social security and tax credits that expose the Group to the risk of a reduction in rental income and an increase in arrears.

The roll out of Universal Credit is likely to increase transaction costs and the receipt of rental payments by any Borrower, as landlord, may be delayed by the failure of the tenant to apply for Universal Credit and/or 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.

The Original Borrowers have approximately 9,400 customers in receipt of Universal Credit at 30 September 2020, whose average arrears are approximately 6 per cent. (as a percentage of rental income for those in receipt of Universal Credit). As at 31 March 2020, there were 7,655 Universal Credit customers (compared to 4,631 Universal Credit customers as at 31 March 2019). These customers had average arrears of £744 as at 31 March 2020 compared to £816 as at 31 March 2019. These average arrears figures are for the Universal Credit customers who have arrears and do not include the Universal Credit customers who are not in arrears. The total arrears from Universal Credit customers were £2,940,450 as at 31 March 2020 compared to £2,424,066 as at 31 March 2019.

At 31 March 2020, there were 2,513 Universal Credit customers with Managed Payments (as defined below in "*Description of the Regulation and Grant Funding Environment for the Social Housing Sector in England*"), compared to 837 Universal Credit customers at 31 March 2019. The Universal Credit customers with Managed Payments accounted for £1,399,916 of monthly rental payments as at 31 March 2020. The equivalent monthly rental payments as at 31 March 2019 was £541,324.

Any reduction in social or affordable rental income (including non-payment, partial payment or any delay in payment of rent resulting in increased rental income arrears and bad debts) could have an adverse impact on the Borrowers' cash flow which, in turn, could adversely affect the ability of the Borrowers to meet their payment obligations in respect of the Loan Agreements and, therefore, the ability of the Issuer to meet its payment obligations under the Bonds.

Risks related to the Government's 'Right to Buy' policy and shared ownership properties:

Please refer to the section headed "*Description of the Regulation and Grant Funding Environment for the Social Housing Sector in England*" below for relevant information concerning this risk factor category.

The proposals as to how any extension of right to buy is introduced, whether voluntarily or through legislation, are still at an early stage (in the case of the 2015/2017 Conservative party manifesto commitment) or the Government is developing policy (in the case of the announcement made on 30 September 2019 at the Conservative party conference). It is difficult to determine with any certainty exactly how either proposal could impact on the Borrowers. The policies could have an adverse impact on the cash flow (and operating margin) of a Borrower which in turn could affect its ability to meet payment obligations in respect of its Loan Agreement and, therefore, the ability of the Issuer to comply with its obligations under the Bonds.

Shared ownership income is generated on the initial sale of the property (known as the **First Tranche**) which is sold to the shared owner; on subsequent sales of further "tranches" or portions of the property to the shared owner; and in the form of subsidised rent on the part of the property which the shared

owner does not own until the property is fully owned by the shared owner. As at 31 March 2020, the property portfolio of the Group was 44,753 units of which 5,520 were shared ownership units. For the financial year ended 31 March 2020, surpluses from First Tranche sales amounted to £3.1 million and surpluses on the disposal of social housing fixed assets amounted to £45.4 million of the £135.6 million surplus for the year (before pension exit costs) generated by the Group.

There is a risk that if a purchaser of a shared ownership property borrows monies through a mortgage from a commercial lender (having obtained consent from its landlord) then that lender's mortgage may take priority ahead of any security arrangements that are in place. However, if that commercial lender were to enforce its security following a purchaser defaulting on its mortgage, such lender could staircase (i.e. purchase a portion of the property) up to 100 per cent. in order to be able to sell the whole leasehold interest, in which case the relevant Borrower as landlord would receive such staircasing payments from the commercial lender. If the price for the full 100 per cent. receivable on sale is not sufficient to meet the principal outstanding (plus 12 months' interest and other statutorily permitted costs) then the shortfall will remain as a debt due to the landlord from the defaulting leaseholder. Under current Regulator of Social Housing (the **Regulator**) rules, any shortfall not recovered is borne first by the provider of any grant in respect of the property, and thus a Borrower is only affected to the extent that the shortfall cannot be covered by grant monies. This only applies where shared ownership units are grant-funded. If a commercial lender did enforce its security by staircasing up to 100 per cent. and there was such a shortfall, the relevant Borrower would no longer receive rent for its retained share of the property which could have an impact upon its rental income.

A material reduction in its rental income could adversely affect a Borrower's cash flows and correspondingly affect the ability of such Borrower to meet its payment obligations in respect of its Loan Agreement and, therefore, the ability of the Issuer to meet its payment obligations under the Bonds.

Risks relating to Regulation: The Housing and Regeneration Act 2008, as amended, (the **HRA 2008**) makes provision for the regulation of social housing provision in England. Pursuant to the HRA 2008, the Regulator acts as the regulator of Registered Providers of Social Housing in England, including the Borrowers. The Regulator regulates Registered Providers of Social Housing in accordance with the Regulatory Framework, which sets out the standards that apply to Registered Providers of Social Housing. Please refer to the section headed "*Description of the Regulation and Grant Funding Environment for the Social Housing Sector in England*" below for further relevant information concerning this risk factor.

The enforcement by the Regulator of the standards other than those relating to governance and financial viability, rent and value for money is restricted to cases in which there is a breach of a standard and there is a risk of serious detriment to tenants (including potential tenants). In practice, the Regulator's use of its statutory powers is rare. Serious non-compliance with the economic standard by a provider is more likely to lead to a downgrade of the Regulator's published regulatory judgment in respect of that provider. Such provider may agree corrective action to be taken with the Regulator, and/or agree to give a voluntary undertaking in the place of any formal exercise of the powers available to the Regulator under the HRA 2008. Any breach of regulations or any corresponding intervention by the Regulator in respect of a Borrower including any exercise of the Regulator's statutory powers of enforcement, any regulatory downgrade (even if any downgrade made is to a lower if still compliant regulatory grade) or any placing on the Regulator's list of providers with gradings under review may adversely impact that Borrower. Depending on the type and severity of any action, this could ultimately affect the ability of that Borrower to meet its payment obligations in respect of its Loan Agreement and, therefore, the ability of the Issuer to meet its payment obligations under the Bonds.

(B) Risks relating to the Issuer's and the Group's Financial Situation

Macro-economic risks

The Group is subject to macro-economic risks. As at the date of this Prospectus, the Group's view is that COVID-19 and Brexit are two key macro-economic risks that may impact the Borrowers and therefore the Issuer.

COVID-19: The outbreak of any pandemic such as COVID-19 (commonly referred to as coronavirus), could adversely affect the businesses of members of the Group, including the Borrowers. A prolonged pandemic could result in national and international supply chain shortages for materials which could cause a significant interruption to the Group's businesses.

The Group's profits may decline during the outbreak and recovery period. Potential causes are as follows:

- rental income receipts may be lower during the period of outbreak. This may arise if residents are unable to maintain their own household budgets to meet rent obligations. This, in turn, has resulted in an increase in rent arrears of approximately 5 per cent. in the six months to 30 September 2020. The Original Borrowers estimate that 62 per cent. of general needs and independent living rent is backed by some form of state benefits. Of this segment, the Original Borrowers estimate 48 per cent. are direct payers to it after receiving Universal Credit. Therefore approximately 68 per cent. of its general needs and independent rental income could potentially be affected for a period of time;
- the Government banned evictions in both social and private rented housing during the coronavirus crisis until 20 September 2020: continued Government intervention ensures that no customer can be evicted for rent arrears created directly from the impact of coronavirus;
- the number of unlet void properties may rise, as social distancing measures may preclude the letting of and moving into empty properties;
- property sales income from current asset sales (first tranche sales of shared ownership properties) and fixed asset sales (staircasing of shared ownership properties and asset management disposals) may take longer to realise and sales values may fall;
- with the Group having closed the majority of its housing development sites during the first "lock down" period in the early part of 2020, all sites have now been re-opened. However, the Group took a phased approach to the reopening of sites in consideration of both health and safety and the economic environment. As a result, pipeline has been re-phased through to 2025, seeing a reduction in the total number of homes delivered for this period from projections pre-pandemic; and
- operating costs may rise due to a need to pay more to secure supplies, as well as the risk of contractors facing financial hardship, although support measures have been put in place by the UK Government. Staff costs may rise due to a need to delay planned savings, and other costs may rise due to costs of implementing new remote working methods. There may be some offset of costs with reduced travel and office costs.

Any or all of these may have an effect on the Original Borrowers' ability to meet their respective payment obligations under the Original Loan Agreements which, in turn, may have an adverse effect of the Issuer's ability to meet its obligations to the Bondholders in respect of the Bonds.

If any of the Group's residents contract or are suspected of contracting COVID-19, this may result in the need to take sickness leave which may result in a reduction in their income and have an adverse impact on their ability to pay rent. Similarly, if any of the Group's residents are furloughed, made redundant or are otherwise unable to continue to work then, unless that resident is able to access any relevant form of Government support, this also may result in a reduction in their income and have an adverse impact

on their ability to pay rent. If any of these occur, this may adversely affect the ability of the Borrowers to meet their payment obligations in respect of the Loan Agreements and, therefore, the ability of the Issuer to meet its payment obligations under the Bonds and/or the market value and/or the liquidity of the Bonds in the secondary market.

Withdrawal of the UK from the European Union: On 23 June 2016 the UK held a referendum to decide on the UK's membership of the European Union. The UK vote was to leave the European Union and the UK Government invoked article 50 of the Lisbon Treaty relating to withdrawal on 29 March 2017. Under article 50, the Treaty on the European Union and the Treaty on the Functioning of the European Union cease to apply in the relevant state from the date of entry into force of a withdrawal agreement, or, failing that, two years after the notification of intention to withdraw, although this period may be extended in certain circumstances. The period was extended and ends on 31 December 2020. The UK Government's position as at the date of this Prospectus is that the period will not be extended.

There remain a number of uncertainties in connection with the UK's future relationship with the European Union. Until the terms of the UK's exit from the European Union are clear, it is not possible to determine the impact of the UK's departure from the European Union and/or any related matters may have on the business of the Group. The Group has recognised 6 key areas of risk and closely monitors the impact of these on its business:

- impact on tenants;
- short term shortages of key materials for repairs and maintenance;
- liquidity and funding risks from exposure to interest rate and currency fluctuations;
- significant impact on development programmes;
- care and support staff shortages; and
- data risk for data flows between the UK and EU (and/or other countries).

If any of the pressures described in this risk factor occur, no assurance can be given that such matters would not adversely affect the ability of the Borrowers to meet their payment obligations in respect of the Loan Agreements and, therefore, the ability of the Issuer to meet its payment obligations under the Bonds and/or the market value and/or the liquidity of the Bonds in the secondary market.

Risks related to the implementation of the new regulatory framework on building safety and the outcomes of the Grenfell Tower Inquiry: The Group is committed to considering all possible methods of mitigating building safety risks as far as is reasonably practicable. Following the Grenfell Tower fire the Group has undertaken a thorough review of all housing stock regarding fire safety. The Group is the first national housing association to achieve accreditation to BS9997 standard, said to be the UK's "Gold Standard" in fire risk management. This process entailed an independent third party reviewing how the Group manages fire safety across all its buildings, to ensure fire risk is managed effectively.

The Group has 27 buildings over 18 metres tall. None of these include full or partial Aluminium Composite Material cladding. The Group has also identified 6 buildings with High-Pressure Laminate cladding. These have been individually risk assessed and suitable and sufficient risk management arrangements have been agreed with the Group's third party accredited fire risk assessors, London Fire Brigade and West Midlands Fire Service.

The Group recently received the Royal Society for the Prevention of Accidents gold awards for Group Health and Safety and Customer Safety. Jayne Lombardi, the Group's head of health, safety and insurance also received a Highly Commended personal award as an Inspirational Influencer. As at the

date of this Prospectus, the Group has 100 per cent. compliance across gas safety, fire risk assessment, asbestos, Legionella and notice of deficiencies (NODS).

The Group is working closely with external parties and has implemented, as a minimum, the interim mitigating measures as issued by the Ministry of Housing, Communities and Local Government (**MHCLG**) to ensure the safety of residents. These measures include but are not limited to:

- testing emergency lighting, fire alarms and taking additional steps to ensure the buildings are properly managed;
- working towards completion of any recommendations made within the latest fire risk assessments. As at 31 March 2020, 98 per cent. of all current fire risk assessment actions were low risk and there were zero overdue high, medium or low actions;
- having established a multi-disciplinary "Fire Safety Forum" with a mandate to co-ordinate and sponsor good practice across the Group; and
- actively working with the MHCLG and National Housing Federation as an exemplar of how to achieve BS9997 standards.

Due to the Group's adoption of BS9997 standards, the Group's is of the opinion that it is in a strong position to assess the potential impact of the draft Building Safety Bill. The Group also has a detailed building safety action plan to prepare for the implementation of new legislation when it is enacted.

Government advice and guidance is evolving as more is learnt about the fire at Grenfell Tower in 2017 and other notable fires in residential buildings. If the Group were faced with material unforeseen costs in excess of forecast amounts in relation to repairs and maintenance including as a result of changes to building safety requirements, this could impact upon the cash flow of the Borrowers and/ or the Group, which in turn could adversely affect the ability of the Borrowers to meet their payment obligations in respect of the Loan Agreements and, therefore, the ability of the Issuer to meet its payment obligations under the Bonds.

Risks related to the implementation of net zero carbon: Extreme weather events and the global transition to a low carbon economy could result in a broad range of impacts, including potential strategic, reputational, structural and credit related risks for the Borrowers. In addition, climate change regulations, frameworks, and guidance are rapidly emerging and evolving.

Through the Climate Change Act 2008 (the **2050 amendment**), the UK set a legally binding target of net zero greenhouse gas emissions by 2050. This target is now driving policy change across Government. In the 2019 Spring Statement, the Chancellor stated a new standard would be introduced by 2025 (the **Future Homes Standard**) to future-proof new build homes with very high fabric standards and low carbon heating systems, building on the Government's mission to at least halve the energy use of new buildings by 2030.

The Government has already consulted on interim changes to the Building Regulations Part L (Conservation of Fuel and Power) and F (Ventilation), which are expected to come into force at the end of 2020. The Government is not expected to consult on the Future Homes Standard until 2024, but the stated intention is that new-build homes built to that standard will have 75-80 per cent. less carbon emissions than homes built to current standards. The Government is also expected to commence consultation on Part 2 of the Future Homes Standard, which will focus on standards for existing properties.

Increasing regulatory expectations create a new set of requirements and accompanying risks that need to be managed.

Some landlords are already unable to let buildings which do not satisfy relevant energy performance certificate requirements and the net zero carbon target is likely to significantly affect real estate owners, including the Group, through their having to make large scale investments in the energy efficiencies of their buildings and the management of large-scale retrofit programmes. Innovation from the construction and building services industries will be required in order to overcome any technical challenges which arise as a result of such programmes. The costs of relevant retrofit programmes could be substantial, particularly if this requires replacement of gas boilers and upgrading of connected heating systems.

Building on its strong and long-established energy efficiency improvement programme and subsequently high achieving EPC standards (as at 31 March 2020 79 per cent. of the Group's properties were rated EPC C and above), with the dual benefits of tackling fuel poverty and reducing environmental impact, the Group has strengthened this approach in response to the Government's 2050 net zero carbon target as well as broadening its environmental aims to ensure negative impact is minimised and positive impact is sought.

The Group recognises and understands the urgency with which organisations must act in response to the current climate and ecological emergency and acknowledges its impact both directly through business operations and indirectly through its supply chain and customers. The Group's corporate 2025 strategy places particular focus on the environment through its "Orbit "Earth programme. Its three main themes are:

- climate action to become net zero carbon;
- enhancement of greenspaces to improve their quality and biodiversity; and
- responsible partnerships seeking to develop and manage a sustainable supply chain.

The Group is developing an overarching environmental management system which aligns to the principles of ISO14001, focussing on compliance, risk, training, engagement and continual improvement.

The Group's net zero carbon strategy for its assets sets a clear, costed, incremental approach seeking to achieve net zero by 2050 whilst meeting interim EPC targets. Three steps have been developed seeking to take the Group's portfolio to $\sim 0.5\text{tCO}_2\text{e}$ (per asset): fabric improvements to reduce heat demand; low carbon solutions to remove fossil fuels; and renewable energy solutions to self-generate and store remaining electrical demand, with the remainder offset.

A partnership with the Wildlife Trust has recently been formed aiming to bring additional expertise to the Group's biodiversity strategy. It will seek to enhance biodiversity both on new developments and within the Group's existing communities to enhance both greenspaces for wildlife and provide health and wellbeing benefits to customers. The Group's intention is to achieve biodiversity net gain above and beyond the government proposed 10 per cent..

It is intended that the Group's environmental priorities will become embedded throughout the supply chain and their performance evaluated both in selection and throughout contract management. Emphasis is to be placed on collaboration: seeking innovative and alternative solutions to deliver mutually beneficial environmental performance.

Finally, engagement with customers and employees forms a significant part of Orbit Earth. The Group aims to influence behaviours through campaigns bringing awareness to broad environmental issues and providing specific guidance on heating, ventilation, waste, travel and biodiversity. Customers and employees have the opportunity to feed back to help shape the environmental programme.

Technology, advice and guidance in this area will continue to evolve. Any of the occurrences described in this risk factor could require the Group to incur significant expenditure, or if the Group were faced with material unforeseen costs in excess of forecast asset investment, this may impact upon cash flow and in turn, this could have an adverse impact on the ability of the Borrowers to meet their payment obligations in respect of the Loan Agreements and, therefore, the ability of the Issuer to meet its payment obligations under the Bonds.

The Group may be unable to continue to rely on existing sources of funding, including grant funding: To increase funds available and ensure the Borrowers have sufficient funds on a day to day basis, the Group relies on financing through loan facilities and the debt capital markets. The Group has obtained funding from banks as well as through the public debt markets, including wholesale bond issues in 2015 and 2018. The Group could find itself unable to access sources of financing if bank or building society lines become unavailable (for example, if banks and building societies are unable to provide new facilities, extend existing facilities, or are unable to meet commitments to provide funds under existing loan facilities) or if a reduction in the Group's credit rating makes the cost of accessing the public and private debt markets prohibitive.

The Borrowers also receive grant funding from a variety of sources, including from Homes England and the Greater London Authority. Due to the nature of grant funding, there is a risk that, following the approval of grant, Homes England or the Greater London Authority may revise the terms of a grant and reduce the entitlement or suspend or cancel any instalment of such a grant. In certain circumstances set out in the Capital Funding Guide and the Recovery of Capital Grants General Determination of the Regulator, including, but not limited to, failure to comply with conditions associated with the grant or a disposal of the property funded by a grant, the grant may be required to be repaid or reused.

Any material repayment of historical grant funding held on a Borrower's balance sheet has a potential impact on that Borrower's cash flow that could, in turn, materially increase such Borrower's net debt position; any upwards movements in interest rates could impact upon the relevant Borrower's cash flow and its ability to comply with payment obligations and/or to satisfy any agreed performance levels (often referred to as covenants) which it is required to maintain pursuant to the terms of any financing arrangements. In turn, this could have an adverse impact on the ability of the relevant Borrower to meet payment obligations in respect of its Loan Agreement and, therefore, the ability of the Issuer to comply with its obligations under the Bonds.

Risks related to credit ratings, capital resources and treasury activities: The on-going creditworthiness of members of the Group depends on many factors, including the link to national government, industry, competitive, financial and operational performance, economic factors, the level of drawn debt, the ability to access new debt and the strength of the Group's management and governance structure. Actual deterioration or a perceived deterioration in any of these factors or a combination of these factors may result in a downgrade in perceived creditworthiness as indicated by the Group's credit ratings that could, in turn, cause the trading price of the Bonds to decline and, consequently, may result in a loss of all or part of an investment in the Bonds. In addition, the Conditions of the Bonds permit the Issuer to undertake Permitted Reorganisations. In such circumstances, the resulting entity's credit risk may change. By the end of the current financial year the Borrowers anticipate that Heart of England will transfer its engagements to Orbit South (see further "*Description of the Group*" below).

Moody's published credit ratings of "A3" in respect of the Group on 29 May 2019 and reaffirmed this on 23 October 2020 as part of the "Moody's has taken rating actions on 58 sub-sovereign entities after UK's sovereign action" publication. Moody's is expected to issue a credit rating of "A3" for the Bonds. The Group aims to maintain a business strategy, risk appetite statement, operational and governance structure and a capital structure which is consistent with strong investment grade credit ratings.

To mitigate liquidity risk and augment its capital resources, the Group relies on financing through committed lines of credit from major banks, through revolving and term debt, as well as through private placements and debt capital markets via intermediaries.

The Group's treasury policy ensures that committed facilities are sufficient to meet all contracted and approved commitments two years forward, with liquid funds being equal to forecast net cash outflows for the next 3 months. As at 31 March 2020, the Group held £1,775 million of loan facilities, of which £1,478 million was drawn. The weighted average life of drawn debt was 21 years at a weighted average cost of capital of 4.06 per cent.

The Group is subject to interest rate risk in respect of its variable rate borrowing, although the Group's borrowing strategy seeks to reduce interest rate risk volatility and uncertainty by maintaining a balance of fixed and floating interest rates in its funding portfolio. As at 31 March 2020, £1,384 million of the Group's debt, or 94 per cent. of the Group's £1,478 million of drawn loan facilities (total bank loans and bond finance but excluding net issue premium and loan fair value adjustments), was at fixed rates.

The Group has a number of swap agreements in place. At 31 March 2020, the level of notional stood at £324 million and the mark to market position stood at £125.2 million.

Any material increase in the cost of financing or any decrease in the availability of financing, any margin calls made in relation to any of its derivative instruments requiring additional security to be pledged, any event of default, cross default, breach of a covenant or the inability to vary or waive any covenants which exist in financing arrangements could generally have a material adverse effect on the Group's business and, in turn, the ability of the Borrowers to meet their payment obligations in respect of the Loan Agreements and, therefore, the ability of the Issuer to meet its payment obligations under the Bonds.

The Issuer participates in defined benefit pension schemes which are in deficit, and may be required to contribute to other pension schemes to which it is connected or with which it is associated: The Group provides retirement benefits through:

- the Orbit Group Defined Benefit Pension Scheme (**OGDB**) (from 1 October 2019) administered by The Pensions Trust Retirement Solutions, a defined benefit occupational pension scheme (future accruals closed to employees);
- the Orbit Group Retirement Plan (**OGRP**) (from 1 October 2019), a defined contribution scheme administered by Aviva;
- the Flexible Retirement Plan (from 1 October 2019), a defined contribution scheme administered by The Pensions Trust Retirement Solutions; and
- the Local Government Pension Scheme (**LGPS**) administered by Kent County Council (the **Kent Fund**).

Previously the Group had participated in the Social Housing Pension Scheme (**SHPS**), a multi-employer scheme which provides benefits to some 500 non-associated employers. SHPS is a defined benefit scheme in the UK. On 30 September 2019 the Group exited from SHPS and transferred its scheme assets and liabilities to the OGDB scheme. The Group had previously closed SHPS to future accrual for its employees.

The OGDB and SHPS contributions, including deficit contributions, made by the Group were £3 million in aggregate in the year ended 31 March 2020. The SHPS triennial valuation results, last valued at 30 September 2017, show the market value of the whole scheme's assets as £4,553 million, revealing a shortfall of assets compared with the value of liabilities of £1,522 million. Following the 2017 valuation, SHPS has moved away from a tiered recovery plan approach to allocating deficit contributions on a "full

share of liability" basis (the **Recovery Plan**). Under the Recovery Plan, the Group pays an annual deficit contribution in order to meet the shortfall within the scheme.

Deficit payments continue to be made by the Group at the same level into the new OGDB scheme as agreed under the Recovery Plan. For the financial year beginning 1 April 2020, this will be £3 million, with the contribution increasing by 2 per cent. on 1 April 2021 and on each 1 April thereafter. Deficit contributions under the Recovery Plan are currently scheduled to be paid until September 2026. The next triennial valuation which will be undertaken on the OGDB scheme was due to be carried out as at 30 September 2020 and that valuation, once available, may result in the above deficit contributions requirements changing. The pensions liability for OGDB assessed on an FRS102 basis as at 31 March 2020 was £11.7 million,

In accordance with pensions legislation, all eligible employees are auto-enrolled into the OGRP: just over 1,100 of the Group's employees are currently enrolled in the scheme.

The Kent Fund is closed to new entrants and has one active member. The pensions liability for the Kent Fund assessed on an FRS102 basis as at 31 March 2020 was £2.3 million.

If the market value of the relevant pension scheme declines in relation to the assessed liabilities, which depends on, among other things, the real returns that can be obtained from the assets, the longevity of its members, the rate of increase of salaries, discount rate assumptions and inflation, or if the trustees or the regulator of pensions determines that the Group's liabilities requires a different approach to contributions and deficit reduction, the Group may be required to increase its contributions. Any material increase in contributions to pension funds has a potential impact on the Group's cash flows, which could, in turn, have an adverse impact on the Borrowers' ability to meet their payment obligations under their Loan Agreements on a timely basis, which may correspondingly affect the Issuer's ability to meet its payment obligations on a timely basis under the Bonds.

Factors which are material for the purpose of assessing the market risks associated with the Bonds

Interest rate risk: The Bonds bear interest at a fixed rate and therefore involve the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds.

Redemption prior to maturity: In the event that the Bonds become repayable prior to maturity either following a Loan becoming repayable as a result of a Borrower Default (which includes, *inter alia*, failure by a Borrower to make payments of interest under its Loan Agreement) or a Borrower ceasing to be a Registered Provider of Social Housing or an Event of Default (as defined in Condition 12 (*Events of Default and Enforcement*)) or due to taxation (pursuant to Condition 9.3 (*Early Redemption for Tax Reasons*)), the Bonds will be 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 rate of interest as high as the interest rate on the Bonds. Furthermore, the optional redemption feature of the Bonds is likely to limit their market value as the market value generally will not rise substantially above the price at which they can be redeemed.

Modification, waivers and substitution: The Conditions of the Bonds and the Bond Trust Deed contain provisions for calling meetings of Bondholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Bondholders, including Bondholders who did not attend and vote at the relevant meeting and Bondholders who voted in a manner contrary to the majority.

The Conditions of the Bonds and the Bond Trust Deed also provide that the Bond Trustee may, without the consent of Bondholders (a) agree to any modification (except as stated in the Bond Trust Deed) of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of the Bonds or any Transaction Document (to which it is a party), (b) determine without the consent of the

Bondholders that any Potential Event of Default or Event of Default shall not be treated as such or (c) agree to the substitution of another company, registered society or other entity as principal debtor under the Bonds in place of the Issuer, in the circumstances described in the Conditions, provided, in each case, that the Bond Trustee is of the opinion that to do so would not be materially prejudicial to the interest of Bondholders.

Denominations involve integral multiples: definitive Bonds: The Bonds have denominations consisting of a minimum of £100,000 plus one or more higher integral multiples of £1,000. It is possible that the Bonds may be traded in amounts that are not integral multiples of £100,000. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than £100,000 in his account with the relevant clearing system at the relevant time may not receive a definitive Bond in respect of such holding (should definitive Bonds be printed) and would need to purchase a principal amount of Bonds such that its holding amounts to £100,000.

If definitive Bonds are issued, holders should be aware that definitive Bonds which have a denomination that is not an integral multiple of £100,000 may be illiquid and difficult to trade.

Change in Law: Changes in law may affect the rights of Bondholders as well as the market value of the Bonds. The structure of the issue of the Bonds is based on English law and regulatory and administrative practice in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible change to English law or regulatory or administrative practice in the United Kingdom after the date of this Prospectus. Such changes in law may include changes in statutory, tax and regulatory regimes during the life of the Bonds, which may have an adverse effect on an investment in the Bonds.

Taxation: Under the Conditions of the Bonds (see Condition 10 (*Taxation*) below), the Issuer may, but will not be obliged to, gross up payments in respect of the Bonds if any deduction or withholding on account of tax is imposed. In the event that any deduction or withholding on account of tax is imposed and the Issuer does not opt to gross up payments in respect of the Bonds (or, if having previously opted to gross up notifies the Bond Trustee and the Bondholders of its intention to cease grossing up payments in respect of the Bonds), the Bonds will be redeemed in accordance with Condition 9.3 (*Early Redemption for Tax Reasons*). In such circumstances an investor may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the Bonds. In addition, any amounts in respect of accrued interest which fall due on any such redemption of the Bonds (and, where the redemption follows the next following Interest Payment Date, such Interest Payment Date) shall be paid subject to the required withholding or deduction and the Issuer shall not be obliged to pay any additional amounts in respect thereof. The Bondholders will therefore bear the risk of any such withholding or deduction in respect of the period from the previous Interest Payment Date to the date of redemption.

The Original Loan Agreements require, and each Additional Loan Agreement will require, that if any withholding or deduction is required by law to be made by the relevant Borrower thereunder, the amount of the payment due from such Borrower shall be increased to an amount which (after making the tax deduction) equals an amount equal to the payment which would have been due if no tax deduction had been required.

For a description of the current United Kingdom law and practice relating to withholding tax treatment of the Bonds, see below in "*Taxation*".

Exchange rate risks and exchange controls: The Issuer will pay principal and interest on the Bonds 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 Bonds, (b) the Investor's Currency-equivalent value of the principal payable on the Bonds and (c) the Investor's Currency-equivalent market value of the Bonds.

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

Risks Relating to the Security of the Bonds

Considerations relating to the Issuer Security and the Underlying Security: The validity of any security given by the Borrowers in connection with additions and substitutions of Charged Properties may depend on the solvency of the relevant Borrower at the time of the grant. If any security is found to be invalid as a result, this will affect the amounts available to Bondholders in the event of a default under the Bonds.

Environmental Considerations: Under relevant UK environmental legislation, liability for environmental matters can be imposed on the "owner" or any "person in control" of land. The term "owner" is not specifically defined and could include anyone with a proprietary interest in a property, which could include a representative of a trustee as a mortgagee in possession (in respect of which see the risk factor entitled "*Mortgagee in Possession Liability*" below). Environmental laws may impose liability on the owner for clean-up costs if a property is or becomes contaminated. The Borrowers may therefore be liable for the entire amount of the clean-up and redemption costs for a contaminated site regardless of whether the contamination was caused by it or not. These costs may be significant and may affect the ability of a Borrower to meet its payment obligations under its Loan Agreement and, in turn, the ability of the Issuer to meet its payment obligations under the Bonds.

In addition, the presence of hazardous or toxic substances, or the failure to adequately remedy adverse environmental conditions at a Charged Property, may adversely affect the market value of the Charged Property, as well as a Borrower's ability to sell, lease or refinance the Charged Property. Any environmental liability imposed on a Borrower could also affect the ability of a Borrower to meet its payment obligations under its Loan Agreement, which, in turn, may also affect the ability of the Issuer to meet its payment obligations under the Bonds. In addition, any environmental liability imposed on a Borrower may result in a reduction in the value of the Charged Properties which could require a Borrower to identify and charge Additional Properties to ensure the maintenance of the Asset Cover Test.

Sufficiency of Insurance: Although each Charged Property is required to be insured at appropriate levels and against customary risks, there can be no assurance that any loss incurred will be of a type covered by such insurance, nor can there be any assurance that the loss will not exceed the limits of such insurance. Any reduction in income or any loss or damage caused to a Charged Property not adequately covered by insurance could result in a shortfall in funds available to meet the Borrowers' payment obligations under the Loan Agreements.

Investment of Retained Proceeds in Permitted Investments: For so long as any part of the net proceeds of the issue of the Bonds remains undrawn pursuant to the Loan Agreements, the Issuer may invest such amounts in Permitted Investments in accordance with the Custody Agreement. The Issuer may also invest the Charged Cash in Permitted Investments in accordance with the Custody Agreement.

Although Permitted Investments are limited to highly rated securities which satisfy certain specified criteria (which, other than with respect to any investment in money market funds, includes a requirement that the investments have a maturity date which is no later than 24 November 2038), the Issuer may be required to liquidate such Permitted Investments (a) prior to the enforcement of the Issuer Security, (in

the case of the Permitted Investments purchased with Retained Proceeds) to fund advances to a Borrower pursuant to a Loan Agreement or to fund redemptions of the Bonds in accordance with the Conditions or (b) following the enforcement of the Issuer Security, to make payments in accordance with the Post-enforcement Priority of Payment, in either case at a time when the charged cash of such Permitted Investments is less than the price paid by the Issuer upon the acquisition thereof.

Prior to the enforcement of the Issuer Security, any loss realised by the Issuer in respect of a sale of Permitted Investments purchased with Retained Proceeds is passed on to the Borrowers pursuant to the terms of the Loan Agreements as a result of (i) the Issuer's obligation to fund a principal amount of an advance being such that it may be satisfied by funding such advance at a discount in proportion to any such losses and (ii) each Borrower's obligation to make further payments to the Issuer in respect of any prepayment of the loan in full to enable the Issuer to fund any shortfall on a redemption of the Bonds. However, following the enforcement of the Issuer Security, any losses in respect of the Permitted Investments will reduce the amounts available to the Issuer to satisfy its payment obligations in respect of the Bonds. For the purpose of calculating the Borrowers' compliance with the Asset Cover Test, the value of such Permitted Investments will be the purchase price thereof and the Borrowers shall not be required to monitor the market value of such Permitted Investments. Consequently, the value attributed to the Permitted Investments for this purpose may be more than the realisable value from time to time.

In the event that the enforcement of the Issuer Security takes place prior to the Charged Properties being charged with an aggregate Minimum Value equal to the principal amount of the Bonds, and/or at a time when the Permitted Investments have been acquired with the Charged Cash or otherwise charged by a Borrower as security, the value of the proceeds of enforcement of the Underlying Security, together with such amounts, may be insufficient to enable the Issuer to pay its obligations under the Bonds in full. There is no limit as to the proportion of the Asset Cover Test which may be satisfied by Permitted Investments in the form of Retained Proceeds and/or Charged Cash (although in respect of Retained Proceeds, these will be deemed to be zero after the Final Charging Date).

The Issuer's ability to meet its obligations under the Bonds after enforcement under a Loan:

Following default by a Borrower, the Security Trustee shall be entitled to call for payments of any unpaid sums by such Borrower to be made by one or more of the other Borrowers (if any) under and in accordance with the guarantee given by such other Borrowers pursuant to their respective Loan Agreement (subject to the limitations of each guarantee). If there are no other Borrowers at such time or the other Borrowers do not make payment (or are not required to make payment as a result of the limitation of the relevant guarantee) of such amounts to the Issuer pursuant to their respective Loan Agreements, the Security Trustee may enforce the Underlying Security and appoint a Receiver pursuant to its powers under the Security Trust Deed.

The Issuer's ability to continue to pay principal and interest on the Bonds following default by a Borrower under a Loan is dependent upon the ability of the Issuer to receive from the Security Trustee pursuant to the collection of rental income or a disposal of the Underlying Security, sufficient funds to make such payment.

Fixed charges may take effect under English law as floating charges: Pursuant to the Bond Trust Deed, the Issuer has purported to grant fixed charges over, amongst other things, all moneys and/or securities from time to time standing to the credit of the Transaction Account, the Ongoing Cash Security Account, the Initial Cash Security Account and the Custody Account. English law relating to the characterisation of fixed charges is unsettled. The fixed charges purported to be granted by the Issuer (other than assignment of security) may take effect under English law only as floating charges if, for example, it is determined that the Bond Trustee does not exert sufficient control over the charged assets for the security to be said to "fix" over those assets. If the charges take effect as floating charges instead of fixed charges, then the claims of the Bond Trustee will be subject to claims which are given priority over a floating charge by law, including, amongst other things, prior charges, certain subsequent

charges, the expenses of any winding up or administration and the claims of preferential creditors. Consequently, there may be less moneys available to pay Bondholders what is owed to them under the Bonds.

Mortgagee in Possession Liability: There is a risk that the Security Trustee may be deemed to be a mortgagee in possession if it physically enters into possession of a Charged Property or performs an act of control or influence which may amount to possession, such as submitting a demand direct to tenants requiring them to pay rents to the Security Trustee. In such circumstances the Security Trustee may incur further costs and expenses which will be recoverable by it from the enforcement proceeds prior to any payment being made to Issuer, thereby reducing the amounts available to the Issuer to pay amounts owing under the Bonds.

Moratorium and housing administration: The Security Trustee must notify the Regulator of its intention to enforce its security and cannot enforce its security during the resulting moratorium without the consent of the Regulator. This may adversely affect the Security Trustee's ability to enforce the security over the Charged Properties.

The Security Trustee's ability to ability to enforce the security over the Charged Properties may also be adversely affected for so long as any housing administration order is in place in respect of a Borrower or could result in a housing administrator disposing of Charged Property belonging to a Borrower at a time when proceeds are not sufficient to discharge the Issuer's obligations under the Bonds.

Risks Relating to the Market Generally

Potential Limited Liquidity: The Bonds may not have an established market when issued. There can be no assurance of a secondary market for the Bonds or the continued liquidity of such market if one develops. The development or continued liquidity of any secondary market for the Bonds will be affected by a number of factors such as the state of credit markets in general and the creditworthiness of the Borrowers, as well as other factors such as the time remaining to the maturity of the Bonds.

Credit ratings may not reflect all risks: It is expected that the Bonds will be rated "A3" by Moody's. This rating may not reflect the potential impact of all risks related to the structure, market and other factors that may affect the value of the Bonds. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the assigning rating agency at any time.

As of the date of this Prospectus, Moody's is established in the European Union and is registered under the CRA Regulation. As such, Moody's is included in the list of credit rating agencies published by ESMA on its website in accordance with the CRA Regulation.

In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended). If the status of Moody's changes, European regulated investors may no longer be able to use the relevant rating for regulatory purposes and the Bonds may have a different regulatory treatment. This may result in European regulated investors selling Bonds held by them which may have an impact on the value of the Bonds in the secondary market.

Conditions of the Bonds

The following are the Conditions of the Bonds which will be endorsed on each Bond in definitive form (if issued).

The £300,000,000 2.000 per cent. Secured Bonds due 2038 (the **Bonds**, which expression shall in these Conditions, unless the context otherwise requires, include any further bonds issued pursuant to Condition 19 (*Further Issues*) and forming a single series with the Bonds) of Orbit Capital plc (the **Issuer**) are constituted by a Bond Trust Deed (as amended and/or supplemented and/or restated from time to time, the **Bond Trust Deed**) dated 24 November 2020 made between the Issuer and Prudential Trustee Company Limited (the **Bond Trustee**, which expression shall include any successor as Bond Trustee) as trustee for the holders of the Bonds (the **Bondholders**) and the holders of the interest coupons appertaining to the Bonds (the **Couponholders** and the **Coupons** respectively, which expressions shall, unless the context otherwise requires, include the talons for further interest coupons (the **Talons**) and the holders of the Talons).

The Bonds have the benefit of an Agency Agreement dated 24 November 2020 (together, as amended and/or supplemented and/or restated from time to time, the **Agency Agreement**) and made between the Issuer, the Bond Trustee, The Bank of New York Mellon, London Branch as principal paying agent (the **Principal Paying Agent**, which expression shall include any successor principal paying agent) and the other paying agents named therein (together with the Principal Paying Agent, the **Paying Agents**, which expression shall include any additional or successor paying agents).

Copies of the Bond Trust Deed, the Agency Agreement, the Loan Agreements, Security Agreements and the Security Trust Deed (as defined below) are available for inspection during normal business hours at the registered office for the time being of the Bond Trustee being at the date of the issue of the Bonds at 10 Fenchurch Avenue, London EC3M 5AG and at the specified office of each of the Paying Agents. The Bondholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Bond Trust Deed and the Agency Agreement. The statements in these Conditions include summaries of, and are subject to, the detailed provisions and definitions of the Bond Trust Deed, which includes the form of the Bonds.

1 Definitions

Words and expressions defined in the Bond Trust Deed or the Agency Agreement shall have the same meanings where used in the Conditions unless the context otherwise requires or unless otherwise stated.

In these Conditions:

Account Agreement means the Account Agreement dated 24 November 2020 and made between the Issuer, the Bond Trustee and the Account Bank, as amended and/or supplemented and/or restated from time to time;

Account Bank means The Bank of New York Mellon, London Branch as account bank pursuant to the Account Agreement or any successor account bank appointed thereunder;

Accounting Profit means, in respect of each accounting period of the Issuer, the aggregate amount which the Issuer would be required to recognise for corporation tax purposes as profit in respect of its Permitted Investments and/or Retained Bonds as a result of:

- (a) the movement in the fair value recognised in its accounts of such Permitted Investments and/or Retained Bonds for that accounting period; plus

(b) any further profit arising from the sale of Permitted Investments, (ignoring, for this purpose, any Gift Aid Payment to be made pursuant to a Loan Agreement);

Additional Borrower means any entity which:

- (a) has charitable (or exempt charitable) status;
- (b) is a Registered Provider of Social Housing;
- (c) is a member of the Group; and
- (d) has acceded to the Security Trust Deed as a borrower in respect of the Bonds;

Additional Loan Agreement means a loan agreement between the Issuer, an Additional Borrower and the Security Trustee entered into in connection with the issue proceeds of the Bonds, as amended and/or supplemented and/or restated from time to time;

Appointee means any attorney, manager, agent, delegate, nominee, custodian, receiver or other person appointed by the Bond Trustee under, or pursuant to, these Conditions or the Bond Trust Deed;

Asset Cover Test has the meaning given to it in the Loan Agreements;

Bondholder Specific Withholding means any withholding or deduction of Taxes which is required in respect of any payment in respect of any Bond or Coupon:

- (a) presented for payment by or on behalf of a holder who is liable to the Taxes in respect of the Bond or Coupon by reason of his having some connection with the Relevant Jurisdiction other than the mere holding of the Bond or Coupon; or
- (b) presented for payment more than 30 days after the Relevant Date except to the extent that a holder would have been entitled to additional amounts on presenting the same for payment on the last day of the period of 30 days assuming, whether or not such is in fact the case, that day to have been a Payment Day (as defined in Condition 8.5 (*Payment Day*));

Borrower Default has the meaning given to it in the Loan Agreements;

Borrowers means the Original Borrowers and any Additional Borrower, in each case for so long as it is a borrower under a Loan Agreement;

Business Day means, for the purpose of Condition 9 (*Redemption and Purchase*), a day (other than a Saturday, Sunday or public holiday) on which commercial banks are open for general business in London;

Cancelled Retained Proceeds has the meaning given to it in the Loan Agreements;

Charged Cash means, at any time, the aggregate of all amounts (whether representing proceeds of disposal or other moneys) standing to the credit of the Ongoing Cash Security Account and, to the extent invested in Permitted Investments in accordance with the Custody Agreement, such Permitted Investments and any income received by the Issuer in respect of such Permitted Investments, provided however that, for the purpose of determining the compliance of the Borrowers with the Asset Cover Test, the value to be attributed to such Permitted Investments shall be the purchase price thereof;

Charitable Group Member means a charitable member of the Group which is connected with Orbit Group Limited for the purposes of section 939G of the Corporation Tax Act 2010;

Commitment has the meaning given to it in the Loan Agreements;

Compliance Certificate has the meaning given to it in the Loan Agreements;

Custodian means The Bank of New York Mellon, London Branch as custodian pursuant to the Custody Agreement or any successor custodian appointed thereunder;

Custody Account means the account of the Issuer set up with the Custodian in respect of the Permitted Investments in accordance with the Custody Agreement;

Custody Agreement means the Custody Agreement dated 24 November 2020 relating to the Permitted Investments and made between the Issuer, the Bond Trustee and the Custodian, as amended and/or supplemented and/or restated from time to time;

Gift Aid Payment means a qualifying charitable donation for the purposes of Part 6 of the Corporation Tax Act 2010;

Group means the Group Parent, the other Original Borrowers and any other present or future, direct or indirect, subsidiaries of the Group Parent (which includes, for the avoidance of doubt, any entity with which the Group Parent may merge or be consolidated with at any time);

Group Parent means Orbit (and any entity with which Orbit may merge or be consolidated with at any time);

Heart of England means Heart of England Housing Association Limited;

Initial Cash Security Account means the account of the Issuer set up with the Account Bank in respect of the Retained Proceeds in accordance with the Account Agreement;

Issue Date means 24 November 2020;

Issuer Charged Property has the meaning given to it in Condition 4 (*Security*);

Issuer Security has the meaning given to it in Condition 4 (*Security*);

Loan Agreements means the Original Loan Agreements and each Additional Loan Agreement;

Loan Payment Day means a day on which principal or interest in respect of a Loan is due and payable by a Borrower to the Issuer in accordance with the terms of a Loan Agreement;

Loans means the principal amount of each Commitment which has been advanced to a Borrower pursuant to the terms of a Loan Agreement or the outstanding balance thereof for the time being (ignoring, for these purposes, any Actual Advance Amount or Retained Bond Actual Advance Amount (each as defined in the Loan Agreements));

London Stock Exchange means London Stock Exchange plc;

Ongoing Cash Security Account means the account of the Issuer set up with the Account Bank in respect of the Charged Cash in accordance with the Account Agreement;

Orbit means Orbit Group Limited;

Orbit South means Orbit South Housing Association Limited;

Original Borrowers means Orbit, Orbit South and Heart of England;

Original Loan Agreements means the Loan Agreements each dated 24 November 2020 and entered into between an Original Borrower, the Issuer and the Security Trustee;

Permitted Investments has the meaning given to it in the Loan Agreements;

Permitted Investment Profit means, in respect of any sale of Permitted Investments, the amount of any net profits or gains arising from such sale which are within the charge to corporation tax (if any);

Permitted Reorganisation has the meaning given to it in the Loan Agreements;

Potential Event of Default means any act, event or circumstance which with the expiry of a grace period, the giving of notice, determination of materiality or other determination would constitute an Event of Default;

Registered Provider of Social Housing means a person listed in the register of providers of social housing established under Chapter 3 of Part 2 of the Housing and Regeneration Act 2008 (as amended from time to time) or a person having a status which, in the opinion of the Issuer and the Bond Trustee, is substantially equivalent under any replacement or successor legislation thereto;

Relevant Date means, in respect of a payment, the date on which the payment first becomes due but, if the full amount of the money payable has not been received by the Principal Paying Agent or the Bond Trustee on or before the due date, it means the date on which, the full amount of the money having been so received, notice to that effect has been duly given to the Bondholders by the Issuer in accordance with Condition 15 (*Notices*);

Relevant 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 Bonds or Coupons.

Retained Bond Custodian means the custodian (if any) appointed pursuant to the Retained Bond Custody Agreement or any successor custodian appointed thereunder;

Retained Bond Custody Agreement means a retained bond custody agreement (if any) relating to the Retained Bonds and made between the Issuer, the Bond Trustee and the Retained Bond Custodian, as amended and/or supplemented and/or restated from time to time;

Retained Bond Premium Amount means, in respect of any sale by the Issuer of Retained Bonds, the amount of any net profits or gains arising from such sale which are within the charge to corporation tax (if any);

Retained Bonds means any further Bonds issued pursuant to Condition 19 (*Further Issues*) which are immediately purchased on the issue date thereof;

Retained Proceeds means, at any time:

- (a) an amount of the net issue proceeds of the Bonds (other than the Retained Bonds) which have not been advanced to a Borrower pursuant to a Loan Agreement at such time (if any), plus
- (b) an amount of the net sale proceeds of the Retained Bonds (less any Retained Bond Premium Amount) which are not advanced to a Borrower pursuant to a Loan Agreement immediately following receipt thereof by the Issuer and have not subsequently been advanced to a Borrower (if any);

Security Agreements means:

- (a) the Supplemental Legal Charges dated 24 November 2020 and entered into between Heart of England and the Security Trustee;
- (b) the Supplemental Legal Charges dated 24 November 2020 and entered into between Orbit South and the Security Trustee;
- (c) the Supplemental Legal Charge dated 24 November 2020 and entered into between Orbit and the Security Trustee; and
- (d) any additional Security Agreement or Supplemental Legal Charge entered into between a Borrower and the Security Trustee substantially in the form set out in the Security Trust Deed, in each case, pursuant to which such Borrower, *inter alia*, provides security in respect of its obligations to the Issuer under its Loan Agreement;

Secured Parties means the Bond Trustee (for itself and on behalf of the Bondholders and the Couponholders), the Principal Paying Agent, the other Paying Agents, the Account Bank, the Custodian and the Retained Bond Custodian;

Security Trust Deed means the Security Trust Deed dated 24 March 2015 between the Original Borrowers, the Issuer and the Security Trustee (as amended and/or supplemented and/or restated from time to time);

Security Trustee means Prudential Trustee Company Limited as security trustee under the Security Trust Deed for, *inter alios*, the Issuer;

Sterling means pounds sterling;

Taxes has the meaning given to it in Condition 10.1 (*Payments without withholding*);

Transaction Account means the account of the Issuer set up with the Account Bank in respect of the Bonds in accordance with the Account Agreement;

Transaction Documents means the Loan Agreements, the Bond Trust Deed, the Security Trust Deed, the Agency Agreement, the Account Agreement, the Custody Agreement and the Retained Bond Custody Agreement;

Transaction Parties means any person who is party to a Transaction Document;

UK Government Gilt means Sterling denominated gilts or stock issued by or on behalf of Her Majesty's Treasury; and

Undrawn Commitment has the meaning given to it in the Loan Agreements.

2 Form, Denomination and Title

The Bonds are in bearer form, serially numbered, in the denominations of £100,000 and integral multiples of £1,000 in excess thereof up to and including £199,000, with Coupons and Talons attached on issue. No Bonds will be issued with a denomination above £199,000.

Title to the Bonds and Coupons will pass by delivery. The Issuer, any Paying Agent and the Bond Trustee will (except as otherwise required by law) deem and treat the bearer of any Bond 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.

3 Status

The Bonds and Coupons are direct obligations of the Issuer, secured in the manner set out in Condition 4 (*Security*) and rank *pari passu* without preference or priority amongst themselves.

4 Security

The Issuer's obligations in respect of the Bonds are secured (subject as provided in these Conditions and the Bond Trust Deed) pursuant to the Bond Trust Deed in favour of the Bond Trustee for the benefit of itself and the Bondholders and the other Secured Parties as follows:

- (a) by an assignment by way of security of the Issuer's rights, title and interest arising under the Loan Agreements, the Security Trust Deed, the Security Agreements, the Agency Agreement, the Account Agreement and the Custody Agreement, in each case to the extent that they relate to the Bonds;
- (b) by a charge by way of first fixed charge over all moneys and/or securities from time to time standing to the credit of the Transaction Account, the Ongoing Cash Security Account, the Initial Cash Security Account and the Custody Account and all debts represented thereby; and
- (c) by a charge by way of first fixed charge over all sums held from time to time by the Paying Agents for the payment of principal or interest in respect of the Bonds.

The property charged and assigned pursuant to the Bond Trust Deed listed in (a) to (c) above, together with any other property or assets held by and/or assigned to the Bond Trustee and/or any deed or document supplemental thereto, is referred to herein as the **Issuer Charged Property** and the security created thereby, the **Issuer Security**.

5 Order of Payments

5.1 Pre-enforcement

Prior to the enforcement of the Issuer Security, the Issuer shall apply the monies standing to the credit of the Transaction Account on each Interest Payment Date and such other dates on which a payment is due in respect of the Bonds in the following order of priority (the **Pre-enforcement Priority of Payment**):

- (a) first, in payment of any taxes due and owing by the Issuer to any taxing authority (insofar as they relate to the Bonds);

- (b) second, in payment of any unpaid fees, costs, charges, expenses and liabilities incurred by the Bond Trustee and any Appointee (including remuneration payable to the Bond Trustee and any such Appointee) in carrying out its functions under the Bond Trust Deed;
- (c) third, in payment, on a *pro rata* and *pari passu* basis, of any unpaid fees, costs, charges, expenses, liabilities and indemnity payments of the Issuer owing to the Paying Agents under the Agency Agreement, the Account Bank under the Account Agreement, the Custodian under the Custody Agreement and the Retained Bond Custodian under the Retained Bond Custody Agreement;
- (d) fourth, in payment, on a *pro rata* and *pari passu* basis, of any other unpaid fees, expenses and liabilities of the Issuer (in so far as they relate to the Bonds);
- (e) fifth, in payment, on a *pro rata* and *pari passu* basis, to the Bondholders of any interest due and payable in respect of the Bonds;
- (f) sixth, in payment, on a *pro rata* and *pari passu* basis, to the Bondholders of any principal due and payable in respect of the Bonds;
- (g) seventh, in payment, on a *pro rata* and *pari passu* basis, to the Borrowers of any amounts due and payable under the terms of the Loan Agreements; and
- (h) eighth, in payment of any Permitted Investment Profit, Accounting Profit or Retained Bond Premium Amount, as the case may be, to any Charitable Group Member.

5.2 Post-enforcement

Following the enforcement of the Issuer Security, all monies standing to the credit of the Transaction Account, the Ongoing Cash Security Account and the Initial Cash Security Account and the net proceeds of enforcement of the Issuer Security shall be applied in the following order of priority (the **Post-enforcement Priority of Payment**):

- (a) first, in payment or satisfaction of the fees, costs, charges, expenses and liabilities incurred by the Bond Trustee, any Appointee or any receiver in preparing and executing the trusts under the Bond Trust Deed (including the costs of realising any Issuer Security and the Bond Trustee's, any such Appointee's and any such receiver's remuneration);
- (b) second, in payment, on a *pro rata* and *pari passu* basis, of all amounts owing to the Paying Agents under the Agency Agreement, the Account Bank under the Account Agreement, the Custodian under the Custody Agreement and the Retained Bond Custodian under the Retained Bond Custody Agreement;
- (c) third, in payment, on a *pro rata* and *pari passu* basis, to the Bondholders of any interest due and payable in respect of the Bonds;
- (d) fourth, in payment, on a *pro rata* and *pari passu* basis, to the Bondholders of any principal due and payable in respect of the Bonds;
- (e) fifth, in payment, on a *pro rata* and *pari passu* basis, of any other unpaid fees and expenses of the Issuer (in each case insofar as they relate to the Bonds);

- (f) sixth, in payment, on a *pro rata* and *pari passu* basis, to the Borrowers of any amounts due and payable under the terms of the Loan Agreements; and
- (g) seventh, in payment of any Permitted Investment Profit, Accounting Profit or Retained Bond Premium Amount, as the case may be, to any Charitable Group Member.

6 Covenants

6.1 General Covenants

In addition to the covenants of the Issuer set out in the Bond Trust Deed, for so long as any of the Bonds remain outstanding, the Issuer covenants that it will not, without the consent in writing of the Bond Trustee, engage in any activity or do anything other than:

- (a) carry out the business of a company which has as its purpose raising finance and on-lending such finance to or for the benefit of the members of the Group (including, without limitation, as envisaged by the Transaction Documents); and
- (b) perform any act incidental to or necessary in connection with (a) above.

The Issuer also covenants, for so long as any of the Bonds remain outstanding, not to create or permit to subsist, over any of the security constituted by or created pursuant to the Bond Trust Deed, any mortgage or charge or any other security interest ranking in priority to, or *pari passu* with, the security created by or pursuant to the Bond Trust Deed.

6.2 Information Covenants

For so long as any of the Bonds remain outstanding, the Issuer shall:

- (a) send to the Bond Trustee and, upon request by any Bondholder to the Issuer, make available to such Bondholder at the Issuer's registered office during normal business hours, a copy of the Compliance Certificate promptly upon receipt of the same from the Borrowers pursuant to the terms of their respective Loan Agreements;
- (b) send to the Bond Trustee and, upon request by any Bondholder to the Issuer, make available to such Bondholder at the Issuer's registered office during normal business hours, a copy of the consolidated annual reports of the Group Parent promptly upon publication of the same by the Group Parent; and
- (c) at the request of Bondholders holding not less than 33 per cent. in principal amount of the Bonds for the time being outstanding, convene a meeting of the Bondholders to discuss the financial position of the Issuer and the Group, provided, however, that the Issuer shall not be required to convene any such meeting pursuant to this Condition 6.2(c) more than once in any calendar year. Upon the request of Bondholders to convene any such meeting, as aforesaid, the Issuer shall notify all Bondholders of the date (which such date shall be no more than 21 days following such request), time and place of the meeting in accordance with Condition 15 (*Notices*). The Issuer shall act in good faith in addressing any questions regarding the financial position of itself or any other member of the Group raised at any such meeting, provided, however, that the Issuer shall not be obliged to disclose any information which it, in its absolute discretion, considers to be of a confidential nature. For the avoidance of doubt, the provisions of this Condition 6.2(c) are in addition to the meetings provisions set out in Condition 17 (*Meetings of Bondholders, Modification and Waiver*).

6.3 **Loan Agreements, Security Agreements and Security Trust Deed Consents Covenant**

For so long as any of the Bonds remain outstanding, the Issuer covenants that it shall not consent to any waiver, amendment or modification of, or take any action or direct the Security Trustee to take any action pursuant to, the Loan Agreements, the Security Agreements or the Security Trust Deed except with the prior consent of the Bond Trustee. The Bond Trustee may seek the consent of the Bondholders in accordance with the Bond Trust Deed prior to giving any such consent.

7 **Interest**

7.1 **Interest Rate and Interest Payment Dates**

The Bonds bear interest on their principal amount from (and including) 24 November 2020 at the rate of 2.000 per cent. per annum, payable semi-annually in arrear in equal instalments on 24 May and 24 November in each year (each, an **Interest Payment Date**), commencing on 24 May 2021.

7.2 **Interest Accrual**

Each Bond will cease to bear interest from (and including) its due date for redemption unless, upon due presentation, payment of the principal in respect of the Bond is improperly withheld or refused or unless default is otherwise made in respect of payment, in which event interest shall continue to accrue as provided in the Bond Trust Deed.

7.3 **Calculation of Broken Interest**

When interest is required to be calculated in respect of a period of less than a full half year, it shall be calculated on the basis of:

- (a) the actual number of days in the period from (and including) the date from which interest begins to accrue (the **Accrual Date**) to (but excluding) the date on which it falls due divided by
- (b) the actual number of days from and including the Accrual Date to (but excluding) the next following Interest Payment Date multiplied by 2,

and multiplying the resulting fraction by the rate of interest specified in Condition 7.1 above and the relevant principal amount of the Bonds.

8 **Payments**

8.1 **Payments in respect of Bonds**

Payments of principal and interest in respect of each Bond will be made against presentation and surrender (or, in the case of part payment only, endorsement) of the Bond, except that payments of interest on an Interest Payment Date will be made against presentation and surrender (or in the case of part payment only, endorsement) of the relevant Coupon, in each case at the specified office outside the United States of any of the Paying Agents.

8.2 **Method of Payment**

Payments will be made by credit or transfer to an account in Sterling maintained by the payee with, or, at the option of the payee, by a cheque in Sterling drawn on, a bank in London.

8.3 **Missing Unmatured Coupons**

Each Bond should be presented for payment together with all relative unmatured Coupons (which expression shall, for the avoidance of doubt, include Coupons falling to be issued on exchange of matured Talons), failing which the full amount of any relative missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the full amount of the missing unmatured Coupon which the amount so paid bears to the total amount due) will be deducted from the amount due for payment. Each amount so deducted will be paid in the manner mentioned above against presentation and surrender (or, in the case of part payment only, endorsement) of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date in respect of the relevant Bond (whether or not the Coupon would otherwise have become void pursuant to Condition 11 (*Prescription*) or, if later, five years after the date on which the Coupon would have become due, but not thereafter).

8.4 **Payments subject to Applicable Laws**

Payments in respect of principal and interest on the Bonds are subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 10 (*Taxation*).

8.5 **Payment Day**

If the date for payment of any amount in respect of any Bond 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 11 (*Prescription*)):

- (a) is, or falls after, the relevant due date;
- (b) is, or falls at least one Business Day after, the corresponding Loan Payment Day;
- (c) is a Business Day in the place of the specified office of the Paying Agent at which the Bond or Coupon is presented for payment; and
- (d) in the case of payment by a credit or transfer to a Sterling account in London as referred to above, is a Business Day in London.

In this Condition, **Business Day** means, in relation to any place, 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 that place.

8.6 **Initial Paying Agents**

The names of the initial Paying Agents and their initial specified offices are set out at the end of these Conditions. The Issuer reserves the right, subject to the prior written approval of the Bond Trustee, at any time to vary or terminate the appointment of any Paying Agent and to appoint additional or other Paying Agents provided that:

- (a) there will at all times be a Principal Paying Agent; and

- (b) there will at all times be at least one Paying Agent (which may be the Principal Paying Agent) having its specified office in a European city which so long as the Bonds are admitted to official listing on the London Stock Exchange shall be London or such other place as the Financial Conduct Authority may approve.

Notice of any termination or appointment and of any changes in specified offices will be given to the Bondholders promptly by the Issuer in accordance with Condition 15 (*Notices*).

In acting under the Agency Agreement, the Paying Agents act solely as agents of the Issuer and, in certain circumstances specified therein, of the Bond Trustee and do not assume any obligation to, or relationship of agency or trust with, any Bondholders or Couponholders. 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 paying agent.

8.7 Interpretation of principal and interest

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

- (a) any additional amounts which may be payable with respect to principal under Condition 10 (*Taxation*) ; and
- (b) any specific redemption price referred to in Condition 9 (*Redemption and Purchase*) which may be payable by the Issuer under or in respect of the Bonds.

Any reference in these Conditions to interest in respect of the Bonds shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 10 (*Taxation*).

9 Redemption and Purchase

9.1 Redemption at Maturity

Unless previously redeemed or purchased and cancelled as specified in these Conditions, the Bonds will be redeemed by the Issuer at their principal amount on 24 November 2038.

9.2 Early Redemption

If, in accordance with a Loan Agreement, a Borrower elects to prepay its Loan in whole or in part prior to the repayment date specified in the relevant Loan Agreement, then (if no replacement Commitment is put in place with another Borrower) the Issuer shall redeem the Bonds in whole or, in respect of a prepayment in part, in an aggregate principal amount equal to the principal amount of the relevant Loan to be repaid on the date which is two Business Days after that on which payment is made by the relevant Borrower under the relevant Loan Agreement (the **Loan Prepayment Date**).

Redemption of the Bonds pursuant to this Condition 9.2 shall be made at the higher of the following:

- (a) par; and
- (b) the amount (as calculated by a financial adviser nominated by the Issuer and approved by the Bond Trustee (the **Nominated Financial Adviser**) and reported in writing to the

Issuer and the Bond Trustee) which is equal to the principal amount of the Bonds 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 Bonds (if the Bonds were to remain outstanding until their original maturity) on the Determination Date would be equal to the sum of (i) the Gross Redemption Yield at 3:00 pm (London time) on the Determination Date of the Benchmark Gilt and (ii) 0.25 per cent.,

together with any interest accrued up to (but excluding) the Loan Prepayment Date.

For the purposes of this Condition:

Benchmark Gilt means the 4³/₄% Treasury Stock 2038 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 (failing such determination, as determined by the Bond Trustee with such advice) to be the most appropriate benchmark conventional UK Government Gilt;

Determination Date means three Business Days prior to the Loan Prepayment Date; 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 5, 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 and 16 March 2005) (as amended or supplemented from time to time).

9.3 **Early Redemption for Tax Reasons**

If, as a result of any actual or proposed change in tax law, the Issuer determines (in its reasonable commercial judgement), and certifies to the Bond Trustee, that it would, on the next following Interest Payment Date, be required to make a withholding or deduction in respect of payments to be made on such Interest Payment Date (other than in respect of a Bondholder Specific Withholding) and the Issuer does not opt to pay additional amounts pursuant to Condition 10.2 (*No obligation to pay additional amounts*) or, having so opted, notifies the Bond Trustee and the Bondholders, in accordance with Condition 15 (*Notices*) of its intention to cease paying such additional amounts, the Issuer shall redeem the Bonds in whole, but not in part, at their principal amount, plus accrued interest to (but excluding) the date of redemption, as soon as reasonably practicable prior to the next following Interest Payment Date or, if it is not reasonably practicable for the Issuer to redeem the Bonds prior to the next following Interest Payment Date, within three Business Days thereafter. For the avoidance of doubt, any amounts in respect of accrued interest which fall due on any such redemption of the Bonds (and, where the redemption follows the next following Interest Payment Date, such Interest Payment Date) shall be paid subject to the required withholding or deduction and the Issuer shall not be obliged to pay any additional amounts in respect thereof.

9.4 **Mandatory Early Redemption**

If a Loan becomes repayable:

- (a) as a result of a Borrower Default; or
- (b) following a Borrower ceasing to be a Registered Provider of Social Housing (other than if such Borrower regains its status as a Registered Provider of Social Housing within 180 days),

then (unless the Issuer has agreed with another Borrower to increase its Commitment by the relevant amount of the Loan to be prepaid not later than the date on which the relevant amount of Bonds would otherwise be redeemed) the Issuer shall redeem the Bonds at their principal amount in an aggregate principal amount equal to the principal amount of the relevant Loan to be repaid, plus accrued interest to (but excluding) the date on which the Loan is repaid (the **Loan Repayment Date**), on the date which is two Business Days after the Loan Repayment Date.

9.5 Notice of Early Redemption

Notice of any early redemption in accordance with Condition 9.2 (*Early Redemption*), Condition 9.3 (*Early Redemption for Tax Reasons*) or Condition 9.4 (*Mandatory Early Redemption*) above shall be given by the Issuer to the Bond Trustee, the Paying Agents and the Bondholders, in accordance with Condition 15 (*Notices*) as promptly as practicable.

In the case of a partial redemption of Bonds, Bonds to be redeemed will be selected in such place as the Bond Trustee may approve and in such manner and at such time as the Bond Trustee may deem appropriate and fair. Notice of any such selection will be given by the Issuer to the Bondholders as promptly as practicable. Each notice will specify the date fixed for redemption, the early redemption amount and the aggregate principal amount of the Bonds to be redeemed, the serial numbers of the Bonds called for redemption, the serial numbers of Bonds previously called for redemption and not presented for payment and the aggregate principal amount of the Bonds which will be outstanding after the partial redemption.

9.6 Calculations

Each calculation, by or on behalf of the Issuer, for the purposes of this Condition 9 shall, in the absence of manifest error, be final and binding on all persons. If the Issuer does not at any time for any reason calculate amounts referred to in this Condition 9, such amounts may be calculated by the Bond Trustee, or an agent appointed (at the expense of the Issuer) by the Bond Trustee for this purpose, (without any liability accruing to the Bond Trustee as a result) based on information supplied to it by the Issuer and each such calculation shall be deemed to have been made by the Issuer.

9.7 Purchase of Bonds by a Borrower or another member of the Group

A Borrower or any other member of the Group may at any time purchase Bonds in the open market or otherwise at any price. Following any such purchase, such Borrower or such other member of the Group may (but is not obliged to) surrender the Bonds to the Issuer for cancellation. An amount equal to the principal amount of the Bonds being surrendered shall be deemed to be prepaid under the Loan Agreement specified by such Borrower or such other member of the Group (but, for the avoidance of doubt, without triggering a redemption under Condition 9.2 (*Early Redemption*) or, to the extent that the relevant Loan is not then outstanding, an amount of the Undrawn Commitment of the relevant Borrower equal to the principal amount of the Bonds surrendered shall be deemed to be cancelled for the purposes of such Loan Agreement and an amount of Retained Proceeds equal to the Cancelled Retained Proceeds shall be paid by the Issuer to such Borrower or such other member of the Group, as applicable.

9.8 Purchase of Bonds by the Issuer

The Issuer may at any time purchase Bonds in the open market or otherwise at any price.

9.9 Cancellation of purchased or redeemed Bonds

All Bonds redeemed by the Issuer pursuant to Conditions 9.2 (*Early Redemption*), Condition 9.3 (*Early Redemption for Tax Reasons*) or Condition 9.4 (*Mandatory Early Redemption*) or surrendered to the Issuer for cancellation pursuant to Condition 9.7 (*Purchase of Bonds by a Borrower or another member of the Group*) shall be cancelled and may not be issued or resold.

The Issuer:

- (a) may cancel any Retained Bonds held by it or on its behalf following a request by a Borrower, pursuant to a Loan Agreement, to cancel a corresponding amount of such Borrower's Undrawn Commitment;
- (b) shall cancel all Retained Bonds held by or on behalf of the Issuer:
 - (i) forthwith upon notice that the Bonds are to be redeemed (and, in any event, prior to such redemption) in accordance with Condition 9.3 (*Early Redemption for Tax Reasons*) or Condition 12 (*Events of Default and Enforcement*); and
 - (ii) on the date falling five years after the issue date thereof; and
- (c) shall, forthwith upon notice that the Bonds are to be redeemed in full or in part in accordance with Condition 9.4 (*Mandatory Early Redemption*), cancel Retained Bonds held by or on behalf of the Issuer in an aggregate principal amount equal to the principal amount of the Undrawn Commitment (if any) of the relevant Borrower whose Loan has become repayable; and
- (d) may cancel any Bonds (other than Retained Bonds) held by it or on its behalf at any time at its discretion.

10 Taxation

10.1 Payments without withholding

All payments of principal and interest in respect of the Bonds and Coupons by or on behalf of the Issuer shall be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature (**Taxes**) imposed or levied by or on behalf of the Relevant Jurisdiction, unless such withholding or deduction is required by law in which case the relevant payment will be made subject to such withholding or deduction.

10.2 No obligation to pay additional amounts

Subject as follows, neither the Issuer, the Bond Trustee nor any Paying Agent shall be obliged to pay any additional amounts to the Bondholders or Couponholders as a result of any withholding or deduction made in accordance with Condition 10.1 (*Payments without withholding*).

Notwithstanding the foregoing, in the event that the Issuer would, on the next Interest Payment Date, be required to make a withholding or deduction in respect of tax (other than in respect of a Bondholder Specific Withholding), the Issuer may, provided that it has given notice to the Bond Trustee and the Bondholders, in accordance with Condition 15 (*Notices*), of its intention to do so prior to such Interest Payment Date, pay to Bondholders such additional amounts as may be necessary in order that the net amounts received by the Bondholders after such

withholding or deduction will equal the amounts of principal and interest which would have been received in respect of the Bonds in the absence of such withholding or deduction. If at any time the Issuer intends to cease paying such additional amounts it may do so by giving notice to the Bondholders and the Bond Trustee of its intention to do so with effect from the next Interest Payment Date.

11 Prescription

The Bonds and Coupons will become void unless presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date therefor.

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 8 (*Payments*) or any Talon which would be void pursuant to Condition 8 (*Payments*).

12 Events of Default and Enforcement

12.1 Events of Default

The Bond Trustee at its discretion may, and if so requested in writing by the holders of at least one-fourth in principal amount of the Bonds then outstanding or if so directed by an Extraordinary Resolution shall (subject in each case to being secured and/or indemnified and/or pre-funded to its satisfaction), (but in the case of the happening of any of the events described in paragraphs 12.1(b), (c) and (j) below, only if the Bond Trustee shall have certified in writing to the Issuer that such event is, in its opinion, materially prejudicial to the interests of the Bondholders), give notice in writing to the Issuer that the Bonds are, and the Bonds shall thereupon immediately become, due and repayable at their principal amount together with accrued interest as provided in the Bond Trust Deed if any of the following events (each an **Event of Default**) shall occur:

- (a) if default is made in the payment of any principal or interest due in respect of the Bonds or any of them and the default continues for a period of seven days in the case of principal and 14 days in the case of interest; or
- (b) if the Issuer fails to perform or observe any of its other obligations under the Conditions or the Bond Trust Deed or if any representation given by the Issuer to the Bond Trustee in the Bond Trust Deed is found to be untrue, incorrect or misleading as at the time it was given and (except in any case where, in the opinion of the Bond Trustee, the failure or inaccuracy is incapable of remedy when no such continuation or notice as is hereinafter mentioned will be required) the failure or inaccuracy continues for the period of 30 days next following the service by the Bond Trustee on the Issuer of notice requiring the same to be remedied; or
- (c)
 - (i) any other present or future indebtedness of the Issuer for or in respect of moneys borrowed or raised becomes due and payable prior to its stated maturity by reason of any actual or potential default, event of default or the like (howsoever described);
 - (ii) any such indebtedness is not paid when due or, as the case may be, within any originally applicable grace period; or

- (iii) the Issuer fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised, provided that the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned in (i), (ii) or (iii) above have occurred equals or exceeds £10,000,000 or its equivalent in other currencies (as reasonably determined by the Bond Trustee); or
- (d) if any order is made by any competent court or resolution passed for the winding up or dissolution of the Issuer save for the purposes of reorganisation on terms previously approved in writing by the Bond Trustee or by an Extraordinary Resolution; or
- (e) if the Issuer ceases or threatens to cease to carry on the whole or, in the opinion of the Bond Trustee, substantially all of its business, save for the purposes of reorganisation on terms previously approved in writing by the Bond Trustee or by an Extraordinary Resolution; or
- (f) if the Issuer stops or threatens to stop payment of, or is unable to, or admits inability to, pay, its debts (or any class of its debts) as they fall due, or is deemed unable to pay its debts pursuant to or for the purposes of any applicable law, or is adjudicated or found bankrupt or insolvent; or
- (g) 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, liquidator, administrator or other similar official, or an administrative or other receiver, manager, liquidator, administrator or other similar official is appointed, in relation to the Issuer or, as the case may be, in relation to all or substantially all of the Issuer's undertaking or assets, or an encumbrancer takes possession of all or substantially all of the Issuer's undertaking or assets, or a distress, execution, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against all or substantially all of the Issuer's undertaking or assets; and
 - (ii) in any case (other than the appointment of an administrator) is not discharged within 14 days; or
- (h) if the Issuer 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
- (i) if the Issuer 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
- (j) if it is or will become unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Bonds, the Bond Trust Deed or any Loan Agreement.

12.2 Enforcement

The Bond Trustee may at any time, at its discretion and without notice, take such proceedings and/or other steps or action (including lodging an appeal in any proceedings) against or in relation to the Issuer as it may think fit to enforce the provisions of the Bond Trust Deed, the Bonds, the Coupons and/or any of the other Transaction Documents or otherwise, but it shall not be bound to take any such proceedings or other steps or action unless (i) it shall have been so directed by an Extraordinary Resolution or so requested in writing by the holders of at least one-fourth in principal amount of the Bonds then outstanding and (ii) it shall have been secured and/or indemnified and/or pre-funded to its satisfaction.

The Bond Trustee may refrain from taking any action in any jurisdiction if the taking of such action in that jurisdiction would, in its opinion based upon legal advice in the relevant jurisdiction, be contrary to any law of that jurisdiction. Furthermore, the Bond Trustee may also refrain from taking such action if it would otherwise render it liable to any person in that jurisdiction or if, in its opinion based upon such legal advice, it would not have the power to do the relevant thing in that jurisdiction by virtue of any applicable law in that jurisdiction or if it is determined by any court or other competent authority in that jurisdiction that it does not have such power.

No Bondholder, Couponholder or any Secured Party (other than the Bond Trustee) shall be entitled (i) to take any steps or action against the Issuer to enforce the performance of any of the provisions of the Bond Trust Deed, the Bonds, the Coupons or any of the other Transaction Documents or (ii) to take any other action (including lodging an appeal in any proceedings) in respect of or concerning the Issuer, in each case unless the Bond Trustee, having become bound so to take any such steps, actions or proceedings, fails so to do within a reasonable period and the failure shall be continuing.

13 Replacement of Bonds, Coupons and Talons

Should any Bond, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Principal Paying Agent (subject to all applicable laws and the requirements of the Financial Conduct Authority or the London Stock Exchange) 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 Bonds, Coupons or Talons must be surrendered before replacements will be issued.

14 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 the Principal Paying Agent or any other 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 Bond to which it appertains) a further Talon, subject to the provisions of Condition 11 (*Prescription*).

15 Notices

All notices regarding the Bonds 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 and regulations of any stock exchange or other relevant authority on which the Bonds are for the time being listed or by which they have been admitted to trading. 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, in the opinion of the Bond Trustee, publication as provided above is not practicable, a notice shall be validly given if published in another leading daily English-language newspaper with general circulation in Europe.

Notices to be given by any Bondholder shall be in writing and given by lodging the same, together with the relative Bond or Bonds, with the Principal Paying Agent.

Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of the Bonds in accordance with this Condition 15 (*Notices*).

16 Substitution

The Bond Trust Deed contains provisions permitting the Bond Trustee, subject to any required amendment of the Bond Trust Deed, without the consent of the Bondholders or the Couponholders or any Secured Party, to agree with the Issuer to the substitution in place of the Issuer (or of any previous substitute under this Condition) as the principal debtor under the Bonds, the Coupons and the Bond Trust Deed of another company, registered society or other entity subject to:

- (a) the Bond Trustee being satisfied that the interests of the Bondholders will not be materially prejudiced by the substitution; and
- (b) certain other conditions set out in the Bond Trust Deed being complied with.

Any such substitution shall be notified to the Bondholders in accordance with Condition 15 (*Notices*) as soon as practicable thereafter.

17 Meetings of Bondholders, Modification and Waiver

17.1 Meetings of Bondholders

The Bond Trust Deed contains provisions for convening meetings of the Bondholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Bonds, the Coupons or any of the provisions of the Bond Trust Deed (as more particularly described in the Bond Trust Deed). Such a meeting may be convened by the Issuer or the Bond Trustee and shall be convened by the Issuer if required in writing by Bondholders holding not less than ten per cent. in principal amount of the Bonds for the time being remaining outstanding (other than in respect of a meeting requested by Bondholders to discuss the financial position of the Issuer and the Group, which shall be requested in accordance with, and shall be subject to, Condition 6.2(c) (*Information Covenants*)).

The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing in aggregate more than 50 per cent. in principal amount of the Bonds for the time being outstanding, or at any adjourned meeting one or more persons being or representing Bondholders whatever the principal amount of the Bonds so held or represented, except that at any meeting the business of which includes any matter defined in the Bond Trust Deed as a Basic Terms Modification, including, *inter alia*, modifying the date of maturity of the Bonds or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Bonds or altering the currency of payment of the Bonds or the Coupons, the quorum shall be one or more persons holding or representing in aggregate not less than 75 per cent. in principal amount of the Bonds for the

time being outstanding, or at any such adjourned meeting one or more persons holding or representing in aggregate not less than 25 per cent. in principal amount of the Bonds for the time being outstanding.

The Bond Trust Deed provides that:

- (a) a resolution passed at a meeting duly convened and held in accordance with the Bond 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 Bonds 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 Bond Trustee) by or on behalf of the holders of not less than 75 per cent. in principal amount of the Bonds for the time being outstanding,

shall, in each case, be effective as an Extraordinary Resolution of the Bondholders.

An Extraordinary Resolution passed by the Bondholders shall be binding on all the Bondholders, whether or not (in the case of Extraordinary Resolutions passed at any meeting) they are present at any meeting and whether or not they voted on the resolution (or, in the case of a written resolution, whether or not they signed such written resolution), and on all Couponholders.

17.2 Modification, Waiver, Authorisation and Determination

The Bond Trustee may agree, without the consent of the Bondholders, Couponholders or any Secured Party, to any modification (except as stated in the Bond Trust Deed) of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of the Bonds, the Bond Trust Deed, any Security Agreement or any other Transaction Document, or determine, without any such consent as aforesaid, that any Potential Event of Default or Event of Default shall not be treated as such, where, in any such case, it is not, in the opinion of the Bond Trustee, materially prejudicial to the interests of the Bondholders so to do or may agree, without any such consent as aforesaid, to any modification which, in the opinion of the Bond Trustee, is of a formal, minor or technical nature or to correct a manifest error or an error which is, in the opinion of the Bond Trustee, proven. Any such modification, waiver, authorisation or determination shall be binding on the Bondholders, the Couponholders and the Secured Parties and (unless the Bond Trustee agrees otherwise) shall be notified to the Bondholders in accordance with Condition 15 (*Notices*) as soon as practicable thereafter.

17.3 Bond Trustee to have regard to interests of Bondholders 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, determination or substitution), the Bond Trustee shall have regard to the general interests of the Bondholders (excluding the Issuer, for so long as it holds any Bonds) as a class (but shall not have regard to any interests arising from circumstances particular to individual Bondholders or Couponholders whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Bondholders 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 subdivision thereof and the Bond Trustee shall not be entitled to require, nor shall any Bondholder or Couponholder be entitled to claim, from the Issuer, the Bond Trustee or any other person any

indemnification or payment in respect of any tax consequences of any such exercise upon individual Bondholders or Couponholders.

17.4 **Bonds outstanding**

The Bond Trust Deed provides that Bonds which are for the time being held by or on behalf of, or for the benefit of, the Issuer (including, for the avoidance of doubt, the Retained Bonds for so long as they are held by or on behalf of the Issuer), a Borrower or any other member of the Group, in each case, as beneficial owner shall (unless and until ceasing to be so held) be deemed not to be outstanding for the purpose of, *inter alia*, voting and quorum requirements.

18 **Indemnification and Protection of the Bond Trustee and Bond Trustee contracting with the Issuer**

The Bond Trust Deed contains provisions for the indemnification of the Bond Trustee and for its relief from responsibility and liability towards the Issuer, the Bondholders and the Couponholders, including:

- (a) provisions relieving it from taking action unless secured and/or indemnified and/or pre-funded to its satisfaction; and
- (b) provisions limiting or excluding its liability in certain circumstances.

The Bond Trustee is exempted from any liability in respect of any loss, diminution in value or theft of all or any part of the Issuer Charged Property, from any obligation to insure all or any part of the Issuer Charged Property (including, in either such case, any documents evidencing, constituting or representing the same or transferring any rights, benefits and/or obligations thereunder), or to procure the same to be insured.

The Bond Trust Deed also contains provisions pursuant to which the Bond Trustee is entitled, *inter alia*:

- (i) to enter into or be interested in any contract or financial or other transaction or other arrangement with the Issuer and/or any other Transaction Party or any person or body corporate associated with the Issuer and/or any Transaction Party; and
- (ii) to accept or hold the trusteeship of any other trust deed constituting or securing any other securities issued by, or relating to, the Issuer and/or any Transaction Party or any such person or body corporate so associated or any other office of profit under the Issuer and/or any Transaction Party or any such person or body corporate so associated.

The Bond Trustee shall not be bound to take any step or action in connection with the Bond Trust Deed or the Bonds or obligations arising pursuant thereto or pursuant to the other Transaction Documents, where it is not satisfied that it is indemnified and/or secured and/or pre-funded against all its liabilities and costs incurred in connection with such step or action and may demand, prior to taking any such step or action, that there be paid to it in advance such sums as it considers (without prejudice to any further demand) shall be sufficient so as to indemnify it.

The Bond Trustee shall have no responsibility for the validity, sufficiency or enforceability of the Issuer Security. The Bond Trustee shall not be responsible for monitoring the compliance by any of the other Transaction Parties with their obligations under the Transaction Documents, neither shall the Bond Trustee be responsible for monitoring the compliance by the Borrowers

or any of the other parties to the Security Agreements and the Security Trust Deed of their obligations under the Security Agreements, the Security Trust Deed or any other document.

19 Further Issues

The Issuer shall be at liberty from time to time without the consent of the Bondholders or the Couponholders to create and issue further bonds having terms and conditions (and backed by the same assets) the same as the Bonds or the same in all respects save for the amount and date of the first payment of interest thereon and so that the same shall be consolidated and form a single series with the outstanding Bonds. Any further bonds so created and issued shall be constituted by a deed supplemental to the Bond Trust Deed.

20 Contracts (Rights of Third Parties) Act 1999

No person shall have any right to enforce any term or condition of this Bond 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.

21 Governing Law

The Bonds, the Coupons, the Bond Trust Deed and the Agency Agreement, and any non-contractual obligations or matters arising from or in connection with them, shall be governed by, and construed in accordance with, English law.

22 Submission to Jurisdiction

22.1 Submission to exclusive jurisdiction of English courts

Subject to Condition 22.3 below, the English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with the Bond Trust Deed, the Bonds 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 Bond Trust Deed, the Bonds and/or the Coupons (a **Dispute**) and accordingly each of the Issuer, the Bond Trustee and any Bondholders or Couponholders in relation to any Dispute submits to the exclusive jurisdiction of the English courts.

22.2 Waiver of objection to English courts

For the purposes of this Condition 22, the Issuer waives any objection to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute.

22.3 Proceedings

To the extent allowed by law, the Bond Trustee, the Bondholders and the Couponholders may, in respect of any Dispute or Disputes, take:

- (a) proceedings in any other court with jurisdiction; and
- (b) concurrent proceedings in any number of jurisdictions.

Form of the Bonds and Summary of Provisions relating to the Bonds while in Global Form

Form of the Bonds

Form, Exchange and Payments

The Bonds will be in bearer new global note (**NGN**) form and will be initially issued in the form of a temporary global bond (the **Temporary Global Bond**) which will be delivered on or prior to the issue date of the Bonds to a common safekeeper for Euroclear Bank SA/NV (**Euroclear**) and/or Clearstream Banking S.A. (**Clearstream, Luxembourg**).

The Bonds are intended to be held in a manner which will allow Eurosystem eligibility. This means that the Bonds are intended, upon issue, to be deposited with Euroclear or Clearstream, Luxembourg as common safekeeper and does not necessarily mean that the Bonds 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. Bondholders should note that the European Central Bank has applied a temporary extension of Eurosystem eligibility to Sterling denominated securities. However, should this extension cease at any time during the life of the Bonds, the Bonds will not be in a form which can be recognised as eligible collateral.

Whilst the Bonds are represented by the Temporary Global Bond, payments of principal, interest (if any) and any other amount payable in respect of the Bonds due prior to the Exchange Date will be made 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 Bond 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 Exchange Date, interests in the Temporary Global Bond will be exchangeable (free of charge) upon a request as described therein for interests recorded in the records of Euroclear or Clearstream, Luxembourg, as the case may be, in a permanent global bond (the **Permanent Global Bond** and, together with the Temporary Global Bond, the **Global Bonds**), against certification of beneficial ownership as described above unless such certification has already been given. The holder of the Temporary Global Bond 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 Bond for an interest in the Permanent Global Bond is improperly withheld or refused.

Payments of principal, interest (if any) or any other amounts on the Permanent Global Bond will be made through Euroclear and/or Clearstream, Luxembourg without any requirement for certification.

On each occasion of a payment in respect of a Global Bond the Principal Paying Agent shall instruct Euroclear and Clearstream, Luxembourg to make appropriate entries in their records to reflect such payment.

The Global Bonds will be exchangeable (free of charge), in whole but not in part, for definitive Bonds with interest coupons and talons attached only upon the occurrence of an Exchange Event. For these purposes, **Exchange Event** means that:

- (a) an Event of Default (as defined in Condition 12.1 (Events of Default)) has occurred and is continuing;
- (b) the 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 Bond Trustee is available; or

- (c) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Bonds represented by the relevant Global Bond in definitive form.

The Issuer will promptly give notice to Bondholders in accordance with Condition 15 (*Notices*) if an Exchange Event occurs. In the event of the occurrence of an Exchange Event as described in (a) or (b) above, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Global Bond) or the Bond 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 Issuer may 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.

Legend concerning United States persons

The following legend will appear on all Bonds (other than the Temporary Global Bond) and on all interest coupons relating to the Bonds:

"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 the Bonds or interest coupons and will not be entitled to capital gains treatment of any gain on any sale, disposition, redemption or payment of principal in respect of the Bonds or interest coupons.

Summary of Provisions relating to the Bonds while in Global Form

Notices

For so long as all of the Bonds are represented by one or both of the Global Bonds and such Global Bond(s) is/are held on behalf of Euroclear and/or Clearstream, Luxembourg, notices to Bondholders (which includes, for this purpose, any Compliance Certificate or annual reports required to be made available pursuant to a request by any of the Bondholders pursuant to Condition 6.2 (*Information Covenants*)) may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg (as the case may be) for communication to the relative Accountholders (as defined below) rather than by publication as required by Condition 15 (*Notices*). Any such notice shall be deemed to have been given to the holders of the Bonds on the second day after the day on which such notice was delivered to Euroclear and/or Clearstream, Luxembourg (as the case may be) as aforesaid.

For so long as all of the Bonds are represented by one or both of the Global Bonds and such Global Bond(s) is/are held on behalf of Euroclear and/or Clearstream, Luxembourg, notices to be given by any Bondholder may be given to the Principal Paying Agent through Euroclear and/or Clearstream, Luxembourg and otherwise in such manner as the Principal Paying Agent and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

Accountholders

For so long as any of the Bonds is represented by a Global Bond held on behalf of Euroclear and/or 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 Bonds (the **Accountholder**) (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the principal amount of such Bonds 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 as the holder of such principal amount of such Bonds for all purposes other than with respect to the payment of principal or interest on such principal amount of such Bonds, for which purpose the bearer of the relevant Global Bond shall be treated as the holder of such principal amount of such Bonds in accordance with and subject to the terms of the relevant Global Bond and the expressions Bondholder and holder of Bonds and related expressions shall be construed accordingly. In determining whether a particular person is entitled to a particular principal amount of Bonds as aforesaid, the Bond 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.

Bonds which are represented by a Global Bond 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.

Prescription

Claims against the Issuer in respect of principal and interest on the Bonds represented by a Global Bond will be prescribed after 10 years (in the case of principal) and five years (in the case of interest) from the Relevant Date.

Cancellation

Cancellation of any Bond represented by a Global Bond and required by the Conditions of the Bonds to be cancelled following its redemption or purchase will be effected by entry in the records of Euroclear or Clearstream, Luxembourg, as the case may be.

Partial Redemption

For so long as all of the Bonds are represented by one or both of the Global Bonds and such Global Bond(s) is/are held on behalf of Euroclear and/or Clearstream, Luxembourg, no selection of Bonds will be required under Condition 9.5 (*Notice of Early Redemption*) in the event that the Bonds are to be redeemed in part pursuant to Condition 9.2 (*Early Redemption*) or Condition 9.4 (*Mandatory Early Redemption*). In such event, the standard procedures of Euroclear and/or Clearstream, Luxembourg shall operate to determine which interests in the Global Bond(s) are to be subject to such redemption (and such redemption shall be reflected in the records of Euroclear and Clearstream, Luxembourg as either a reduction in the principal amount of the Bonds or a reduction by the application of a pool factor at the discretion of Euroclear and Clearstream, Luxembourg).

Use of Proceeds

The Issuer estimates that the net amount of the proceeds of the issue of the Bonds will be £295,899,000.

Subject as set out below, the net proceeds from the issue of the Bonds (after deduction of expenses payable by the Issuer) will be advanced by the Issuer to one or more Borrowers pursuant to the Loan Agreements to be applied in accordance with such Borrowers' constitutional documents (including, for the avoidance of doubt, the repayment of any existing indebtedness of such Borrower and any other amounts due and payable thereunder).

For so long as insufficient security has been granted by the Borrowers in favour of the Issuer to permit the drawing of the Commitments in full or the Borrowers have not otherwise drawn any part of one or more of the Commitments, the Retained Proceeds shall be retained in the Initial Cash Security Account in accordance with the terms of the Account Agreement and the Custody Agreement (and may be invested in Permitted Investments). Any Retained Proceeds shall be advanced to one or more Borrowers at a later date pursuant to Loan Agreements to the extent that Properties of a corresponding value have been charged in favour of the Security Trustee and allocated as Designated Property for the benefit of the Issuer. In addition, in the event that any losses are made in respect of any Retained Proceeds which have been invested in Permitted Investments, each drawing to be made by the Issuer to one or more Borrowers pursuant to a Loan Agreement shall be advanced at a discount in an amount equal to the Actual Advance Amount (as defined in the Loan Agreements).

Description of the Loan Agreements

The following description of the Loan Agreements consists of a summary of certain provisions of the Loan Agreements and is qualified by reference to the detailed provisions thereof. The Loan Agreements are not, however, incorporated by reference into, and therefore does not form part of, this Prospectus.

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

Facility

On or around the Issue Date, the Issuer shall enter into:

- (a) a loan agreement between the Issuer, Orbit and the Security Trustee (the **Original Orbit Loan Agreement**);
- (b) a loan agreement between the Issuer, Orbit South and the Security Trustee (the **Original Orbit South Loan Agreement**); and
- (c) a loan agreement between the Issuer, Heart of England and the Security Trustee (the **Original Heart of England Loan Agreement** and, together with the Original Orbit Loan Agreement and the Original Orbit South Loan Agreement, the **Original Loan Agreements**).

Subject to the provisions of the Original Orbit Loan Agreement, the Issuer shall commit to make a loan to Orbit in the principal amount of £120,000,000 (the **Initial Orbit Commitment** and, together with any further commitments to Orbit, the **Orbit Commitment**). The **Loan**, in respect of the Original Orbit Loan Agreement, is the principal amount of the Orbit Commitment that has been advanced to Orbit or the outstanding balance thereof.

Subject to the provisions of the Original Orbit South Loan Agreement, the Issuer shall commit to make a loan to Orbit South in the principal amount of £120,000,000 (the **Initial Orbit South Commitment** and, together with any further commitments to Orbit South, the **Orbit South Commitment**). The **Loan**, in respect of the Original Orbit South Loan Agreement, is the principal amount of the Orbit South Commitment that has been advanced to Orbit South or the outstanding balance thereof.

Subject to the provisions of the Original Heart of England Loan Agreement, the Issuer shall commit to make a loan to Heart of England in the principal amount of £60,000,000 (the **Initial Heart of England Commitment** and, together with any further commitments to Heart of England, the **Heart of England Commitment**). The **Loan**, in respect of the Original Heart of England Loan Agreement, is the principal amount of the Heart of England Commitment that has been advanced to Heart of England or the outstanding balance thereof. The Initial Heart of England Commitment, together with the Initial Orbit Commitment and the Initial Orbit South Commitment, are referred to as the **Initial Original Borrower Commitments**. The **Heart of England Commitment**, together with the Orbit Commitment and the Orbit South Commitment are referred to as the **Original Borrower Commitments**.

Upon the issue by the Issuer of any further Bonds pursuant to Condition 19 (*Further Issues*) and, if applicable, the sale by the Issuer of Retained Bonds, the Issuer may commit (subject, with respect to sale proceeds of the Retained Bonds, to one or more of the Commitments being reduced accordingly by one or more of the Borrowers) to making:

- (a) a further loan to the Original Borrowers pursuant to the Original Loan Agreements; and/or
- (b) a loan to one or more other charitable (or exempt charitable) Registered Providers of Social Housing within the Group (together, the **Additional Borrowers** and each an **Additional**

Borrower and, together with the Original Borrowers, the **Borrowers**) pursuant one or more additional bond loan agreements (each an **Additional Loan Agreement** and, together, the **Additional Loan Agreements** and, together with the Original Loan Agreements, the **Loan Agreements**),

in a principal amount which reflects such sale or issue proceeds (each a **Commitment** and, together with the Original Borrower Commitments, the **Commitments**). The **Loan**, in respect of each Additional Loan Agreement, is the principal amount of the Commitment that has been advanced to the relevant Additional Borrower or the outstanding balance thereof.

Each Commitment may be drawn in one or more drawings and the maximum principal amount of each drawing shall be an amount which corresponds to the Minimum Value of the Initial Properties and any Additional Properties which have, on or before the date of such drawing, been charged in favour of the Security Trustee, for the benefit of the Issuer, less the aggregate amount of all Commitments which have previously been drawn.

The initial drawing of the Initial Original Borrower Commitments shall be advanced at a discount in an amount equal to the principal amount of such drawing multiplied by the Issue Price of the Bonds (and, for the avoidance of doubt, the difference between the principal amount of such drawing and the actual advance amount thereof shall be ignored in determining the amount of the Loan under the Original Loan Agreements and, *inter alia*, the calculation of interest, principal and premium payments payable in respect thereon).

No Commitment may be drawn until the relevant Borrower has satisfied the conditions set out in Clause 2.3 (*Facility*) of the Original Loan Agreements (or any such corresponding clause in any Additional Loan Agreement, as applicable) in respect of the first drawing in respect of a Loan Agreement, and the conditions set out in Clause 11.1 (*Additional Properties*) of the Original Loan Agreements (or such corresponding clause in any Additional Loan Agreement) in respect of any subsequent drawings of amounts of the relevant Commitment which exceed the Minimum Value of the Initial Properties.

In addition, the Issuer and the Original Borrowers have each acknowledged (and each Additional Borrower will be required to acknowledge) that any drawing of a Commitment shall be subject to the Security Trustee being satisfied that the value of the Issuer's Designated Security (based solely on the relevant confirmation from the Original Borrowers and each Additional Borrower of the Minimum Value of the Properties forming part of the Issuer's Designated Security (which itself shall be evidenced by the relevant Valuation), which the Security Trustee is entitled to rely upon without further enquiry or investigation in respect thereof) is such that the Asset Cover Test is satisfied immediately following such drawing and, in respect of any part of a Commitment which is to be funded by the Issuer by an issue of further Bonds and, if applicable, a sale of Retained Bonds, the receipt by the Issuer of the issue proceeds or the net sale proceeds thereof.

Each Original Borrower has acknowledged (and each Additional Borrower will be required to acknowledge) that the Issuer may invest all or any part of the Retained Proceeds in Permitted Investments in accordance with the Custody Agreement and that, as a result of:

- (a) any losses made by the Issuer in respect of such Permitted Investments; and/or
- (b) any issue or sale of Bonds by the Issuer made at a discount to the principal amount of such Bonds,

the amount of Retained Proceeds held by the Issuer, at the time of any drawdown request, may be less than the Undrawn Commitment which is to be funded from such Retained Proceeds. Each drawing to be funded from the Retained Proceeds shall be advanced in an amount equal to the Actual Advance Amount (which may be at a discount to the principal amount requested).

For this purpose, **Actual Advance Amount** means, in respect of each drawing funded from Retained Proceeds:

- (a) the principal amount of such drawing, multiplied by
- (b) the result of dividing:
 - (i) the amount of Retained Proceeds held by the Issuer at the time of the drawdown request (for the avoidance of doubt, after taking into account any losses suffered by the Issuer as a result of investing in Permitted Investments but, for this purpose, excluding any Permitted Investment Profit), by
 - (ii) the Undrawn Commitment which is to be funded from such Retained Proceeds.

For the avoidance of doubt:

- (a) no Borrower shall be required to monitor the market value of any Permitted Investments;
- (b) any difference between the principal amount of a drawing and the relevant Actual Advance Amount shall be ignored in determining the amount of the relevant Loan and, *inter alia*, the calculation of interest, principal and premium payments payable in respect thereon; and
- (c) any income received by the Issuer in respect of Permitted Investments shall not be credited to the Initial Cash Security Account but shall instead be credited to the Transaction Account in accordance with the Account Agreement.

The Issuer and each Original Borrower have agreed (and each Additional Borrower shall agree) that:

- (a) where the Issuer is required to sell any Permitted Investments to fund a drawing under a Loan Agreement and such sale results in a Permitted Investment Profit, the Issuer may (at its discretion) make a Gift Aid Payment to a Charitable Group Member in an amount equal to the Permitted Investment Profit and, for the avoidance of doubt, such drawing shall be advanced at the Actual Advance Amount (which such right only exists to the extent that there are distributable reserves available for such purpose in the Issuer and, prior to taking into account the Gift Aid Payment, the Issuer has taxable profits for corporation tax purposes in the accounting period in which the Gift Aid Payment is or would but for this paragraph (a) otherwise be made or treated as made by section 199 of the Corporation Tax Act 2010); and
- (b) immediately prior to the end of each accounting period, to the extent that the Issuer would otherwise be required to recognise a profit for tax purposes in respect of its Permitted Investments and/or Retained Bonds as a result of the movement in the fair value recognised in its accounts of such Permitted Investments and/or Retained Bonds for that accounting period, the Issuer shall sell Permitted Investments in an aggregate amount equal to the amount required to offset or discharge any corporation tax liability (either by the payment of such corporation tax liability or by making a Gift Aid Payment to a Charitable Group Member) in respect of the Accounting Profit and may (at its discretion), in the same accounting period or such later period permitted under section 199 of the Corporation Tax Act 2010, make a Gift Aid Payment to a Charitable Group Member in an amount equal to the Accounting Profit (which such right only exists to the extent that there are distributable reserves available for such purpose in the Issuer and, prior to taking into account the Gift Aid Payment, the Issuer has taxable profits for corporation tax purposes in the accounting period in which the Gift Aid Payment is or would but for this paragraph (b) otherwise be made or treated as made by section 199 of the Corporation Tax Act 2010).

The Issuer and each Original Borrower have also agreed (and each Additional Borrower shall agree, to the extent that any Retained Bonds are held by the Issuer upon the date of its accession as a Borrower) that, upon a sale (if any) of the Retained Bonds by the Issuer:

- (a) in the event that such sale produces a Retained Bond Premium Amount, the Issuer may (at its discretion) make a Gift Aid Payment to a Charitable Group Member in an amount equal to the Retained Bond Premium Amount (which such right only exists to the extent that there are distributable reserves available for such purpose in the Issuer and, prior to taking account of the Gift Aid Payment, the Issuer has taxable profits for corporation tax purposes in the accounting period in which the Gift Aid Payment is or would but for this paragraph (a) otherwise be made or treated as made by section 199 of the Corporation Tax Act 2010) and, for the avoidance of doubt, where the Issuer is required to sell such Retained Bonds to directly fund a drawing under a Loan Agreement, such drawing shall be advanced at the Retained Bond Actual Advance Amount; and
- (b) where the Issuer is required to sell any Retained Bonds to directly fund a drawing under a Loan Agreement and such sale is made at a discount to the principal amount of such Retained Bonds, such drawing shall be advanced at a discount in an amount equal to the Retained Bond Actual Advance Amount.

For this purpose, **Retained Bond Actual Advance Amount** means, in relation to each drawing under a Loan Agreement which is funded directly by a sale of Retained Bonds:

- (a) the principal amount of such drawing, multiplied by
- (b) the result of dividing:
 - (i) the net proceeds of sale of such Retained Bonds (excluding, for this purpose, the Retained Bond Premium Amount), by
 - (ii) the principal amount of such Retained Bonds.

For the avoidance of doubt:

- (a) no Borrower shall be required to monitor the market value of any Retained Bonds; and
- (b) any difference between the principal amount of a drawing and the relevant Retained Bond Actual Advance Amount shall be ignored in determining the amount of the relevant Loan and, *inter alia*, the calculation of interest, principal and premium payments payable in respect thereon.

Each Original Borrower has agreed (and each Additional Borrower shall agree, to the extent that any Retained Bonds are held by the Issuer upon the date of its accession as a Borrower) that, where the Issuer is required to sell any Retained Bonds in order to fund a drawdown request, the Issuer's obligations to fund such drawdown will be subject to the ability of the Issuer to sell such Retained Bonds to a third party.

For so long as any Retained Bonds are held by or on behalf of the Issuer, a Borrower may request that an amount of its Commitment be cancelled (provided that such amount does not exceed the principal amount of Retained Bonds held by or on behalf of the Issuer at that time). As soon as practicable following any such request, the Issuer shall cancel Retained Bonds in a corresponding amount. Such cancellation of the relevant Commitment shall take effect upon the cancellation of such Retained Bonds.

Subject to the conditions precedent set out in Clause 4.2 of each Original Loan Agreement and any corresponding clause in any Additional Loan Agreement, the Issuer may make further commitments to

each Borrower, each in an amount to be agreed between the Issuer, the relevant Borrower and the Security Trustee, following the issuance of further bonds pursuant to Condition 19 (*Further Issues*).

Purpose

The proceeds of each Loan may only be used by a Borrower in accordance with such Borrower's Constitutional Documents, including, for the avoidance of doubt, the repayment of any existing indebtedness of such Borrower and any other amounts due and payable thereunder.

Interest

Rate of Interest

Following its advance, each Loan will carry interest from (and including) the date of its initial advance at the rate of 2.000 per cent. per annum, payable in arrear by half yearly instalments on each Loan Payment Date (being four Business Days prior to each Interest Payment Date).

Interest Periods

Notwithstanding the fact that interest is payable on each Loan Payment Date, interest will accrue daily on each Loan from (and including) an Interest Payment Date (or, in the case of the first interest period of a Loan, the date of its initial advance) to (but excluding) the immediately following Interest Payment Date (each, a **Loan Interest Period**).

Commitment Fee

Each Borrower shall pay to the Issuer a commitment fee in respect of its Undrawn Commitment on each Loan Payment Date in an amount equal to its *pro rata* share (based on the aggregate amount of all Undrawn Commitments of all Borrowers) of:

- (a) the aggregate of the interest payable by the Issuer under the Bonds on the following Interest Payment Date, less
- (b) the aggregate of:
 - (i) the interest received from the Borrowers under all Loan Agreements on such Loan Payment Date; and
 - (ii) the interest otherwise received by the Issuer in respect of the Retained Proceeds in the relevant Loan Interest Period (including, but not limited to, any income received by the Issuer in respect of any Permitted Investments in which any Retained Proceeds are, for the time being, invested).

The commitment fee shall accrue on a daily basis.

Repayment, Purchase and Prepayment

Repayment

Each Borrower must repay its Loan in full four Business Days prior to the Interest Payment Date in November 2038 (the **Loan Maturity Date**).

Bond Purchase

Each Borrower and any other member of the Group may at any time purchase Bonds on the London Stock Exchange, by tender (available to all Bondholders alike) or by private treaty at any price.

Following any such purchase, such Borrower or such other member of the Group may (but is not obliged to) surrender the Bonds to the Issuer to be cancelled for the purpose of reducing its Commitment. An amount of the outstanding balance of the relevant Loan equal to the principal amount of the Bonds surrendered shall be deemed to be prepaid (or, to the extent that no Loan is then outstanding, then an amount of the relevant Undrawn Commitment equal to the principal amount of the Bonds surrendered shall be deemed to be cancelled for the purposes of the relevant Loan Agreement and a corresponding portion of the Retained Proceeds shall be paid by the Issuer to the relevant Borrower or such other member of the Group). Such surrendered and cancelled Bonds shall not be available for reissue.

Each Original Borrower has acknowledged (and each Additional Borrower shall acknowledge) that the terms of the Bond Trust Deed provide that any Bonds which are for the time being held by or on behalf of, *inter alios*, a Borrower or any other member of the Group as beneficial owner shall be deemed not to remain outstanding for the purpose of, *inter alia*, the right to attend and vote at any meeting of the Bondholders.

Optional Prepayment

Pursuant to Clause 5.3 (*Optional Prepayment*) of each Original Loan Agreement or the corresponding clause in any Additional Loan Agreement, as applicable, each Borrower may, at any time on or after the Final Retained Bond Disposal Date and before the Loan Maturity Date, by giving not less than 45 nor more than 60 days' notice in writing to the Issuer and the Security Trustee, prepay the whole or (as the case may be) any part of the outstanding balance of its Loan, together with any interest accrued up to and including the date of prepayment and the relevant Prepayment Premium (being, for so long as any Bonds are outstanding, an amount equal to the excess of the amount notified to such Borrower by the Issuer as being the price determined under the Bond Trust Deed for the redemption of a corresponding principal amount of the Bonds over the principal amount and otherwise zero).

Mandatory Prepayment – Redemption of Bonds

If the Bonds become redeemable prior to the Maturity Date, other than as a result of a prepayment under, or termination of, a Loan Agreement, each Borrower shall prepay, at least one Business Day prior to the relevant date of redemption of the Bonds, the outstanding balance of its Loan, together with accrued interest and accrued commitment fee thereon up to and including the date of redemption.

Mandatory Prepayment – Cancellation of Status

Pursuant to Clause 5.6 (*Mandatory Prepayment – Cancellation of Status*) of each Original Loan Agreement or the corresponding clause in any Additional Loan Agreement, as applicable, each Borrower shall promptly notify the Issuer and the Security Trustee if it ceases to be a Registered Provider of Social Housing. Within 180 days of such notification, such Borrower shall prepay the whole of the outstanding balance of its Loan, together with any interest and commitment fee accrued up to and including the date of prepayment, provided, however, that if such Borrower regains its status as a Registered Provider of Social Housing within such period of 180 days, it shall no longer be required to prepay its Loan in accordance with the above-mentioned Clause 5.6 (*Mandatory Prepayment – Cancellation of Status*) or such corresponding clause.

Redemption of Bonds – Further Payment in Respect of Retained Proceeds Par Amount

In the event that a Borrower elects to, or is otherwise required to, prepay the whole of the outstanding balance of its Loan and the Issuer is required to notify such Borrower of the price determined under the Conditions for the redemption of a corresponding principal amount of the Bonds, then the Issuer shall be entitled to also take account of the redemption of such principal amount of the Bonds (if no Commitment is put in place with another Borrower) that shall correspond to the Retained Proceeds Par Amount (being an amount equal to the Retained Proceeds at the time of calculation, including, where any Retained Proceeds are at that time invested in Permitted Investments, the amount of such Retained Proceeds shall be taken as the purchase price of the relevant Permitted Investments and ignoring, for these purposes, any gains or losses in respect of such Permitted Investments since the date of purchase and where the source of the Retained Proceeds is the net sale proceeds of any Retained Bonds which were sold at a discount on a sale of Retained Bonds by the Issuer), and the price notified to such Borrower shall be increased accordingly.

Warranties and Covenants

Each Borrower will make various warranties and covenants pursuant to its respective Loan Agreement. These warranties and covenants include (or will include, as the case may be), *inter alia*, the following:

Information Covenants

Each Borrower must supply to the Issuer and the Security Trustee not later than 180 days after the end of each relevant financial year:

- (a) a copy of the consolidated audited financial statements of the Group Parent for such financial year; and
- (b) a certificate setting out, among other things, calculations in respect of the asset cover ratio substantially in the form set out in the Loan Agreement (a **Compliance Certificate**) signed by two Authorised Signatories of such Borrower.

Each Borrower must, following receipt of a notice from the Issuer stating that it intends to sell any Retained Bonds, supply to the Issuer and the Bond Trustee not later than three Business Days prior to the date of such sale, a certificate setting out, among other things, calculations in respect of the asset cover ratio substantially in the form set out in Schedule 3 to each Original Loan Agreement (a **Retained Bond Compliance Certificate**) signed by two Authorised Signatories of such Borrower confirming whether, immediately following such sale, the Borrowers will be in compliance with the Asset Cover Test.

Negative Pledge

No Borrower shall create or allow to exist any Security Interest on any assets which are Security Assets, except as set out in, in the case of the Original Borrowers, Clause 8.2(c)(ii) (*General Covenants*) of each Original Loan Agreement and, in the case of any Additional Borrower, the corresponding clause in its Loan Agreement, which includes (or will include, as the case may be), the Security Interests created pursuant to, *inter alia*, the Security Trust Deed and the Security Agreements and any Security Interests created with the prior written consent of the Issuer or by operation of law.

Charged Properties

Each Borrower shall obtain any authorisation or licence required in order to enable the Security Trustee pursuant to the powers of enforcement conferred on it by the Security Documents to sell vacant Charged Properties and maintain insurances on and in relation to its Charged Properties.

Covenants

Each Borrower shall, unless the Security Trustee otherwise agrees in writing, comply in all material respects with any covenants or restrictive covenants relating to a Charged Property which are binding on it.

Guarantee and Indemnity

Pursuant to Clause 9 (*Guarantee and Indemnity*) of each Original Loan Agreement or the corresponding clause in any Additional Loan Agreement, as applicable, each Borrower has (or will have) irrevocably and unconditionally:

- (a) guaranteed to the Issuer the punctual performance by each other Borrower of all such Borrowers' obligations under, *inter alia*, their respective Loan Agreements, the Security Trust Deed and their respective Security Agreements, other than each other Borrowers' obligations to repay principal and any prepayment premium thereon pursuant to their respective Loan Agreements (such amounts being, the **Guaranteed Interest and Fee Amounts**);
- (b) undertaken with the Issuer that, whenever any other Borrower does not pay any Guaranteed Interest and Fee Amounts when due under its respective Loan Agreement, the Security Trust Deed or its respective Security Agreement(s), it must, immediately on demand by the Security Trustee and/or the Issuer, pay the Guaranteed Interest and Fee Amounts as if it were the principal obligor;
- (c) undertaken with the Issuer that, to the extent that the proceeds of the enforcement of the Underlying Security are insufficient to satisfy the Borrowers' obligations under their respective Loan Agreements in full (the shortfall being the **Guaranteed Principal Amount**), it must, immediately on demand by the Security Trustee and/or the Issuer, pay the Guaranteed Principal Amount as if it were the principal obligor; and
- (d) agreed to indemnify the Issuer immediately on demand against any loss or liability suffered by the Issuer if any obligation guaranteed by it is or becomes illegal or invalid.

Asset Cover Ratio

Pursuant to Clause 10 (*Asset Cover Ratio*) of each Original Loan Agreement or the corresponding clause in any Additional Loan Agreement, as applicable, each Borrower shall procure that at all times the sum of:

- (a) the Minimum Value of the Properties forming part of the Issuer's Designated Security;
- (b) the Retained Proceeds Par Amount; and
- (c) the Charged Cash,

will not be less than the Aggregate Funded Commitment, provided however, that from and including the Final Charging Date, the Retained Proceeds Par Amount shall be deemed to be zero for the purpose of determining the Borrowers' compliance with the Asset Cover Test.

Interpretation

For these purposes:

Additional Properties means any Properties (other than the Initial Properties) which have been charged in favour of the Security Trustee, for the benefit of the Issuer, for the purpose of providing underlying security for the Bonds;

Aggregate Funded Commitment means the aggregate amount of the Commitments under all Loan Agreements, less the aggregate principal amount of Retained Bonds held by or on behalf of the Issuer;

Charged Property means the Initial Properties and the Additional Properties;

Designated Security means the assets, rights and property mortgaged or charged or assigned or the subject of any security created pursuant to any Security Agreement, the proceeds of which are allocated in the reduction of all monies, liabilities and obligations owing by the Borrowers to the Issuer under the Loan Agreements;

Final Charging Date means the date falling six months after the Issue Date;

Initial Properties means the Properties which as at the Issue Date will have been charged in favour of the Security Trustee, for the benefit of the Issuer, for the purpose of providing underlying security for the Bonds and are set out in Schedule 9 to each Original Loan Agreement;

Minimum Value means:

$$\left(\frac{A}{105} + \frac{B}{115} \right) \times 100$$

where:

A = the Value of the residential EUV-SH Charged Properties determined on the basis of EUV-SH;
and

B = the Value of the residential MV-ST Charged Properties determined on the basis of MV-ST.

The Properties forming part of the Issuer's Designated Security shall each be treated as EUV-SH Charged Properties for the purpose of determining the Minimum Value unless and until a Value, determined on the basis of MV-ST, is given by a Valuer in respect of any such Property and the Valuer has confirmed that it has reviewed a Certificate of Title in respect of such Property certifying that it may be disposed of by the relevant Borrower on an unfettered basis (meaning subject only to any existing tenancies disclosed in the Certificate of Title but not subject to any security interest, option or other encumbrance or to any restriction preventing or restricting its sale to, or use by, any person for residential use);

Property means all estates or interests of a Borrower in any freehold, heritable or leasehold property wheresoever situate now or in 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);

Retained Proceeds Par Amount means an amount equal to the Retained Proceeds at the time of calculation and, for this purpose:

(a) where any Retained Proceeds are at that time invested in Permitted Investments, the amount of such Retained Proceeds shall be taken as the purchase price of the relevant Permitted

Investments ignoring any gains or losses in respect of those Permitted Investments since the date of purchase; and

- (b) where the source of any Retained Proceeds is the net sale proceeds of any Retained Bonds which were sold at a discount, the amount of such Retained Proceeds shall be taken as the principal amount of such Retained Bonds; and

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 or, as the case may be, MV-ST (provided that if any Charged Property or part thereof is sold pursuant to a Right to Buy, 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 pursuant to the relevant Right to Buy).

Substitution and Release of Charged Properties and Statutory Disposals

Substitution

At the request and expense of a Borrower, the Security Trustee shall (subject to receiving instructions to do so and an amended Security Certificate from, *inter alios*, the Borrowers and the Issuer in accordance with the Security Trust Deed) release from the relevant Security Documents (and/or reallocate, if applicable) such of the Properties (the **Released Properties**) forming part of the Issuer's Designated Security and substitute for the Released Properties other Properties (each, a **Substitute Property**) as may be selected by such Borrower, provided that such Borrower satisfies the conditions precedent specified in the applicable Loan Agreement in relation to the Substitute Properties. Such conditions precedent include, *inter alia*:

- (a) a completed Substitute Property Certificate certifying, *inter alia*, that:
 - (i) the relevant Substitute Property is a residential property of a type and nature that is usually owned by Registered Providers of Social Housing;
 - (ii) immediately following such release (and/or reallocation, if applicable) and substitution, the Asset Cover Test will not be breached as a result of the substitution of the relevant Charged Properties; and
 - (iii) no Event of Default or Potential Event of Default has occurred and is continuing;
- (b) Valuation Reports in respect of each Substitute Property; and
- (c) a Certificate of Title in respect of the Substitute Properties.

Charged Cash

Pending the acquisition of any proposed Substitute Property by the relevant Borrower, such Borrower may deposit the proceeds of disposal of the relevant Charged Properties which are released from charge under the relevant Security Documents into the Ongoing Cash Security Account of the Issuer for the purpose of maintaining the Asset Cover Test (for the avoidance of doubt, no Borrower shall be required to monitor the market value of any Permitted Investments). The Charged Cash may be withdrawn from the Ongoing Cash Security Account:

- (a) to be applied by the relevant Borrower (provided, for the avoidance of doubt, that such Borrower continues, at such time, to be a Registered Provider of Social Housing) 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, any Borrower may, at any time, deposit, or arrange for the deposit of, any other money into the Ongoing Cash Security Account for the purposes of satisfying the Asset Cover Test.

Each Original Borrower has acknowledged (and each Additional Borrower will be required to acknowledge) that the money standing to the credit of the Ongoing Cash Security Account shall be charged in favour of the Bond Trustee pursuant to the terms of the Bond Trust Deed.

Each Original Borrower has also acknowledged (and each Additional Borrower will be required to acknowledge) that the Issuer may invest all or any part of the Charged Cash in Permitted Investments in accordance with the Custody Agreement and that, as a result of any gains or losses made by the Issuer in respect of such Permitted Investments and any income received thereon (which shall, for the avoidance of doubt, be credited to the Ongoing Cash Security Account), the amount of such Charged Cash may be greater or less than the amount deposited in the Ongoing Cash Security Account by such Borrower. Each Original Borrower has acknowledged (and each Additional Borrower will be required to acknowledge) that it shall not have any recourse to the Issuer in respect of any losses realised by the Issuer in respect of the Charged Cash as a result of investment in any Permitted Investments.

Following the redemption in full of the Bonds, the Issuer shall return any amount standing to the credit of the Ongoing Cash Security Account to the relevant Borrowers, to the extent that such balance has not otherwise been applied in accordance with the terms of the Bond Trust Deed.

Release and reallocation

At the request and expense of a Borrower, the Security Trustee shall release (subject to receiving instructions to do so and an amended Security Certificate from the Borrowers and the Issuer in accordance with the Security Trust Deed) from the relevant Security Documents (and/or reallocate, if applicable) such Properties forming part of the Issuer's Designated Security as may be selected by such Borrower, provided that such Borrower delivers to the Issuer and the Security Trustee a completed Property Release Certificate, certifying that, immediately following such release (and/or reallocation, if applicable), the Asset Cover Test will not be breached as a result of the release (and/or reallocation, if applicable) of such part of the Issuer's Designated Security and that no Event of Default or Potential Event of Default has occurred and is continuing.

Statutory Disposals

Each Borrower shall have the right to withdraw Property from the Issuer's Designated Security pursuant to any Statutory Disposal and the relevant Borrower shall deliver to the Issuer and the Security Trustee, as soon as reasonably practicable after it has received notice of such Statutory Disposal, a completed Statutory Disposal Certificate, confirming that the relevant withdrawal relates to a Statutory Disposal, confirming the effect on the Asset Cover Test of such withdrawal and, if the Statutory Disposal would result in a breach of the Asset Cover Test, confirming that it shall procure that Additional Properties are charged pursuant to the Security Trust Deed so as to become part of the Issuer's Designated Security and/or moneys are deposited into the Ongoing Cash Security Account such that any breach of the Asset Cover Test will be cured.

Additional Properties

Pursuant to Clause 2 (*Designation of Fixed Security Assets*) of the Security Trust Deed (see "*Additional Security*" below), on or prior to creating a Security Agreement in respect of any Property for the benefit of the Issuer, the relevant Borrower must, in respect of such security, provide the conditions precedent documents specified in the Security Trust Deed. In addition, pursuant to the Loan Agreement, the relevant Borrower must provide a completed Additional Property Certificate (signed by the relevant Borrower) confirming that, *inter alia*, the proposed Additional Properties are residential properties of a type and nature that are usually owned by Registered Providers of Social Housing; Valuation Reports in respect of each Additional Property; and a Certificate of Title in respect of each tranche of Additional Properties charged.

Valuations

Full Valuations

Each Borrower shall deliver a Valuation Report to the Issuer and the Security Trustee at least once in every period of five calendar years in accordance with Clause 12.1 (*Full Valuations*) of each Original Loan Agreement or the corresponding clause in any Additional Loan Agreement, as applicable. The first Valuation Report must be delivered within 60 days of 31 March 2026.

Desk Top Valuations

Each Borrower shall deliver to the Issuer and the Security Trustee a Desk Top Valuation (being a valuation prepared by a Valuer on a "desk-top" basis) in the period between 31 March and the date falling 120 days thereafter in each year other than a year in respect of which a Valuation Report is required to be delivered under Clause 12.1 (*Full Valuations*) of each Original Loan Agreement or the corresponding clause in any Additional Loan Agreement, as applicable. The first Desk Top Valuation must be delivered within 120 days of 31 March 2022.

Loan Events of Default and Enforcement

Borrower Default

Each of the following (which is set out in more detail in Clause 14 (*Borrower Default*) of each Original Loan Agreement and will be set out in more detail in the corresponding clause in any Additional Loan Agreement) is a **Borrower Default**:

- (a) ***Non-payment***: The Borrower does not pay on the due date any amount payable by it under the Finance Documents in the manner required under the Finance Documents, unless the non-payment continues for a period of not more than seven days in the case of principal and not more than fourteen days in the case of interest.
- (b) ***Breach of other obligations***: The Borrower fails to perform or observe any of its obligations under the Finance Documents (other than as referred to in (a) above and (l) below) and (except in any case where, in the opinion of the Security Trustee, the failure is incapable of remedy when no such continuation or notice as is hereinafter mentioned will be required) the failure continues for the period of 30 days next following the service by the Security Trustee on the Borrower of notice requiring the same to be remedied.

- (c) **Other non-payment:**
- (i) Any other present or future indebtedness of the Borrower for or in respect of moneys borrowed or raised becomes due and payable prior to its stated maturity by reason of any actual default, event of default or the like (howsoever described);
 - (ii) any such indebtedness is not paid when due or, as the case may be, within any originally applicable grace period; or
 - (iii) the Borrower fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised,
- provided that the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned in (i), (ii) or (iii) above in this paragraph (c) have occurred equals or exceeds £10,000,000 or its equivalent in other currencies (as reasonably determined by the Security Trustee) (and provided further, for the avoidance of doubt, that the amounts mentioned in (i), (ii) or (iii) above in this paragraph (c) shall exclude the amount of any Public Sector Subsidy except for any Public Sector Subsidy which is or becomes due and payable to the relevant grant-making body or organisation).
- (d) **Enforcement Event:** An Enforcement Event occurs under a Finance Document.
 - (e) **Winding-up:** Any order is made by any competent court or resolution passed for the winding up or dissolution of the Borrower save for the purposes of a Permitted Reorganisation or a reorganisation on terms previously approved in writing by the Security Trustee.
 - (f) **Cessation of Business:** The Borrower ceases or threatens to cease to carry on the whole or, as determined by the Security Trustee, substantially the whole of its business, save for the purposes of a Permitted Reorganisation or a reorganisation on terms previously approved in writing by the Security Trustee.
 - (g) **Failure or inability to pay debts:** The Borrower stops or threatens to stop payment of, or is unable to, or admits inability to, pay, its debts (or any class of its debts) as they fall due, or is deemed unable to pay its debts pursuant to or for the purposes of any applicable law, or is adjudicated or found bankrupt or insolvent.
 - (h) **Insolvency:** Any of the insolvency related events occurs or proceedings against the Borrower are taken as referred to in Clause 14.9 (*Insolvency*) of the relevant Original Loan Agreement or the corresponding clause in the relevant Additional Loan Agreement, as applicable, (which exclude, or will exclude, any Permitted Reorganisation or reorganisation on terms previously approved in writing by the Security Trustee).
 - (i) **Insolvency Proceedings:** The Borrower initiates or consents to the proceedings referred to in Clause 14.10 (*Insolvency Proceedings*) of the relevant Original Loan Agreement or the corresponding clause in the relevant Additional Loan Agreement, as applicable, (which exclude, or will exclude, any Permitted Reorganisation or reorganisation on terms previously approved in writing by the Security Trustee).
 - (j) **Arrangement with creditors:** The Borrower 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) (which exclude any Permitted Reorganisation or reorganisation on terms previously approved in writing by the Security Trustee).

- (k) **Unlawfulness:** It is or becomes unlawful for the Borrower to perform any of its obligations under the Finance Documents to which it is a party.
- (l) **Breach of the Asset Cover Test:** The Borrower fails to perform its obligations under Clause 10 (*Asset Cover Ratio*) of the relevant Original Loan Agreement (or the corresponding clause in the relevant Additional Loan Agreement, as applicable) and (except in any case where, in the opinion of the Security Trustee, the failure is incapable of remedy when no such continuation or notice as is hereinafter mentioned will be required) the failure continues for the period of 60 days next following the service by the Security Trustee on the Borrower of notice requiring the same to be remedied.

For these purposes, **Permitted Reorganisation** means any amalgamation, merger, consolidation or transfer of engagements (whether entering into or acceptance thereof) of the whole of any Borrower's property (including, for the avoidance of doubt, any statutory procedure as provided for under the Co-operative and Community Benefit Societies Act 2014 (if applicable)) made between such Borrower (**Party A**) and any other entity (**Party B**) provided that:

- (i) Party B is a Registered Provider of Social Housing and any new amalgamated entity to be created as a result thereof will be a Registered Provider of Social Housing;
- (ii) following any such amalgamation, merger, consolidation or transfer of engagements in respect of which the property of Party A (including, for the avoidance of doubt, any liabilities) shall become vested in Party B or a new amalgamated entity, Party B or such new amalgamated entity will thereafter be responsible for all the liabilities of Party A pursuant to the Co-operative and Community Benefit Societies Act 2014 or otherwise; and
- (iii) a certificate executed by two authorised signatories of Party A or Party B confirming the above is provided to the Bond Trustee.

Obligation to Notify the Issuer and the Security Trustee

Each Borrower shall notify the Issuer and the Security Trustee of any Borrower Default (and the steps, if any, being taken to remedy it) or potential Borrower Default in respect of its Loan Agreement promptly upon becoming aware of the same. The Issuer shall also notify the Security Trustee of any Borrower Default or potential Borrower Default promptly upon becoming aware of the same (unless the Issuer is aware that a notification has already been provided by the relevant Borrower) including, but not limited to, the non-payment by a Borrower of any amounts owing to the Issuer under its Loan Agreement on the due date for payment thereof.

Borrower Default Notice

Following the occurrence of a Borrower Default (but in the case of the happening of any of the events described in paragraphs (b) (*Breach of other obligations*), (c) (*Other non-payment*), (j) (*Arrangement with creditors*) and (k) (*Unlawfulness*) above, only if the Security Trustee shall have certified in writing to the Borrower that such event is, in its opinion, materially prejudicial to the interests of the Issuer), the Issuer may declare by notice to the relevant Borrower either:

- (a) that the security for the relevant Loan has become, whereupon the security for the relevant Loan shall become, immediately enforceable (and the Issuer shall notify the Security Trustee of the same in accordance with the Security Trust Deed); and/or
- (b) (irrespective of whether a notice to the effect set out in (a) shall have already been given) that the relevant Loan has become due and repayable, whereupon that Loan shall become immediately

due and repayable at the outstanding balance thereof together with accrued interest, premium (if any) and any other amounts and the security therefor shall become immediately enforceable.

Enforcement

If the security constituted under any Security Documents for the benefit of the Issuer becomes enforceable as a result of the service of a notice pursuant to Clause 14.15 (*Borrower Default Notice*) of each Original Loan Agreement (or the corresponding clause in any Additional Loan Agreement), then the Security Trustee or any Receiver (where appropriate) shall hold the monies arising from any sale, calling in, collection or conversion under, or otherwise arising from the exercise of, the powers of conversion contained in the Security Documents after the security has become enforceable upon trust to apply the same:

- (a) first, in payment or retention of all costs, charges, expenses and liabilities incurred in or about the exercise of such powers or otherwise in accordance with the Security Documents and payments made by the Security Trustee, any Appointee or any Receiver in accordance with the Security Documents and of all remuneration payable to the Security Trustee, any Appointee or any Receiver in accordance with the Security Documents with interest thereon as provided in the Security Documents;
- (b) second, in or towards payment to the Issuer of all interest then due and remaining unpaid on the relevant Loan and all commitment fees then due and remaining unpaid;
- (c) third, in or towards payment to the Issuer of all principal and premium (if any) then due and remaining unpaid in respect of the relevant Loan; and
- (d) fourth, in or towards payment to the Issuer of all other amounts then due and remaining unpaid under the relevant Loan Agreement.

Taxes

Each Borrower must make all payments to be made by it to the Issuer under, *inter alia*, its Loan Agreement, its Security Agreement(s) and the Security Trust Deed, without any deduction or withholding for or on account of tax, unless a deduction or withholding is required by law.

If a deduction or withholding from any such payment is required by law to be made by a Borrower, the amount of the payment due from such Borrower shall be increased to an amount which (after making such deduction or withholding) leaves an amount equal to the payment which would have been due if no deduction or withholding had been required.

If, as a result of any actual or proposed change in tax law, the Issuer determines (in its reasonable commercial judgement) that it would on the next following Interest Payment Date be required to make a withholding or deduction in respect of payments to be made by the Issuer to the Bondholders pursuant to the Conditions (other than in respect of a Bondholder Specific Withholding), it shall notify each Borrower of the same. Each Borrower may (but, for the avoidance of doubt, shall not be obliged to), in its sole discretion, pay to the Issuer its *pro rata* share of such additional amounts as will enable the Issuer (after such withholding or deduction) to pay to the Bondholders the amounts of principal and interest which they would have received in respect of the Bonds in the absence of such withholding or deduction. Each Borrower shall continue to pay such additional amounts to the Issuer unless and until such Borrower delivers to the Issuer a notice stating that it shall cease to make such additional payments with effect from the next following Interest Payment Date.

In the event that one or more Borrowers does not choose to make such additional payments (or indicates that it intends to cease to make such additional payments), the remaining Borrowers may (but, for the

avoidance of doubt, shall not be obliged to), in their sole discretion, pay to the Issuer such increased amount as will enable the Issuer (after such withholding or deduction) to pay to the Bondholders the amounts of principal and interest which they would have received in respect of the Bonds in the absence of such withholding or deduction. If the remaining Borrowers (either collectively or individually) do not choose to make such payments and as a result the Issuer will not have sufficient funds to pay the additional amounts in respect of the Bonds, the Issuer shall not opt to pay such additional amounts (or, having so opted, will notify the Bond Trustee and the Bondholders of its intention to cease paying such additional amounts) and the Bonds shall be redeemed in accordance with Condition 9.3 (*Early Redemption for Tax Reasons*), whereupon each Borrower shall be required to prepay the outstanding balance of its Loan, together with accrued interest and accrued commitment fee thereon up to and including the date of redemption.

Governing Law

Each Loan Agreement, and any non-contractual obligations or matters arising from or connected with it, are governed by and shall be construed in accordance with English law.

Description of the Security Agreements and the Security Trust Deed

The Issuer's obligations in respect of the Bonds are secured pursuant to the Bond Trust Deed in favour of the Bond Trustee for the benefit of itself and the Bondholders and the other Secured Parties by the Issuer Security, which includes an assignment by way of security of the Issuer's rights, title and interest arising under the Security Agreements and the Security Trust Deed.

The following description of the Security Agreements and the Security Trust Deed consists of a summary of certain provisions of the Security Agreements and the Security Trust Deed and is qualified by reference to the detailed provisions thereof. The Security Agreements and the Security Trust Deed are not, however, incorporated by reference into, and therefore do not form part of, this Prospectus.

Definitions used in this section but not otherwise defined in this Prospectus have the meanings given to them in the Security Agreements and/or the Security Trust Deed.

Security Agreements

Each Original Borrower has, in relation to the Initial Properties owned by it, entered into one or more Supplemental Legal Charges dated 24 November 2020. The Borrowers shall, in relation to any additional properties to be charged as underlying security for the Bonds, enter into further Security Agreements or Supplemental Legal Charges substantially in the form set out in the Security Trust Deed.

Fixed Legal Mortgage and Charge

Pursuant to the Security Agreements, each Original Borrower has charged (and the other Borrowers will, if agreed with the Issuer, charge), as security for the payment and discharge of all Secured Liabilities in favour of the Security Trustee for the benefit of itself and, *inter alios*, the Issuer:

- (a) by way of a first fixed legal mortgage all the property specified therein (the **Mortgaged Property**) together with all buildings and Fixtures, erections and structures thereon, or in the course of construction thereon, the proceeds of sale of all or any part thereof and (so far as the same are capable of being mortgaged) the benefit of any covenants for title given or entered into by any predecessor in title of such Borrower and any monies paid or payable in respect of such covenants; and
- (b) by way of first fixed charge:
 - (i) all fixed plant and machinery now or in the future owned by such Borrower and its interest in any fixed plant and machinery in its possession, in each case, which form part of or are operated by such Borrower on the Mortgaged Property;
 - (ii) all benefits in respect of the Insurances and all claims and returns of premiums in respect of the Mortgaged Property;
 - (iii) the benefit of all present and future licences, consents and authorisations (statutory or otherwise) held in connection with its business so far as it relates to the Fixed Security Assets or the use of any of the Fixed Security Assets specified in (a) and (b) (i) above and the right to recover and receive all compensation which may at any time become payable to it in respect thereof; and
 - (iv) if and in so far as the legal mortgage set forth in (a) above or the assignments set forth in the section "*Assignment*" below shall for any reason be ineffective as legal mortgages or assignments, the assets referred to therein.

Assignment

Pursuant to the Security Agreements, each Original Borrower has assigned (and other Borrowers will, if agreed with the Issuer, assign) as security for payment and discharge of the Secured Liabilities to the Security Trustee for the benefit of itself and, *inter alios*, the Issuer all of its rights, title and interest in and to:

- (a) the personal agreements and covenants by the tenants, lessees, licensees or other parties under the Letting Documents and by all guarantors in respect thereof and all security held by such Borrower, in respect of the obligations of the tenants, lessees, licensees or other parties under the Letting Documents (including, without limiting the generality of the foregoing, all monies due and owing to such Borrower or which may become due and owing to such Borrower at any time in the future in connection therewith);
- (b) all agreements now or from time to time entered into or to be entered into for the sale, letting or other disposal or realisation of the whole or any part of the Fixed Security Assets (including, without limiting the generality of the foregoing, all monies due and owing to such Borrower or which may become due and owing to such Borrower at any time in the future in connection therewith);
- (c) all agreements, contracts, deeds, licences, undertakings, guarantees, covenants, warranties, representations and other documents (including all documents entered into now or in the future so as to enable such Borrower to perfect its rights under such Security Agreement or any such agreement, contract, deed, licence, undertaking, guarantee, covenant, warranty, representation or other documents) now or hereafter entered into by or given to such Borrower in respect of the Mortgaged Properties and all claims, remedies, awards or judgments paid or payable to such Borrower (including, without limitation, all liquidated and ascertained damages payable to such Borrower under the above) in each case relating to the Mortgaged Properties;
- (d) all licences held now or in the future in connection with the relevant Mortgaged Property and also the right to recover and receive all compensation which may at any time become payable to such Borrower in relation to the relevant Mortgaged Property;
- (e) all rights and claims to which such Borrower is now or may hereafter become entitled in relation to any development, construction project, redevelopment, refurbishment, repair or improvement of or on the relevant Mortgaged Property;
- (f) all guarantees, warranties, bonds and representations given or made now or hereafter by, and any rights or remedies against, all or any of the designers, builders, contractors, surveyors, valuers, professional advisers, sub-contractors, manufacturers, suppliers and installers of any Fixtures in respect of the relevant Mortgaged Property; and
- (g) all rental income and disposal proceeds in each case relating to the relevant Mortgaged Property which has not been assigned as set forth in (a), (b) or (c) above and the right to make demand for and receive the same,

provided always that, until an Enforcement Event has occurred and is outstanding (but subject to the terms of the Finance Documents), such Borrower shall be entitled to exercise all its rights and claims under or in connection with the agreements and covenants referred to in paragraphs (a) to (g) above.

Floating Charge

Each Additional Borrower that is registered as a company under the Companies Act 2006 (or otherwise to the extent that the provisions of Part II of the Insolvency Act 1986 (or any similar provision) apply to

it) will charge, with full title guarantee, as security for the payment and discharge of all Secured Liabilities in favour of the Security Trustee for the benefit of itself and, *inter alios*, the Issuer by way of first floating charge the whole of such Borrower's undertaking and assets, present and future.

Such Borrower may, at any time, without the consent of the Security Trustee (but subject to the terms of the Finance Documents) dispose of or deal with any of the assets subject to the floating charge created pursuant to its Security Agreement in the ordinary course of business in such manner as such Borrower considers fit.

Representations, Warranties and Undertakings

Each Original Borrower makes (and each other Borrower shall make) various representations in respect of the Mortgaged Property including as to ownership, planning permission, covenants and security interests. In addition, each Original Borrower undertakes (and each other Borrower shall undertake) (and, in respect of any additional properties to be charged, the Borrowers shall each undertake) to, *inter alia*, repair, insure, pay or procure the payment of taxes in respect of and comply with all leases in respect of, such Mortgaged Properties.

Enforcement of Security

Each Security Agreement provides, or will provide, that at any time after an Enforcement Event has occurred and is continuing, the security created by or pursuant to such Security Agreement will be immediately enforceable and the Security Trustee may enforce all or any part of such security.

The Security Agreements further entitle, or shall entitle, the Security Trustee and, *inter alios*, the Issuer to be indemnified and/or secured out of the Security Assets in respect of, *inter alia*, all liabilities and expenses properly incurred by them in the execution or purported execution in good faith of any of the powers, authorities or discretions vested in them pursuant to the Security Agreements.

Governing Law

The Security Agreements (and any non-contractual obligations arising out of or in connection with them) are or will be governed by, and shall be construed in accordance with, English law.

Security Trust Deed

The benefit of the security created by the Borrowers pursuant to the Security Agreements shall be held by the Security Trustee on trust for the benefit of itself and, *inter alios*, the Issuer on the terms of the Security Trust Deed.

The Security

Designation of Security Assets

The Security Trust Deed provides that the Security Trustee, the Borrowers and, in the case of the Loan Agreements, the Issuer shall schedule and agree the allocation of properties which shall comprise the Issuer's Designated Security in respect of the Loan Agreements. All properties which are not Designated Security shall form the Undesignated Security.

Additional Security

Pursuant to Clause 2.3 (*Additional Charged Properties*) of the Security Trust Deed, at the request and expense of a Borrower, the Security Trustee shall accept any Property into charge as may be selected by a Borrower provided that such Borrower has delivered to the Security Trustee the documentation

relating thereto as set out therein. Such documents must be in the form and substance satisfactory to the Security Trustee and the Issuer.

Release and Reallocation of Security

Pursuant to the terms of the Security Trust Deed, the Borrowers and the Issuer may agree to amend the Issuer's Designated Security by either removing Designated Security or by designating any Undesignated Security as the Issuer's Designated Security by, *inter alia*, delivering an amended Security Certificate (as prepared by the relevant Borrower) signed by each Borrower and the Issuer to the Security Trustee (to be countersigned by it).

At any time prior to the Security Trustee taking any steps to enforce the Undesignated Security, upon receiving instructions from the relevant Borrower, the Security Trustee shall release the benefit of any encumbrance, rights or obligations held by it over the Undesignated Security provided that such Borrower shall have paid to the Security Trustee, or provided for to the satisfaction of the Security Trustee, all Trustee Costs which relate to that Undesignated Security.

Any such release or reallocation will be subject to the requirements set out in the Loan Agreements (see "*Description of the Loan Agreements*" above).

Application of Proceeds

Upon the enforcement of, *inter alia*, all rights vested in the Security Trustee by virtue of, or pursuant to, its holding the interests conferred on it by the Security Documents, and after satisfying claims which at law rank in priority to sums owing under or in respect of any of the Relevant Documents, the Security Trustee shall apply all Proceeds and all money derived therefrom:

- (a) in respect of Designated Security in the following order:
 - (i) first, in payment of all Relevant Trustee Costs;
 - (ii) second, in satisfaction when due of the Secured Liabilities (other than Relevant Trustee Costs) owed to the Relevant Beneficiary arising under or in connection with the Loan Agreement relating to such Designated Security in the order of priority set out therein;
 - (iii) third, to the extent not recovered under (i) above, in or towards payment of all Trustee Costs;
 - (iv) fourth, in satisfaction when due of the Secured Liabilities owed to each Other Beneficiary arising under or in connection with the Other Loan Agreements; and
 - (v) fifth, in payment of any surplus to the relevant Borrower.
- (b) Any moneys received by the Security Trustee or by any Receiver appointed by it pursuant to any Security Document in respect of any Undesignated Security (together with the Related Security Assets) shall be applied by the Security Trustee in the following order of priority:
 - (i) first, to the extent not recovered under paragraph (a) above, in or towards payment of all Trustee Costs;
 - (ii) second, to the extent not recovered under paragraph (a) above, in or towards payment of the Secured Liabilities owed to each Beneficiary arising under or in connection with its respective Loan Agreement; and
 - (iii) third, in payment of any surplus to the relevant Borrower.

Enforcement of Security

Pursuant to Clause 4.3 of the Security Trust Deed, the Security Trustee shall only be required to take action to enforce or protect the security in respect of the Loan Agreements if so instructed in writing by the Issuer (and then only if it has been indemnified and/or secured and/or pre-funded to its satisfaction).

In respect of instructions given by the Issuer, the Issuer has assigned its rights under, *inter alia*, the Security Agreements and the Security Trust Deed to the Bond Trustee and, pursuant to Condition 6.3, has covenanted not to take any action or direct the Security Trustee to take any action pursuant thereto except with the prior consent of the Bond Trustee. The Bond Trustee may, but is not obliged to, seek the consent of the Bondholders in accordance with the Bond Trust Deed prior to giving any such consent.

In enforcing the Issuer Security (including the Issuer's rights, title and interests in the Security Agreements and the Security Trust Deed insofar as they relate to the Bonds) the Bond Trustee may act in its discretion. It is, however, required to take action, pursuant to Condition 12.2, where so directed by the requisite majority of the Bondholders provided, however, that it is secured and/or indemnified and/or pre-funded to its satisfaction.

Governing Law

The Security Trust Deed, and any non-contractual obligations or matters arising from or connected with it, are governed by, and shall be construed in accordance with, English law.

Description of the Account Agreement and the Custody Agreement

The Issuer has appointed The Bank of New York Mellon, London Branch, a banking corporation organised under the laws of the State of New York and operating through its branch in London at One Canada Square, London E14 5AL, United Kingdom as its Account Bank pursuant to the Account Agreement and its Custodian pursuant to the Custody Agreement, in each case in relation to the issue of the Bonds.

The Bank of New York Mellon is a wholly owned subsidiary of The Bank of New York Mellon Corporation, and is incorporated, with limited liability by Charter, under the Laws of the State of New York by special act of the New York State Legislature, Chapter 616 of the Laws of 1871, with its head office at 240 Greenwich Street, New York, NY 10286, USA and having a branch registered in England and Wales with FC Number 005522 and BR Number 000818 with its principal office in the United Kingdom at One Canada Square, London, E14 5AL. The Bank of New York Mellon's corporate trust business services all major debt categories, including corporate and municipal debt, mortgage-backed and asset-backed securities, collateralised debt obligations, derivative securities and international debt offerings. The Bank of New York Mellon's corporate trust and agency services are delivered through the Bank of New York Mellon and the Bank of New York Mellon Trust Company, N.A.

The Bank of New York Mellon is a global investments company which helps its clients manage and service their financial assets throughout the investment lifecycle. Whether providing financial services for institutions, corporations or individual investors. The Bank of New York Mellon delivers informed investment management and investment services in 35 countries and more than 100 markets. As of 31 December 2019, The Bank of New York Mellon had \$37.1 trillion in assets under custody and/or administration, and \$1.9 trillion in assets under management. Additional information is available at www.bnymellon.com.

The following description of the Account Agreement and the Custody Agreement consists of a summary of certain provisions of the Account Agreement and the Custody Agreement and is qualified by reference to the detailed provisions thereof. The Account Agreement and the Custody Agreement are not, however, incorporated by reference into, and therefore do not form part of, this Prospectus.

Definitions used in this section but not otherwise defined in this Prospectus have the meanings given to them in the Account Agreement and/or the Custody Agreement.

Account Agreement

Accounts

The Account Bank shall maintain three accounts for the Issuer in respect of the Bonds: the Transaction Account, the Initial Cash Security Account and the Ongoing Cash Security Account.

Initial Deposits

Pursuant to the Account Agreement, the Issuer shall on the Issue Date:

- (a) credit the Initial Cash Security Account with the Retained Proceeds (if any), to the extent that such amount is not invested directly in Permitted Investments which are deposited in the Initial Cash Security Custody Sub-Account; and
- (b) credit the Transaction Account with the net issue proceeds of the Bonds less the Retained Proceeds (if any) to the extent that such amount is not paid directly to or to the order of the Original Borrowers pursuant to, and in accordance with, the Original Loan Agreements.

The Issuer shall, upon receipt, credit to the Ongoing Cash Security Account all amounts received from a Borrower pursuant to Clause 11.3 (*Charged Cash*) of an Original Loan Agreement (or the corresponding clause of any Additional Loan Agreement).

Retained Bond Deposits

Pursuant to the Account Agreement, the Issuer shall, upon the sale of any Retained Bonds:

- (a) credit the Initial Cash Security Account with the net sale proceeds of such Retained Bonds (less any Retained Bond Premium Amount), to the extent that such amount is not paid directly to a Borrower pursuant to, and in accordance with, a Loan Agreement; and
- (b) credit the Transaction Account with the Retained Bond Premium Amount (if any), pending application in accordance with the Conditions.

Future Deposits and Withdrawals

The Issuer has covenanted, pursuant to the Bond Trust Deed that:

- (a) prior to the enforcement of the Issuer Security, payments from the Initial Cash Security Account shall only be made to fund:
 - (i) the Commitments pursuant to, and in accordance with the terms of, the Loan Agreements;
 - (ii) payment to a Borrower or another member of the Group in respect of any Bonds surrendered for cancellation in accordance with a Loan Agreement;
 - (iii) the purchase of Permitted Investments pursuant to the Custody Agreement; or
 - (iv) redemptions of the Bonds in accordance with the Conditions;
- (b) prior to the enforcement of the Issuer Security, payments from the Ongoing Cash Security Account may only be made to a Borrower pursuant to, and in accordance with the terms of, the relevant Loan Agreement or to purchase Permitted Investments in accordance with the Custody Agreement; and
- (c) no payments from the Transaction Account will be made other than in accordance with the Conditions and the Issuer has undertaken to procure that amounts are paid into and out of the Transaction Account only in accordance with the Conditions, the Account Agreement and the Agency Agreement.

The Account Bank is under no obligation to monitor compliance with the above covenants.

Interest

Any monies standing to the credit of the Transaction Account, the Initial Cash Security Account and/or the Ongoing Cash Security Account will, subject to the Account Agreement, earn interest at the positive, negative or zero rate(s) set by the Account Bank in its deposit terms and conditions as may be issued by it from time to time.

Pursuant to the Account Agreement, interest accrued on the Transaction Account and the Initial Cash Security Account shall be credited to, or debited from, the Transaction Account and interest accrued on the Ongoing Cash Security Account shall be credited to, or debited from, the Ongoing Cash Security Account.

Change of Account Bank

The appointment of the Account Bank may, with the prior written approval of the Bond Trustee, be terminated upon 45 days' written notice (subject to the appointment of a replacement Account Bank) or forthwith at any time the Account Bank is adjudged bankrupt or insolvent. The appointment of the Account Bank may also be terminated in the event that the short-term senior, unsecured and unguaranteed indebtedness rating of the Account Bank as assigned by Moody's (or any successor thereto) falls below "P-1" or is withdrawn and there are amounts standing to the credit of the Initial Cash Security Account and/or the Ongoing Cash Security Account (subject to the appointment of a replacement Account Bank).

The Account Bank may resign its appointment upon giving at least 30 days' written notice (subject to the appointment of a replacement Account Bank, provided that if the Account Bank shall resign due to a change in any applicable law or regulation to which the Account Bank may be subject and such change causes the performance by the Account Bank of its duties under the Account Agreement to be in violation of such law or regulation, such resignation shall take place immediately).

Pursuant to the Account Agreement, the appointment of any replacement Account Bank shall be subject to the prior written approval of the Bond Trustee, be on substantially the same terms as the Account Agreement and be subject to the condition that it must have a short-term senior, unsecured and unguaranteed indebtedness rating from Moody's (or any successor thereto) of no less than "P-1".

Custody Agreement

Custody Account

Pursuant to the Custody Agreement, the Issuer has instructed the Custodian to open, in the name of the Issuer, the Ongoing Cash Security Custody Sub-Account and the Initial Cash Security Custody Sub-Account (the **Custody Sub-Accounts**) and the Ongoing Cash Security Cash Sub-Account and the Initial Cash Security Cash Sub-Account (the **Cash Sub-Accounts** and, together with the Custody Sub-Accounts, the **Custody Account**).

Payments and Delivery

The Issuer has authorised the Custodian to make payments and delivery out of the Custody Account only for the purpose of any acquisition or sale of Permitted Investments or as provided below.

Pursuant to the Custody Agreement, unless otherwise instructed pursuant to Instructions to make a payment out of the proceeds of any Distributions in respect of Permitted Investments held by the Issuer in the settlement of an acquisition of other Permitted Investments on or prior to the date of receipt of such Permitted Investments (subject as provided below), the Issuer has agreed to give Instructions to the Custodian, forthwith upon receipt by the Custodian of any Distributions, to transfer:

- (a) all Distributions credited to the Ongoing Cash Security Cash Sub-Account to the Ongoing Cash Security Account;
- (b) all Distributions (including any amount representing Permitted Investment Profit (if any)) credited to the Initial Cash Security Cash Sub-Account (other than Distributions which represent redemption and/or sale proceeds less any Permitted Investment Profit (if any)) to the Transaction Account; and
- (c) all Distributions credited to the Initial Cash Security Cash Sub-Account (other than those to be credited to the Transaction Account pursuant to (b) above) to the Initial Cash Security Account, subject, in each case, to withholding as required by applicable tax laws.

The Issuer has agreed that it shall not instruct the Custodian pursuant to Instructions to make a payment out of the proceeds of any Distributions standing to the credit of the Initial Cash Security Cash Sub-Account other than Distributions which represent redemption and/or sale proceeds (but excluding any amount representing Permitted Investment Profit (if any)) and that such amounts shall forthwith upon receipt be transferred to the Transaction Account in accordance with (b) above.

Interest

Any monies standing to the credit of the Ongoing Cash Security Cash Sub-Account and the Initial Cash Security Cash Sub-Account will, subject to the Custody Agreement, earn interest at the positive, negative or zero rate(s) set by the Custodian in its deposit terms and conditions as may be issued by it from time to time.

Change of Custodian

The appointment of the Custodian may, with the prior written approval of the Bond Trustee, be terminated upon 30 days' written notice (subject to the appointment of a replacement Custodian) or forthwith at any time the Custodian is adjudged bankrupt or insolvent. The appointment of the Custodian shall also be terminated in the event that the short-term senior, unsecured and unguaranteed indebtedness rating of the Custodian as assigned by Moody's (or any successor thereto) falls below "P-1" or is withdrawn and there are Permitted Investments standing to the credit of the Custody Account (subject to the appointment of a replacement Custodian).

The Custodian may resign its appointment upon giving at least 30 days' written notice to the Issuer and the Bond Trustee (subject to the appointment of a replacement Custodian, provided that if the Custodian shall resign due to a change in any applicable law or regulation to which the Custodian may be subject and such change causes the performance by the Custodian of its duties under the Custody Agreement to be in violation of such law or regulation, such resignation shall take effect immediately).

Pursuant to the Custody Agreement, the appointment of any replacement Custodian shall be subject to the prior written consent of the Bond Trustee, be on substantially the same terms as the Custody Agreement and be subject to the condition that it must have a short-term senior, unsecured and unguaranteed indebtedness rating from Moody's (or any successor thereto) of no less than "P-1".

Description of the Issuer

Incorporation and Status

Orbit Capital plc (the **Issuer**) is a public limited company incorporated in England and Wales with registered number 9402193 on 22 January 2015 under the Companies Act 2006.

The registered address of the Issuer is Garden Court, Harry Weston Road, Binley Business Park, Coventry CV3 2SU. The telephone number of its registered address is 02476 438000.

The Issuer has no subsidiaries.

The website of the Issuer is at <https://www.orbit.org.uk>. The information on the Issuer's website does not form part of this Prospectus unless that information is incorporated by reference into this Prospectus (see "*Documents Incorporated by Reference*" below).

Principal Activities of the Issuer

The Issuer is a special purpose vehicle established for the purpose of issuing bonds and incurring other indebtedness (including other secured indebtedness but subject to the covenant set out in Condition 6.1 (*General Covenants*)) and, in either case, lending the proceeds thereof to the Borrowers to be applied in accordance with the relevant Borrower's constitutional documents.

Directors

The directors of the Issuer and their principal activities outside the Issuer are:

Name	Principal activities outside the Issuer
David Weaver	Board Member, Orbit Non-Executive Director and Chair, Orbit Treasury Limited Senior Advisor, Strategic Value Partners Non-Executive Director, Blenheim Chalcot
Stuart Fisher	Executive Director of Resources, Accord Group Non-Executive Director, Orbit Treasury Limited Member of Audit Risk Assurance Committee
Mark Hoyland	Group Chief Executive, Orbit Board Member, Orbit Director, Orbit Treasury Limited
Lynn Lochhead	Head of Treasury & Corporate Finance at John Lewis Partnership Non-Executive Director, Orbit Treasury Limited
Jonathan Wallbank	Group Finance Director, Orbit Director, Orbit Treasury Limited Director, Orbit Homes (2020) Limited Board Member, Rooftop Housing Group Limited Board Member, Rooftop Housing Association Limited Board Member, Rooftop Homes Limited

The business address of each of the directors is Garden Court, Harry Weston Road, Binley Business Park, Coventry CV3 2SU.

The company secretary of the Issuer is Richard Wright whose business address is at Garden Court, Harry Weston Road, Binley Business Park, Coventry CV3 2SU.

Subject as follows, there are no potential conflicts of interest between any duties to the Issuer of the directors of the Issuer and their private interests and/or duties. However, David Weaver and Mark Hoyland are also board members of Orbit and Mark Hoyland and Jonathan Wallbank are employees of Orbit. A conflict of interests could therefore arise if, for example, these directors are required to approve any transactions between the Issuer and Orbit. However, the Issuer's articles of association provide that, so long as directors disclose the nature and extent of such a conflict, they may nevertheless vote on behalf of the Issuer in respect of such transactions. Acting in such capacity there is an overriding duty to act in the best interests of the Issuer.

The Issuer has no employees but has available to it the treasury and business resources of the Group to enable it to administer its business and perform its obligations. The executive officers and staff of Orbit provide services to the Issuer through a service agreement.

Share Capital and Major Shareholders

The entire issued share capital of the Issuer comprises 50,000 ordinary shares of £1 each, all of which are paid up to 25 pence.

Orbit holds all of the shares of the Issuer.

Orbit exercises control over the Issuer through its full ownership of the Issuer.

Operations

On 24 March 2015 the Issuer issued its £250,000,000 3.50 per cent. Secured Bonds due 2045, and immediately repurchased £50,000,000 in principal amount which were subsequently sold by the Issuer on 10 August 2016.

On 14 June 2018 the Issuer issued its £450,000,000 3.375 per cent. Secured Bonds due 2048, the proceeds of which were used to restructure the Group's existing debt portfolio and provide long term funding support to the Group's strategy.

Recent Developments

There have been no recent events particular to the Issuer that are, to a material extent, relevant to the evaluation of the Issuer's solvency.

COVID 19

The Issuer's executive directors continue to monitor the situation regarding COVID-19 on a daily basis with regard to implications for the Issuer's business activities and business continuity based on the recommendations of the UK Chief Medical Officer.

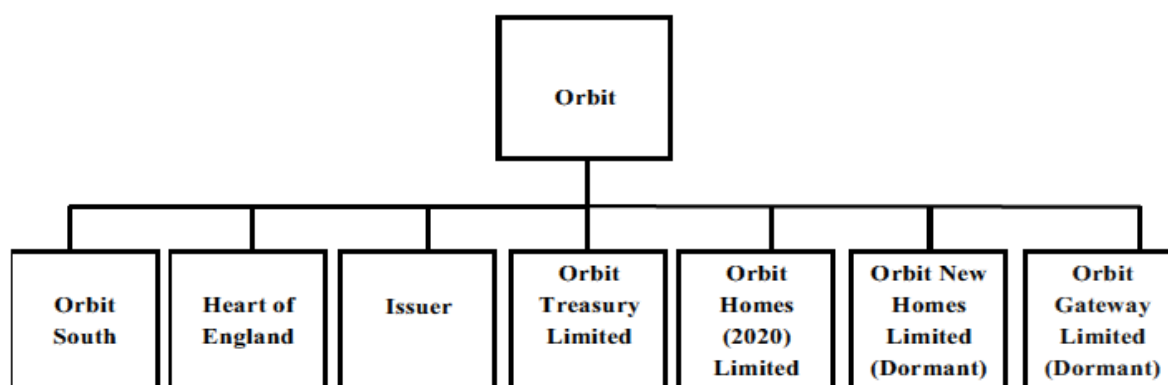
Description of the Group

The Group

Orbit Group Limited (**Orbit**) is the parent company of the Orbit Group (the **Group**). The Group contains three charitable registered providers: Orbit, Orbit South Housing Association Limited (trading as Orbit East and South) (**Orbit South**) and Heart of England Housing Association Limited (trading as Orbit Heart of England) (**Heart of England**). The Group's intention is that Heart of England will transfer its engagements to Orbit South, which as at the date of this Prospectus is expected to occur during the financial year 2021 – 2022. Orbit South will then change its name to Orbit Housing Association Limited.

In addition, the Group contains the Issuer, Orbit Treasury Limited (incorporated 31 May 2007, which provides treasury management services to Orbit, Orbit South and Heart of England), Orbit Homes (2020) Limited (incorporated 20 August 2009, providing design and build services to the Group) (**Orbit Homes**), Orbit New Homes Limited (which is currently dormant) and Orbit Gateway Limited (which is currently dormant).

The Group is one of the largest housing organisations in the country and owns and manages over 44,000 homes across the Midlands, East and South East, being regions with high levels of sustainable demand for affordable housing. It employs over 1,200 people.



Principal Activities of the Group

The Group currently provides the following homes and services:

- general needs / social rented housing;
- older persons housing including sheltered and very sheltered schemes, private retirement schemes and extra care;
- low cost home ownership;
- homes for market sale;
- HomeBuy; and
- supported housing (including mother and baby, ex-offenders, homeless, victims of domestic violence and mental health).

As at 31 March 2020, the property portfolio of the Group was 44,753 units, of which:

Stock type	Units
House	20,555
Flats	19,613
Bungalow	2,772
Bedsit	904
Maisonette	909

Rental income type	% received via method
Housing benefit	34%
Swipe card	19%
Direct debt	26%
Other payment forms	21%

The Group delivers frontline services through its primary operating associations, Orbit South and Heart of England. It also provides a range of professional and support services to both internal and external customers.

Strategy

In 2013 the Group embarked on its "Orbit 2020" strategy, a business planning and transformation project, designed to shape the organisation and its future products and services. Since the strategy was launched in 2013, the Group has achieved the following:

- delivery of 10,743 new homes;
- improved customer satisfaction from 76 per cent. to 87 per cent.;
- provided a full range of home ownership and rental options;
- invested £28.5 million in local communities;
- increased "digital transactions" from 5 per cent. to 62 per cent.;
- grown turnover from £193 million to £323 million; and
- been recognised as a Sunday Times Top 100 Best Company (not for profit).

The Group's vision to lead in building thriving communities is the driving force of its actions and planning. The Group's "Orbit 2025" strategy aims to continue to build on the four strategic pillars of the organisation: service, property, profit and people. It includes a number key features around service, property, profit and people – the Group aims to combine this with an ongoing commitment to best practice with regard to governance, risk, compliance and the environment. The Group's values underpin its strategic targets: driven, innovative, responsible, invest and achieving together.

The Group's 2025 strategy incorporates the themes of quality and safety support for high standards, the assessment of risk with a focus on a robust governance framework and the environment – seeking a carbon reduction. It comprises targets aimed at delivering:

- the customer experience: keeping residents informed and engaged, maintaining ease of contact and responding to a changing society and affordability through reshaping the Group's stock portfolio;

- quality and affordable homes: an aspiration to deliver 6,500 new homes, driving towards land led development, continued investment in homes and estates and embracing modern methods of construction;
- profit for purpose: recognising the Group's appetite to invest more in homes, services and communities, a drive for financial resilience, seeking profitable, sustainable growth and looking to capitalise on the Group's investment within its IT infrastructure; and
- a great place to work: with aspiration to offer a leading employment experience with personal growth, development and well being as well as being an inclusive and multigenerational employer and a social and environmentally responsible employer.

Sustainability

The Group considers its commitment to the wider society and environment as central to its mission and vision. Activities are underpinned by a Group-wide Environment, Social and Governance (**ESG**) strategy with the aim of working to create a better society, building affordable homes and doing business in more socially responsible and sustainable ways while lessening its impact on the environment. Environmental and social issues are considered throughout the business to improve business performance consistent with the Group's purpose and values.

The Group's ESG approach is focused on taking actions on material ESG issues that can be measured, benchmarked and monitored. The Group's management team and boards have ultimate oversight over these issues, with performance reported on a quarterly basis to the Group board. The Group's approach comprises five themes of activity that seek to demonstrate the standards and ambitions of the organisation and align to the United Nations Sustainable Development Goals (**UNSDGs**):

- Orbit Earth - actively enhancing the environment, creating and improving places and spaces for communities to thrive. The objectives are reaching net zero carbon, enhancing the quality of greenspaces, improving biodiversity, collaborating with the supply chain to improve performance in environmental and wider sustainability impacts and reducing footprint and offsetting 18/19 carbon to officially be a carbon neutral business. 2020 has seen the implementation of a more environmentally friendly fleet, EPC testing programme, a zero carbon plan initiated for hard to treat properties and a single waste management provider appointed alongside a modern methods of construction programme aiming to reduce waste and environmental impact;
- Better Days - enabling customers to be better off in their wellbeing and finances and making tenancies as sustainable as possible. The objectives are making tenancies as sustainable as possible and enabling customers to be better off in their wellbeing and finances.
- Achieving Together - promoting personal development and community engagement. The objectives are to seek to ensure all employees have support for personal and professional development, providing opportunities for all employees to give time to supporting customers and the Group's communities and actively encouraging greater diversity across the leadership of the organisation. In 2020 so far the Group has achieved 3,000 hours of employee volunteering, launched a large EDI programme and remained a living wage employer.
- Stronger Together - doing business in better ways, working with the supply chain and developing enterprises. The objectives are to provide transparency and fairness through the whole supply chain, develop a responsible supply chain, enhance social value, improve environmental performance and create market opportunities for the voluntary, community and social enterprise sector to thrive. So far in 2020 the Group is expanding social enterprises into its procurement

programme (with over £1.6 million invested) and environmental planning with its supply chain seeking to deliver carbon reporting.

- Future Fit - focussed on improving health and safety and customer relationships, the previous four themes support this fifth. The objectives are to maintain the Group's leadership in the way it approaches health and safety, engage customers across all areas of the Group's business and collaborate with suppliers to ensure business continuity. In 2020 the Group has a strategic partnership for City of Culture, retained Royal Society for the Prevention of Accidents' Gold standard, improved its gender pay gap and implemented an ESG decision-making framework for Orbit Homes, treasury, procurement, voids and tenancy management.

Through this approach, the Group aims to be a more resilient, relevant and better business: one that is fit to lead in building thriving communities.

Development

Orbit Homes is the development and sales organisation, building around 1,300 new homes a year, including homes for market sale.

The Group's development strategy is land led with key controls including quality, timing of delivery and ability switch tenure. In the last five years the Group has developed 8,354 properties (of which 7,115 were affordable). 41 per cent. of these properties were grant funded. As part of the Group's 2025 strategy this includes aspirational targets to deliver 6,500 properties (of which 5,184 are targeted to be affordable homes) of which 52 per cent. would be grant funded.

The Group's development strategy includes a range of delivery options including section 106 agreements, land led development and where appropriate, entering into partnerships for delivery with significant social housing content.

Development risk is managed with an experienced team through a regional delivery model and a targeted cost within 1 per cent. of budget. Key controls include quality, timing of delivery and the ability to switch tenure. Investments go through four levels of review with a clear appraisal process and continued performance monitoring.

Strategic asset management and property security

The Group looks to deliver better quality homes that lower costs for both the Group and its customers. Over the next 10 years, the Group aims to invest around £984 million in its existing assets to reduce future repair and energy costs. As at the date of this prospectus, the Group is 18 months into a 5-year target to generate over £150 million through the disposal of under-performing assets and high latent value properties (around 1,100 have been identified), currently on target. In addition the Group is targeting a Net Present Value (**NPV**) of £29.300 per unit during the current financial year, which is currently on track. This represents a 10 per cent. improvement over the last three years. The Group is actively assessing its property portfolio seeking to increase property density in its core areas of operation.

At 31 March 2020, the Group had 25,610 units (with an estimated value of £2,195 million) charged to support its existing loans and bonds. This accounted for 67 per cent. of available security. There were 2,036 units with an estimated value of £164 million that were charged in respect of the mark to market position of free-standing interest rate swaps. This accounted for 5 per cent. of available security. There were 10,824 units that were unencumbered with an estimated value of £903 million. This accounted for 28 per cent. of available security. In addition to this there were 6,283 units that cannot be charged as security.

Risk management

The Group's risk strategy has a framework to manage risk with mitigation strategies and a risk appetite relating to:

- the environment and the sector risk profile;
- risk analysis;
- early warning indicators;
- risk triggers;
- risk scorecards and a strategic risk map; and
- scenario analysis and recovery plans.

Targeted early warning indicators to manage the Group's risk appetite used in the financial year 2019/20 included the following:

- operating margin (excluding property sales) of 26.1 per cent. against a baseline of 25 per cent. or more;
- debt per unit ratio of £39,700 per unit against a baseline of under £55,000;
- interest coverage of 2.38 against a baseline of at least 1.5;
- profit from market sales and non-social housing at 6 per cent. against a baseline of less than 20 per cent.;
- social lettings interest cover of 1.53 against a baseline of at least 1.5;
- sales work in progress of £215.6 million against a baseline of less than £230 million; and
- available liquidity of 36 months against a baseline of at least 24 months.

The Group also seeks to sustain its customers and assist them in sustaining their tenancies with strategies including:

- conducting risk based tenancy audits where all high-rise flats are visited every 12 months and new tenants are visited within the first three months;
- a Community Safety and Anti Fraud team;
- providing fixed term tenancy reviews with more flexible tenancies;
- focussing on hate crime and safeguarding;
- using its task based team focussing on tenancy breaches;
- a coaching model;
- a series of tenancy training courses including budget management, being a good neighbour and life skills;
- conducting in depth pre tenancy work and tailored services ("digital first");

- incorporating a model that focusses on arrears prevention;
- providing help into work, wellbeing support and with developing life skills;
- developing a rewards scheme for customers; and
- its Customer Hub.

Measures which the Group uses to judge success in this area include its aspirations of:

- reducing customers leaving Orbit in the first 12 months of their tenancy and improved customer satisfaction (87 per cent. from rented accommodation);
- maintaining its success in reducing the number of new customers falling into arrears and remaining in arrears;
- a reduction in annual costs to Local Authorities and associated advert costs (currently over £220,000); and

conducting a regular programme of tenancy audits.

Credit Rating

The Group has a credit rating of "A3" from Moody's. Moody's is established in the European Union and is registered under the CRA Regulation. As such, Moody's is included in the list of credit rating agencies published by the ESMA on its website in accordance with the CRA Regulation.

Regulatory Judgement

On 18 December 2019, the Regulator published its regulatory judgement for the Original Borrowers, which concluded that following an in-depth assessment both the viability and governance standards were met and graded each Original Borrower "G1" for governance and "V2" for viability. The "G1" grade means that each Original Borrower meets the requirements on governance set out in the Governance and Financial Viability standard. The "V2" rating means that each Original Borrower complies with the financial viability element of the Governance and Financial Viability Standard and that it has the financial capacity to deal with a wide range of adverse scenarios but needs to manage material risks in order to ensure continued compliance.

The Original Borrowers

The Original Borrowers are Orbit, Orbit South and Heart of England.

Orbit

Incorporation and Status

Orbit was incorporated on 23 January 1997 and is a registered society within the meaning of the Co-operative and Community Benefit Societies Act 2014 (with registered number 28503R) and is registered as a Registered Provider of Social Housing with the Regulator (with registered number L4123). Orbit has exempt charitable status and is affiliated to the National Housing Federation.

The registered office of Orbit is Garden Court, Harry Weston Road, Binley Business Park, Coventry CV3 2SU. The telephone number of its registered office is 02476 438000.

The website of Orbit is at <https://www.orbit.org.uk>. The information on Orbit's website does not form part of this Prospectus unless that information is incorporated by reference into this Prospectus (see "*Documents Incorporated by Reference*" below).

Background and History

Although Orbit (in its current form) was incorporated in 1997, it has been around in various forms since 1967 and registered with the Housing Corporation since 1975. By the 1980s Orbit was working in three main regions: Bromley, Coventry and Norwich. A regional office in London was added in 1983. Following various mergers, by 2002, Orbit had grown to have over 24,000 properties and was working in 85 local authority areas. More mergers followed, including the merger with South Warwickshire Housing Association (bringing in 5,900 properties) in 2008.

Principal Activities of Orbit

Orbit is a Registered Provider of Social Housing (whose activities are regulated by the Regulator). It owns a portfolio of 7,025 units which are managed by Orbit South and Heart of England and provides all group corporate services. In addition, it provides a range of professional and support services to external customers.

Board Members

The board members of Orbit and their principal activities outside Orbit, where these are significant with respect to Orbit, are as follows:

Name	Principal activities outside Orbit
The Rt Hon Baroness Blackstone	Chair, Asthma and British Lung Foundation Life Peer, House of Lords (member of the Economic Affairs Committee and the Finance Bill Sub-Committee) Chair, Bar Standards Board
David Weaver	Non-Executive Director and Chair, the Issuer Non-Executive Director and Chair, Orbit Treasury Limited Senior Advisor, Strategic Value Partners Non-Executive Director, Blenheim Chalcot
Steve Brown	Non-Executive Director, North Midland Construction plc Health and Safety Governor, the Stamford Endowed Schools Director, Steve Brown Consultancy Limited Director, Coppergreen Developments Limited
Mark Hoyland	Director, the Issuer Non-Executive Director, Line Bridge Limited Director, Orbit Treasury Limited
Stephen Howlett CBE DL	Chair of the Board, University of Greenwich Honorary Fellow of the Royal Institute of British Architects Non-Executive Director, Heart of England Non-Executive Director, Orbit South
Helen Gillett	Non-Executive Director, BetterSpace Non-Executive Director, Heart of England

Name	Principal activities outside Orbit
	Non-Executive Director, Orbit South
Stephen Stone	Non-Executive Director, House Builders Federation Non-Executive Director, Orbit Homes (2020) Limited

The business address of each of the above board members is Garden Court, Harry Weston Road, Binley Business Park, Coventry CV3 2SU.

The executive team of Orbit comprises:

- Mark Hoyland as the Group Chief Executive;
- Jonathan Wallbank as the Group Finance Director;
- Afzal Ismail as the Group Director of Corporate Services;
- Paul Richards as the Group Director of Customer and Communities;
- Craig Wilcockson as the Group Director of People and Strategy; and
- Helen Moore as Managing Director of Orbit Homes.

The secretary of Orbit is Richard Wright whose business address is Garden Court, Harry Weston Road, Binley Business Park, Coventry CV3 2SU.

Subject as follows, there are no potential conflicts of interest between any duties to Orbit of the board members of Orbit and their private interests and/or duties. Helen Gillett and Stephen Howlett are also board members of Orbit South and Heart of England, respectively. Orbit's rules provide that board members are deemed not to have a conflict of interest or loyalties where they are a board member or director of another Group member. David Weaver and Mark Hoyland are also directors of the Issuer. A conflict of interests could therefore arise if, for example, these board members are required to approve any transactions between Orbit and the Issuer. However, Orbit's rules provide that board members are deemed not to have a conflict of interest or loyalties where they are a board member or director of another Group member.

Corporate Governance

Orbit has 7 board members, with a further being recruited. Together they bring a broad range of expertise and experience to Orbit, in fields including customer service, business planning, risk management, building construction, asset management, community investment, finance and treasury and the governance and management of housing associations. The board meets formally at least 5 times a year. Orbit's board has two committees: the Audit & Risk Assurance Committee and the Governance & Remuneration Committee. Each of these is chaired by a board member and has clear terms of reference and reporting structures.

The day-to-day management of Orbit is delegated by the board members to the Group's Chief Executive and the Executive Team.

In addition, the group has established a Customer and Communities Board (**CCB**). The CCB operates as a committee of the boards of each of Orbit, Heart of England and Orbit South in respect of certain matters relating to the following fields:

- customers and community;
- compliance; and
- strategic asset management.

The CCB may have up to 2 members who are also non-executive members of Orbit's board, and one of those two acts as chair of the board. Up to 8 other independent members may be appointed, and up to 4 of those 8 may be residents. The members of the Orbit South and Heart of England boards currently make up the CCB.

Orbit complies with the National Housing Federation's code of governance.

Share Capital and Major Shareholders

The entire issued share capital of Orbit comprises 8 shares of £1 each, all of which are fully paid up. Each share carries voting rights but no rights to dividends, interest or bonus.

Recent Developments

There have been no recent events particular to Orbit that are, to a material extent, relevant to the evaluation of Orbit's solvency.

COVID-19

In relation to the COVID-19 pandemic, Orbit is following the advice from the Government and health authorities and is also implementing additional measures across its offices and operations.

The nature of Orbit's business is such that much of the work relating to its back office services may be done remotely, with a continued focus by Orbit's executive directors on customer and employee safety, whilst continuing to deliver front-line services. Orbit is taking all appropriate measures, often tailored to the specific nature and requirements of distinct areas of its business operations, to protect the safety, health and wellbeing of its people and all those who interact with them.

At the date of this Prospectus, the Group has taken the following action to support customers and colleagues:

- all of the Group's office-based colleagues are working from home to best protect its people, the Group has sought to enable this using robust IT platforms. Offices are only open to essential and emergency teams. The Group's customer contact centre remains available to customers, with colleagues taking customer calls and emails at home;
- the Group continues to deliver a programme of property safety compliance and operate an emergency service for repairs which might cause significant damage. The Group's Estate Services team are taking special care to clean relevant communal areas;
- colleagues are only working away from home if they are a key worker, can continue to meet the government's social distancing guidance and have the correct personal protective equipment;
- the Group has an established fund to help support small voluntary organisations helping people in its communities. £50,000 has been invested to date in supporting support local charities. The Group's Communities team supports residents which are vulnerable and provides assistance with accessing benefits and other available support; and

- the Group's Money and Advice team helps customers to access benefits and other available financial support they may be entitled to in order to support customers to maintain their tenancies and pay their rent. Payment plans are available where appropriate and across the Group around 15,000 wellbeing calls have been made to customers.

Safety is prioritised at all times whilst the Group seeks to return its services to "business as usual". As at the date of this Prospectus, the Group has not sought to access the UK Government's furlough scheme but it has implemented recruitment controls. It has also looked to control expenditure to protect the Group's financial position – in addition, additional financing facilities have been put in place as required.

Orbit's executive directors continue to monitor the situation regarding COVID-19 on a daily basis to provide effective leadership with regard to implications for Orbit's business activities and business continuity based on the recommendations of the UK Chief Medical Officer.

Orbit South

Incorporation and Status

Orbit South (formerly called Thanet Community Housing Association) was incorporated on 10 June 1993 and is a registered society within the meaning of the Co-operative and Community Benefit Societies Act 2014 (with registered number 27802R) and is registered as a Registered Provider of Social Housing with the Regulator (with registered number L4060). Orbit South has exempt charitable status and is affiliated to the National Housing Federation.

The registered office of Orbit South is Garden Court, Harry Weston Road, Binley Business Park, Coventry CV3 2SU. The telephone number of its registered office is 02476 438000.

Orbit South has no subsidiaries.

The website of Orbit South is at <https://www.orbit.org.uk>. The information on Orbit South's website does not form part of this Prospectus unless that information is incorporated by reference into this Prospectus (see "*Documents Incorporated by Reference*" below).

Background and History

Thanet Community Housing Association (a 1994 large scale voluntary transfer from Thanet District Council bringing in around 2,500 properties) joined the Group in March 2003. In October 2007 Orbit Bexley Housing Association (the recipient of around 4,500 properties transferred by way of large scale voluntary transfer from the London Borough of Bexley) merged with Thanet Community Housing Association to form Orbit South.

Principal Activities of Orbit South

Orbit South is a Registered Provider of Social Housing (whose activities are regulated by the Regulator of Social Housing).

Orbit South owns and manages 19,622 units in East Anglia, Kent, East Sussex, Surrey and London. Orbit South and Heart of England are the principal operating associations within the Group. They are managed as one business with a consistent way of working in order to deliver efficient and effective services.

Board Members

The board members of Orbit South and their principal activities outside Orbit South, where these are significant with respect to Orbit South, are as follows:

Name	Principal activities outside Orbit South
Kerry Bolister	Board Member, Heart of England Assistant Director of Development, Housing Plus Group Trustee, Harborne Parish Lands Charity
Symon Sentain	Managing Director of Symon Sentain Associates
Jake Boomhauer	Employee, Ministry of Housing, Communities and Local Government
Tonia Mihill	Director and Board Member, Pan African Development Education and Advocacy Programme
Stephen Howlett CBE DL	Chair of the Board, University of Greenwich Honorary Fellow of the Royal Institute of British Architects Non-Executive Director, Heart of England Non-Executive Director, Orbit South
Helen Gillett	Non-Executive Director, BetterSpace Non-Executive Director, Heart of England Non-Executive Director, Orbit South
David Butler	Non-Executive Director, Heart of England Employee, UK Apartment Association

The business address of each of the above board members of Garden Court, Harry Weston Road, Binley Business Park, Coventry CV3 2SU.

The secretary of Orbit South is Richard Wright whose business address is Garden Court, Harry Weston Road, Binley Business Park, Coventry CV3 2SU.

Subject as follows, there are no potential conflicts of interest between any duties to Orbit South of the board members of Orbit South and their private interests and/or duties. Helen Gillett and Stephen Howlett are also board members of Orbit and Heart of England respectively. Kerry Bolister is also a board member of Heart of England. Orbit South's rules provide that board members are deemed not to have a conflict of interest or loyalties where they are a board member or director of another Group member. Jake Boomhauer and Tonia Mihill are resident board members of Orbit South. They have a potential conflict of interest in their capacity as members of the board of Orbit South and their status as residents of Orbit South because of the impact that the decisions of the board of Orbit South may have on their day-to-day living as a resident. However Orbit South's rules provide that board members are deemed not to have a conflict of interest in any decision affecting all or a substantial number of residents.

Corporate Governance

Orbit South has 7 board members. Together they bring a broad range of expertise and experience to Orbit South, in fields including customer service, finance and property, marketing, asset management, IT, banking and the governance and management of housing associations. Up to 2 board members can be residents, which helps to bring a customer's perspective to board meetings. The board meets formally at least 3 times a year.

The day-to-day management of Orbit South and Heart of England is delegated by the board members of each entity to Paul Richards as the Executive Director of Customer Services. Paul Richards is supported by and works with the Group's Chief Executive and Executive Team.

Orbit South complies with the National Housing Federation's code of governance.

Share Capital and Major Shareholders

The entire issued share capital of Orbit South comprises 7 shares of £1 each, all of which are fully paid up. Each share carries voting rights but no rights to dividends, interest or bonus.

Recent Developments

There have been no recent events particular to Orbit South that are, to a material extent, relevant to the evaluation of Orbit South's solvency.

COVID-19

In relation to the COVID-19 pandemic, Orbit South is following the advice from the Government and health authorities and is also implementing additional measures across its offices and operations.

The nature of Orbit South's business is such that a significant proportion of its work cannot be done remotely, so the focus of Orbit South's executive directors is on customer and employee safety, whilst continuing to deliver front-line services. Orbit South is taking all appropriate measures, often tailored to the specific nature and requirements of distinct areas of its business operations, to protect the safety, health and wellbeing of its people and all those who interact with them.

All of the steps taken by the Group outlined in relation to Orbit Group above apply equally to Orbit South.

Orbit South's executive directors continue to monitor the situation regarding COVID-19 on a daily basis with regard to implications for Orbit South's business activities and business continuity based on the recommendations of the UK Chief Medical Officer.

Heart of England

Incorporation and Status

Heart of England was incorporated on 1 April 2008 and is a registered society within the meaning of the Co-operative and Community Benefit Societies Act 2014 (with registered number 30446R) and is registered Registered Provider of Social Housing with the Regulator (with registered number L4526). Heart of England has exempt charitable status and is affiliated to the National Housing Federation.

The registered office of Heart of England is Garden Court, Harry Weston Road, Binley Business Park, Coventry CV3 2SU. The telephone number of its registered office is 02476 438000.

Heart of England has no subsidiaries.

The website of Heart of England is at <https://www.orbit.org.uk>. The information on Heart of England's website does not form part of this Prospectus unless that information is incorporated by reference into this Prospectus (see "*Documents Incorporated by Reference*" below).

Background and History

Heart of England was formed in April 2008 when Heart of England Housing Group joined the Group.

Principal Activities of Heart of England

Heart of England is a Registered Provider of Social Housing (whose activities are regulated by the Regulator of Social Housing).

Heart of England owns and manages around 18,106 units in the Midlands. Orbit South and Heart of England are the principal operating associations within the Group. They are managed as one business with a consistent way of working in order to deliver efficient and effective services.

Board

The board members of Heart of England and their principal activities outside Heart of England, where these are significant with respect to Heart of England, are as follows:

Name	Principal activities outside Heart of England
Grant Richardson	Commercial Director, Mr Fixings (Manchester) Managing Director, T Brown Group
Kerry Bolister	Board Member, Orbit South Assistant Director of Development, Housing Plus Group Trustee, Birmingham & Solihull Women's Aid Trustee, Harborne Parish Lands Charity
Stephen Howlett CBE DL	Chair of the Board, University of Greenwich Honorary Fellow of the Royal Institute of British Architects Non-Executive Director, Orbit
Helen Gillett	Non-Executive Director, Orbit South Non-Executive Director, BetterSpace Non-Executive Director, Orbit
David Butler	Non-Executive Director, Orbit South Employee, UK Apartment Association
David Glover	None
John Brennan	Employee, We Are Digital Limited

The business address of each of the above board members is Garden Court, Harry Weston Road, Binley Business Park, Coventry CV3 2SU.

The secretary of Heart of England is Richard Wright whose business address is Garden Court, Harry Weston Road, Binley Business Park, Coventry CV3 2SU.

Subject as follows, there are no potential conflicts of interest between any duties to Heart of England of the board members of Heart of England and their private interests and/or duties.

Helen Gillett and Stephen Howlett are also board members of Orbit and Orbit South, respectively. Kerry Bolister is also a board member of Orbit South. Heart of England's rules provide that board members are deemed not to have a conflict of interest or loyalties where they are a board member or director of another Group member. John Brennan and David Glover are resident board members of Heart of England. They have potential conflicts of interest in their respective capacities as members of the board of Heart of England and their status as residents of Heart of England because of the impact that the decisions of the board of Heart of England may have on their day-to-day living as a resident. However

Heart of England's rules provide that board members are deemed not to have a conflict of interest in any decision affecting all or a substantial number of residents.

Corporate Governance

Heart of England has 7 board members. Together they bring a broad range of expertise and experience to Heart of England, in fields including customer service, community investment, resident engagement, finance and property, asset management, construction, accountancy and the governance and management of housing associations. Up to 2 board members can be residents, which help to bring a customer's perspective to board meetings. The board meets formally at least 3 times a year.

The day-to-day management of Orbit South and Heart of England is delegated by the board members of each entity to Paul Richards as Executive Director. Paul Richards is supported by and works with the Group's Chief Executive and Executive Team.

Heart of England complies with the National Housing Federation's code of governance

Share Capital and Major Shareholders

The entire issued share capital of Heart of England comprises 7 shares of £1 each, all of which are fully paid up. Each share carries voting rights but no rights to dividends, interest or bonus.

Recent Developments

There have been no recent events particular to Heart of England that are, to a material extent, relevant to the evaluation of Heart of England's solvency.

COVID-19

In relation to the COVID-19 pandemic, Heart of England is following the advice from the Government and health authorities and is also implementing additional measures across its offices and operations.

The nature of Heart of England's business is such that a significant proportion of its work cannot be done remotely, so the focus of Heart of England's executive directors is on customer and employee safety, whilst continuing to deliver front-line services. Heart of England is taking all appropriate measures, often tailored to the specific nature and requirements of distinct areas of its business operations, to protect the safety, health and wellbeing of its people and all those who interact with them.

All of the steps taken by the Group outlined in relation to Orbit Group above apply equally to Heart of England.

Heart of England's executive directors continue to monitor the situation regarding COVID-19 on a daily basis with regard to implications for Heart of England's business activities and business continuity based on the recommendations of the UK Chief Medical Officer.

Alternative Performance Measures

The Issuer believes that certain financial measures that are not recognised by the Original Borrowers' Accounting Standards, but are derived from the information provided in the financial statements of the Group, provide additional useful information regarding the Group's ongoing operating and financial performance and the Borrowers' ability to meet their payment obligations under their Loan Agreements which may correspondingly affect the Issuer's ability to meet its obligations under the Bonds.

These measures are not recognised measures under the Original Borrowers' Accounting Standards, do not have standardised meanings prescribed by the Original Borrowers' Accounting Standards and should not be considered in isolation or construed to be alternatives to measures pursuant to the Original Borrowers' Accounting Standards including revenues, net income (loss) and comprehensive income (loss) for the period determined in accordance with the Original Borrowers' Accounting Standards. The Original Borrowers' method of calculating these measures may differ from the method used by other entities. Accordingly, certain of the financial performance measures presented in this Prospectus may not be comparable to similarly titled measures used by other entities or in other jurisdictions. Consequently, these measures should not be considered substitutes for the information contained in the financial statements referred to in "*Documents Incorporated by Reference*" below and should be read in conjunction therewith.

In particular, the Group uses the financial measures (as defined below) set out in the table below to evaluate the business performance of the Group. All references to the Group Financial Statements in the table below are to Orbit's audited consolidated annual financial statements, which include the report of the board, strategic report, independent auditor's report and annual accounts, for the relevant financial years. All references to particular line items in the table below refer to information set out in Group Financial Statements in relation to the Group (on a consolidated basis) and not Orbit (on an unconsolidated basis).

Metric	Definition	Reconciliation	Additional Information
Social Housing Lettings margin %	Operating surplus on social housing lettings divided by turnover on social housing lettings.	"Operating surplus on social housing lettings" is taken from Note 2 (see "Social housing lettings" under the column headed "Operating Surplus/(Deficit)") to the Group Financial Statements. "Turnover on social housing lettings" is taken from Note 2 (see "Social housing lettings" under the column headed "Turnover") to the Group Financial Statements.	Operating margin is a measure of profitability. This ratio indicates the efficiency of the Group's financial performance on its social housing lettings by showing how much of each £1 of revenues is left after operating costs are considered.
Total Operating Margin % (not including stock sale)	Operating surplus (not including stock sale) divided by turnover	Operating surplus" is taken from Note 2 (see "Total social and non-social housing" under the column headed "Operating Surplus/(Deficit)") of the Group Financial Statements.	Operating margin is a measure of profitability. This ratio indicates the efficiency of the Group's financial performance by showing how much of each £1 of revenues is left after both operating costs and cost of sales are considered.
		Stock sales are taken from Note 2 (see "Surplus on sale of housing" column on row	

Metric	Definition	Reconciliation	Additional Information
		<p>headed "Total social and non-social housing") of the Group Financial Statements.</p> <p>Turnover" is taken from Note 2 see "Total social and non-social housing" under the column headed "Turnover") of the Group Financial Statements.</p>	
EBITDA MRI %	<p>Operating surplus (excluding Surplus on sale of housing), adding interest receivable, deducting amortisation of social housing and other capital grants, adding back the total depreciation charge for the period, adding back or deducting impairment of housing properties, deducting capitalised major repairs divided by interest payable plus other financing costs.</p>	<p>"Operating surplus" is taken from Note 2 (see "Total social and non-social housing" under the column headed "Operating Surplus/ (Deficit)") of the Group Financial Statements.</p> <p>"Surplus on sale of housing" is taken from Note 2 (see "Surplus on sale of housing" column on row headed "Total social and non-social housing" of the Group Financial Statements.</p> <p>"Interest Receivable" is taken from the Statement of Comprehensive Income in the Group Financial Statements.</p> <p>"Amortisation of social housing and other capital grants" is taken from Note 3 in relation to social housing lettings to the Group Financial Statements.</p> <p>"Total depreciation charge for the period" is taken from Note 5 entitled "Depreciation of housing properties" and also "Depreciation of other fixed assets" to the Group Financial Statements.</p> <p>"Impairment of housing properties" in relation to social housing lettings is taken from Note 3 (under the heading "Expenditure") to the Group Financial Statements.</p> <p>"Capitalised major repairs" is taken from the narrative within the table entitled "Housing properties –</p>	<p>This indicates the cash operating performance of the Group, representing earnings before interest, tax, depreciation and amortisation adding back major repair capitalised costs.</p>

Metric	Definition	Reconciliation	Additional Information
		<p>Group" in Note 12 to the Group Financial Statements.</p> <p>"Interest Payable" is taken from Note 9 (see "Loan and Bank overdraft") to the Group Financial Statements.</p> <p>"Other financing costs" is taken from Note 9 to the Group Financial Statements.</p>	
Social Lettings Interest Cover	Operating Surplus on social housing lettings divided by net cash interest paid (interest paid net of interest received).	<p>"Operating surplus on social housing lettings" is taken from Note 2 (see "Social housing lettings" under the column headed "Operating Surplus/(Deficit)") to the Group Financial Statements.</p> <p>"Interest paid" and "Interest received" are each taken from the Statement of Cash Flows.</p>	Demonstrates the ability to repay interest from low-risk core social housing activities as a key indicator of financial strength.
Profit from development sales and non social housing	<p>(1) (a) Operating surplus on Development for sale, plus (b) Operating surplus on Properties for sale, plus (c) Operating surplus on first tranche sales, plus (d) Operating surplus on Other non-social housing activities divided by</p> <p>(2) Total Operating Surplus before Operating surplus on Other non-social housing activities and Operating surplus on sale of housing</p>	All are taken from Note 2 (see the column headed "Operating Surplus/(Deficit)") to the Group Financial Statements.	This demonstrates the profit from the development of homes and non-social housing activities as a percentage of surplus before Non-social housing activities and Surplus on sale of housing.
Sales Work in Progress	Total housing properties and Shared Ownership completed and under construction at financial year end.	All taken in Note 18 to the Group Financial Statements.	Stock and work in progress are stated at the lower of cost and net realisable value. Cost includes land, build costs, applicable overheads and interest. Net realizable value is based on estimated selling price, less further costs expected to be incurred to completion and disposal. Provision is made for obsolete, slow moving or defective items where appropriate. Interest on borrowings incurred during the development period is capitalized.

Metric	Definition	Reconciliation	Additional Information
Net Debt	Amounts falling due within one year adding amounts falling due after more than one year deducting cash and cash equivalents.	<p>"Amounts falling due within one year" is taken from Note 25 (see "Due within one year") to the Group Financial Statements.</p> <p>"Amounts falling due after more than one year" is taken from Note 25 (see "Due after more than one year") to the Group Financial Statements and is shown as total loans measured at amortised cost.</p> <p>"Cash and cash equivalents" is taken from the Statement of Financial Position in the Group Financial Statements under Current Assets.</p>	Gives debt drawn less cash held in bank and investments.
Gearing	Net Debt divided by Net Debt plus Deferred capital grant and Income and expenditure reserves.	<p>"Net Debt" (see above).</p> <p>Deferred capital grant is taken from Note 22 to the Group Financial Statements (see "Total").</p> <p>"Income and expenditure reserves" is taken from the Statement of Financial Position in the Group Financial Statements.</p>	This is an indicator of financial leverage that measures the proportion of the Group's assets that has been funded with debt rather than capital grants or retained surpluses.
Sales as a % of Turnover	(a) Development for Sale and (b) First Tranche sales divided by Turnover.	<p>"Development for Sale" and "First Tranche Sales" are taken from Note 2 (see, in each case, under the column headed "Turnover") of the Group Financial Statements.</p> <p>"Turnover" (see above).</p>	This indicates the proportion of total turnover which is from the sale activities. .
Reinvestment %	(a) Investment in properties (existing stock as well as new supply) calculated by taking costs of additions divided by (b) the value of total properties.	<p>Cost of additions is taken from Note 12 "Housing Properties" referring to the "Cost" and "Total" column headings</p> <p>"Value of total properties" is taken from Note 12 (See under the heading "The net book amount") of the Group Financial Statements.</p>	This measures money spent on new stock and investing in existing stock as a percentage of the Group's asset holding.
New Supply Social Housing Delivered %	Social Housing Units Developed/Acquired divided by total social housing owned.	"Social Housing Units (rent/shared ownership) Developed/Acquired" can be taken from the Value for	Demonstrates the increase in the number of new housing units acquired or developed in the year as a proportion of total social

Metric	Definition	Reconciliation	Additional Information
		Money statement (FY2020 page 28) "Total Social Housing units owned" is taken from Note 34 of the Group Financial Statements.	housing units and non-social housing units owned.
New Supply Non-Social Delivered %	Non-Social Housing Units Developed/Acquired divided by Total Housing units owned.	"Non-Social Housing Units Developed/Acquired" can be taken from the Value for Money statement (FY2020 page 28). "Total Housing units owned" is taken from Note 34 of the Group Financial Statements. Taking "Social and non-social housing units" less "Commercial units" less "Retained freehold units"	Demonstrates the increase in the number of new non-social housing units that have been acquired or developed in the year as a proportion of total social housing units and non-social housing units owned
ROCE %	(a) Operating Surplus divided by (b) Total Asset less Current Liabilities	"Operating Surplus" is taken from Note 2 (see "Total social and non-social housing" under column headed "Operating Surplus/(Deficit)". "Total Assets less Current Liabilities" is taken from the Statement of Financial Position in the Group Financial Statements.	Demonstrates the Group's profitability and the efficiency with which its capital is employed.
CPU £ (thousands)	(1) The following Costs are added together: (a) Management costs (b) Service charge costs (c) Routine maintenance costs (d) Planned maintenance costs (e) Other (social housing letting) costs (f) Capitalised major repairs expenditure for period (g) Home Ownership services (h) "Other" (i) "Pension Exit Costs" divided by	"Costs" (a) to (e) are taken from Note 3 of the Group Financial Statements. Cost (f) is taken from Note 12 (see the narrative within the Group table of the Group Financial Statements). "Costs" (g) to (i) are taken from Note 2 of the Group Financial Statements. "Total social housing units" is taken from Note 34 of the Group Financial Statements.	This demonstrates the total cost of managing each social housing unit, i.e. total costs spread over the total social housing portfolio.

Metric	Definition	Reconciliation	Additional Information
	(2) Total social housing units owned and/ or managed at period end.		
Debt per Unit (DPU)	(a) Gross indebtedness of the Group, plus guarantees to non-obligor entities, less (b) non obligor debt divided by (c) units owned (only 50 per cent. of Shared Ownership).	"Gross indebtedness of the Group" can be found in Note 25 of the Group Financial Statements. "Non-obligor debt" can be found in Note 12 of Orbit Homes (2020) Limited referring to "Loans from group undertakings". "Non-obligor guarantees" are £8 million. "Units owned" can be taken from Note 34 of the statutory accounts	Measures indebtedness per unit owned of the obligors

Description of the Regulation and Funding Environment applicable to the Borrowers

Regulation and Regulatory Framework

The Housing and Regeneration Act 2008, as amended by the Localism Act 2011 and the Housing and Planning Act 2016 (the **HPA 2016**), (the **HRA 2008**) makes provision for the regulation of social housing in England.

Since January 2018, Homes England has operated the non-regulatory arm and the Regulator of Social Housing (the **Regulator**) has taken on the functions previously performed by the regulation committee of the Homes and Communities Agency (**HCA**) in respect of Registered Providers of Social Housing in England (**RPs**), including the Group. The Regulator provides economic regulation for RPs in order to ensure that they are financially viable and well governed.

The Regulator regulates RPs in accordance with the regulatory framework for social housing in England (the **Regulatory Framework**), which sets out the standards that apply to RPs (the **Standards**). The Standards cover:

- governance and financial viability;
- value for money;
- rent;
- quality of accommodation;
- repairs and maintenance;
- allocations, mutual exchanges and tenure;
- neighbourhood management, local area co-operation and anti-social behaviour; and
- tenant involvement and empowerment.

RPs are expected to comply with the Standards and to establish arrangements to ensure that they are accountable to their tenants, the Regulator and relevant stakeholders. The enforcement by the Regulator of the Standards (other than those relating to governance and financial viability, rent and value for money) is restricted to cases in which there is, or there is a risk of, serious detriment to tenants (including future tenants). The Regulatory Framework includes guidance as to how the Regulator will assess whether serious detriment may arise.

In April 2015 the HCA (as the predecessor of the Regulator) published updates to the Regulatory Framework. These provide for changes in the way the Regulator regulates, including asset and liability registers which are aimed to ensure that social housing assets are not put at risk, to protect the public value in those assets and to ensure that RPs can continue to attract the necessary finance to build new homes.

In March 2019, the Regulator updated its "*Regulating the Standards*" publication which outlines its operational approach to assessing the compliance of RPs with the economic and consumer standards.

On 14 August 2018 the Ministry of Housing, Communities and Local Government (**MHCLG**) published the green paper titled "*A new deal for social housing*". The paper sets out the UK Government's intention to carry out a review of regulation of social housing to ensure it remains fit for purpose, reflects changes in the social housing sector and drives a focus on delivering a good service for residents. A "call for evidence" which marks the first stage in the review process has been launched which asks interested parties such as residents, landlords and lenders for information on how the regulatory regime is meeting its current objectives – both what works well and what does not. Alongside questions in the green paper it marks the first stage in the review process. The deadline for responses was 6 November 2018. On 17 November 2020, the UK Government released a Social Housing White Paper, which has the stated aim of delivering transformational change for social housing residents. A seven point Charter is

proposed setting out what every social housing resident should be able to expect. Central to the above is the proposal for a strengthened Regulator which will be granted additional powers and in particular will be empowered to act more proactively on consumer regulation matters than under the current regulatory regime in force as at the date of this Prospectus. Many of the proposals rely upon further legislation and consultation, so implementation is not expected to be immediate.

Deregulatory measures

Pursuant to the HPA 2016, the UK Government introduced deregulatory measures for the purpose of restoring the private sector status of RPs following their reclassification as public non-financial corporations by the Office for National Statistics on 30 October 2015.

These measures replaced the previous "before the event" consent regime with an "after the event" notifications requirement in respect of:

- (a) constitutional changes (meaning that consent is no longer required for RPs to undertake certain changes such as mergers, change of status, restructuring, winding-up or dissolution); and
- (b) disposals of social housing dwellings (meaning that RPs no longer need consent from the Regulator for sales, charging for security and changes of ownership of social housing stock).

The explicit purposes of the measures are:

- (i) to validate adherence to all relevant laws and compliance with the governing documents of RPs;
- (ii) to ensure accountability to tenants and enshrine proper consultation with tenants when considering a disposal that would mean a change in the tenant's landlord or changes that affect tenant's statutory or contractual rights; and
- (iii) to promote the achievement of value for money in the delivery of social housing.

The Regulator's intention was to strengthen its expectations of RPs in relation to risk management and planning for adverse events. The changes are designed to underpin the financial viability of RPs, including the Group, but it is possible that compliance with on-going regulatory requirements may result in increased costs for RPs.

Housing Grant

RPs are entitled to apply for government grant to fund the development of new affordable homes. Grant is provided through Homes England, an executive public body sponsored by the MHCLG.

Grant funding for RPs has, in recent years, undergone significant and material change. Under the 2011–2015 Affordable Homes Programme, the level of capital grant made available to fund new affordable homes was reduced to £4.5 billion compared to £8.4 billion under the previous review period. To compensate for this, RPs were able to charge Affordable Rents where a Framework Delivery Agreement with Homes England has been entered into.

The 2015-2018 Affordable Homes Programme (the **New Framework**) was launched in January 2014. In December 2014 the Chancellor announced that the grant programme would be extended to 2020 with additional grant being made available. The primary change brought about under the New Framework is that all of the available funding is not allocated from the outset. The New Framework allows bidders the opportunity to bid for the remaining funding for development opportunities as these arise during the programme, where they can be delivered within the programme timescales.

In April 2016, the HCA announced that it was making available £4.7 billion of capital grant between 2016 - 2021 under the Shared Ownership and Affordable Homes Programme 2016-2021 (**SOAHP 2016 to 2021**). The Autumn Statement 2016 announced that an additional £1.4 billion would be made available to build 40,000 affordable homes and that the SOAHP 2016 to 2021 will support a variety of tenures which now includes affordable rent, shared ownership and rent to buy.

In the Spring Budget 2020 the UK Government announced that it was making £11.5 billion of grant available under the 2021 – 26 Affordable Housing Programme for the development of affordable housing including social rent, affordable rent, rent to buy and a revised shared ownership scheme. It also announced an additional £700 million of funding under the SOAHP 2016 to 2021.

Social Housing Rents

The rents which RPs may charge for affordable homes are controlled by the UK Government.

As part of the 2012 spending round, the UK Government confirmed, through its policy "*Guidance on Rents for Social Housing*" published in May 2014, that from 2015-2016, rents in the social sector should increase by up to the Consumer Price Index (**CPI**) at September of the previous year plus 1 per cent. annually, for ten years, whilst rent convergence (including the ability to charge an additional £2 per week) would end in April 2015.

The relevant rent standard guidance for RPs is contained within the Regulatory Framework.

In the 2015 Summer Budget, the UK Government announced that rents for social housing (as defined in Part 2 of the HRA 2008) in England would be reduced by 1 per cent. a year for the next four years. This change was introduced on 1 April 2016 pursuant to Section 23 of the Welfare Reform and Work Act 2016 (the **WRWA 2016**).

On 4 October 2017, the UK Government announced that social housing rents will be restored to the CPI plus 1 per cent. formula for five years from 1 January 2020.

The Rent Standard 2020 came into force on 1 April 2020 giving effect to the Government's Policy Statement on Rents for Social Housing. This provides that social rented housing and affordable rented housing rents may increase by up to CPI + 1% each year. The Policy states the intention that this should apply for at least five years.

Household Benefit Cap

RPs receive a proportion of their social rent income from housing benefit payable to eligible tenants by local authorities or by the Department of Work and Pensions (the **DWP**). The total combined income that households may receive from a number of welfare benefits including housing benefit is capped.

The Summer Budget 2015 announced, and the Spending Review and Autumn Statement 2015 confirmed, that the total household benefit cap (for those receiving housing benefit or Universal Credit and that are of working age) would be reduced to £20,000 per year for couples or parents (or £23,000 for Greater London) and £13,400 per year for single people without children (or £15,410 in Greater London). Measures to implement the lowering of the threshold were included in the WRWA 2016 which applies to RPs.

Exemptions to the total household benefit cap can apply to those tenants who qualify for working tax credit; are above the qualifying age for pensions credit; obtain certain benefits for sickness and disability; or claim a war pension. The benefit cap will not apply in circumstances where a tenant or a tenant's partner is in receipt of, or is responsible for, a child or young person who is in receipt of benefits such as disability living allowance, personal independence payment or carer's allowance. Housing benefit

will not be included when calculating total benefit income where tenants are housed in specified accommodation including supported housing.

Universal Credit

Universal Credit, introduced under the Welfare Reform Act 2012, replaces six existing means-tested benefits and tax credits for working-age families, namely income support, income-based jobseeker's allowance, income-related employment and support allowance, housing benefit, child tax credit and working tax credit with a single monthly payment, transferred directly into a household bank account of choice, and is currently in an extended "roll out" phase across the UK which is expected to last until 2024.

There are three types of alternative payment arrangements available for claimants:

- (a) direct payment of the housing cost element to landlords (known as Managed Payments);
- (b) splitting of payments between members of a couple; and
- (c) more frequent payment of benefit where a claimant is in arrears with their rent for an amount equal to, or more than, two months of their rent or where a claimant has continually underpaid their rent over a period of time, and they have accrued arrears of an amount equal to or more than one month's rent.

If the DWP does not set up a managed payment, RPs can request a managed payment and inform the DWP of other reasons why a managed payment might be needed. Landlords can request deductions from a claimant's Universal Credit to repay existing rent arrears, known as third party deductions. Deductions will be a minimum of 10 per cent. and a maximum of 20 per cent. of a claimant's Universal Credit standard allowance.

Right to Buy

The introduction of the right to buy to assured tenants of RPs was a manifesto commitment by the Conservative Party for the 2015 and 2017 general elections. An announcement from the Secretary of State for Communities and Local Government on 24 September 2015 confirmed a proposal made by the National Housing Federation (**NHF**) to introduce the right to buy voluntarily. The voluntary arrangement is based on four key principles:

- (a) tenants would have the right to purchase a home at right to buy discounts (maximum discount of £77,900 (£103,900 in London)) subject to government funding for the scheme;
- (b) RPs will have the final decision about whether to sell an individual property;
- (c) RPs will receive the full market value of the properties sold, with the value of the discount funded by the UK Government; and
- (d) nationally, for every home sold under the agreement a new affordable property would be built, thereby increasing supply.

The Prime Minister confirmed on 7 October 2015 that the NHF's proposal had been accepted by the UK Government. This means that, rather than including the right to buy extension in the HPA 2016 as a statutory obligation, there is an agreement by the social housing sector to deliver the extension voluntarily. The HPA 2016 establishes a statutory framework to facilitate the implementation of the voluntary right to buy scheme and makes provision for grants to be paid to RPs to cover the cost of

selling housing assets at a discount. The HPA 2016 states that such grant may be made on any terms and conditions the MHCLG considers appropriate.

The UK Government ran an initial pilot scheme in 2016 involving five housing associations and a subsequent large-scale regional pilot has been running since August 2018. This pilot was due to end in April 2020, but has been extended to an undisclosed date. The current pilot was intended to test two aspects of the voluntary agreement that the original pilot did not cover, namely (a) one for one replacement and (b) portability of discounts. It is also testing the Voluntary Right to Buy Guidance which is the detailed description of how the scheme will operate and which was jointly designed by housing associations, the NHF and the UK Government.

Shared Ownership

Shared ownership income is generated on the initial sale of the property (known as the **First Tranche**) which is sold to the shared owner; on subsequent sales of further "tranches" or portions of the property to the shared owner (known as **staircasings**); and in the form of subsidised rent on the part of the property which the shared owner does not own (the **retained portion**) until the property is fully owned by the shared owner.

There is a risk that if a purchaser of a shared ownership property borrows monies through a mortgage from a commercial lender (having obtained consent from its landlord) then that lender's mortgage may take priority ahead of any security arrangements that are in place. However, if that commercial lender were to enforce its security following a purchaser defaulting on its mortgage, such lender could staircase (i.e. purchase the retained portion of the property) up to 100 per cent. in order to be able to sell the whole leasehold interest, in which case the relevant Borrower, as landlord, would receive such staircasing payments from the commercial lender. If the price for the full 100 per cent. receivable on sale is not sufficient to meet the principal outstanding (plus 12 months' interest and other statutorily permitted costs) then the shortfall will remain as a debt due to the landlord from the defaulting leaseholder. Under current Regulator rules, any shortfall not recovered is borne first by the provider of any grant in respect of the property, and thus the relevant Borrower is only affected to the extent that the shortfall cannot be covered by grant monies. This only applies where shared ownership units are grant-funded. If a commercial lender did enforce its security by staircasing up to 100 per cent. and there was such a shortfall, the relevant Borrower would no longer receive rent for its retained share of the property.

Revised Shared Ownership scheme and Right to Shared Ownership

The UK Government has announced changes to the shared ownership product that will apply to grant funded units under the 2021 – 26 Affordable Housing Programme. Key changes in the revised scheme are that the initial equity share purchased is being reduced from 25 per cent. to 10 per cent. and that the housing association will retain repair and maintenance responsibilities for the first 10 years. There are also proposals to enable the purchase of additional tranches of just 1 per cent. for each of the first 15 years rather than the current 10 per cent. requirement. It remains possible to acquire the whole of the housing association's equity subject to certain exceptions as under the current scheme.

Rented units provided under the Affordable Housing Programme will be subject to a right for the tenant to acquire the property on shared ownership terms reflecting the new shared ownership product.

These changes to the shared ownership product will change the potential cash flow and risk profile of shared ownership from the housing association's perspective compared to the current scheme. It is not yet clear if the amount of grant available will compensate fully for this. The creation of a right to shared ownership means that units developed or acquired for rented affordable housing under the 2021 – 26 Affordable Housing Programme may convert over time into shared ownership.

Affordable Rent

Affordable rents are rents of up to 80 per cent. of market rent which RPs can charge for certain residential properties. This limit is set by the rent standard, which is one of the regulatory standards imposed by the Regulator. The Regulator has issued guidance on how market rent should be calculated, and service charges are included.

Building Regulations Reform

On 20 July 2020, the UK Government published the draft Building Safety Bill which seeks to legislatively address the recommendations from an independent review of building regulations and fire safety following the Grenfell Tower fire in June 2017. It proposes fundamental reform of building safety requirements with the aim of ensuring that residents are safe in their homes. The draft Bill is currently subject to pre-legislative scrutiny and is not anticipated to come into force until Autumn 2021.

There is also significant secondary legislation and related guidance expected and therefore substantial details of the regime remain outstanding. The draft Bill covers all residential buildings, with an enhanced regulatory regime applying to those "Higher-risk buildings" (those buildings that are 18 metres or above/ 6 storeys or above, whichever is reached first, and that meet a multi-dwelling test). The draft Bill includes:

- amendments to the Building Act 1984 to introduce a dutyholder regime: dutyholders will have clear responsibilities for safety throughout a building's design and construction and the introduction of the "Accountable Person" who will hold the responsibility for safety during the occupation phase;
- a new building safety charge regime as well as an obligation on residents to ensure they do not undermine the fire and structural safety for the building in which they live;
- various provisions to give residents a stronger voice in the system and ensure their concerns are never ignored;
- the establishment of a new building safety regulator to provide oversight of the new building safety regulatory regime; and
- strengthened enforcement and sanctions to deter non-compliance with the new regime.

The proposals will affect many aspects of the business of an RP and in particular, the procurement, development, construction and management of existing and new build properties.

Moratorium and Housing Administration

In order to protect the interests of tenants and to preserve the housing stock of RPs within the social housing sector and within the regulatory regime, a 28 day moratorium on the disposal of land (including the enforcement of any security) by non-profit RPs will apply upon notice being given to the Regulator of certain steps being taken in relation to that provider such as presenting a winding-up petition, the appointment of an administrator or the intention to enforce security over its property. The Regulator may then seek to agree proposals about the future ownership and management of the RP's land with its secured creditors. The Security Trustee is required to notify the Regulator of its intention to enforce the security created pursuant to the Security Documents and it cannot enforce its security during the resulting moratorium without the consent of the Regulator.

Each of the Original Borrowers is a registered society within the meaning of the Co-operative and Community Benefit Societies Act 2014, and is therefore not subject to administration under the

Insolvency Act 1986. However, the Housing and Planning Act 2016, the Insolvency of RPs Regulations 2018 and the Housing Administration (England and Wales) Rules 2018 introduced a special administration regime called housing administration which was brought into force on 5 July 2018 and is available in addition to the moratorium regime. This provides for a court to appoint a qualified insolvency practitioner known as a "housing administrator" to manage the affairs, business and property of an RP, following an application from the Secretary of State or (with the permission of the Secretary of State) the Regulator.

An interim moratorium will run from the date of issue of an application for a housing administration order until the application is either dismissed or a housing administration order takes effect and, upon the making of a housing administration order, an RP shall become subject to a moratorium, for so long as such RP is subject to a housing administration order, that prevents secured creditors from enforcing their security without the consent of the housing administrator or the permission of a court.

Each housing administration order will last for 12 months (subject to certain exceptions), but may be extended. In certain circumstances a court may make an order enabling a housing administrator to dispose of property belonging to an RP which is subject to a fixed charge, albeit only on terms that the fixed charge holder receives the proceeds up to the value of the security and those proceeds are topped up to "market value" if the property is sold for less than this.

Documents Incorporated by Reference

The following documents, which have previously been published and have been filed with the Financial Conduct Authority, shall be incorporated in, and form part of, this Prospectus:

- (a) the audited unconsolidated financial statements, including the reports of the auditors, for the financial years ended 31 March 2019 and 31 March 2020 for the Issuer;
- (b) the audited consolidated financial statements, including the reports of the auditors, for the financial years ended 31 March 2019 and 31 March 2020 for Orbit (the **Group Financial Statements**); and
- (c) the audited unconsolidated financial statements, including the reports of the auditors, for the financial years ended 31 March 2019 and 31 March 2020 for each of Orbit South and Heart of England,

together, the **Financial Statements**. Copies of the documents incorporated by reference in this Prospectus can be obtained from the registered office of the Issuer and the specified office of the Principal Paying Agent and can be viewed electronically free of charge on the Issuer's website at <https://www.orbit.org.uk/media/publications/reports-archive/>.

Any documents themselves incorporated by reference in the above documents shall not form part of this Prospectus.

Valuation Report

The following valuation report (the **Valuation Report**) relates to the properties which will be charged in favour of the Security Trustee, for the benefit of the Issuer, on the Issue Date (such properties, the **Initial Properties**) and which will be allocated as underlying security to secure the Bonds together with the Retained Proceeds (if any).

The Valuation Report was prepared by Jones Lang LaSalle Limited, Registered Chartered Surveyors of 30 Warwick Street, London W1B 5NH (the **Valuer**). The Valuation Report is included in this Prospectus with the consent of the Valuer and the Valuer has authorised the contents of this section.

The Valuer does not have a material interest in the Issuer or any Original Borrower.

Summary of valuations

A summary of the values of the Charged Properties set out in the Valuation Report is set out below:

Original Borrower	EUV-SH or, where appropriate, MV-ST*				Total
	Units	EUV is appropriate	Units	MV-ST is appropriate	
Orbit	105	£9,230,000	0	£0	£9,230,000
Orbit South	263	£20,510,000	583	£49,330,000	£69,840,000
Heart of England	8	£560,000	1,711	£203,460,000	£204,020,000
	376	£30,300,000	2,294	£252,790,000	£283,090,000

* A further 82 units which will be charged in favour of the Security Trustee, for the benefit of the Issuer, have been given a nil value.

Jones Lang LaSalle

Valuation Advisory

Property: 2,752 Affordable Housing units owned by Heart of England Housing Association Limited, Orbit South Housing Association Limited and Orbit Group Limited

November | 2020



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Appendices

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Prudential Trustee Company Limited
10 Fenchurch Avenue
London EC3M 5AG
as Bond Trustee and Security Trustee

Orbit Capital plc
Garden Court
Harry Weston Road
Binley Business Park
Coventry CV3 2SU
as Issuer

Orbit Group Limited
Garden Court
Harry Weston Road
Binley Business Park
Coventry CV3 2SU
as an Original Borrower

Orbit South Housing Association Limited
Garden Court
Harry Weston Road
Binley Business Park
Coventry CV3 2SU
as an Original Borrower

Heart of England Housing Association Limited
Garden Court
Harry Weston Road
Binley Business Park
Coventry CV3 2SU
as an Original Borrower

Banco Santander, S.A.
Ciudad Grupo Santander
Avenida de Cantabria s/n
Edificio Encinar, planta baja
28660 Boadilla del Monte
Madrid
Spain
as a Joint Lead Manager

HSBC Bank plc
8 Canada Square
London E14 4BB
as a Joint Lead Manager

NatWest Markets Plc
250 Bishopsgate
London EC2M 4AA
as a Joint Lead Manager

20 November 2020

Dear Sirs

2,752 Affordable Housing units owned by Heart of England Housing Association Limited, Orbit South Housing Association Limited and Orbit Group Limited

We are pleased to attach our Report in connection with the above.

This Report is issued for the benefit and use of the Addressees and for inclusion in the prospectus (the “Prospectus”) for the issue of the £300,000,000 2.000 per cent. Secured Bonds due 2038 Bonds (the “Bonds”) by Orbit Capital plc (the “Bond Issue”) and may only be used in connection with the Prospectus and the Bond Issue. We hereby give our consent to the publication of this Report within the Prospectus and accept responsibility for the information contained in this Report.

To the best of our knowledge, the information given in this Report is in accordance with the facts and such information makes no omission likely to affect its import.

Before this Report or any part of it is reproduced or referred to in any document, circular or statement (other than the Prospectus in respect of the Bonds), our written approval as to the form and context of such publication must be obtained.

If you have any questions about this Report, or require further information, please contact Marc Burns (marc.burns@eu.jll.com; 020 7078 5978).

Yours faithfully



Richard Petty FRICS
Head of UK Living Advisory
For and on behalf of
Jones Lang LaSalle Limited

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Yours faithfully



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Executive Summary

This summary should be read in conjunction with the main body of our Report. Section numbers are supplied where relevant.

Introduction

The date of this Report is 20 November 2020.

Jones Lang LaSalle Limited has been instructed to value a portfolio of 2,752 properties for loan security purposes.

Properties

The portfolio comprises 2,670 social housing units located in the South East, South West, East Midlands, West Midlands and East of England.

The portfolio contains a mixture of different tenures as summarised in the table overleaf and set out in greater detail in section 3 of this Report.

In addition there are 82 units in the portfolio which form ancillary accommodation, have been sold on long leases or fully staircased. Heart of England Housing Association Limited, Orbit South Housing Association Limited and Orbit Group Limited's interest in the properties is considered to be de minimis for the purpose of this exercise and so these properties have been included at nil value. Furthermore, please note that these properties have not been included in any unit counts or other statistics in this Report.

We have inspected the exterior of all units in the portfolio and have seen a representative sample of 5.0% internally (section 3).

Valuations

The effective date of valuation is 20 November 2020.

Heart of England Housing Association Limited

Our valuation of the 8 properties being valued on the basis of Existing Use Value for Social Housing ("EUV-SH"), in aggregate, at the valuation date is:

£560,000
(five hundred and sixty thousand pounds)

Our valuation of the 1,711 properties being valued on the basis of Market Value subject to Tenancies ("MV-T"), in aggregate, at the valuation date is:

£203,460,000
(two hundred and three million, four hundred and sixty thousand pounds)

The following table summarises our opinions of value (section 6):

Freehold Properties

Category	Unit Count	Basis of Value	EUV-SH	MV-T
Affordable Rent Unrestricted	69	MV-T	£5,420,000	£9,160,000
General Needs Restricted	8	EUV-SH	£560,000	-
General Needs Unrestricted	1,637	MV-T	£119,010,000	£193,420,000
Supported Unrestricted	5	MV-T	£210,000	£880,000
Total	1,719		£125,200,000	£203,460,000

Leasehold Properties

There are no leasehold properties in the portfolio.

Orbit South Housing Association Limited

Our valuation of the 263 properties being valued on the basis of Existing Use Value for Social Housing (“EUV-SH”), in aggregate, at the valuation date is:

£20,510,000
(twenty million, five hundred and ten thousand pounds)

Our valuation of the 583 properties being valued on the basis of Market Value subject to Tenancies (“MV-T”), in aggregate, at the valuation date is:

£49,330,000
(forty nine million, three hundred and thirty thousand pounds)

The following tables summarise our opinions of value (section 6):

Freehold Properties

Category	Unit Count	Basis of Value	EUV-SH	MV-T
Affordable Rent Restricted	215	EUV-SH	£17,640,000	
Affordable Rent Unrestricted	49	MV-T	£4,890,000	£7,920,000
General Needs Restricted	16	EUV-SH	£890,000	-
General Needs Unrestricted	473	MV-T	£25,950,000	£37,500,000
Housing for Older Persons Unrestricted	55	MV-T	£2,480,000	£3,210,000
Supported Restricted	17	EUV-SH	£680,000	-
Total	825		£52,530,000	£48,630,000

Leasehold Properties

Category	Unit Count	Basis of Value	EUV-SH	MV-T
Affordable Rent Restricted	15	EUV-SH	£1,300,000	-
Affordable Rent Unrestricted	2	MV-T	£180,000	£310,000
General Needs Unrestricted	4	MV-T	£210,000	£390,000
Total	21		£1,690,000	£700,000

Orbit Group Limited

Our valuation of the 105 properties being valued on the basis of Existing Use Value for Social Housing (“EUV-SH”), in aggregate, at the valuation date is:

£9,230,000
(nine million, two hundred and thirty thousand pounds)

The following tables summarise our opinions of value (section 6):

Freehold Properties

Category	Unit Count	Basis of Value	EUV-SH
Shared Ownership	71	EUV-SH	£5,470,000
Total	71		£5,470,000

Leasehold Properties

Category	Unit Count	Basis of Value	EUV-SH
Shared Ownership	34	EUV-SH	£3,760,000
Total	34		£3,760,000

Portfolio Analysis

Strengths:

- given the divergence between property prices and local average earnings, demand for these properties should be sustainable in the medium to long term;
- the level of rental income for all areas is broadly in line with other Registered Providers (“RPs”) in the respective areas;
- the level of rental income is, in aggregate, below the relevant levels of Local Housing Allowance (LHA) for each region;
- the EUV-SH and MV-T values per unit and percentage relationships to MV-VP, are at levels appropriate to the current climate, having regard to the portfolio’s location and composition;

- we have made conservative assumptions with regard to the respective rent and sales contributions to the valuations of the shared ownership units and they are not overly dependent on proceeds from sales;
- there are currently 321,000 households on local authority waiting lists across the South East, South West and West Midlands;
- based on current levels of affordable housing supply (new build) across the South East, South West and West Midlands, there are 95 households on the waiting list for every new property being built; and
- EUV-SH values are likely to maintain their current levels as stock transactions within the sector and access to debt markets continue to take place, albeit with more hesitancy due to market fluctuations.

Weaknesses:

- whilst we have been prudent in applying our MV-VPs, MRs and sales rates, there are well-documented challenges at present to the domestic sales and lettings market;
- anticipated downward pressure on house prices in the medium-term and falling transaction volumes could impact upon MV-T values going forward; and
- there are short-term risks for RPs' income not supported by housing benefit and a greater number of voids and arrears.

Opportunities:

- increased efficiencies are continuing to be driven by mergers between Housing Associations;
- rationalisation of RPs' stock allowing for more efficient asset management; and
- investment of REITs and other funds into the sector as whole.

Threats:

- changes in Government policy such as a further period of rent cuts or changing the Rent Regime to CPI only;
- results of the Hackitt Report could lead to retrospective remedial repairs and alterations being enforced upon RPs;
- sharp increase in the cost of materials and labour to carry out any repairs and maintenance work on existing stock and meet development plans;
- the temporary stamp duty tax cut on purchases and pent-up demand has fuelled a strong return in terms of mortgage approvals, sales and lettings volumes; and
- reactive changes to working conditions and government policy could drive further efficiencies in the sector and wider economy in the longer-term.

Suitability of Security

Your instructions require us to comment on whether the properties we have valued provide adequate security for the Bond Issue.

It is difficult for any valuer, without being asked to consider a specific credit or risk assessment policy, to make an absolute, unqualified statement that those assets will provide suitable security because our instructions do not explain what criteria the Security Trustee is applying in making this assessment.

However we confirm that, in our opinion, should the Security Trustee become a mortgagee in possession of this portfolio of properties, then it would be possible to achieve a sale to another RP that would be at a price at least equivalent to our valuation on the basis of EUV-SH or, in principle, to a private purchaser at a price equivalent to our valuation on the basis of MV-T as set out in our Report. However, the valuation assumes implicitly that a purchaser could obtain debt finance on commercially viable terms to facilitate a purchase of the portfolio.

Based on our inspections, we are satisfied that the properties we inspected internally, are being maintained to an acceptable social housing standard, in line with the Regulator of Social Housing (“RSH”) regulatory requirements and commensurate with the likely demands of the target tenant group.

Overall, we have assumed that each property has a useful economic life of at least 50 years provided that the properties continue to be properly maintained in the future.

Unless otherwise stated in our Report none of the properties are of 6 storeys or more or are subject to any remedial works in the wake of the Grenfell Tower disaster of June 2017. We have therefore assumed that the properties conform to the Fire Precaution Regulations and any other statutory requirements.

Our inspections are for valuation purposes only and carried out on an external and internal sample basis only, therefore we cannot confirm whether invasive vegetation has been or is present on the site, our valuation assumes that none exists within the demise or proximity of any of the properties.

With the above factors in mind, and with specific regard to the continuing need for well-maintained social housing accommodation, we believe it reasonable to conclude an acceptable demand for a portfolio of this nature from commensurate social housing landlords and private institutional investment firms.

Subject to the information presented within this Report, and at the values formally reported, we are satisfied to recommend to the Security Trustee that this portfolio is suitable for security purposes.

Outbreak of Novel Coronavirus (COVID – 19)

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a “Global Pandemic” on the 11th March 2020, has and continues to impact many aspects of daily life and the global economy – with real estate markets having experienced lower levels of transactional activity and liquidity. Travel restrictions have been implemented by many countries and “lockdowns” applied to varying degrees. Whilst restrictions have now been lifted in some cases, local lockdowns may continue to be deployed as necessary and the emergence of significant further outbreaks or a “second wave” is possible.

The pandemic and the measures taken to tackle COVID-19 continue to affect economies and real estate markets globally. Nevertheless, as at the valuation date some property markets have started to function again, with transaction volumes and other relevant evidence returning to levels where an adequate quantum of market evidence exists upon which to base opinions of value. Accordingly, and for the avoidance of doubt, our valuation is not reported as being subject to ‘material valuation uncertainty’ as defined by VPS3 and VPGA 10 of the RICS Valuation, Global Standards.

Stock

The valued stock is summarised by count of unit type for each business stream as follows:

Property Type	Affordable Rent	General Needs	Housing for Older Persons	Supported	Shared Ownership	Total
Room	-	7	13	17	-	37
1 bed flat	60	361	38	-	14	473
2 bed flat	43	262	1	-	37	343
3 bed flat	-	8	-	-	-	8
1 bed house	31	-	-	-	-	31
2 bed house	87	170	-	-	35	292
3 bed house	71	557	-	3	19	650
4 bed house	22	25	-	2	-	49
5 bed house	1	1	-	-	-	2
1 bed bungalow	8	307	3	-	-	318
2 bed bungalow	25	440	-	-	-	465
3 bed bungalow	1	-	-	-	-	1
4 bed bungalow	1	-	-	-	-	1
Total	350	2,138	55	22	105	2,670

Assumptions: Rented Properties

The following table provides a summary of the assumptions made in our rented valuations:

Assumption	EUV-SH	MV-T
Rental income growth - houses (Year 1)	1.0% - 2.0%	18.2% - 24.3%
Rental income growth - flats (Year 1)	1.0% - 2.0%	16.3% - 24.5%
Sales rate (houses)	N/A	4.0% - 25.0%
Sales rate (flats)	N/A	3.0% - 16.0%
Bad debts and voids (Year 1)	2.5% - 3.0%	8.0%
Management costs	£650	9.0% of Gross Income
Management cost growth inflator	0.5%	N/A
Total repairs costs (Year 1)	£1,204 - £1,595	£2,250 - £3,250
Repair cost growth inflator	1.0%	1.0%
Discount rate (income)	5.25% - 5.75%	7.25% - 7.5%
Discount rate (sales)	N/A	9.0% - 10.0%

Assumptions: Shared Ownership

The following table provides a summary of the assumptions made in our shared ownership valuation:

Assumption	EUV-SH
Discount rate (income)	4.75%
Discount rate (sales)	7.5%
Management Costs	4.0% of Gross Income
Sales rate (yrs 0-1)	0 tranche sales p.a.
Sales rate (yrs 2-10)	7 tranche sales p.a.
Sales rate (yrs 11-30)	4 tranche sales p.a.
Sales rate (yrs 31-50)	2 tranche sales p.a.
Rental growth (all years)	0.5%

This summary should be read in conjunction with the remainder of the valuation Report and must not be relied upon in isolation.

1 Introduction

1.1 Background

Jones Lang LaSalle Limited (“JLL”) has been instructed to prepare a valuation of 2,752 properties (the “Portfolio”) owned by Heart of England Housing Association Limited (“Heart of England”), Orbit South Housing Association (“Orbit South”) Limited and Orbit Group Limited (“Orbit Group”) (together, the “Original Borrowers”).

1.2 Compliance

Our valuations have been prepared in accordance with the current RICS Valuation – Global Standards, incorporating the IVS, effective from 31 January 2020, and the RICS Valuation – Global Standards – UK National Supplement, effective from 14 January 2019, published by the Royal Institution of Chartered Surveyors (commonly known as the “Red Book”).

Our valuations may be subject to monitoring by the RICS and have been undertaken by currently Registered RICS Valuers.

This Report has been prepared by Marc Burns , a Director in the Affordable Housing team of JLL and countersigned by Richard Petty FRICS (Valuer Number: #0089005), Head of Affordable Housing and a Director of JLL.

In accordance with PS 2.3 of the Red Book, we confirm that we have sufficient knowledge and skills to undertake this valuation competently.

We can confirm that no conflict of interest has occurred as a result of our production of this Report.

The effective date of valuation is 20 November 2020.

For the avoidance of doubt, we confirm that it would not be appropriate or possible to compare this valuation with any values appearing in any of the Original Borrower's accounts. This Report has been prepared in accordance with the Red Book. The valuations are prepared on this basis so that we can determine the value recoverable if the charges over the properties were enforced at the date of this Report. We understand that values given in the Original Borrowers' accounts are prepared on an historic cost basis which considers how much the properties have cost and will continue to cost the Original Borrowers. This is an entirely different basis of valuation from that used for loan security purposes.

This valuation qualifies as a Regulated Purpose Valuation ("RPV") as defined by the Red Book. A RPV is a valuation which is intended for the information of third parties in addition to the Addressees. It is a requirement of UKVS 4.3 of the Red Book in relation to disclosures that we declare our prior involvement with the Original Borrowers, or the properties being valued, to ensure that there is no conflict of interest.

We confirm that the total fee income earned from the Original Borrowers is substantially less than 5% of the fee income earned by JLL in our last financial year (ending 31 December 2019) and that we do not anticipate this situation changing in the foreseeable future.

1.3 Instructions

Our Report is prepared in accordance with the Original Borrowers' formal instructions.

We have been instructed to prepare our valuations on the following bases:

- Existing Use Value for Social Housing ("EUV-SH"); and
- Market Value subject to existing Tenancies ("MV-T").

Please note that the properties that have been valued on the basis of MV-T have also been valued on the basis of EUV-SH, for information purposes only.

1.4 Status of Valuer

In preparing this Report, we confirm that JLL is acting as an external valuer as defined in the Red Book. We can also confirm that we consider ourselves to be independent for the purposes of this instruction.

In accordance with RICS guidance, and our own rotation policy, we recommend that a rotation of overall responsibility within JLL is considered no later than the end of 2025.

1.5 Outbreak of Novel Coronavirus (COVID – 19)

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a "Global Pandemic" on the 11th March 2020, has and continues to impact many aspects of daily life and the global economy – with real estate markets having experienced lower levels of transactional activity and liquidity. Travel restrictions have been implemented by many countries and "lockdowns" applied to varying degrees. Whilst restrictions have now been lifted in some cases, local lockdowns may continue to be deployed as necessary and the emergence of significant further outbreaks or a "second wave" is possible.

The pandemic and the measures taken to tackle COVID-19 continue to affect economies and real estate markets globally. Nevertheless, as at the valuation date some property markets have started to function again, with transaction volumes and other relevant evidence returning to levels where an adequate quantum of market evidence exists upon which to base opinions of value. Accordingly, and for the avoidance of doubt, our valuation is not reported as being subject to 'material valuation uncertainty' as defined by VPS3 and VPGA 10 of the RICS Valuation, Global Standards.

1.6 The Stock Rationalisation Market – EUV-SH Transactions

As you will be aware, an active market exists for the sale of tenanted stock between RPs. This can be driven by strategic decisions about the type and location of accommodation that RPs wish to provide, and the viability of investing in properties to bring them up to the required standards.

Where competition is generated, a market has emerged in which RPs bid against one another on price. The resulting values, even though presented on an EUV-SH basis, tend to be in excess of base EUV-SH values that might be expected for balance sheet or loan security purposes.

Although this may appear hard to justify, the underlying rationale is as follows:

- the bidding price is still much less than the cost of development;

- the marginal cost of taking additional units into management, in an area where the acquiring RP already has stock, justifies a financial model based on relatively low costs for management, repairs and maintenance;
- the judgement of all-round risk formed by the acquiring RP, as reflected in the discount rate, is often lower (and the rate therefore keener) than would be acceptable to either a funder or an auditor in a balance sheet context;
- the price is worth paying to achieve strategic objectives around increasing a presence in a particular area or market; and/or
- the price may be supported by future void sales and/or changes of tenure (for example, from Social Rent to Affordable Rent).

1.7 Deregulatory Measures

A package of deregulatory measures for which the primary legislation was the Housing & Planning Act 2016 came into force on 6 April 2017. These are very significant for the UK social housing sector, as they give RPs greater freedom in terms of commercial decision making than they have ever previously enjoyed in terms of the reduced ability of the regulator to prevent asset management actions.

The deregulatory measures introduced give RPs the freedom to dispose of assets without the regulator's consent, either with or without tenants in place. Disposals include the grant of leases and the creation of charges when assets are pledged as security for loan security purposes.

There are already early signs that these measures are having an effect on RPs' thinking, and on their business plans, as they begin to adopt a more commercial approach to asset management as one of the tools at their disposal to respond to the greater financial pressures and expectations upon them. For example, through our day to day work, we are beginning to see more analytical requirements in terms of asset management decisions, around investment, remodelling and sale; and an element of sales being built into some stock rationalisation bids.

To be clear this does not mean that RPs are in any way sacrificing their fundamental social ethos. Rather, it is a recognition that, as for any charitable organisation, making best use of its assets to enable it to meet its charitable objectives is an obligation rather than an option; and that commercial behaviour is not at all incompatible with a strong social ethos, within a framework of strong governance.

As mentioned, some RPs are steadily starting to build in an element of void sales into some stock rationalisation bids, however in accordance with our instructions, we have not considered or built in any rate for sales of void properties within our EUV-SH valuations.

2 Methodology

2.1 Valuation Model

We have undertaken our valuation of the Portfolio using fully explicit discounted cashflow models, over a 50-year period, with the net income in the final year capitalised into perpetuity.

For the purposes of our valuation, we have split this Portfolio by tenure in order to reflect the different risks and opportunities associated with each business stream. We have further split the Portfolio geographically by region to reflect the different markets in which the properties are located and the associated risks and opportunities.

In accordance with section 1.6, whilst we recognise that there is a growing active market for the sale of tenanted stock between RPs, we have not split the Portfolio into 'lots' to reflect this and have, in accordance with our instructions, valued the properties as a single portfolio.

Against the income receivable for each Portfolio, we have made allowances for voids and bad debts; the costs of management and administration; major repairs; cyclical maintenance; day-to-day repairs; and for future staircasing (where applicable). We have assumed an appropriate level of future growth in these costs (expenditure inflation).

We have then discounted the resulting net income stream at an appropriate rate which reflects our judgement of the overall level of risk associated with the long-term income. A more detailed explanation of the discount rate is included in section 4.

2.2 Information Provided

The principal source of background data for the Portfolio has been the rent roll for each property provided by the Original Borrowers. This detailed the number and type of units, the rent payable, tenancy type, and equity retained by the association (where applicable).

This information was supplemented with our market research and other data we have gathered from similar instructions undertaken recently and involving comparable stock. From these sources we have collated information on the following:

- rents;
- bad debts, voids and arrears;
- cost of maintenance and repairs; and
- management and administration expenses.

A location plan of the Portfolio is provided as Appendix 2.

2.3 Inspections

We derived our inspections strategy by giving full regard to:

- the geographical spread of the stock;
- the concentration (and thereby its exposure to risk); and

- the property types.

We have satisfied ourselves as to the quality of location and the general condition and level of fixtures and fittings provided to the properties, and we have derived our valuation assumptions accordingly.

In accordance with our instructions, we have inspected all schemes externally and a representative sample of 5% of the stock was inspected internally. Our inspections were carried out between 20 January 2020 and 10 July 2020.

A representative selection of photographs is provided as Appendix 3.

2.4 Market Research

In arriving at our valuation, we have undertaken a comprehensive programme of research to supplement our knowledge and understanding of the properties. This has included:

- researching local vacant possession values through conversations with local estate agents together with internet research and using RightmovePlus, a bespoke tool for comparable evidence;
- examining local benchmark affordable rents and comparing these with Original Borrowers' rents; and
- analysing data provided by Original Borrowers.

3 General Commentary

Schedules summarising the following data for each property within the Portfolio form Appendix 2 of this Report:

- address;
- unit type;
- title number; and
- tenure.

3.1 Locations

The properties within the Portfolio are located across the South East, South West, East Midlands, West Midlands and East of England as shown in the table below:

Counties	Affordable Rent	General Needs	Housing for Older Persons	Supported	Shared Ownership	Total
East Sussex	70	-	-	7	29	106
Gloucestershire	-	15	-	-	-	15
Hereford & Worcs.	-	30	-	-	-	30
Kent	19	473	55	-	34	581
Norfolk	86	8	-	6	17	117
Northamptonshire	28	8	-	-	25	61
Oxfordshire	-	19	-	-	-	19
Suffolk	106	12	-	4	-	122
Warwickshire	41	1,549	-	5	-	1,595
West Midlands	-	24	-	-	-	24
Total	350	2,138	55	22	105	2,670

A location plan of the Portfolio is provided at Appendix 2.

3.2 Property Types

The following table summarises the different property types within the Portfolio:

Property Type	Affordable Rent	General Needs	Housing for Older Persons	Supported	Shared Ownership	Total
Room	-	7	13	17	-	37
1 bed flat	60	361	38	-	14	473
2 bed flat	43	262	1	-	37	343
3 bed flat	-	8	-	-	-	8
1 bed house	31	-	-	-	-	31
2 bed house	87	170	-	-	35	292
3 bed house	71	557	-	3	19	650
4 bed house	22	25	-	2	-	49
5 bed house	1	1	-	-	-	2
1 bed bungalow	8	307	3	-	-	318
2 bed bungalow	25	440	-	-	-	465
3 bed bungalow	1	-	-	-	-	1
4 bed bungalow	1	-	-	-	-	1
Total	350	2,138	55	22	105	2,670

3.3 Condition

We have not carried out a condition survey, this being outside the scope of our instructions.

The properties within the Portfolio are a mixture of ages as shown in the table below:

Age	Houses	Flats	Bungalows	Rooms	Total
Pre-1919	30	11	-	11	52
1920-1949	52	-	-	-	52
1950-1979	647	604	585	7	1,843
1980s	40	51	167	13	271
1990s	-	4	2	-	6
2000s	1	-	-	6	7
Post 2010	254	154	31	-	439
Total	1,024	824	785	37	2,670

The property ages and construction methodology have been factored into the assumptions we have made regarding voids, discount rates and repairs and maintenance.

Based on our inspections, we are satisfied that the properties we inspected internally, are being maintained to an acceptable social housing standard, in line with RSH regulatory requirements and commensurate with the likely demands of the target tenant group.

Overall, we have assumed that each property has a useful economic life of at least 50 years provided that the properties continue to be properly maintained in the future.

4 Valuation Commentary – Rented Stock

4.1 Introduction

There are 2,565 rented properties in the Portfolio. The rented properties within the Portfolio are a mixture of general needs, Affordable Rent, housing for older persons and supported social housing properties.

4.2 Tenancies

All of the properties are let on assured tenancies. We have assumed that these are ‘standard’ assured tenancies although we have not seen example tenancy agreements.

4.3 Rental Income

The following table summarises the total income that Original Borrowers receive from the Portfolio annually:

Business Stream	Units	Annual Income	Average Rent
Affordable Rent	350	£2,144,984	£117.86
General Needs	2,138	£10,938,952	£98.39
Housing for Older Persons	55	£233,531	£81.65
Supported	22	£86,149	£75.31
Total	2,565	£13,403,616	£100.49

The Statistical Data Return (“SDR”) is an annual online survey completed by all private RPs of social housing in England. The latest return for 2018/19 provides the average social rents charged by all RPs for general needs and sheltered/supported properties. The following table compares Original Borrowers' average rents with the average sector rents in the same localities:

Size	Average Sector Rent - General Needs	Original Borrowers' General Needs	Average Sector Rent - Sheltered & Supported	Original Borrower Sheltered & Supported
0 bedroom	£71.65	£83.02	-	-
1 bedroom	£86.71	£87.16	£92.49	£74.06
2 bedroom	£100.93	£100.18	-	-
3 bedroom	£110.00	£108.20	£148.15	£70.65
4 bedroom	£124.29	£117.73	-	£92.91
5 bedroom	£120.23	£123.86	-	-
Average	£99.07	£98.39	£91.67	£75.31

According to the Valuation Office Agency, LHA is set at the 30th centile point between what in the local Rent Officer's opinion are the highest and lowest non-exceptional rents in a given Broad Rental Market Area. This analysis looks at local properties and differentiates by bedroom number but not by property type (i.e. houses and flats). These statistics are used as a reference for housing benefit and are a good indication of rent levels which are affordable in a given area.

The following table sets out a comparison of the Original Borrowers' average rents with the average LHA in the Portfolio and also our opinion of Market Rents for comparable properties in the same areas (rents are shown on the basis of 52 weeks).

Property Type	Average Passing Rent	Average LHA	Average Market Rents	% of LHA	% of Market Rent
Affordable Rent	£117.86	£159.28	£200.16	74.0%	58.9%
General Needs	£98.39	£169.94	£171.35	57.9%	57.4%
Housing for Older Persons	£81.65	£109.30	£121.54	74.7%	67.2%
Supported	£75.31	£147.11	£224.50	51.2%	33.5%

We are unable to verify the accuracy of the rent roll provided to us by the Original Borrowers.

4.4 Affordability

In addition, we have looked at the passing rents as a proportion of local net weekly earnings as reported by the Office of National Statistics in its 2019 Annual Survey of Hours and Earnings. The results for each region are shown in the table below and, in our opinion, demonstrate that the rents being charged by the Original Borrowers are affordable.

Region	Average Weekly Earnings	General Needs	As %age	Affordable Rent	As %age	Sheltered & Supported	As %age
East Midlands	£412.22	£108.26	26.3%	£108.33	26.3%	-	-
West Midlands	£420.52	£101.64	24.2%	£113.29	26.9%	£79.56	18.9%
East of England	£461.73	£83.17	18.0%	£109.54	23.7%	£59.74	12.9%
South East	£476.14	£88.18	18.5%	£140.90	29.6%	£94.50	19.8%
South West	£407.26	£101.39	24.9%	-	-	-	-

4.5 EUV-SH Rental Growth

We have modelled rental growth of between CPI plus 1% and CPI plus 2% in the first 3 years of our EUV-SH valuation models and CPI plus 1% thereafter into perpetuity.

4.6 MV-T Rental Growth

Passing rents are currently below market levels, resulting in good prospects for future rental growth when considering the market value of the Portfolio.

We have assumed that it will take between 2 and 6 years for assured rents to increase to market levels and thereafter for rents to rise at 1% (real) per annum. In making our assumptions regarding the number of years and annual increases, we have had regard to typical gross and net yields on private residential portfolios of a similar age profile and in comparable locations.

The average increases we have modelled per year for houses and flats in each of our valuations range from 17.0% to 24.5%.

4.7 Relet Rates

Our EUV-SH model allows for a rate at which secure tenancies are relet as assured tenancies. The annual rates of tenancy turnover experienced by housing associations vary considerably between localities and between different property types. In regard to assured tenancies, national turnover rates are typically within the range of 5.0% to 11.0%, with higher rates of turnover in the North than in the South.

We have adopted rates of 3.0% (houses) and 5.0% (flats) and 5.0% (sheltered) and have assumed that those properties will be relet at the prevailing average target rent. In addition, we have included an allowance for incidental voids as outlined in section 4.11.

4.8 Sales Rates

In accordance with section 1.7, we have not included the sale of any void units under the deregulatory measures introduced by the Housing and Planning Act 2016 in any of our EUV-SH valuations.

In our MV-T cashflows we have assumed that some of the units which become void are sold on the open market. In establishing the sales rates, we have had regard to Land Registry's information on the number of sales and average prices in the same areas over the past 12 months.

The average sales rates we have applied per annum for houses and flats are shown in the table below:

Valuation Category	Annual Sales (Houses)	Annual Sales (Flats)
Affordable Rent	17.0%	16.0%
General Needs	4.0%	4.0%
Housing for Older Persons	2.0%	3.0%
Supported	25.0%	-

This equates to 33 flat sales and 76 house sales in 2020/21 and 1,987 sales in total over 50 years. This, in our view, is a sustainable level of sales which would not adversely impact local house prices or marketability.

4.9 Right to Buy

Following announcements made in the Budget delivered on 8 July 2015 we anticipate that the tenants of some of the properties within the Portfolio may in future have either the Right to Buy (“RTB”) or the Right to Acquire (“RTA”). The National Housing Federation (“NHF”) put an offer to Government in September 2015 in which it proposed the implementation of an extended RTB on a voluntary basis. The Voluntary Right to Buy (“VRtB”) was described as a compromise with a view to securing the independence of housing associations and the best deal on compensation (for discounts) and flexibilities (the ability to refuse the VRtB in relation to certain properties).

In the Autumn Statement 2016 it was announced that the Government would fund a large-scale regional pilot of the VRtB for housing association tenants. It was expected that over 3,000 tenants would be able to buy their own home with VRtB discounts under the initial pilot scheme.

The initial pilot scheme in 2016 involved only five housing associations. A second pilot scheme across the Midlands commenced in August 2018 and will run for a period of two years. The second pilot scheme is aimed at testing two aspects of the voluntary agreement that the original pilot scheme did not cover, namely:

- one-for-one replacement; and
- portability of discounts.

The wider terms of the overall extension of RTB and therefore any consideration of the impact of RTB or RTA on valuations would be speculative. We consider it imprudent to reflect additional value from capital receipts and we have therefore assumed that neither RTB nor RTA will be available to exercise at the date of valuation.

4.10 Outgoings

In forming our opinion of the net rental income generated by the Portfolio, we have considered the following outgoings:

- bad debts, voids and arrears;
- cost of maintenance and repairs; and
- management and administration expenses.

We emphasise that, under the definitions of the bases of valuation we have been instructed to adopt, we are not valuing the Original Borrowers' stewardship of the stock, rather we are assessing what a hypothetical purchaser in the market would pay for the stock, based on the market's judgement of the capabilities of the Portfolio.

The assumptions we have made in our appraisal reflect our opinion of the view the market would adopt on the future performance of the Portfolio. In forming our opinion, we have had regard to other recent valuations we have undertaken of comparable stock.

4.11 Bad Debts and Voids

We have incorporated into our valuations the potential for future voids and bad debts. Any loss of income for both void properties and bad debts is reflected in a deduction made from the gross rental income.

The rates applied take into consideration the figures in the 2019 Global Accounts data provided by the Regulator of Social Housing and are similar to allowances used by other RPs providing a management and maintenance service in the areas where the properties are situated.

The 2019 Global Accounts data shows that across the whole affordable housing sector, RPs have lost approximately 0.70% of their gross income through bad debts and 1.38% through void losses. Both of these figures reflect a slight increase from the 2018 data but lower than the previous two years.

In our MV-T valuations we are assuming greater increases in rents than a social landlord would impose. In our opinion, these rent increases would inevitably be reflected in a higher level of voids and bad debts than would otherwise be the case. The associated risk has been factored into our MV-T discount rate.

The rates we have adopted for bad debts and voids as a percentage of gross income for each of our EUV-SH and MV-T valuations are summarised in the table below:

Valuation Category	Bad debts & voids Year 1 (EUV-SH)	Bad debts & voids Year 1 (MV-T)
Affordable Rent	3.0%	8.0%
General Needs	2.5%	8.0%
Housing for Older Persons	3.0%	8.0%
Supported	3.0%	8.0%

4.12 Management Costs

We have adopted rates for management and administration based on our experience of other RPs operating in similar areas to the Original Borrowers. Our rates are subject to an annual inflator of 0.5% (real) for the duration of the cashflow reflecting long-term earnings, growth predictions and potential management savings.

From the information provided in the 2019 Global Accounts, the average cost of management across the sector is £1,016 per unit and the average management cost per unit for the Original Borrowers was £792 per annum.

In arriving at our opinion of value, we are assessing what a hypothetical purchaser in the market would pay for the properties, and in our experience, bids are likely to reflect a marginal approach to management costs. That is, the incremental cost to the organisation of managing the acquired stock is likely to be significantly less than the organisation's overall unit cost. Furthermore, a growth in stock numbers could give rise to potential economies of scale, rationalisation of services and other efficiencies which would reduce unit costs.

Taking the above into account, we have adopted rates of £650 per unit for management and administration in our valuations on the basis of EUV-SH.

We have assumed that a mortgagee in possession would expect to spend 9.0% of rental income on management and administration in our valuations on the basis of MV-T.

4.13 Repairs and Maintenance

Although the majority of the properties are generally in a reasonable or good condition, renewal, day-to-day and cyclical maintenance will be required to keep the stock in its present condition.

From the information provided in the 2019 Global Accounts, the total average cost of carrying out major repairs, planned and routine maintenance across the sector is £1,951 per unit and the average maintenance cost per unit for the Original Borrowers was £2,594 per annum. This Global Accounts average figure is an increase of 6.7% on that reported in the 2018 Edition.

The above figures are broad averages; costs will vary according to a property's age, type, size and form of construction. In particular, the profile of expenditure will be different for a newly built property compared to an older property. The former should only require modest routine maintenance over the first 5 to 10 years of its life, with major repairs only arising from years 15 to 20. Hence there is a low-start cost profile, rising steeply in the medium term, whilst an older property is likely to have a flatter profile with a higher starting point.

In accordance with section 3.3 we have had due consideration to the age and construction type for each of the tenure types in our valuations.

The following table sets out the average cost assumptions we have made in the first year of our EUV-SH cashflows. All of our appraisals assume that these costs will inflate at 1.0% (real) per annum.

Category of Expenditure	Period	Rented Properties
Major repairs and renewals	Year 1	£788
Cyclical repairs	Year 1	£346
Day-to-day repairs	Year 1	£388
Total Average Costs	Year 1	£1,523

We have adopted higher costs for major repairs in the first 2 years of our MV-T valuations as some of the properties will require refurbishment and redecoration in order to attract buyers or to be let in the private residential market. After this initial period, our costs settle to a lower level similar to the costs used in our EUV-SH valuation.

4.14 Discount Rate

Our cashflow valuations are based on constant prices and therefore explicitly exclude inflation. The chosen discount rate reflects our judgement of the economic conditions at the time of the valuation and the level of risk involved in each cashflow, taking all factors and assumptions into account. To determine the risk involved we have looked at:

- the sustainability of the existing rental income;
- the likely rate of future rental growth;
- the condition of the Portfolio;
- the level of outgoings required to maintain the maximum income stream;
- the likely performance of the Portfolio in relation to its profile and location;
- the real cost of borrowing; and
- the long-term cost of borrowing.

For our EUV-SH valuations of the rented properties we have adopted real discount rates of between 5.25% and 5.75% on net rental income.

In our MV-T model we have adopted a higher rate on rental income to reflect additional risk resulting from the significant rental growth that we have assumed during the first 2 to 4 years. In addition, we have adopted a higher rate on income from sales to reflect the additional premium on the yield which an investor would expect from a sales income stream.

We have adopted real discount rates of between 7.25% and 7.5% (rental income), and between 9.0% and 10.0% (sales) for our MV-T cashflows.

5 Valuation Commentary - Shared Ownership

5.1 Introduction

There are 105 shared ownership properties within the Portfolio. The Original Borrowers currently own 55.9% of the equity in the units and a rent is charged on this percentage.

5.2 Rental Levels

According to the information provided by the Original Borrowers, the average gross weekly rental level is £72.50 against the average retained equity. All rents are expressed on the basis of 52 rent weeks per year.

We have not included the value of any current or future ground rent income in our valuations.

5.3 Rental Growth

The RSH's restriction on future rental growth through section 2.4.5 of the Capital Funding Guide allows a maximum of 0.5% real growth per annum only. The imposition of this formula effectively constrains the net present value of the cashflow to the basis of EUV-SH.

It should also be noted that although, in general, rents in the sector will be linked to CPI, the rents for shared ownership properties will grow as set out in the signed leases for each property. We have not had sight of these leases and assume that they have the standard rent review provisions (upwards only, indexed linked at RPI plus 0.5%) set out in the model shared ownership lease, published by the National Housing Federation.

We have grown rents at a rate of RPI plus 0.5% in line with this guidance and the terms of the existing leases.

5.4 Outgoings

In forming an opinion of the net rental income generated by the Portfolio, we have allowed 4.0% of gross rental income for management.

5.5 Voids and Bad Debts

We understand that all of the properties are now let and so we would not expect any voids going forward. We have allowed for the incidence of bad debts in the discount rate.

5.6 Repairs and Maintenance

We have assumed any repair obligations will lie with the leaseholders. We would expect that repair/renewal, day-to-day and cyclical maintenance would be required to keep the stock in its present condition. However, we have assumed that, where appropriate, service charge income fully covers expenditure.

5.7 Discount Rate

For our EUV-SH valuation we have adopted a discount rate of 4.75% on the rental income and 7.5% on sales.

5.8 Rate of Sales

We have adopted what we would expect to be a long-term sustainable rate of sales of further tranches over the 50 years of our cashflow model. We have assumed that equity is sold in 25% tranches.

The rates we have adopted in our cashflow are as follows:

Years	Tranche Sales p.a.
Sales rate (yrs 0-1)	0
Sales rate (yrs 2-10)	7
Sales rate (yrs 11-25)	4
Sales rate (yrs 26-50)	2

It is difficult to judge when tenants will purchase additional tranches so the income from sales proceeds has been discounted at a higher rate, in line with section 5.7, to reflect the additional risk of realising the value. However, it should be noted that in our valuation, the majority of the value (circa 58.2%) is attributed to the rental income.

6 Valuation

6.1 Background

We have prepared our valuations on the following bases:

- Existing Use Value for Social Housing (“EUV-SH”); and
- Market Value subject to existing Tenancies (“MV-T”).

Our valuations have been prepared in accordance with the RICS Red Book.

Apportionments of the valuations have been calculated as arithmetic apportionments and are included in the schedules at Appendix 1. This is a portfolio valuation, and no valuation of individual properties has been performed.

In forming our opinion of the value of the Portfolio as a whole, we have neither applied a discount for quantum nor added a premium to reflect break-up potential.

The definitions of the bases of valuation are set out in full in section 6 of this Report.

6.2 Asset Value for Loan Security Purposes

Heart of England Housing Association Limited

Our valuation of the 8 properties being valued on the basis of Existing Use Value for Social Housing (“EUV-SH”), in aggregate, at the valuation date is:

£560,000
(five hundred and sixty thousand pounds)

Our valuation of the 1,711 properties being valued on the basis of Market Value subject to Tenancies (“MV-T”), in aggregate, at the valuation date is:

£203,460,000
(two hundred and three million, four hundred and sixty thousand pounds)

The following table summarises our opinions of value (section 6):

Freehold Properties

Category	Unit Count	Basis of Value	EUV-SH	MV-T
Affordable Rent Unrestricted	69	MV-T	£5,420,000	£9,160,000
General Needs Restricted	8	EUV-SH	£560,000	-
General Needs Unrestricted	1,637	MV-T	£119,010,000	£193,420,000
Supported Unrestricted	5	MV-T	£210,000	£880,000
Total	1,719		£125,200,000	£203,460,000

Leasehold Properties

There are no leasehold properties in the portfolio.

Orbit South Housing Association Limited

Our valuation of the 263 properties being valued on the basis of Existing Use Value for Social Housing (“EUV-SH”), in aggregate, at the valuation date is:

£20,510,000
(twenty million, five hundred and ten thousand pounds)

Our valuation of the 583 properties being valued on the basis of Market Value subject to Tenancies (“MV-T”), in aggregate, at the valuation date is:

£49,330,000
(forty nine million, three hundred and thirty thousand pounds)

The following tables summarise our opinions of value (section 6):

Freehold Properties

Category	Unit Count	Basis of Value	EUV-SH	MV-T
Affordable Rent Restricted	215	EUV-SH	£17,640,000	
Affordable Rent Unrestricted	49	MV-T	£4,890,000	£7,920,000
General Needs Restricted	16	EUV-SH	£890,000	-
General Needs Unrestricted	473	MV-T	£25,950,000	£37,500,000
Housing for Older Persons Unrestricted	55	MV-T	£2,480,000	£3,210,000
Supported Restricted	17	EUV-SH	£680,000	-
Total	825		£52,530,000	£48,630,000

Leasehold Properties

Category	Unit Count	Basis of Value	EUV-SH	MV-T
Affordable Rent Restricted	15	EUV-SH	£1,300,000	-
Affordable Rent Unrestricted	2	MV-T	£180,000	£310,000
General Needs Unrestricted	4	MV-T	£210,000	£390,000
Total	21		£1,690,000	£700,000

Orbit Group Limited

Our valuation of the 105 properties being valued on the basis of Existing Use Value for Social Housing (“EUV-SH”), in aggregate, at the valuation date is:

£9,230,000
(nine million, two hundred and thirty thousand pounds)

The following tables summarise our opinions of value (section 6):

Freehold Properties

Category	Unit Count	Basis of Value	EUV-SH
Shared Ownership	71	EUV-SH	£5,470,000
Total	71		£5,470,000

Leasehold Properties

Category	Unit Count	Basis of Value	EUV-SH
Shared Ownership	34	EUV-SH	£3,760,000
Total	34		£3,760,000

7 Bases of Valuation

Our valuations have been prepared in accordance with the RICS Red Book.

7.1 Existing Use Value for Social Housing

The basis of Existing Use Value for Social Housing is defined in UK VPGA 7 of the RICS Valuation Global Standards 2017 – UK National Supplement as follows:

“Existing use value for social housing (EUV-SH) is an opinion of the best price at which the sale of an interest in a property would have been completed unconditionally for a cash consideration on the valuation date, assuming:

- *a willing seller;*
- *that prior to the valuation date there had been a reasonable period (having regard to the nature of the property and the state of the market) for the proper marketing of the interest for the agreement of the price and terms and for the completion of the sale;*
- *that the state of the market, level of values and other circumstances were on any earlier assumed date of exchange of contracts, the same as on the date of valuation;*
- *that no account is taken of any additional bid by a prospective purchaser with a special interest;*
- *that both parties to the transaction had acted knowledgeably, prudently and without compulsion;*
- *that the property will continue to be let by a body pursuant to delivery of a service for the existing use;*
- *the vendor would only be able to dispose of the property to organisations intending to manage their housing stock in accordance with the regulatory body’s requirements;*
- *that properties temporarily vacant pending re-letting should be valued, if there is a letting demand, on the basis that the prospective purchaser intends to re-let them, rather than with vacant possession; and*
- *that any subsequent sale would be subject to all the same assumptions above.”*

7.2 Market Value

The basis of Market Value is defined in VPS 4.4 of the Red Book as follows:

“The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.”

Market Value subject to Tenancies is in accordance with the above definition, with the addition of the point below:

“That the properties would be subject to any secure or assured tenancies that may prevail, together with any other conditions or restrictions to which property may be subject.”

7.3 Expenses

No allowance is made in our valuations for any expenses of realisation.

7.4 Tax

No allowance is made in our valuations for any liability for payment of Corporation Tax, or for any liability for Capital Gains Tax, whether existing or which may arise in the future.

The transfer of properties between RPs is exempt from Stamp Duty Land Tax (“SDLT”). Our MV-T valuations include fees of 3.0% on individual unit sales, however we have not included SDLT or other costs of acquisition within our valuation.

7.5 VAT

Our valuations are exclusive of VAT on disposal.

8 Sources of Verification of Information

8.1 General

We have relied upon the description, tenancy type and current rental income provided to us by the Original Borrowers and we have been unable to verify the accuracy of that data.

8.2 Tenure

Unless otherwise stated in this Report, each Original Borrowers holds a freehold interest or long leasehold interest with not less than 80 years unexpired in respect of its respective properties. We confirm that there will be no material difference in the MV-T and EUV-SH cashflow valuations between these two holding interests.

8.3 Title

We have reviewed the certificates of title prepared by Wright Hassall LLP and Trowers & Hamblins LLP (the "Certificates") and can confirm that our valuations fully reflect the disclosures contained therein.

In respect of each property that we have valued on the basis of MV-T we confirm that we have reviewed the Certificates and confirm that each such property can be disposed of on an unfettered basis (subject only to existing tenancies disclosed in the Certificates but not subject to any security interest, option of other encumbrance or to any restriction preventing or restricting its sale to or use by any person for residential use).

8.4 Nomination Agreements

Our valuations are prepared on the basis that there are no nomination agreements. If any nomination rights are found to be in existence, they are assumed not to be binding on a mortgagee in possession unless otherwise stated in this Report

8.5 Measurements/Floor Areas

We have not measured the properties, this being outside the scope of a valuation of a portfolio of this nature, unless otherwise stated in this Report.

However, where measurements have been undertaken, we have adhered to the RICS Code of Measuring Practice, 6th edition, except where we specifically state that we have relied on another source. The areas adopted are purely for the purpose of assisting us in forming an opinion of capital value. They should not be relied upon for other purposes nor used by other parties without our written authorisation.

Where floor areas have been provided to us, we have relied upon these and have assumed that they have been properly measured in accordance with the Code of Measuring Practice referred to above.

8.6 Structural Surveys

Unless expressly instructed, we do not carry out a structural survey, nor do we test the services and we, therefore, do not give any assurance that any property is free from defect. We seek to reflect in our valuations any readily apparent defects or items of disrepair, which we note during our inspection, or costs of repair which are brought to

our attention. Otherwise, we assume that each building is structurally sound and that there are no structural, latent or other material defects.

In our opinion the economic life of each property should exceed 50 years providing the properties are properly maintained.

8.7 Deleterious Materials

We do not normally carry out or commission investigations on site to ascertain whether any building was constructed or altered using deleterious materials or techniques (including, by way of example high alumina cement concrete, woodwool as permanent shuttering, calcium chloride or asbestos). Unless we are otherwise informed, our valuations are on the basis that no such materials or techniques have been used.

8.8 Site Conditions

We do not normally carry out or commission investigations on site in order to determine the suitability of ground conditions and services for the purposes for which they are, or are intended to be, put; nor do we undertake archaeological, ecological or environmental surveys. Unless we are otherwise informed, our valuations are on the basis that these aspects are satisfactory and that, where development is contemplated, no extraordinary expenses, delays or restrictions will be incurred during the construction period due to these matters.

8.9 Environmental Contamination

Unless expressly instructed, we do not carry out or commission site surveys or environmental assessments, or investigate historical records, to establish whether any land or premises are, or have been, contaminated. Therefore, unless advised to the contrary, our valuations are carried out on the basis that properties are not affected by environmental contamination. However, should our site inspection and further reasonable enquiries during the preparation of the valuation lead us to believe that the land is likely to be contaminated we will discuss our concerns with you.

8.10 Japanese Knotweed

Our inspections are for valuation purposes only and carried out on an external and internal sample basis only, therefore we cannot confirm whether invasive vegetation has been or is present on the site, our valuation assumes that none exists within the demise or proximity of any of the properties.

8.11 Energy Performance Certificates (EPCs)

We have not been provided with copies of any Energy Performance Certificates by the Original Borrowers. The Energy Efficiency (Private Rented Property) (England and Wales) Regulations 2015 make it unlawful for landlords in the private rented sector to let properties that have an EPC rating of F or G, from 1 April 2018. The Regulations do not apply to the majority of properties owned by RPs. Based on our inspections and our wider knowledge of energy ratings within the social housing sector, we do not consider this issue to present a material valuation risk.

8.12 Market Rental Values

Our assessment of rental values is formed purely for the purposes of assisting in the formation of an opinion of MV-T and is generally on the basis of Market Rent, as defined in the “the Red Book”. Such figures should not be used for any other purpose other than in the context of this valuation.

8.13 Insurance

Unless expressly advised to the contrary we assume that appropriate cover is and will continue to be available on commercially acceptable terms.

8.14 Planning

We have prepared our valuations on the basis that each property exists in accordance with a valid planning permission.

8.15 The Equality Act

From our inspections the properties appear to comply with the requirements of the Equality Act 2010.

8.16 Outstanding Debts

In the case of property where construction works are in hand, or have recently been completed, we do not normally make allowance for any liability already incurred, but not yet discharged, in respect of completed works, or obligations in favour of contractors, subcontractors or any members of the professional or design team.

8.17 Services

We do not normally carry out or commission investigations into the capacity or condition of services. Therefore, we assume that the services, and any associated controls or software, are in working order and free from defect. We also assume that the services are of sufficient capacity to meet current and future needs.

8.18 Plans and Maps

All plans and maps included in our Report are strictly for identification purposes only, and, whilst believed to be correct, are not guaranteed and must not form part of any contract. All are published under licence and may include mapping data from Ordnance Survey © Crown Copyright. All rights are reserved.

8.19 Compliance with Building Regulations and Statutory Requirements

Unless otherwise stated in our Report none of the properties are over 18m or 6 storeys or more in height or are subject to any remedial works in the wake of the Grenfell Tower disaster of June 2017. We have therefore assumed that the properties conform to the Fire Precaution Regulations and any other statutory requirements.

Appendix 1

Property Schedule

Housing Association: Orbit Group
 Valuer: JLL
 Valuation Date: 20 November 2020
 Valuation: Project Kepler

UPRN	Title	FH/LH	Owner	Address	County	Postcode	JLL Property Type	Bedrooms	Business Stream	Basis of Valuation	EUV-SH	MV-T
73449	ESX370632	Freehold	Orbit South Housing Association Limited	8 Christie Close	East Sussex	BN24 5FP	Bungalow	4	Affordable Rent Restricted	EUV-SH	£161,776	
73450	ESX370632	Freehold	Orbit South Housing Association Limited	6 Christie Close	East Sussex	BN24 5FP	House	2	Affordable Rent Restricted	EUV-SH	£101,634	
73451	ESX370632	Freehold	Orbit South Housing Association Limited	4 Christie Close	East Sussex	BN24 5FP	House	2	Affordable Rent Restricted	EUV-SH	£101,634	
73452	ESX370632	Freehold	Orbit South Housing Association Limited	2 Christie Close	East Sussex	BN24 5FP	House	2	Affordable Rent Restricted	EUV-SH	£101,634	
74318	ESX370633	Freehold	Orbit Group Limited	13 Christie Close	East Sussex	BN24 5FP	House	2	Shared Ownership	EUV-SH	£86,700	
74319	ESX370633	Freehold	Orbit Group Limited	19 Christie Close	East Sussex	BN24 5FP	House	2	Shared Ownership	EUV-SH	£104,000	
74320	ESX370633	Freehold	Orbit Group Limited	7 Christie Close	East Sussex	BN24 5FP	House	3	Shared Ownership	EUV-SH	£134,100	
74321	ESX370633	Freehold	Orbit Group Limited	17 Christie Close	East Sussex	BN24 5FP	House	3	Shared Ownership	EUV-SH	£132,900	
74322	ESX370633	Freehold	Orbit Group Limited	11 Christie Close	East Sussex	BN24 5FP	House	2	Shared Ownership	EUV-SH	£107,500	
74323	ESX370633	Freehold	Orbit Group Limited	5 Christie Close	East Sussex	BN24 5FP	House	2	Shared Ownership	EUV-SH	£110,300	
74324	ESX370633	Freehold	Orbit Group Limited	9 Christie Close	East Sussex	BN24 5FP	House	3	Shared Ownership	EUV-SH	£138,300	
74325	ESX370633	Freehold	Orbit Group Limited	15 Christie Close	East Sussex	BN24 5FP	House	3	Shared Ownership	EUV-SH	£119,600	
75391	ESX370632	Freehold	Orbit South Housing Association Limited	11 Woolf Way	East Sussex	BN24 5FR	Flat	2	Affordable Rent Restricted	EUV-SH	£94,474	
75392	ESX370632	Freehold	Orbit South Housing Association Limited	13 Woolf Way	East Sussex	BN24 5FR	Flat	2	Affordable Rent Restricted	EUV-SH	£94,474	
75393	ESX370632	Freehold	Orbit South Housing Association Limited	15 Woolf Way	East Sussex	BN24 5FR	Flat	2	Affordable Rent Restricted	EUV-SH	£94,474	
75394	ESX370632	Freehold	Orbit South Housing Association Limited	17 Woolf Way	East Sussex	BN24 5FR	Flat	2	Affordable Rent Restricted	EUV-SH	£94,474	
75395	ESX370632	Freehold	Orbit South Housing Association Limited	3 Woolf Way	East Sussex	BN24 5FR	House	2	Affordable Rent Restricted	EUV-SH	£104,007	
75396	ESX370632	Freehold	Orbit South Housing Association Limited	4 Woolf Way	East Sussex	BN24 5FR	House	3	Affordable Rent Restricted	EUV-SH	£125,045	
75397	ESX370632	Freehold	Orbit South Housing Association Limited	5 Woolf Way	East Sussex	BN24 5FR	House	2	Affordable Rent Restricted	EUV-SH	£104,007	
75398	ESX370632	Freehold	Orbit South Housing Association Limited	6 Woolf Way	East Sussex	BN24 5FR	House	3	Affordable Rent Restricted	EUV-SH	£126,207	
75399	ESX370632	Freehold	Orbit South Housing Association Limited	7 Woolf Way	East Sussex	BN24 5FR	House	3	Affordable Rent Restricted	EUV-SH	£126,207	
75400	ESX370632	Freehold	Orbit South Housing Association Limited	8 Woolf Way	East Sussex	BN24 5FR	House	4	Affordable Rent Restricted	EUV-SH	£164,149	
75401	ESX370632	Freehold	Orbit South Housing Association Limited	9 Woolf Way	East Sussex	BN24 5FR	Flat	1	Affordable Rent Restricted	EUV-SH	£74,574	
75382	ESX388881	Freehold	Orbit South Housing Association Limited	1 Willow Herb Way	East Sussex	BN24 5FZ	House	4	Affordable Rent Unrestricted	MV-T	£172,636	£269,847
75383	ESX388051	Freehold	Orbit Group Limited	11 Willow Herb Way	East Sussex	BN24 5FZ	House	2	Shared Ownership	EUV-SH	£98,800	
75384	ESX388051	Freehold	Orbit Group Limited	13 Willow Herb Way	East Sussex	BN24 5FZ	House	3	Shared Ownership	EUV-SH	£126,200	
75385	ESX388051	Freehold	Orbit Group Limited	17 Willow Herb Way	East Sussex	BN24 5FZ	House	3	Shared Ownership	EUV-SH	£68,000	
75386	ESX388051	Freehold	Orbit Group Limited	19 Willow Herb Way	East Sussex	BN24 5FZ	House	3	Shared Ownership	EUV-SH	£126,200	
75387	ESX388057	Freehold	Orbit South Housing Association Limited	3 Willow Herb Way	East Sussex	BN24 5FZ	House	3	Affordable Rent Unrestricted	MV-T	£133,094	£208,039
75388	ESX388057	Freehold	Orbit South Housing Association Limited	5 Willow Herb Way	East Sussex	BN24 5FZ	House	3	Affordable Rent Unrestricted	MV-T	£133,094	£208,039
75389	ESX388051	Freehold	Orbit Group Limited	7 Willow Herb Way	East Sussex	BN24 5FZ	House	2	Shared Ownership	EUV-SH	£107,100	
75390	ESX388051	Freehold	Orbit Group Limited	9 Willow Herb Way	East Sussex	BN24 5FZ	House	2	Shared Ownership	EUV-SH	£106,200	
75380	ESX388881	Freehold	Orbit South Housing Association Limited	2 Hedge Parsley Crescent	East Sussex	BN24 5GA	House	4	Affordable Rent Unrestricted	MV-T	£172,636	£269,847
75381	ESX388051	Freehold	Orbit Group Limited	56 Hedge Parsley Crescent	East Sussex	BN24 5GA	House	3	Shared Ownership	EUV-SH	£125,100	
75845	ESX390742	Freehold	Orbit South Housing Association Limited	4 Hedge Parsley Crescent	East Sussex	BN24 5GA	House	3	Affordable Rent Unrestricted	MV-T	£134,446	£210,152
75846	ESX390742	Freehold	Orbit South Housing Association Limited	8 Hedge Parsley Crescent	East Sussex	BN24 5GA	House	3	Affordable Rent Unrestricted	MV-T	£134,446	£210,152
75847	ESX390742	Freehold	Orbit South Housing Association Limited	6 Hedge Parsley Crescent	East Sussex	BN24 5GA	House	3	Affordable Rent Unrestricted	MV-T	£134,446	£210,152
77807	ESX396153	Freehold	Orbit South Housing Association Limited	10 Hedge Parsley Crescent	East Sussex	BN24 5GA	Flat	1	Affordable Rent Unrestricted	MV-T	£75,838	£118,543
77808	ESX396153	Freehold	Orbit South Housing Association Limited	12 Hedge Parsley Crescent	East Sussex	BN24 5GA	Flat	1	Affordable Rent Unrestricted	MV-T	£75,838	£118,543
77809	ESX396153	Freehold	Orbit South Housing Association Limited	14 Hedge Parsley Crescent	East Sussex	BN24 5GA	Flat	2	Affordable Rent Unrestricted	MV-T	£100,563	£155,707
77810	ESX396153	Freehold	Orbit South Housing Association Limited	16 Hedge Parsley Crescent	East Sussex	BN24 5GA	Flat	2	Affordable Rent Unrestricted	MV-T	£100,563	£155,707
77811	ESX396153	Freehold	Orbit South Housing Association Limited	18 Hedge Parsley Crescent	East Sussex	BN24 5GA	Flat	2	Affordable Rent Unrestricted	MV-T	£100,563	£155,707
77812	ESX396153	Freehold	Orbit South Housing Association Limited	20 Hedge Parsley Crescent	East Sussex	BN24 5GA	Flat	2	Affordable Rent Unrestricted	MV-T	£100,563	£155,707
77813	ESX396153	Freehold	Orbit South Housing Association Limited	22 Hedge Parsley Crescent	East Sussex	BN24 5GA	Flat	1	Affordable Rent Unrestricted	MV-T	£75,838	£118,543
77814	ESX396153	Freehold	Orbit South Housing Association Limited	24 Hedge Parsley Crescent	East Sussex	BN24 5GA	Flat	1	Affordable Rent Unrestricted	MV-T	£75,838	£118,543
77816	ESX396153	Freehold	Orbit South Housing Association Limited	26 Hedge Parsley Crescent	East Sussex	BN24 5GA	Flat	2	Affordable Rent Unrestricted	MV-T	£100,563	£155,707
77815	ESX396153	Freehold	Orbit South Housing Association Limited	28 Hedge Parsley Crescent	East Sussex	BN24 5GA	Flat	2	Affordable Rent Unrestricted	MV-T	£100,563	£155,707
77818	ESX396153	Freehold	Orbit South Housing Association Limited	30 Hedge Parsley Crescent	East Sussex	BN24 5GA	Flat	1	Affordable Rent Unrestricted	MV-T	£88,986	£131,121
77817	ESX396153	Freehold	Orbit South Housing Association Limited	32 Hedge Parsley Crescent	East Sussex	BN24 5GA	Flat	1	Affordable Rent Unrestricted	MV-T	£75,838	£118,543
77819	ESX392346	Freehold	Orbit South Housing Association Limited	34 Hedge Parsley Crescent	East Sussex	BN24 5GA	House	2	Affordable Rent Unrestricted	MV-T	£114,289	£178,644
77820	ESX392346	Freehold	Orbit South Housing Association Limited	36 Hedge Parsley Crescent	East Sussex	BN24 5GA	House	2	Affordable Rent Unrestricted	MV-T	£114,289	£178,644
77821	ESX395485	Freehold	Orbit Group Limited	38 Hedge Parsley Crescent	East Sussex	BN24 5GA	House	2	Shared Ownership	EUV-SH	£107,000	
77822	ESX395485	Freehold	Orbit Group Limited	40 Hedge Parsley Crescent	East Sussex	BN24 5GA	House	2	Shared Ownership	EUV-SH	£82,300	
77823	ESX395485	Freehold	Orbit Group Limited	42 Hedge Parsley Crescent	East Sussex	BN24 5GA	House	3	Shared Ownership	EUV-SH	£94,700	
77824	ESX395485	Freehold	Orbit Group Limited	44 Hedge Parsley Crescent	East Sussex	BN24 5GA	House	3	Shared Ownership	EUV-SH	£123,200	
77825	ESX395485	Freehold	Orbit Group Limited	46 Hedge Parsley Crescent	East Sussex	BN24 5GA	House	3	Shared Ownership	EUV-SH	£113,700	
75543	ESX388114	Freehold	Orbit Group Limited	1 Yarrow Place	East Sussex	BN24 5GG	Flat	2	Shared Ownership	EUV-SH	£84,700	
75544	ESX388114	Freehold	Orbit Group Limited	11 Yarrow Place	East Sussex	BN24 5GG	Flat	2	Shared Ownership	EUV-SH	£78,600	
75545	ESX388114	Freehold	Orbit Group Limited	15 Yarrow Place	East Sussex	BN24 5GG	Flat	2	Shared Ownership	EUV-SH	£66,700	
75546	ESX388114	Freehold	Orbit Group Limited	17 Yarrow Place	East Sussex	BN24 5GG	Flat	1	Shared Ownership	EUV-SH	£37,500	
75547	ESX388114	Freehold	Orbit Group Limited	19 Yarrow Place	East Sussex	BN24 5GG	Flat	2	Shared Ownership	EUV-SH	£86,800	
75548	ESX388114	Freehold	Orbit Group Limited	3 Yarrow Place	East Sussex	BN24 5GG	Flat	1	Shared Ownership	EUV-SH	£67,600	
75549	ESX388114	Freehold	Orbit Group Limited	5 Yarrow Place	East Sussex	BN24 5GG	Flat	1	Shared Ownership	EUV-SH	£69,900	
75550	ESX388114	Freehold	Orbit Group Limited	7 Yarrow Place	East Sussex	BN24 5GG	Flat	2	Shared Ownership	EUV-SH	£65,500	
75551	ESX388114	Freehold	Orbit Group Limited	9 Yarrow Place	East Sussex	BN24 5GG	Flat	1	Shared Ownership	EUV-SH	£62,800	
64737	SK347466	Freehold	Orbit South Housing Association Limited	2 Millfields Way	Suffolk	CB9 0JE	House	3	Affordable Rent Restricted	EUV-SH	£97,992	
64738	SK347466	Freehold	Orbit South Housing Association Limited	16 Millfields Way	Suffolk	CB9 0JE	House	2	Affordable Rent Restricted	EUV-SH	£98,947	
64739	SK347466	Freehold	Orbit South Housing Association Limited	18 Millfields Way	Suffolk	CB9 0JE	House	2	Affordable Rent Restricted	EUV-SH	£86,226	
64740	SK347466	Freehold	Orbit South Housing Association Limited	14 Millfields Way	Suffolk	CB9 0JE	House	2	Affordable Rent Restricted	EUV-SH	£99,446	

Housing Association: Orbit Group
 Valuer: JLL
 Valuation Date: 20 November 2020
 Valuation: Project Kepler

UPRN	Title	FH/LH	Owner	Address	County	Postcode	JLL Property Type	Bedrooms	Business Stream	Basis of Valuation	EUV-SH	MV-T
64741	SK347466	Freehold	Orbit South Housing Association Limited	12 Millfields Way	Suffolk	CB9 0JE	House	2	Affordable Rent Restricted	EUV-SH	£86,226	
64742	SK347466	Freehold	Orbit South Housing Association Limited	10 Millfields Way	Suffolk	CB9 0JE	House	3	Affordable Rent Restricted	MV-T	£96,175	
64743	SK347466	Freehold	Orbit South Housing Association Limited	8 Millfields Way	Suffolk	CB9 0JE	House	2	Affordable Rent Restricted	EUV-SH	£86,226	
64744	SK347466	Freehold	Orbit South Housing Association Limited	6 Millfields Way	Suffolk	CB9 0JE	House	2	Affordable Rent Restricted	EUV-SH	£86,226	
64745	SK347466	Freehold	Orbit South Housing Association Limited	4 Millfields Way	Suffolk	CB9 0JE	House	3	Affordable Rent Restricted	EUV-SH	£99,489	
64735	SK347466	Freehold	Orbit South Housing Association Limited	18 Kestrel Road	Suffolk	CB9 0PH	Bungalow	2	Affordable Rent Restricted	EUV-SH	£97,322	
64736	SK347466	Freehold	Orbit South Housing Association Limited	17 Kestrel Road	Suffolk	CB9 0PH	Bungalow	2	Affordable Rent Restricted	EUV-SH	£86,226	
74697	SK376040	Freehold	Orbit South Housing Association Limited	41 Mulberry Gardens	Suffolk	CO10 0FW	House	2	Affordable Rent Restricted	EUV-SH	£87,915	
74698	SK376040	Freehold	Orbit South Housing Association Limited	39 Mulberry Gardens	Suffolk	CO10 0FW	House	2	Affordable Rent Restricted	EUV-SH	£87,915	
74699	SK376040	Freehold	Orbit South Housing Association Limited	37 Mulberry Gardens	Suffolk	CO10 0FW	House	3	Affordable Rent Restricted	EUV-SH	£101,156	
74700	SK376040	Freehold	Orbit South Housing Association Limited	43 Mulberry Gardens	Suffolk	CO10 0FW	House	2	Affordable Rent Restricted	EUV-SH	£96,481	
74701	SK376040	Freehold	Orbit South Housing Association Limited	35 Mulberry Gardens	Suffolk	CO10 0FW	House	3	Affordable Rent Restricted	EUV-SH	£101,156	
75032	SK376038	Freehold	Orbit South Housing Association Limited	24 Taylor Court	Suffolk	CO10 0FW	Flat	1	Affordable Rent Restricted	EUV-SH	£64,640	
75033	SK376038	Freehold	Orbit South Housing Association Limited	22 Taylor Court	Suffolk	CO10 0FW	Flat	1	Affordable Rent Restricted	EUV-SH	£64,640	
75034	SK376038	Freehold	Orbit South Housing Association Limited	21 Taylor Court	Suffolk	CO10 0FW	Flat	1	Affordable Rent Restricted	EUV-SH	£64,640	
75035	SK376038	Freehold	Orbit South Housing Association Limited	23 Taylor Court	Suffolk	CO10 0FW	Flat	1	Affordable Rent Restricted	EUV-SH	£64,640	
30450	SK146088	Freehold	Orbit South Housing Association Limited	1 The Manor	Suffolk	CO10 2PP	Room	1	Supported Restricted	EUV-SH	£48,971	
40659	SK146088	Freehold	Orbit South Housing Association Limited	2 The Manor	Suffolk	CO10 2PP	Room	1	Supported Restricted	EUV-SH	£48,971	
40660	SK146088	Freehold	Orbit South Housing Association Limited	3 The Manor	Suffolk	CO10 2PP	Room	1	Supported Restricted	EUV-SH	£48,971	
40661	SK146088	Freehold	Orbit South Housing Association Limited	4 The Manor	Suffolk	CO10 2PP	Room	1	Supported Restricted	EUV-SH	£48,971	
68814	SK369691	Freehold	Orbit South Housing Association Limited	2 Foundry Close	Suffolk	CO10 7FH	Flat	1	Affordable Rent Restricted	EUV-SH	£62,154	
68816	SK369691	Freehold	Orbit South Housing Association Limited	3 Foundry Close	Suffolk	CO10 7FH	Flat	1	Affordable Rent Restricted	EUV-SH	£62,154	
68817	SK369691	Freehold	Orbit South Housing Association Limited	4 Foundry Close	Suffolk	CO10 7FH	Flat	1	Affordable Rent Restricted	EUV-SH	£62,154	
68818	SK369691	Freehold	Orbit South Housing Association Limited	5 Foundry Close	Suffolk	CO10 7FH	Flat	1	Affordable Rent Restricted	EUV-SH	£62,154	
43931	K750809	Freehold	Orbit South Housing Association Limited	19 Bridges Close	Kent	CT7 0PX	Bungalow	1	General Needs Unrestricted	MV-T	£51,257	£109,051
43933	K750809	Freehold	Orbit South Housing Association Limited	17 Bridges Close	Kent	CT7 0PX	Bungalow	1	General Needs Unrestricted	MV-T	£63,761	£128,605
43937	K750809	Freehold	Orbit South Housing Association Limited	23 Bridges Close	Kent	CT7 0PX	Bungalow	1	General Needs Unrestricted	MV-T	£63,761	£128,605
67616	MM67075	Freehold	Heart of England Housing Association Limited	38 Gwendolyn Drive	Warwickshire	CV3 1JZ	House	2	General Needs Unrestricted	MV-T	£76,280	£153,854
67617	MM67076	Freehold	Heart of England Housing Association Limited	36 Gwendolyn Drive	Warwickshire	CV3 1JZ	House	2	General Needs Unrestricted	MV-T	£76,280	£153,854
67618	MM67074	Freehold	Heart of England Housing Association Limited	40 Gwendolyn Drive	Warwickshire	CV3 1JZ	House	3	General Needs Unrestricted	MV-T	£88,625	£178,755
67619	MM67078	Freehold	Heart of England Housing Association Limited	34 Gwendolyn Drive	Warwickshire	CV3 1JZ	House	3	General Needs Unrestricted	MV-T	£88,625	£178,755
67610	MM79683	Freehold	Heart of England Housing Association Limited	29 David Spencer Drive	Warwickshire	CV3 1QG	House	2	General Needs Unrestricted	MV-T	£76,280	£153,854
67611	MM79665	Freehold	Heart of England Housing Association Limited	3 David Spencer Drive	Warwickshire	CV3 1QG	House	3	General Needs Unrestricted	MV-T	£89,006	£179,522
67612	MM79670	Freehold	Heart of England Housing Association Limited	9 David Spencer Drive	Warwickshire	CV3 1QG	House	3	General Needs Unrestricted	MV-T	£89,006	£179,522
67614	MM79667	Freehold	Heart of England Housing Association Limited	5 David Spencer Drive	Warwickshire	CV3 1QG	House	3	General Needs Unrestricted	MV-T	£89,006	£179,522
67615	MM79669	Freehold	Heart of England Housing Association Limited	7 David Spencer Drive	Warwickshire	CV3 1QG	House	3	General Needs Unrestricted	MV-T	£89,006	£179,522
67620	MM79671	Freehold	Heart of England Housing Association Limited	11 David Spencer Drive	Warwickshire	CV3 1QG	House	3	General Needs Unrestricted	MV-T	£89,006	£179,522
67621	MM79672	Freehold	Heart of England Housing Association Limited	15 David Spencer Drive	Warwickshire	CV3 1QG	House	3	General Needs Unrestricted	MV-T	£89,006	£179,522
67622	MM79674	Freehold	Heart of England Housing Association Limited	17 David Spencer Drive	Warwickshire	CV3 1QG	House	3	General Needs Unrestricted	MV-T	£89,006	£179,522
67623	MM79675	Freehold	Heart of England Housing Association Limited	19 David Spencer Drive	Warwickshire	CV3 1QG	House	3	General Needs Unrestricted	MV-T	£89,006	£179,522
67624	MM79677	Freehold	Heart of England Housing Association Limited	21 David Spencer Drive	Warwickshire	CV3 1QG	House	3	General Needs Unrestricted	MV-T	£88,168	£177,833
67625	MM79678	Freehold	Heart of England Housing Association Limited	23 David Spencer Drive	Warwickshire	CV3 1QG	House	3	General Needs Unrestricted	MV-T	£89,006	£179,522
74479	TT56956	Leasehold	Orbit Group Limited	3 Havelock Drive	Kent	DA9 9XT	Flat	2	Shared Ownership	EUV-SH	£120,500	
74480	TT56962	Leasehold	Orbit Group Limited	1 Havelock Drive	Kent	DA9 9XT	Flat	2	Shared Ownership	EUV-SH	£125,400	
74481	TT56960	Leasehold	Orbit Group Limited	7 Havelock Drive	Kent	DA9 9XT	Flat	2	Shared Ownership	EUV-SH	£122,900	
74482	TT56959	Leasehold	Orbit Group Limited	5 Havelock Drive	Kent	DA9 9XT	Flat	2	Shared Ownership	EUV-SH	£126,800	
74483	TT56958	Leasehold	Orbit Group Limited	13 Havelock Drive	Kent	DA9 9XT	Flat	2	Shared Ownership	EUV-SH	£124,200	
74484	TT56963	Leasehold	Orbit Group Limited	15 Havelock Drive	Kent	DA9 9XT	Flat	1	Shared Ownership	EUV-SH	£115,500	
74485	TT56955	Leasehold	Orbit Group Limited	17 Havelock Drive	Kent	DA9 9XT	Flat	2	Shared Ownership	EUV-SH	£126,800	
74494	TT56953	Leasehold	Orbit Group Limited	2 Havelock Drive	Kent	DA9 9XU	Flat	2	Shared Ownership	EUV-SH	£126,800	
74495	TT56953	Leasehold	Orbit Group Limited	4 Havelock Drive	Kent	DA9 9XU	Flat	1	Shared Ownership	EUV-SH	£97,600	
74496	TT56953	Leasehold	Orbit Group Limited	6 Havelock Drive	Kent	DA9 9XU	Flat	2	Shared Ownership	EUV-SH	£126,800	
74498	TT56953	Leasehold	Orbit Group Limited	10 Havelock Drive	Kent	DA9 9XU	Flat	2	Shared Ownership	EUV-SH	£126,800	
74499	TT56953	Leasehold	Orbit Group Limited	12 Havelock Drive	Kent	DA9 9XU	Flat	1	Shared Ownership	EUV-SH	£107,300	
74500	TT56953	Leasehold	Orbit Group Limited	14 Havelock Drive	Kent	DA9 9XU	Flat	2	Shared Ownership	EUV-SH	£68,300	
74501	TT56953	Leasehold	Orbit Group Limited	16 Havelock Drive	Kent	DA9 9XU	Flat	1	Shared Ownership	EUV-SH	£107,300	
74486	TT56953	Leasehold	Orbit Group Limited	8 Engelsine Court	Kent	DA9 9XW	Flat	2	Shared Ownership	EUV-SH	£117,000	
74487	TT56953	Leasehold	Orbit Group Limited	9 Engelsine Court	Kent	DA9 9XW	Flat	2	Shared Ownership	EUV-SH	£87,800	
74488	TT56953	Leasehold	Orbit Group Limited	11 Engelsine Court	Kent	DA9 9XW	Flat	2	Shared Ownership	EUV-SH	£126,800	
74489	TT56953	Leasehold	Orbit Group Limited	10 Engelsine Court	Kent	DA9 9XW	Flat	2	Shared Ownership	EUV-SH	£78,000	
74490	TT56953	Leasehold	Orbit Group Limited	13 Engelsine Court	Kent	DA9 9XW	Flat	2	Shared Ownership	EUV-SH	£126,800	
74491	TT56953	Leasehold	Orbit Group Limited	12 Engelsine Court	Kent	DA9 9XW	Flat	2	Shared Ownership	EUV-SH	£126,800	
74492	TT56953	Leasehold	Orbit Group Limited	15 Engelsine Court	Kent	DA9 9XW	Flat	2	Shared Ownership	EUV-SH	£117,000	
74493	TT56953	Leasehold	Orbit Group Limited	14 Engelsine Court	Kent	DA9 9XW	Flat	2	Shared Ownership	EUV-SH	£117,000	
74502	TT56953	Leasehold	Orbit Group Limited	1 Engelsine Court	Kent	DA9 9XW	Flat	2	Shared Ownership	EUV-SH	£106,100	
74503	TT56953	Leasehold	Orbit Group Limited	3 Engelsine Court	Kent	DA9 9XW	Flat	2	Shared Ownership	EUV-SH	£126,800	
74504	TT56953	Leasehold	Orbit Group Limited	2 Engelsine Court	Kent	DA9 9XW	Flat	2	Shared Ownership	EUV-SH	£126,800	
74505	TT56953	Leasehold	Orbit Group Limited	5 Engelsine Court	Kent	DA9 9XW	Flat	2	Shared Ownership	EUV-SH	£126,800	
74506	TT56953	Leasehold	Orbit Group Limited	4 Engelsine Court	Kent	DA9 9XW	Flat	2	Shared Ownership	EUV-SH	£126,800	

Housing Association: Orbit Group
 Valuer: JLL
 Valuation Date: 20 November 2020
 Valuation: Project Kepler

UPRN	Title	FH/LH	Owner	Address	County	Postcode	JLL Property Type	Bedrooms	Business Stream	Basis of Valuation	EUV-SH	MV-T
74507	TT56953	Leasehold	Orbit Group Limited	7 Engelsine Court	Kent	DA9 9XW	Flat	2	Shared Ownership	EUV-SH	£126,800	
74508	TT56953	Leasehold	Orbit Group Limited	6 Engelsine Court	Kent	DA9 9XW	Flat	2	Shared Ownership	EUV-SH	£97,500	
74509	TT56951	Leasehold	Orbit South Housing Association Limited	17 Engelsine Court	Kent	DA9 9XW	Flat	2	Affordable Rent Restricted	EUV-SH	£85,421	
74510	TT56951	Leasehold	Orbit South Housing Association Limited	16 Engelsine Court	Kent	DA9 9XW	Flat	2	Affordable Rent Restricted	EUV-SH	£85,064	
74511	TT56951	Leasehold	Orbit South Housing Association Limited	18 Engelsine Court	Kent	DA9 9XW	Flat	2	Affordable Rent Restricted	EUV-SH	£97,123	
74512	TT56951	Leasehold	Orbit South Housing Association Limited	19 Engelsine Court	Kent	DA9 9XW	Flat	2	Affordable Rent Restricted	EUV-SH	£85,064	
74513	TT56951	Leasehold	Orbit South Housing Association Limited	21 Engelsine Court	Kent	DA9 9XW	Flat	2	Affordable Rent Restricted	EUV-SH	£85,421	
74514	TT56951	Leasehold	Orbit South Housing Association Limited	20 Engelsine Court	Kent	DA9 9XW	Flat	2	Affordable Rent Restricted	EUV-SH	£85,064	
74515	TT56951	Leasehold	Orbit South Housing Association Limited	23 Engelsine Court	Kent	DA9 9XW	Flat	2	Affordable Rent Restricted	EUV-SH	£85,421	
74516	TT56951	Leasehold	Orbit South Housing Association Limited	22 Engelsine Court	Kent	DA9 9XW	Flat	2	Affordable Rent Restricted	EUV-SH	£90,987	
74517	TT56951	Leasehold	Orbit South Housing Association Limited	24 Engelsine Court	Kent	DA9 9XW	Flat	2	Affordable Rent Restricted	EUV-SH	£84,622	
74518	TT56951	Leasehold	Orbit South Housing Association Limited	25 Engelsine Court	Kent	DA9 9XW	Flat	2	Affordable Rent Restricted	EUV-SH	£84,173	
74519	TT56951	Leasehold	Orbit South Housing Association Limited	26 Engelsine Court	Kent	DA9 9XW	Flat	2	Affordable Rent Restricted	EUV-SH	£93,759	
74520	TT56951	Leasehold	Orbit South Housing Association Limited	27 Engelsine Court	Kent	DA9 9XW	Flat	2	Affordable Rent Restricted	EUV-SH	£84,622	
74521	TT56951	Leasehold	Orbit South Housing Association Limited	28 Engelsine Court	Kent	DA9 9XW	Flat	2	Affordable Rent Restricted	EUV-SH	£84,266	
74522	TT56951	Leasehold	Orbit South Housing Association Limited	29 Engelsine Court	Kent	DA9 9XW	Flat	2	Affordable Rent Restricted	EUV-SH	£84,622	
74523	TT56951	Leasehold	Orbit South Housing Association Limited	30 Engelsine Court	Kent	DA9 9XW	Flat	2	Affordable Rent Restricted	EUV-SH	£84,266	
76325	TT75714	Leasehold	Orbit Group Limited	12 Chalk Pit House	Kent	DA9 9YJ	Flat	1	Shared Ownership	EUV-SH	£95,300	
76326	TT75710	Leasehold	Orbit Group Limited	2 Chalk Pit House	Kent	DA9 9YJ	Flat	1	Shared Ownership	EUV-SH	£55,100	
76327	TT75711	Leasehold	Orbit Group Limited	3 Chalk Pit House	Kent	DA9 9YJ	Flat	2	Shared Ownership	EUV-SH	£58,500	
76328	TT75709	Leasehold	Orbit Group Limited	4 Chalk Pit House	Kent	DA9 9YJ	Flat	2	Shared Ownership	EUV-SH	£97,500	
76329	TT75712	Leasehold	Orbit Group Limited	6 Chalk Pit House	Kent	DA9 9YJ	Flat	1	Shared Ownership	EUV-SH	£94,800	
72734	SK375317	Freehold	Orbit South Housing Association Limited	3 Falconers Terrace	Suffolk	IP12 1FD	House	2	Affordable Rent Restricted	EUV-SH	£80,218	
72735	SK375317	Freehold	Orbit South Housing Association Limited	1 Falconers Terrace	Suffolk	IP12 1FD	House	2	Affordable Rent Restricted	EUV-SH	£80,218	
72736	SK375317	Freehold	Orbit South Housing Association Limited	2 Falconers Terrace	Suffolk	IP12 1FD	House	2	Affordable Rent Restricted	EUV-SH	£80,218	
64657	SK347312	Freehold	Orbit South Housing Association Limited	8 St Georges Close	Suffolk	IP14 1GE	House	3	General Needs Restricted	EUV-SH	£67,152	
64658	SK347312	Freehold	Orbit South Housing Association Limited	10 St Georges Close	Suffolk	IP14 1GE	House	3	General Needs Restricted	EUV-SH	£67,152	
64659	SK347312	Freehold	Orbit South Housing Association Limited	20 St Georges Close	Suffolk	IP14 1GE	Bungalow	2	General Needs Restricted	EUV-SH	£59,549	
64660	SK347312	Freehold	Orbit South Housing Association Limited	22 St Georges Close	Suffolk	IP14 1GE	Bungalow	2	General Needs Restricted	EUV-SH	£59,549	
64661	SK347312	Freehold	Orbit South Housing Association Limited	24 St Georges Close	Suffolk	IP14 1GE	Bungalow	2	General Needs Restricted	EUV-SH	£59,549	
64662	SK347312	Freehold	Orbit South Housing Association Limited	12 St Georges Close	Suffolk	IP14 1GE	Flat	1	Affordable Rent Restricted	EUV-SH	£57,569	
64663	SK347312	Freehold	Orbit South Housing Association Limited	14 St Georges Close	Suffolk	IP14 1GE	Flat	1	General Needs Restricted	EUV-SH	£49,289	
64664	SK347312	Freehold	Orbit South Housing Association Limited	16 St Georges Close	Suffolk	IP14 1GE	Flat	1	General Needs Restricted	EUV-SH	£49,289	
64665	SK347312	Freehold	Orbit South Housing Association Limited	18 St Georges Close	Suffolk	IP14 1GE	Flat	1	Affordable Rent Restricted	EUV-SH	£61,568	
71432	SK386915	Freehold	Orbit South Housing Association Limited	32 Silverdale Avenue	Suffolk	IP14 1LS	House	2	Affordable Rent Restricted	EUV-SH	£78,608	
71433	SK95280	Freehold	Orbit South Housing Association Limited	30 Silverdale Avenue	Suffolk	IP14 1LS	House	3	Affordable Rent Unrestricted	MV-T	£97,945	£170,365
71434	SK126894/SK386915	Freehold	Orbit South Housing Association Limited	26 Silverdale Avenue	Suffolk	IP14 1LS	House	3	Affordable Rent Restricted	EUV-SH	£91,093	
71435	SK386915/SK95280	Freehold	Orbit South Housing Association Limited	28 Silverdale Avenue	Suffolk	IP14 1LS	House	3	Affordable Rent Restricted	EUV-SH	£91,093	
71436	SK126894/SK225941	Leasehold	Orbit South Housing Association Limited	20 Silverdale Avenue	Suffolk	IP14 1LS	House	2	Affordable Rent Unrestricted	MV-T	£81,461	£139,389
71437	SK386915	Freehold	Orbit South Housing Association Limited	4 Silverdale Avenue	Suffolk	IP14 1LS	House	3	Affordable Rent Restricted	EUV-SH	£91,093	
71438	SK386915	Freehold	Orbit South Housing Association Limited	22 Silverdale Avenue	Suffolk	IP14 1LS	House	2	Affordable Rent Restricted	EUV-SH	£78,608	
71439	SK126894	Leasehold	Orbit South Housing Association Limited	24 Silverdale Avenue	Suffolk	IP14 1LS	House	3	Affordable Rent Unrestricted	MV-T	£97,945	£170,365
71440	SK386915	Freehold	Orbit South Housing Association Limited	6 Silverdale Avenue	Suffolk	IP14 1LS	House	3	Affordable Rent Restricted	EUV-SH	£91,093	
71447	SK386915	Freehold	Orbit South Housing Association Limited	16 Silverdale Avenue	Suffolk	IP14 1LS	Bungalow	2	Affordable Rent Restricted	EUV-SH	£78,166	
71448	SK386915	Freehold	Orbit South Housing Association Limited	12 Silverdale Avenue	Suffolk	IP14 1LS	Bungalow	2	Affordable Rent Restricted	EUV-SH	£78,166	
71449	SK386915	Freehold	Orbit South Housing Association Limited	18 Silverdale Avenue	Suffolk	IP14 1LS	Bungalow	2	Affordable Rent Restricted	EUV-SH	£78,166	
71450	SK386915	Freehold	Orbit South Housing Association Limited	14 Silverdale Avenue	Suffolk	IP14 1LS	Bungalow	2	Affordable Rent Restricted	EUV-SH	£78,166	
71400	SK386915	Freehold	Orbit South Housing Association Limited	24a Kingsmead Road	Suffolk	IP14 1LT	House	4	Affordable Rent Restricted	EUV-SH	£111,568	
71401	SK386915	Freehold	Orbit South Housing Association Limited	36 Kingsmead Road	Suffolk	IP14 1LT	House	4	Affordable Rent Restricted	EUV-SH	£111,568	
71402	SK386915	Freehold	Orbit South Housing Association Limited	26a Kingsmead Road	Suffolk	IP14 1LT	House	3	Affordable Rent Restricted	EUV-SH	£91,885	
71403	SK386915	Freehold	Orbit South Housing Association Limited	32 Kingsmead Road	Suffolk	IP14 1LT	House	3	Affordable Rent Restricted	EUV-SH	£91,885	
71413	SK386915	Freehold	Orbit South Housing Association Limited	34 Kingsmead Road	Suffolk	IP14 1LT	House	3	Affordable Rent Restricted	EUV-SH	£91,885	
71414	SK386915	Freehold	Orbit South Housing Association Limited	26 Kingsmead Road	Suffolk	IP14 1LT	House	3	Affordable Rent Restricted	EUV-SH	£91,885	
71441	SK386915	Freehold	Orbit South Housing Association Limited	28 Kingsmead Road	Suffolk	IP14 1LT	House	3	Affordable Rent Restricted	EUV-SH	£91,885	
71442	SK386915	Freehold	Orbit South Housing Association Limited	30 Kingsmead Road	Suffolk	IP14 1LT	House	3	Affordable Rent Restricted	EUV-SH	£91,885	
71396	SK386915	Freehold	Orbit South Housing Association Limited	10 St Marys Road	Suffolk	IP14 1LW	House	2	Affordable Rent Restricted	EUV-SH	£77,802	
71398	SK386915	Freehold	Orbit South Housing Association Limited	6 St Marys Road	Suffolk	IP14 1LW	House	3	General Needs Restricted	EUV-SH	£66,126	
71410	SK386915	Freehold	Orbit South Housing Association Limited	8 St Marys Road	Suffolk	IP14 1LW	House	3	Affordable Rent Restricted	EUV-SH	£90,167	
71428	SK386915	Freehold	Orbit South Housing Association Limited	4 St Marys Road	Suffolk	IP14 1LW	House	4	Affordable Rent Restricted	EUV-SH	£112,566	
71429	SK386915	Freehold	Orbit South Housing Association Limited	2a St Marys Road	Suffolk	IP14 1LW	House	4	Affordable Rent Restricted	EUV-SH	£112,566	
71431	SK386915	Freehold	Orbit South Housing Association Limited	2 St Marys Road	Suffolk	IP14 1LW	House	2	Affordable Rent Restricted	EUV-SH	£78,608	
71392	SK386915	Freehold	Orbit South Housing Association Limited	12 Lydgate Road	Suffolk	IP14 1LY	House	2	Affordable Rent Restricted	EUV-SH	£77,802	
71393	SK386915	Freehold	Orbit South Housing Association Limited	2 Lydgate Road	Suffolk	IP14 1LY	House	2	Affordable Rent Restricted	EUV-SH	£81,936	
71404	SK386915	Freehold	Orbit South Housing Association Limited	6 Lydgate Road	Suffolk	IP14 1LY	House	2	Affordable Rent Restricted	EUV-SH	£81,850	
71405	SK386915	Freehold	Orbit South Housing Association Limited	4 Lydgate Road	Suffolk	IP14 1LY	House	2	Affordable Rent Restricted	EUV-SH	£77,802	
71406	SK386915	Freehold	Orbit South Housing Association Limited	10 Lydgate Road	Suffolk	IP14 1LY	House	2	Affordable Rent Restricted	EUV-SH	£77,802	
71407	SK386915	Freehold	Orbit South Housing Association Limited	8 Lydgate Road	Suffolk	IP14 1LY	House	2	Affordable Rent Restricted	EUV-SH	£77,802	
71394	SK46953	Freehold	Orbit South Housing Association Limited	8 English Close	Suffolk	IP14 1RP	House	1	Affordable Rent Unrestricted	MV-T	£65,396	£105,316
71395	SK386915	Freehold	Orbit South Housing Association Limited	14 English Close	Suffolk	IP14 1RP	House	1	Affordable Rent Restricted	EUV-SH	£62,751	

Housing Association: Orbit Group
 Valuer: JLL
 Valuation Date: 20 November 2020
 Valuation: Project Kepler

UPRN	Title	FH/LH	Owner	Address	County	Postcode	JLL Property Type	Bedrooms	Business Stream	Basis of Valuation	EUV-SH	MV-T
69548	NN345333	Freehold	Orbit Group Limited	1 Junction Way	Northamptonshire	NN14 4RS	House	2	Shared Ownership	EUV-SH	£34,000	
69549	NN345333	Freehold	Orbit Group Limited	3 Junction Way	Northamptonshire	NN14 4RS	House	2	Shared Ownership	EUV-SH	£41,800	
69550	NN345333	Freehold	Orbit Group Limited	5 Junction Way	Northamptonshire	NN14 4RS	House	2	Shared Ownership	EUV-SH	£66,700	
69164	NN345332	Freehold	Heart of England Housing Association Limited	2 Junction Way	Northamptonshire	NN14 4RS	House	4	Affordable Rent Unrestricted	MV-T	£115,752	£180,931
69523	NN345333	Freehold	Orbit Group Limited	9 Sidings Close	Northamptonshire	NN14 4RU	House	2	Shared Ownership	EUV-SH	£70,600	
69524	NN345333	Freehold	Orbit Group Limited	8 Sidings Close	Northamptonshire	NN14 4RU	House	2	Shared Ownership	EUV-SH	£52,200	
69525	NN345333	Freehold	Orbit Group Limited	10 Sidings Close	Northamptonshire	NN14 4RU	House	2	Shared Ownership	EUV-SH	£70,600	
69527	NN345333	Freehold	Orbit Group Limited	12 Sidings Close	Northamptonshire	NN14 4RU	House	2	Shared Ownership	EUV-SH	£65,900	
69529	NN345333	Freehold	Orbit Group Limited	15 Sidings Close	Northamptonshire	NN14 4RU	House	2	Shared Ownership	EUV-SH	£70,600	
69530	NN345333	Freehold	Orbit Group Limited	16 Sidings Close	Northamptonshire	NN14 4RU	House	2	Shared Ownership	EUV-SH	£48,000	
69531	NN345333	Freehold	Orbit Group Limited	17 Sidings Close	Northamptonshire	NN14 4RU	Flat	2	Shared Ownership	EUV-SH	£31,600	
69532	NN345333	Freehold	Orbit Group Limited	18 Sidings Close	Northamptonshire	NN14 4RU	Flat	1	Shared Ownership	EUV-SH	£18,000	
69535	NN345333	Freehold	Orbit Group Limited	71 Station Road	Northamptonshire	NN14 4RU	House	2	Shared Ownership	EUV-SH	£73,600	
69536	NN345333	Freehold	Orbit Group Limited	77 Station Road	Northamptonshire	NN14 4RW	House	3	Shared Ownership	EUV-SH	£70,400	
69544	NN345333	Freehold	Orbit Group Limited	93 Station Road	Northamptonshire	NN14 4RW	House	3	Shared Ownership	EUV-SH	£67,000	
69545	NN345333	Freehold	Orbit Group Limited	95 Station Road	Northamptonshire	NN14 4RW	House	2	Shared Ownership	EUV-SH	£72,500	
69546	NN345333	Freehold	Orbit Group Limited	97 Station Road	Northamptonshire	NN14 4RW	House	2	Shared Ownership	EUV-SH	£61,800	
69547	NN345333	Freehold	Orbit Group Limited	99 Station Road	Northamptonshire	NN14 4RW	House	2	Shared Ownership	EUV-SH	£69,200	
73109	NN345333	Freehold	Orbit Group Limited	67 Station Road	Northamptonshire	NN14 4RW	House	2	Shared Ownership	EUV-SH	£66,100	
73110	NN345333	Freehold	Orbit Group Limited	69 Station Road	Northamptonshire	NN14 4RW	House	2	Shared Ownership	EUV-SH	£31,500	
69137	NN345332	Freehold	Heart of England Housing Association Limited	59 Station Road	Northamptonshire	NN14 4RW	Flat	1	Affordable Rent Unrestricted	MV-T	£58,942	£90,146
69138	NN345332	Freehold	Heart of England Housing Association Limited	61 Station Road	Northamptonshire	NN14 4RW	Flat	1	Affordable Rent Unrestricted	MV-T	£58,942	£90,146
69139	NN345332	Freehold	Heart of England Housing Association Limited	63 Station Road	Northamptonshire	NN14 4RW	Flat	1	Affordable Rent Unrestricted	MV-T	£61,178	£90,146
69140	NN345332	Freehold	Heart of England Housing Association Limited	64 Station Road	Northamptonshire	NN14 4RW	Flat	1	Affordable Rent Unrestricted	MV-T	£60,442	£90,146
69141	NN345332	Freehold	Heart of England Housing Association Limited	66 Station Road	Northamptonshire	NN14 4RW	Flat	2	Affordable Rent Unrestricted	MV-T	£66,740	£98,341
69144	NN345332	Freehold	Heart of England Housing Association Limited	72 Station Road	Northamptonshire	NN14 4RW	Flat	1	Affordable Rent Unrestricted	MV-T	£60,442	£98,341
69145	NN345332	Freehold	Heart of England Housing Association Limited	74 Station Road	Northamptonshire	NN14 4RW	Flat	2	Affordable Rent Unrestricted	MV-T	£66,740	£98,341
69146	NN345332	Freehold	Heart of England Housing Association Limited	82 Station Road	Northamptonshire	NN14 4RW	Bungalow	2	Affordable Rent Unrestricted	MV-T	£78,037	£123,902
69147	NN345332	Freehold	Heart of England Housing Association Limited	68 Station Road	Northamptonshire	NN14 4RW	Bungalow	2	Affordable Rent Unrestricted	MV-T	£78,037	£123,902
69148	NN345332	Freehold	Heart of England Housing Association Limited	70 Station Road	Northamptonshire	NN14 4RW	Bungalow	2	Affordable Rent Unrestricted	MV-T	£78,037	£123,902
69149	NN345332	Freehold	Heart of England Housing Association Limited	44 Station Road	Northamptonshire	NN14 4RW	House	3	Affordable Rent Unrestricted	MV-T	£99,999	£156,308
69150	NN345332	Freehold	Heart of England Housing Association Limited	48 Station Road	Northamptonshire	NN14 4RW	House	3	Affordable Rent Unrestricted	MV-T	£89,423	£139,776
69151	NN345332	Freehold	Heart of England Housing Association Limited	50 Station Road	Northamptonshire	NN14 4RW	House	3	Affordable Rent Unrestricted	MV-T	£95,052	£148,576
69152	NN345332	Freehold	Heart of England Housing Association Limited	42 Station Road	Northamptonshire	NN14 4RW	House	3	Affordable Rent Unrestricted	MV-T	£89,423	£139,776
69153	NN345332	Freehold	Heart of England Housing Association Limited	52 Station Road	Northamptonshire	NN14 4RW	House	3	Affordable Rent Unrestricted	MV-T	£89,423	£139,776
69154	NN345332	Freehold	Heart of England Housing Association Limited	54 Station Road	Northamptonshire	NN14 4RW	House	4	Affordable Rent Unrestricted	MV-T	£106,891	£167,081
69155	NN345332	Freehold	Heart of England Housing Association Limited	55 Station Road	Northamptonshire	NN14 4RW	House	2	Affordable Rent Unrestricted	MV-T	£76,366	£119,367
69156	NN345332	Freehold	Heart of England Housing Association Limited	53 Station Road	Northamptonshire	NN14 4RW	House	2	Affordable Rent Unrestricted	MV-T	£76,366	£119,367
69157	NN345332	Freehold	Heart of England Housing Association Limited	57 Station Road	Northamptonshire	NN14 4RW	House	2	Affordable Rent Unrestricted	MV-T	£76,366	£119,367
69158	NN345332	Freehold	Heart of England Housing Association Limited	51 Station Road	Northamptonshire	NN14 4RW	House	2	Affordable Rent Unrestricted	MV-T	£76,366	£119,367
69159	NN345332	Freehold	Heart of England Housing Association Limited	65 Station Road	Northamptonshire	NN14 4RW	House	2	Affordable Rent Unrestricted	MV-T	£76,366	£119,367
69160	NN345332	Freehold	Heart of England Housing Association Limited	46 Station Road	Northamptonshire	NN14 4RW	House	2	Affordable Rent Unrestricted	MV-T	£77,539	£121,201
69161	NN345332	Freehold	Heart of England Housing Association Limited	78 Station Road	Northamptonshire	NN14 4RW	House	3	Affordable Rent Unrestricted	MV-T	£91,227	£142,597
69162	NN345332	Freehold	Heart of England Housing Association Limited	80 Station Road	Northamptonshire	NN14 4RW	House	2	Affordable Rent Unrestricted	MV-T	£78,037	£121,979
69163	NN345332	Freehold	Heart of England Housing Association Limited	76 Station Road	Northamptonshire	NN14 4RW	House	2	Affordable Rent Unrestricted	MV-T	£78,037	£121,979
69165	NN345332	Freehold	Heart of England Housing Association Limited	73 Station Road	Northamptonshire	NN14 4RW	House	3	Affordable Rent Unrestricted	MV-T	£91,227	£142,597
69166	NN345332	Freehold	Heart of England Housing Association Limited	75 Station Road	Northamptonshire	NN14 4RW	House	2	Affordable Rent Unrestricted	MV-T	£78,037	£121,979
69537	NN345333	Freehold	Orbit Group Limited	79 Station Road	Northamptonshire	NN14 4RX	Flat	2	Shared Ownership	EUV-SH	£47,400	
69538	NN345333	Freehold	Orbit Group Limited	81 Station Road	Northamptonshire	NN14 4RX	Flat	2	Shared Ownership	EUV-SH	£49,500	
69539	NN345333	Freehold	Orbit Group Limited	83 Station Road	Northamptonshire	NN14 4RX	Flat	2	Shared Ownership	EUV-SH	£33,000	
69540	NN345333	Freehold	Orbit Group Limited	85 Station Road	Northamptonshire	NN14 4RX	Flat	1	Shared Ownership	EUV-SH	£18,000	
69542	NN345333	Freehold	Orbit Group Limited	89 Station Road	Northamptonshire	NN14 4RX	Flat	1	Shared Ownership	EUV-SH	£18,000	
69543	NN345333	Freehold	Orbit Group Limited	91 Station Road	Northamptonshire	NN14 4RX	Flat	2	Shared Ownership	EUV-SH	£27,600	
68065	NK460024	Freehold	Orbit South Housing Association Limited	10 Loynes Drive	Norfolk	NR12 8FA	House	3	Affordable Rent Restricted	EUV-SH	£91,371	
68066	NK460024	Freehold	Orbit South Housing Association Limited	6 Loynes Drive	Norfolk	NR12 8FA	House	2	Affordable Rent Restricted	EUV-SH	£77,610	
68067	NK465037	Freehold	Orbit South Housing Association Limited	9 Loynes Drive	Norfolk	NR12 8FA	House	1	Affordable Rent Restricted	EUV-SH	£62,359	
68070	NK465520	Freehold	Orbit South Housing Association Limited	16 Loynes Drive	Norfolk	NR12 8FA	Flat	1	Affordable Rent Restricted	EUV-SH	£57,912	
68074	NK465520	Freehold	Orbit South Housing Association Limited	18 Loynes Drive	Norfolk	NR12 8FA	Flat	1	Affordable Rent Restricted	EUV-SH	£61,974	
68075	NK465520	Freehold	Orbit South Housing Association Limited	24 Loynes Drive	Norfolk	NR12 8FA	Flat	1	Affordable Rent Restricted	EUV-SH	£57,912	
68076	NK465520	Freehold	Orbit South Housing Association Limited	26 Loynes Drive	Norfolk	NR12 8FA	Flat	1	Affordable Rent Restricted	EUV-SH	£57,912	
68077	NK465520	Freehold	Orbit South Housing Association Limited	14 Loynes Drive	Norfolk	NR12 8FA	Flat	1	Affordable Rent Restricted	EUV-SH	£58,018	
68078	NK465520	Freehold	Orbit South Housing Association Limited	12 Loynes Drive	Norfolk	NR12 8FA	Flat	1	Affordable Rent Restricted	EUV-SH	£57,912	
68079	NK465520	Freehold	Orbit South Housing Association Limited	22 Loynes Drive	Norfolk	NR12 8FA	Flat	1	Affordable Rent Restricted	EUV-SH	£57,912	
68080	NK465520	Freehold	Orbit South Housing Association Limited	20 Loynes Drive	Norfolk	NR12 8FA	Flat	1	Affordable Rent Restricted	EUV-SH	£57,912	
68081	NK465520	Freehold	Orbit South Housing Association Limited	30 Loynes Drive	Norfolk	NR12 8FA	Flat	1	Affordable Rent Restricted	EUV-SH	£57,912	
68082	NK465520	Freehold	Orbit South Housing Association Limited	28 Loynes Drive	Norfolk	NR12 8FA	Flat	1	Affordable Rent Restricted	EUV-SH	£61,974	
68084	NK460024	Freehold	Orbit South Housing Association Limited	8 Loynes Drive	Norfolk	NR12 8FA	House	2	Affordable Rent Restricted	EUV-SH	£77,610	
68099	NK465037	Freehold	Orbit South Housing Association Limited	13 Loynes Drive	Norfolk	NR12 8FA	House	2	Affordable Rent Restricted	EUV-SH	£79,071	
68100	NK460024	Freehold	Orbit South Housing Association Limited	4 Loynes Drive	Norfolk	NR12 8FA	House	4	Affordable Rent Restricted	EUV-SH	£114,312	

Housing Association: Orbit Group
 Valuer: JLL
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 Valuation: Project Kepler

UPRN	Title	FH/LH	Owner	Address	County	Postcode	JLL Property Type	Bedrooms	Business Stream	Basis of Valuation	EUV-SH	MV-T
68101	NK460024	Freehold	Orbit South Housing Association Limited	2 Loynes Drive	Norfolk	NR12 8FA	House	5	Affordable Rent Restricted	EUV-SH	£120,862	
68102	NK465037	Freehold	Orbit South Housing Association Limited	15 Loynes Drive	Norfolk	NR12 8FA	Bungalow	3	Affordable Rent Restricted	EUV-SH	£92,455	
68103	NK465037	Freehold	Orbit South Housing Association Limited	5 Loynes Drive	Norfolk	NR12 8FA	Bungalow	2	Affordable Rent Restricted	EUV-SH	£79,071	
68104	NK465037	Freehold	Orbit South Housing Association Limited	7 Loynes Drive	Norfolk	NR12 8FA	Bungalow	2	Affordable Rent Restricted	EUV-SH	£79,071	
68105	NK465037	Freehold	Orbit South Housing Association Limited	11 Loynes Drive	Norfolk	NR12 8FA	Bungalow	2	Affordable Rent Restricted	EUV-SH	£79,071	
70648	NK464632	Freehold	Orbit Group Limited	38 Loynes Drive	Norfolk	NR12 8FA	House	2	Shared Ownership	EUV-SH	£82,500	
70649	NK464632	Freehold	Orbit Group Limited	36 Loynes Drive	Norfolk	NR12 8FA	House	2	Shared Ownership	EUV-SH	£67,000	
70650	NK464632	Freehold	Orbit Group Limited	34 Loynes Drive	Norfolk	NR12 8FA	House	2	Shared Ownership	EUV-SH	£80,400	
70651	NK464632	Freehold	Orbit Group Limited	32 Loynes Drive	Norfolk	NR12 8FA	House	2	Shared Ownership	EUV-SH	£82,500	
68063	NK460024	Freehold	Orbit South Housing Association Limited	17 Christopher Way	Norfolk	NR12 8FF	House	3	Affordable Rent Restricted	EUV-SH	£91,371	
68068	NK460024	Freehold	Orbit South Housing Association Limited	9 Christopher Way	Norfolk	NR12 8FF	House	3	Affordable Rent Restricted	EUV-SH	£91,371	
68085	NK460024	Freehold	Orbit South Housing Association Limited	15 Christopher Way	Norfolk	NR12 8FF	House	2	Affordable Rent Restricted	EUV-SH	£77,610	
68086	NK460024	Freehold	Orbit South Housing Association Limited	13 Christopher Way	Norfolk	NR12 8FF	House	2	Affordable Rent Restricted	EUV-SH	£77,610	
68087	NK460024	Freehold	Orbit South Housing Association Limited	11 Christopher Way	Norfolk	NR12 8FF	House	2	Affordable Rent Restricted	EUV-SH	£80,090	
68004	NK459036	Freehold	Orbit Group Limited	7 Christopher Way	Norfolk	NR12 8FF	House	3	Shared Ownership	EUV-SH	£94,500	
68005	NK459036	Freehold	Orbit Group Limited	5 Christopher Way	Norfolk	NR12 8FF	House	3	Shared Ownership	EUV-SH	£94,500	
68006	NK459036	Freehold	Orbit Group Limited	3 Christopher Way	Norfolk	NR12 8FF	House	3	Shared Ownership	EUV-SH	£94,500	
64406	NK437324	Freehold	Orbit South Housing Association Limited	Flat 1, 24 Burnt Fen Way	Norfolk	NR12 8GJ	Flat	1	General Needs Restricted	EUV-SH	£50,887	
64407	NK437324	Freehold	Orbit South Housing Association Limited	Flat 2, 24 Burnt Fen Way	Norfolk	NR12 8GJ	Flat	2	General Needs Restricted	EUV-SH	£54,435	
64408	NK437324	Freehold	Orbit South Housing Association Limited	Flat 3, 24 Burnt Fen Way	Norfolk	NR12 8GJ	Flat	1	General Needs Restricted	EUV-SH	£46,930	
64409	NK437324	Freehold	Orbit South Housing Association Limited	Flat 4, 24 Burnt Fen Way	Norfolk	NR12 8GJ	Flat	2	General Needs Restricted	EUV-SH	£53,903	
64748	NK438336	Freehold	Orbit South Housing Association Limited	Flat 2, 43 Burnt Fen Way	Norfolk	NR12 8GJ	Flat	2	General Needs Restricted	EUV-SH	£54,786	
64749	NK438336	Freehold	Orbit South Housing Association Limited	Flat 3, 43 Burnt Fen Way	Norfolk	NR12 8GJ	Flat	1	General Needs Restricted	EUV-SH	£47,742	
64750	NK438336	Freehold	Orbit South Housing Association Limited	Flat 4, 43 Burnt Fen Way	Norfolk	NR12 8GJ	Flat	2	General Needs Restricted	EUV-SH	£53,903	
64752	NK437324	Freehold	Orbit South Housing Association Limited	61 Burnt Fen Way	Norfolk	NR12 8GJ	House	3	Affordable Rent Restricted	EUV-SH	£86,760	
64402	NK437324	Freehold	Orbit South Housing Association Limited	9 Salhouse Road	Norfolk	NR12 8GP	House	2	Affordable Rent Restricted	EUV-SH	£70,184	
64404	NK437324	Freehold	Orbit South Housing Association Limited	7 Salhouse Road	Norfolk	NR12 8GP	House	2	Affordable Rent Restricted	EUV-SH	£70,184	
64747	NK438336	Freehold	Orbit South Housing Association Limited	Flat 1, 43 Burnt Fen Way	Norfolk	NR12 8GP	Flat	1	General Needs Restricted	EUV-SH	£46,930	
64751	NK437324	Freehold	Orbit South Housing Association Limited	13 Salhouse Road	Norfolk	NR12 8GP	House	4	Affordable Rent Restricted	EUV-SH	£109,972	
72957	NK459630	Freehold	Orbit Group Limited	14 Willow Close	Norfolk	NR13 5PZ	House	2	Shared Ownership	EUV-SH	£69,600	
72959	NK459630	Freehold	Orbit Group Limited	17 Willow Close	Norfolk	NR13 5PZ	House	3	Shared Ownership	EUV-SH	£77,600	
72960	NK459630	Freehold	Orbit Group Limited	16 Willow Close	Norfolk	NR13 5PZ	House	3	Shared Ownership	EUV-SH	£77,600	
69870	NK458931	Freehold	Orbit South Housing Association Limited	6 Stanley Road	Norfolk	NR13 5RJ	House	1	Affordable Rent Unrestricted	MV-T	£64,109	£111,511
69871	NK458931	Freehold	Orbit South Housing Association Limited	3 Stanley Road	Norfolk	NR13 5RJ	House	3	Affordable Rent Unrestricted	MV-T	£91,153	£154,877
69872	NK458931	Freehold	Orbit South Housing Association Limited	9 Stanley Road	Norfolk	NR13 5RJ	House	1	Affordable Rent Unrestricted	MV-T	£64,109	£111,511
69873	NK458931	Freehold	Orbit South Housing Association Limited	4 Stanley Road	Norfolk	NR13 5RJ	House	3	Affordable Rent Unrestricted	MV-T	£91,279	£154,877
69874	NK458931	Freehold	Orbit South Housing Association Limited	7 Stanley Road	Norfolk	NR13 5RJ	House	1	Affordable Rent Unrestricted	MV-T	£64,109	£111,511
69875	NK458931	Freehold	Orbit South Housing Association Limited	8 Stanley Road	Norfolk	NR13 5RJ	House	1	Affordable Rent Unrestricted	MV-T	£64,109	£111,511
69876	NK458931	Freehold	Orbit South Housing Association Limited	2 Stanley Road	Norfolk	NR13 5RJ	House	2	Affordable Rent Unrestricted	MV-T	£77,205	£130,097
69877	NK458931	Freehold	Orbit South Housing Association Limited	5 Stanley Road	Norfolk	NR13 5RJ	House	2	Affordable Rent Unrestricted	MV-T	£77,311	£130,097
70763	NK458932	Freehold	Orbit Group Limited	10 Stanley Road	Norfolk	NR13 5RJ	House	2	Shared Ownership	EUV-SH	£84,700	
70764	NK458932	Freehold	Orbit Group Limited	11 Stanley Road	Norfolk	NR13 5RJ	House	2	Shared Ownership	EUV-SH	£96,300	
70765	NK458932	Freehold	Orbit Group Limited	12 Stanley Road	Norfolk	NR13 5RJ	House	2	Shared Ownership	EUV-SH	£70,600	
75751	NK474302	Freehold	Orbit South Housing Association Limited	14 Finch Road	Norfolk	NR17 1GL	House	2	Affordable Rent Restricted	EUV-SH	£85,414	
75752	NK474302	Freehold	Orbit South Housing Association Limited	16 Finch Road	Norfolk	NR17 1GL	House	1	Affordable Rent Restricted	EUV-SH	£67,682	
75753	NK474302	Freehold	Orbit South Housing Association Limited	18 Finch Road	Norfolk	NR17 1GL	House	1	Affordable Rent Restricted	EUV-SH	£67,682	
75754	NK474302	Freehold	Orbit South Housing Association Limited	20 Finch Road	Norfolk	NR17 1GL	House	1	Affordable Rent Restricted	EUV-SH	£67,682	
75755	NK474302	Freehold	Orbit South Housing Association Limited	22 Finch Road	Norfolk	NR17 1GL	House	1	Affordable Rent Restricted	EUV-SH	£67,682	
75756	NK474302	Freehold	Orbit South Housing Association Limited	24 Finch Road	Norfolk	NR17 1GL	House	2	Affordable Rent Restricted	EUV-SH	£85,414	
75757	NK474302	Freehold	Orbit South Housing Association Limited	11 Peacock Way	Norfolk	NR17 1GN	House	3	Affordable Rent Restricted	EUV-SH	£96,353	
75758	NK474302	Freehold	Orbit South Housing Association Limited	13 Peacock Way	Norfolk	NR17 1GN	House	1	Affordable Rent Restricted	EUV-SH	£65,637	
75759	NK474302	Freehold	Orbit South Housing Association Limited	15 Peacock Way	Norfolk	NR17 1GN	House	3	Affordable Rent Restricted	EUV-SH	£97,336	
75760	NK474302	Freehold	Orbit South Housing Association Limited	21 Peacock Way	Norfolk	NR17 1GN	House	2	Affordable Rent Restricted	EUV-SH	£82,777	
75761	NK474302	Freehold	Orbit South Housing Association Limited	23 Peacock Way	Norfolk	NR17 1GN	House	3	Affordable Rent Restricted	EUV-SH	£96,439	
75762	NK474302	Freehold	Orbit South Housing Association Limited	25 Peacock Way	Norfolk	NR17 1GN	House	3	Affordable Rent Restricted	EUV-SH	£96,439	
75763	NK474302	Freehold	Orbit South Housing Association Limited	27 Peacock Way	Norfolk	NR17 1GN	House	3	Affordable Rent Restricted	EUV-SH	£97,422	
75764	NK474302	Freehold	Orbit South Housing Association Limited	3 Peacock Way	Norfolk	NR17 1GN	Flat	2	Affordable Rent Restricted	EUV-SH	£78,358	
75765	NK474302	Freehold	Orbit South Housing Association Limited	5 Peacock Way	Norfolk	NR17 1GN	House	3	Affordable Rent Restricted	EUV-SH	£95,925	
75766	NK474302	Freehold	Orbit South Housing Association Limited	7 Peacock Way	Norfolk	NR17 1GN	House	1	Affordable Rent Restricted	EUV-SH	£67,711	
75767	NK474302	Freehold	Orbit South Housing Association Limited	9 Peacock Way	Norfolk	NR17 1GN	House	3	Affordable Rent Restricted	EUV-SH	£96,232	
68166	NK458548	Freehold	Orbit South Housing Association Limited	8 Whiteside Mews	Norfolk	NR20 4FS	House	1	Affordable Rent Restricted	EUV-SH	£62,038	
68167	NK458548	Freehold	Orbit South Housing Association Limited	10 Whiteside Mews	Norfolk	NR20 4FS	House	1	Affordable Rent Restricted	EUV-SH	£64,041	
68168	NK458548	Freehold	Orbit South Housing Association Limited	18 Whiteside Mews	Norfolk	NR20 4FS	House	1	Affordable Rent Restricted	EUV-SH	£64,041	
68135	NK458549	Freehold	Orbit Group Limited	4 Whiteside Mews	Norfolk	NR20 4FS	House	3	Shared Ownership	EUV-SH	£82,500	
68136	NK458549	Freehold	Orbit Group Limited	12 Whiteside Mews	Norfolk	NR20 4FS	House	2	Shared Ownership	EUV-SH	£69,700	
68137	NK458549	Freehold	Orbit Group Limited	14 Whiteside Mews	Norfolk	NR20 4FS	House	2	Shared Ownership	EUV-SH	£74,900	
68138	NK458549	Freehold	Orbit Group Limited	16 Whiteside Mews	Norfolk	NR20 4FS	House	2	Shared Ownership	EUV-SH	£63,300	
68145	NK458548	Freehold	Orbit South Housing Association Limited	21 Brandon Close	Norfolk	NR20 4FT	House	2	Affordable Rent Restricted	EUV-SH	£76,491	
68157	NK458548	Freehold	Orbit South Housing Association Limited	15 Brandon Close	Norfolk	NR20 4FT	House	1	Affordable Rent Restricted	EUV-SH	£63,378	

Housing Association: Orbit Group
 Valuer: JLL
 Valuation Date: 20 November 2020
 Valuation: Project Kepler

UPRN	Title	FH/LH	Owner	Address	County	Postcode	JLL Property Type	Bedrooms	Business Stream	Basis of Valuation	EUV-SH	MV-T
68164	NK458548	Freehold	Orbit South Housing Association Limited	19 Brandon Close	Norfolk	NR20 4FT	House	2	Affordable Rent Restricted	EUV-SH	£76,491	
68165	NK458548	Freehold	Orbit South Housing Association Limited	17 Brandon Close	Norfolk	NR20 4FT	House	1	Affordable Rent Restricted	EUV-SH	£65,366	
68169	NK458548	Freehold	Orbit South Housing Association Limited	20 Whiteside Mews	Norfolk	NR20 4FT	House	1	Affordable Rent Restricted	EUV-SH	£64,041	
68170	NK458548	Freehold	Orbit South Housing Association Limited	6 Whiteside Mews	Norfolk	NR20 4FT	House	2	Affordable Rent Restricted	EUV-SH	£75,172	
68171	NK458548	Freehold	Orbit South Housing Association Limited	13 Brandon Close	Norfolk	NR20 4FT	House	3	Affordable Rent Restricted	EUV-SH	£86,981	
72946	NK458548	Freehold	Orbit South Housing Association Limited	14 Brandon Close	Norfolk	NR20 4FT	House	2	Affordable Rent Restricted	EUV-SH	£76,491	
72947	NK458548	Freehold	Orbit South Housing Association Limited	16 Brandon Close	Norfolk	NR20 4FT	House	2	Affordable Rent Restricted	EUV-SH	£76,491	
72948	NK458548	Freehold	Orbit South Housing Association Limited	12 Brandon Close	Norfolk	NR20 4FT	House	2	Affordable Rent Restricted	EUV-SH	£76,491	
59256	NK394677	Freehold	Orbit South Housing Association Limited	Room 1, 5A Bainbridge Close	Norfolk	NR28 9UP	Room	1	Supported Restricted	EUV-SH	£36,347	
59257	NK394677	Freehold	Orbit South Housing Association Limited	Room 1, 5B Bainbridge Close	Norfolk	NR28 9UP	Room	1	Supported Restricted	EUV-SH	£36,347	
59728	NK394677	Freehold	Orbit South Housing Association Limited	Room 2, 5A Bainbridge Close	Norfolk	NR28 9UP	Room	1	Supported Restricted	EUV-SH	£36,347	
59729	NK394677	Freehold	Orbit South Housing Association Limited	Room 3, 5A Bainbridge Close	Norfolk	NR28 9UP	Room	1	Supported Restricted	EUV-SH	£46,502	
59730	NK394677	Freehold	Orbit South Housing Association Limited	Room 2, 5B Bainbridge Close	Norfolk	NR28 9UP	Room	1	Supported Restricted	EUV-SH	£36,347	
59731	NK394677	Freehold	Orbit South Housing Association Limited	Room 3, 5B Bainbridge Close	Norfolk	NR28 9UP	Room	1	Supported Restricted	EUV-SH	£36,347	
12090	NK158405	Leasehold	Orbit South Housing Association Limited	32A Baker Street	Suffolk	NR31 6QT	Flat	1	General Needs Unrestricted	MV-T	£50,696	£92,562
13858	NK158405	Leasehold	Orbit South Housing Association Limited	33A Baker Street	Suffolk	NR31 6QT	Flat	1	General Needs Unrestricted	MV-T	£50,696	£92,562
14031	NK158405	Leasehold	Orbit South Housing Association Limited	33B Baker Street	Suffolk	NR31 6QT	Flat	2	General Needs Unrestricted	MV-T	£54,163	£109,246
14206	NK158405	Leasehold	Orbit South Housing Association Limited	33C Baker Street	Suffolk	NR31 6QT	Flat	1	General Needs Unrestricted	MV-T	£50,696	£96,770
16401	HT3959	Freehold	Orbit South Housing Association Limited	Room 1, 4 Essenden Road	East Sussex	TN38 0NW	Room	1	Supported Restricted	EUV-SH	£36,537	
40622	HT3959	Freehold	Orbit South Housing Association Limited	Room 2, 4 Essenden Road	East Sussex	TN38 0NW	Room	1	Supported Restricted	EUV-SH	£36,537	
40623	HT3959	Freehold	Orbit South Housing Association Limited	Room 3, 4 Essenden Road	East Sussex	TN38 0NW	Room	1	Supported Restricted	EUV-SH	£36,537	
40624	HT3959	Freehold	Orbit South Housing Association Limited	Room 4, 4 Essenden Road	East Sussex	TN38 0NW	Room	1	Supported Restricted	EUV-SH	£36,537	
40625	HT3959	Freehold	Orbit South Housing Association Limited	Room 5, 4 Essenden Road	East Sussex	TN38 0NW	Room	1	Supported Restricted	EUV-SH	£36,537	
40626	HT3959	Freehold	Orbit South Housing Association Limited	Room 6, 4 Essenden Road	East Sussex	TN38 0NW	Room	1	Supported Restricted	EUV-SH	£36,537	
40627	HT3959	Freehold	Orbit South Housing Association Limited	Room 7, 4 Essenden Road	East Sussex	TN38 0NW	Room	1	Supported Restricted	EUV-SH	£36,537	
73001	ESX361996	Freehold	Orbit South Housing Association Limited	2 Murdock Mews	East Sussex	TN38 9AQ	House	2	Affordable Rent Restricted	EUV-SH	£85,378	
73002	ESX361996	Freehold	Orbit South Housing Association Limited	4 Murdock Mews	East Sussex	TN38 9AQ	House	2	Affordable Rent Unrestricted	MV-T	£88,977	£139,389
73003	ESX361996	Freehold	Orbit South Housing Association Limited	6 Murdock Mews	East Sussex	TN38 9AQ	House	2	Affordable Rent Unrestricted	MV-T	£88,977	£139,389
73004	ESX361996	Freehold	Orbit South Housing Association Limited	8 Murdock Mews	East Sussex	TN38 9AQ	House	2	Affordable Rent Unrestricted	MV-T	£88,977	£139,389
73005	ESX361996	Freehold	Orbit South Housing Association Limited	13 Murdock Mews	East Sussex	TN38 9AQ	House	3	Affordable Rent Restricted	EUV-SH	£113,828	
73006	ESX361996	Freehold	Orbit South Housing Association Limited	15 Murdock Mews	East Sussex	TN38 9AQ	House	3	Affordable Rent Restricted	EUV-SH	£113,828	
73007	ESX361996	Freehold	Orbit South Housing Association Limited	17 Murdock Mews	East Sussex	TN38 9AQ	House	4	Affordable Rent Unrestricted	MV-T	£145,290	£227,101
73008	ESX361996	Freehold	Orbit South Housing Association Limited	19 Murdock Mews	East Sussex	TN38 9AQ	House	4	Affordable Rent Unrestricted	MV-T	£145,290	£227,101
73009	ESX361996	Freehold	Orbit South Housing Association Limited	21 Murdock Mews	East Sussex	TN38 9AQ	House	3	Affordable Rent Unrestricted	MV-T	£118,626	£185,424
73010	ESX361996	Freehold	Orbit South Housing Association Limited	22 Murdock Mews	East Sussex	TN38 9AQ	House	4	Affordable Rent Restricted	EUV-SH	£139,413	
73011	ESX361996	Freehold	Orbit South Housing Association Limited	23 Murdock Mews	East Sussex	TN38 9AQ	House	3	Affordable Rent Unrestricted	MV-T	£118,626	£185,424
73012	ESX361996	Freehold	Orbit South Housing Association Limited	24 Murdock Mews	East Sussex	TN38 9AQ	House	4	Affordable Rent Restricted	EUV-SH	£139,413	
73013	ESX361996	Freehold	Orbit South Housing Association Limited	25 Murdock Mews	East Sussex	TN38 9AQ	House	3	Affordable Rent Unrestricted	MV-T	£118,626	£185,424
73014	ESX361996	Freehold	Orbit South Housing Association Limited	26 Murdock Mews	East Sussex	TN38 9AQ	House	4	Affordable Rent Unrestricted	MV-T	£145,290	£227,101
73015	ESX361996	Freehold	Orbit South Housing Association Limited	27 Murdock Mews	East Sussex	TN38 9AQ	House	3	Affordable Rent Unrestricted	MV-T	£118,626	£185,424
73016	ESX361996	Freehold	Orbit South Housing Association Limited	28 Murdock Mews	East Sussex	TN38 9AQ	House	4	Affordable Rent Unrestricted	MV-T	£146,768	£229,411
73029	ESX361996	Freehold	Orbit South Housing Association Limited	7 Murdock Mews	East Sussex	TN38 9AQ	Flat	2	Affordable Rent Restricted	EUV-SH	£90,637	
73030	ESX361996	Freehold	Orbit South Housing Association Limited	5 Murdock Mews	East Sussex	TN38 9AQ	Flat	2	Affordable Rent Restricted	EUV-SH	£86,240	
73031	ESX361996	Freehold	Orbit South Housing Association Limited	9 Murdock Mews	East Sussex	TN38 9AQ	Flat	2	Affordable Rent Unrestricted	MV-T	£89,876	£140,484
73032	ESX361996	Freehold	Orbit South Housing Association Limited	11 Murdock Mews	East Sussex	TN38 9AQ	Flat	2	Affordable Rent Unrestricted	MV-T	£89,876	£140,484
43964	K750809	Freehold	Orbit South Housing Association Limited	32 Wansum Court	Kent	CT7 0NS	Bungalow	1	Housing for Older Persons Unrestricted	MV-T	£82,551	£111,855
43965	K750809	Freehold	Orbit South Housing Association Limited	33 Wansum Court	Kent	CT7 0NS	Bungalow	1	Housing for Older Persons Unrestricted	MV-T	£82,551	£111,855
43966	K750809	Freehold	Orbit South Housing Association Limited	34 Wansum Court	Kent	CT7 0NS	Bungalow	1	Housing for Older Persons Unrestricted	MV-T	£82,551	£111,855
69541	NN345333	Freehold	Orbit Group Limited	87 Station Road	Northamptonshire	NN14 4RX			Nil Value	Nil Value		
74497	TT56953	Leasehold	Orbit Group Limited	8 Havelock Drive	Kent	DA9 9XU			Nil Value	Nil Value		
44562	K749908	Freehold	Orbit South Housing Association Limited	3 Mentmore Road, Ramsgate	Kent	CT12 6RY			Nil Value	Nil Value		
44568	K749908	Freehold	Orbit South Housing Association Limited	9 Mentmore Road, Ramsgate	Kent	CT12 6RY			Nil Value	Nil Value		
44569	K749908	Freehold	Orbit South Housing Association Limited	10 Mentmore Road, Ramsgate	Kent	CT12 6RY			Nil Value	Nil Value		
44574	K749908	Freehold	Orbit South Housing Association Limited	15 Mentmore Road, Ramsgate	Kent	CT12 6RY			Nil Value	Nil Value		
44583	K749908	Freehold	Orbit South Housing Association Limited	24 Mentmore Road, Ramsgate	Kent	CT12 6RY			Nil Value	Nil Value		
44449	K750222	Freehold	Orbit South Housing Association Limited	24 Hurst Grove, Ramsgate	Kent	CT12 6DB			Nil Value	Nil Value		
43381	K750555	Freehold	Orbit South Housing Association Limited	32 Perkins Avenue, Margate	Kent	CT9 4AU			Nil Value	Nil Value		
43395	K750555	Freehold	Orbit South Housing Association Limited	46 Perkins Avenue, Margate	Kent	CT9 4AU			Nil Value	Nil Value		
43392	K750555	Freehold	Orbit South Housing Association Limited	42a Perkins Avenue, Margate	Kent	CT9 4AU			Nil Value	Nil Value		
43396	K750555	Freehold	Orbit South Housing Association Limited	46a Perkins Avenue, Margate	Kent	CT9 4AU			Nil Value	Nil Value		
42864	K750853	Freehold	Orbit South Housing Association Limited	7 Airedale Close, Margate	Kent	CT9 2SZ			Nil Value	Nil Value		
42874	K750853	Freehold	Orbit South Housing Association Limited	17 Airedale Close, Margate	Kent	CT9 2SZ			Nil Value	Nil Value		
45348	K750905	Freehold	Orbit South Housing Association Limited	47 Linley Road, Broadstairs	Kent	CT10 3HG			Nil Value	Nil Value		
45357	K750905	Freehold	Orbit South Housing Association Limited	57 Linley Road, Broadstairs	Kent	CT10 3HG			Nil Value	Nil Value		
45363	K750905	Freehold	Orbit South Housing Association Limited	61 Linley Road, Broadstairs	Kent	CT10 3HG			Nil Value	Nil Value		
45364	K750905	Freehold	Orbit South Housing Association Limited	63 Linley Road, Broadstairs	Kent	CT10 3HG			Nil Value	Nil Value		
45365	K750905	Freehold	Orbit South Housing Association Limited	65 Linley Road, Broadstairs	Kent	CT10 3HG			Nil Value	Nil Value		
43145	K753433	Freehold	Orbit South Housing Association Limited	23 Homestead Close, Margate	Kent	CT9 1TW			Nil Value	Nil Value		
56823	WK366943	Freehold	Heart of England Housing Association Limited	17 Alderminster, Alderminster	Warwickshire	CV37 8NY			Nil Value	Nil Value		

Housing Association: Orbit Group
 Valuer: JLL
 Valuation Date: 20 November 2020
 Valuation: Project Kepler

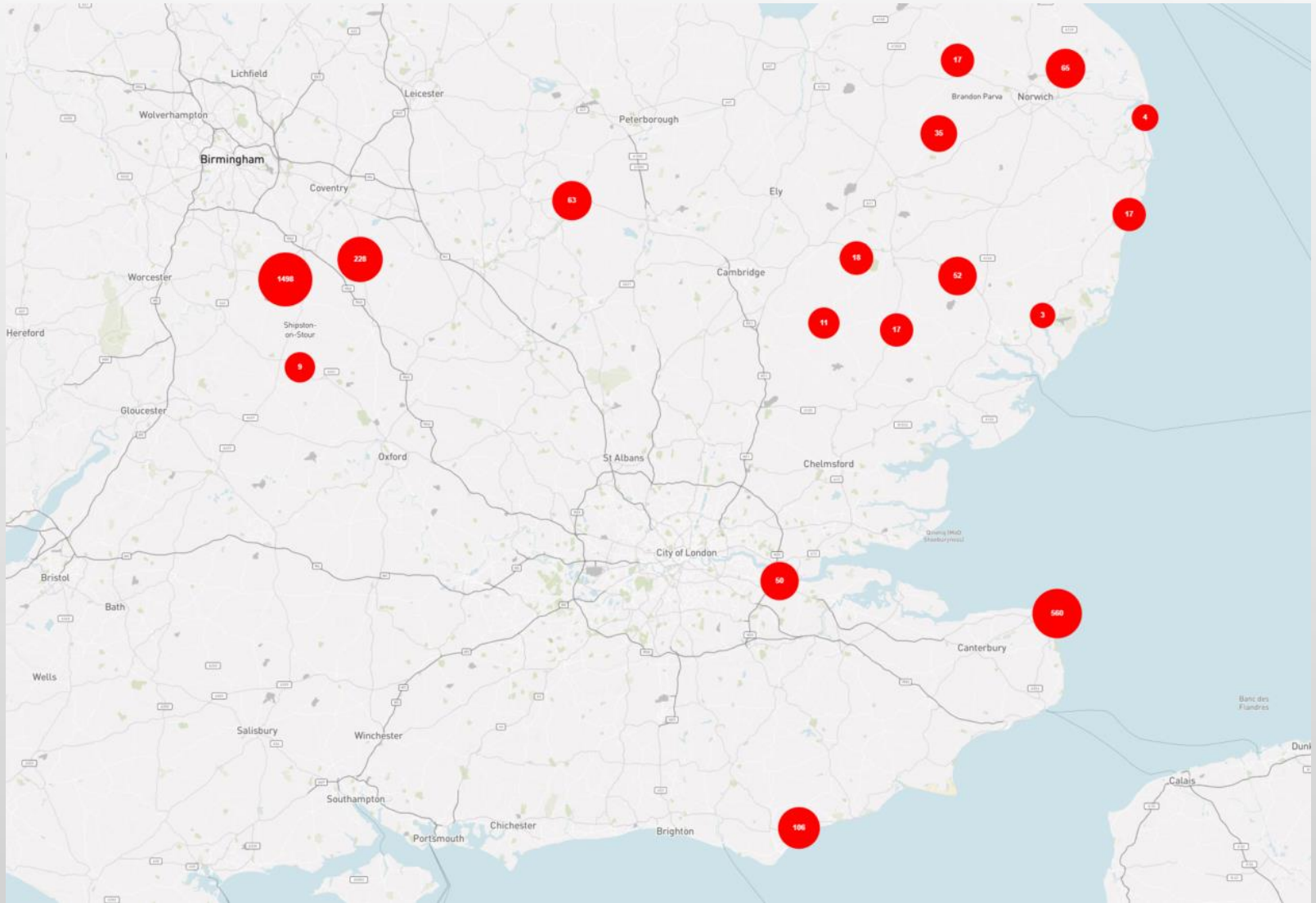
UPRN	Title	FH/LH	Owner	Address	County	Postcode	JLL Property Type	Bedrooms	Business Stream	Basis of Valuation	EUV-SH	MV-T
54669	WK367013	Freehold	Heart of England Housing Association Limited	16 Hambridge Road, Bishops Itchington	Warwickshire	CV47 2RH			Nil Value	Nil Value		
75926	WK367013	Freehold	Heart of England Housing Association Limited	17 Poplar Road, Bishops Itchington	Warwickshire	CV47 2RH			Nil Value	Nil Value		
75929	WK367013	Freehold	Heart of England Housing Association Limited	21 Poplar Road, Bishops Itchington	Warwickshire	CV47 2RH			Nil Value	Nil Value		
49116	WK367187	Freehold	Heart of England Housing Association Limited	4 Albert Close, Studley	Warwickshire	B80 7HH			Nil Value	Nil Value		
49118	WK367187	Freehold	Heart of England Housing Association Limited	5 Albert Close, Studley	Warwickshire	B80 7HH			Nil Value	Nil Value		
49117	WK367187	Freehold	Heart of England Housing Association Limited	11 Albert Close, Studley	Warwickshire	B80 7HH			Nil Value	Nil Value		
49133	WK367187	Freehold	Heart of England Housing Association Limited	69 High Street, Studley	Warwickshire	B80 7HN			Nil Value	Nil Value		
54413	WK367273	Freehold	Heart of England Housing Association Limited	6 Blackwell Road, Tredington	Warwickshire	CV36 4NU			Nil Value	Nil Value		
63275	WK367273	Freehold	Heart of England Housing Association Limited	8 Blackwell Road, Tredington	Warwickshire	CV36 4NU			Nil Value	Nil Value		
54415	WK367273	Freehold	Heart of England Housing Association Limited	10 Blackwell Road, Tredington	Warwickshire	CV36 4NU			Nil Value	Nil Value		
54416	WK367273	Freehold	Heart of England Housing Association Limited	12 Blackwell Road, Tredington	Warwickshire	CV36 4NU			Nil Value	Nil Value		
49584	WK367287	Freehold	Heart of England Housing Association Limited	8 Horsewell, Southam	Warwickshire	CV47 0JB			Nil Value	Nil Value		
49546	WK367287	Freehold	Heart of England Housing Association Limited	5 Little Park, Southam	Warwickshire	CV47 0JG			Nil Value	Nil Value		
49547	WK367287	Freehold	Heart of England Housing Association Limited	7 Little Park, Southam	Warwickshire	CV47 0JG			Nil Value	Nil Value		
49558	WK367287	Freehold	Heart of England Housing Association Limited	37 Little Park, Southam	Warwickshire	CV47 0JF			Nil Value	Nil Value		
49560	WK367287	Freehold	Heart of England Housing Association Limited	43 Little Park, Southam	Warwickshire	CV47 0JF			Nil Value	Nil Value		
49562	WK367287	Freehold	Heart of England Housing Association Limited	45 Little Park, Southam	Warwickshire	CV47 0JF			Nil Value	Nil Value		
49563	WK367287	Freehold	Heart of England Housing Association Limited	49 Little Park, Southam	Warwickshire	CV47 0JF			Nil Value	Nil Value		
49599	WK367287	Freehold	Heart of England Housing Association Limited	16 Park Lane, Southam	Warwickshire	CV47 0JA			Nil Value	Nil Value		
49602	WK367287	Freehold	Heart of England Housing Association Limited	22 Park Lane, Southam	Warwickshire	CV47 0JA			Nil Value	Nil Value		
49606	WK367287	Freehold	Heart of England Housing Association Limited	28 Park Lane, Southam	Warwickshire	CV47 0JA			Nil Value	Nil Value		
49603	WK367287	Freehold	Heart of England Housing Association Limited	30 Park Lane, Southam	Warwickshire	CV47 0JA			Nil Value	Nil Value		
49574	WK367287	Freehold	Heart of England Housing Association Limited	14 Parkfields, Southam	Warwickshire	CV47 0JE			Nil Value	Nil Value		
49575	WK367287	Freehold	Heart of England Housing Association Limited	16 Parkfields, Southam	Warwickshire	CV47 0JE			Nil Value	Nil Value		
52603	WK367292	Freehold	Heart of England Housing Association Limited	66 George Street, Stockton	Warwickshire	CV47 8JT			Nil Value	Nil Value		
52605	WK367292	Freehold	Heart of England Housing Association Limited	68 George Street, Stockton	Warwickshire	CV47 8JT			Nil Value	Nil Value		
52606	WK367292	Freehold	Heart of England Housing Association Limited	70 George Street, Stockton	Warwickshire	CV47 8JT			Nil Value	Nil Value		
54661	WK367476	Freehold	Heart of England Housing Association Limited	13 St Michaels Close, Bishops Itchington	Warwickshire	CV47 2QP			Nil Value	Nil Value		
54660	WK367476	Freehold	Heart of England Housing Association Limited	15 St Michaels Close, Bishops Itchington	Warwickshire	CV47 2QP			Nil Value	Nil Value		
54728	WK367477	Freehold	Heart of England Housing Association Limited	12 Cross Green, Bishops Itchington	Warwickshire	CV47 2QR			Nil Value	Nil Value		
56160	WK367535	Freehold	Heart of England Housing Association Limited	3 Berry Meadow, Fenny Compton	Warwickshire	CV47 2YQ			Nil Value	Nil Value		
56187	WK367537	Freehold	Heart of England Housing Association Limited	4 Manor Court, Fenny Compton	Warwickshire	CV47 2YX			Nil Value	Nil Value		
56194	WK367537	Freehold	Heart of England Housing Association Limited	6 Manor Court, Fenny Compton	Warwickshire	CV47 2YX			Nil Value	Nil Value		
56186	WK367537	Freehold	Heart of England Housing Association Limited	10 Manor Court, Fenny Compton	Warwickshire	CV47 2YX			Nil Value	Nil Value		
56192	WK367537	Freehold	Heart of England Housing Association Limited	11 Manor Court, Fenny Compton	Warwickshire	CV47 2YX			Nil Value	Nil Value		
56195	WK367537	Freehold	Heart of England Housing Association Limited	12 Manor Court, Fenny Compton	Warwickshire	CV47 2YX			Nil Value	Nil Value		
43340	K746878	Freehold	Orbit South Housing Association Limited	Flat 5 Flint House 8 Northdown Road	Kent	CT9 1QQ			Nil Value	Nil Value		
43341	K746878	Freehold	Orbit South Housing Association Limited	Flat 6 Flint House 8 Northdown Road	Kent	CT9 1QQ			Nil Value	Nil Value		
55009	WK367102	Freehold	Heart of England Housing Association Limited	15 Vicarage Lane	Warwickshire	CV33 9HA			Nil Value	Nil Value		
54959	WK367103	Freehold	Heart of England Housing Association Limited	7 Leycester Close	Warwickshire	CV33 9LP			Nil Value	Nil Value		
54967	WK367103	Freehold	Heart of England Housing Association Limited	8 Leycester Close	Warwickshire	CV33 9LP			Nil Value	Nil Value		
54960	WK367103	Freehold	Heart of England Housing Association Limited	14 Leycester Close	Warwickshire	CV33 9LP			Nil Value	Nil Value		
54958	WK367103	Freehold	Heart of England Housing Association Limited	15 Leycester Close	Warwickshire	CV33 9LP			Nil Value	Nil Value		
55359	WK368341	Freehold	Heart of England Housing Association Limited	8 Beechcroft	Warwickshire	CV34 9PQ			Nil Value	Nil Value		
55360	WK368341	Freehold	Heart of England Housing Association Limited	9 Beechcroft	Warwickshire	CV34 9PQ			Nil Value	Nil Value		
54866	WK366993	Freehold	Heart of England Housing Association Limited	8 St Marks Close	Warwickshire	CV35 0EN			Nil Value	Nil Value		
51887	WK366993	Freehold	Heart of England Housing Association Limited	9 St Marks Close	Warwickshire	CV35 0EN			Nil Value	Nil Value		
54880	WK366993	Freehold	Heart of England Housing Association Limited	19 St Marks Close	Warwickshire	CV35 0EN			Nil Value	Nil Value		
55086	WK367812	Freehold	Heart of England Housing Association Limited	3 Dene Close	Warwickshire	CV35 0NU			Nil Value	Nil Value		
55085	WK367812	Freehold	Heart of England Housing Association Limited	7 Dene Close	Warwickshire	CV35 0NU			Nil Value	Nil Value		
54464	WK367826	Freehold	Heart of England Housing Association Limited	40 Middleton Close	Warwickshire	CV35 0SS			Nil Value	Nil Value		
49559	WK367287	Freehold	Heart of England Housing Association Limited	39 Little Park	Warwickshire	CV47 0JF			Nil Value	Nil Value		
56217	WK367535	Freehold	Heart of England Housing Association Limited	3 Station Road	Warwickshire	CV47 2YW			Nil Value	Nil Value		
	K392146	Freehold	Orbit South Housing Association Limited	Flat 5, 5 Victoria Parade, Ramsgate	Kent	CT11 8DE			Nil Value	Nil Value		
	K392146	Freehold	Orbit South Housing Association Limited	Flat 6, 5 Victoria Parade, Ramsgate	Kent	CT11 8DE			Nil Value	Nil Value		
	K392146	Freehold	Orbit South Housing Association Limited	Flat 11, 5 Victoria Parade, Ramsgate	Kent	CT11 8DE			Nil Value	Nil Value		
	K392146	Freehold	Orbit South Housing Association Limited	Flat 4, 5 Victoria Parade, Ramsgate	Kent	CT11 8DE			Nil Value	Nil Value		
	K753433	Freehold	Orbit South Housing Association Limited	5 Homestead Close, Margate	Kent	CT9 1TW			Nil Value	Nil Value		
	K753433	Freehold	Orbit South Housing Association Limited	19 Homestead Close, Margate	Kent	CT9 1TW			Nil Value	Nil Value		
	K753433	Freehold	Orbit South Housing Association Limited	21 Homestead Close, Margate	Kent	CT9 1TW			Nil Value	Nil Value		
	K753433	Freehold	Orbit South Housing Association Limited	27 Homestead Close, Margate	Kent	CT9 1TW			Nil Value	Nil Value		

£188,650,000 £252,790,000

Appendix 2

Location Plan

Location Map



Appendix 3

Photographs



B50 4DZ, Tower Hill



CV35 9RS, Elliott Drive



WR11 8XB, School Ave



B94 5AW, Bellfield



CT9 1TW, Homestead Close, Margate



CV35 9RU, Loxley Close



CV35 9PR - St James Avenue



CV36 4BQ - Donnington Road



OX15 5JD - New Park Cottages



CV37 0LT - Park Lane



CV37 0JR - Duttons Close



CV36 4PH - Potters Lane



BN24 5FN - Bronte Drive



CO10 0FW - Mulberry Gardens



IP18 6FB - Barbrook Green



CV3 1QG - David Spencer Drive



DA9 9XT - Havelock Drive



TN38 9AQ - Murdock Mews



IP14 1LW - St Marys Road



NR20 4FT - Brandon Close

Appendix 4

Market Commentary

UK housing market overview

House prices across the UK are now at record highs, having grown by 2.3% in the year to July 2020 according to the Land Registry.

Annual housing transaction volumes were considerably lower in the year to May 2020 compared with a year earlier, having fallen 16% year on year, according to the HMRC.

Despite this, mortgage approvals in August 2020 were 28.9% up on this time last year and a total of 190,900 mortgages have been approved in the past 3 months, just 3.9% below the same three month period in 2019. Aspiring purchasers have been looking to take advantage of the stamp duty holiday which is in place until 31 March 2021.

According to the September 2020 RICS survey, activity has begun to slow following the great rebound in activity seen in the beginning of the quarter as lockdown restrictions eased and pent up demand and the stamp duty holiday propelled a number of key metrics into territory well above the pre-pandemic trend.

Data from the MHCLG shows that construction starts and completions both decreased in the year to the end of June 2020, with Q2 2020 seeing starts in England fall by 50.0% and completions by 56.8%. Annually, both starts and completions fell to levels not seen in years.

Looking ahead, the Bank of England expects the economy to shrink by 9.5% in 2020 and return to pre-COVID levels by the end of 2021, based on no second wave and a smooth transition to a new EU free trade deal. Whether this comes to pass remains to be seen.

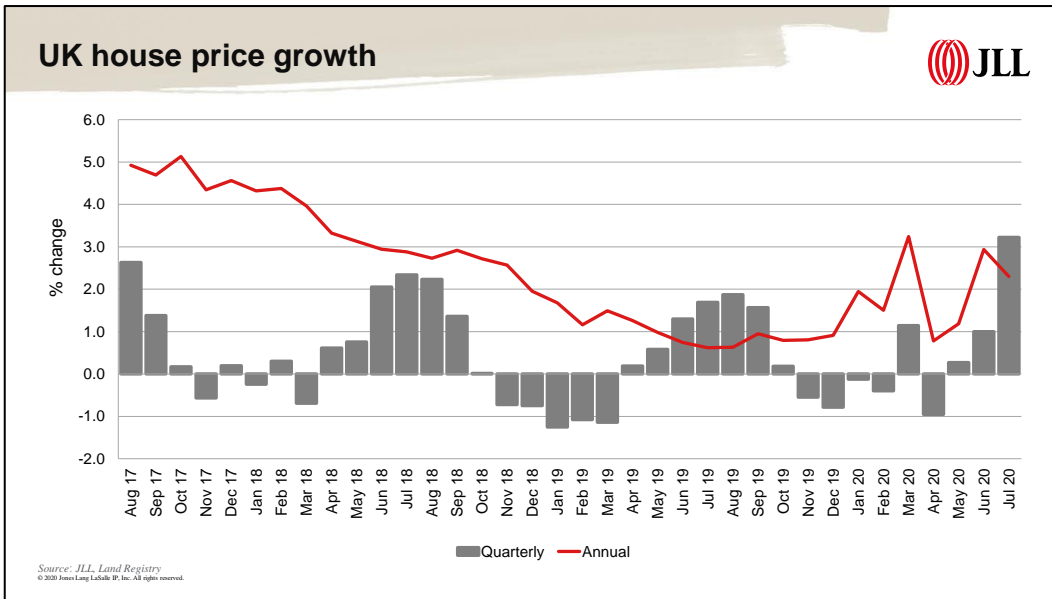
The final months of 2020 will lay down a vital marker for how the housing market performs over the next few years. It is clear that the market will face increasing headwinds following the removal of the current furlough scheme. By the end of 2020, unemployment rates could be double what they were at the beginning of the year. This is highly likely to have a dampening effect on housing market demand.

UK housing market analysis

Using a selection of data from Government sources, including Land Registry, HMRC and MHCLG, as well as survey data collected by the RICS (the Royal Institution of Chartered Surveyors), this section provides a detailed analysis of the UK housing market.

House price growth

In the three months to July 2020, house prices increased by 3.2%, following a 1.0% increase in Q2 2020. Annual price growth remained positive at 2.3% in the year to July 2020, well above the 0.6% in the year to July 2019.

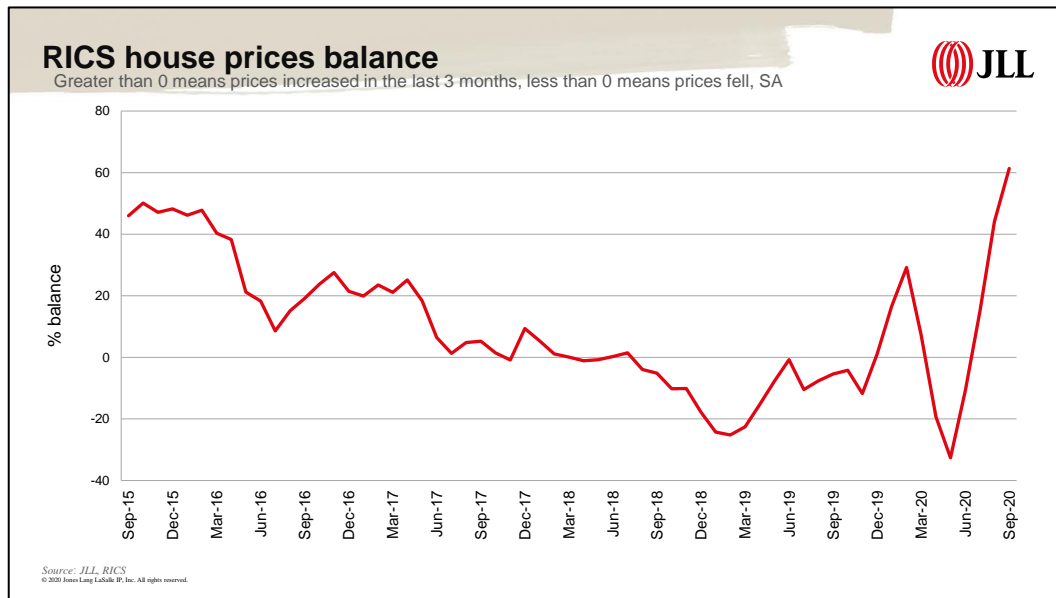


Housing supply and demand

The following section analyses data from the RICS Housing Market Survey, a useful tool when analysing demand, supply and pricing in the UK housing market. The data is sourced from a survey of chartered surveyors across the UK and it includes a range of questions from their future perceptions of the market to how the market has moved in the preceding three months.

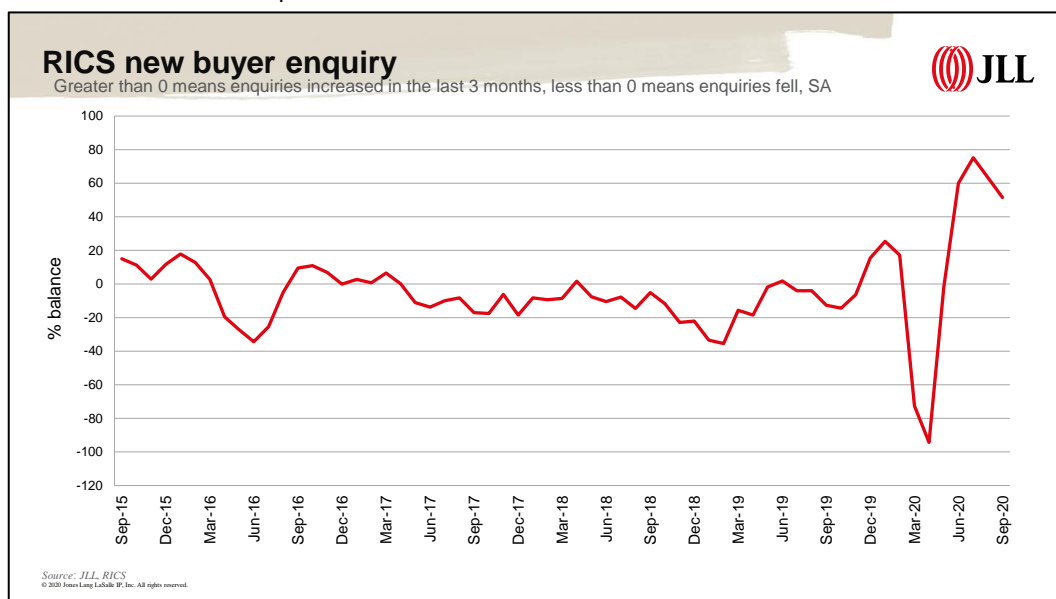
Several results are presented through a balance of surveyor views. Results below zero indicate that demand/supply/price is falling while positive values reveal a rise in demand/supply/price. Each value describes the rate at which demand/supply/price is growing or falling which are useful in analysing the momentum of the market. The findings of the survey are presented below.

The RICS survey reveals that, on a seasonally adjusted basis, the price balance was +61.4% in September 2020. This is up significantly from May 2020, when the price balance was -32.6%. This suggests that the majority of surveyors have agreed that price change has varied greatly over the past months in response to the COVID-19 pandemic and the various measures taken in response, such as lockdown, the furlough scheme, and the stamp duty holiday.

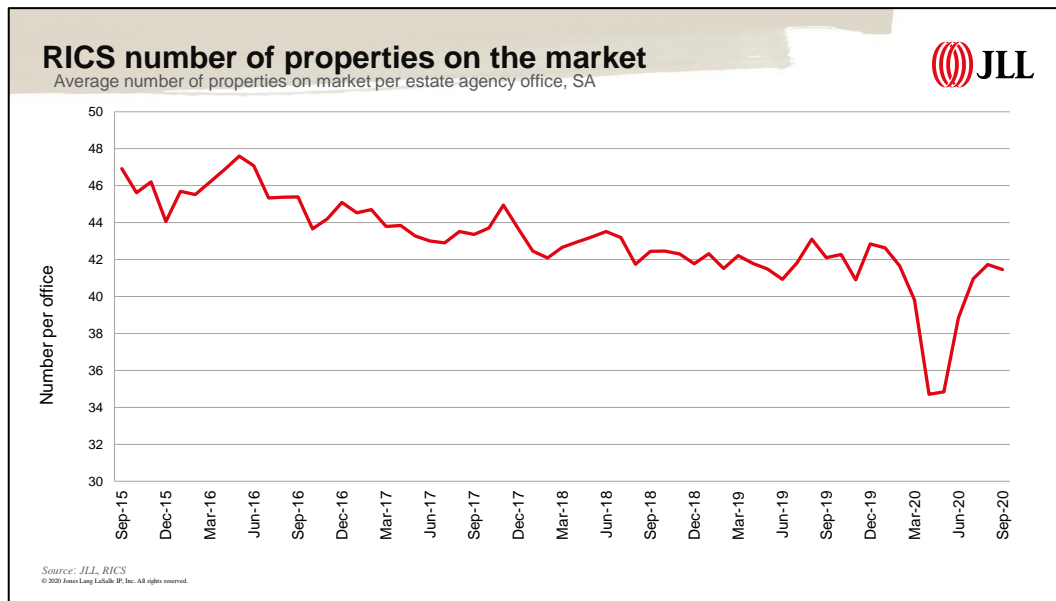


The chart below reveals the difference in the proportion of surveyors who believe that the number of new buyer enquiries, in the last three months, has risen against those who believe that they have fallen. Any figures below zero indicate that more surveyors feel that demand has fallen rather than risen in the last three months. The balance reveals not only the changes in demand but also how quickly levels of demand have moved.

The RICS survey reveals that, on a seasonally adjusted basis, housing demand decreased sharply between February and April 2020, with 94.3% of surveyors believing that new buyer demand had fallen. This is largely due to government restrictions essentially putting a freeze on the housing market over this period. Housing demand has since rebounded, with 75.2% of surveyors believing that new enquiries had increased in the three months to July 2020 and 51.5% believing they had increased in the three months to September 2020.

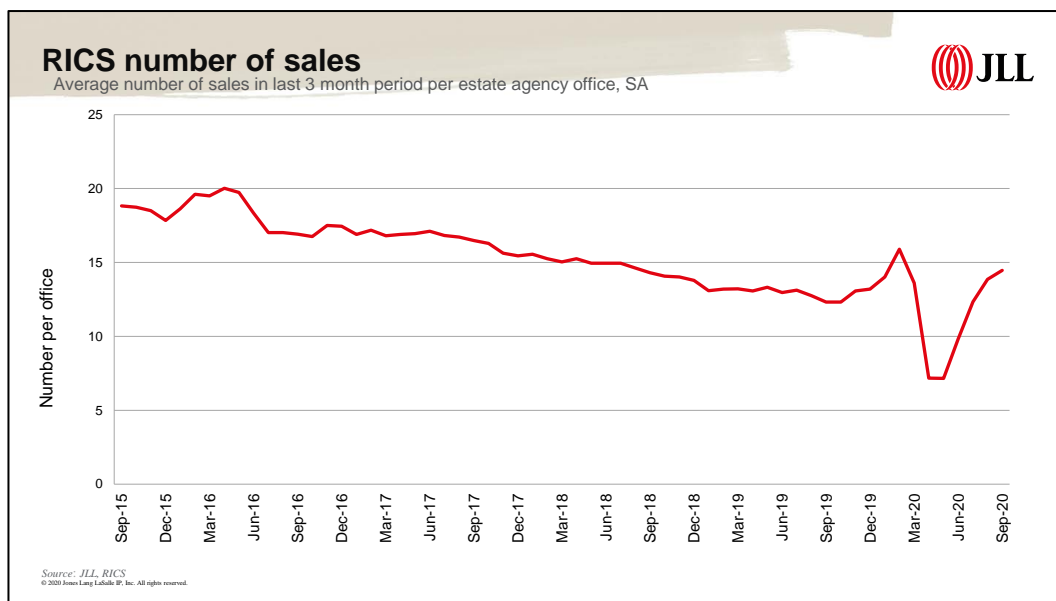


According to the RICS survey, the average number of properties on the market also decreased significantly between March and May 2020, falling to a low of 35 properties per estate agent office before rebounding to 41, in line with the 5-year decreasing trend.

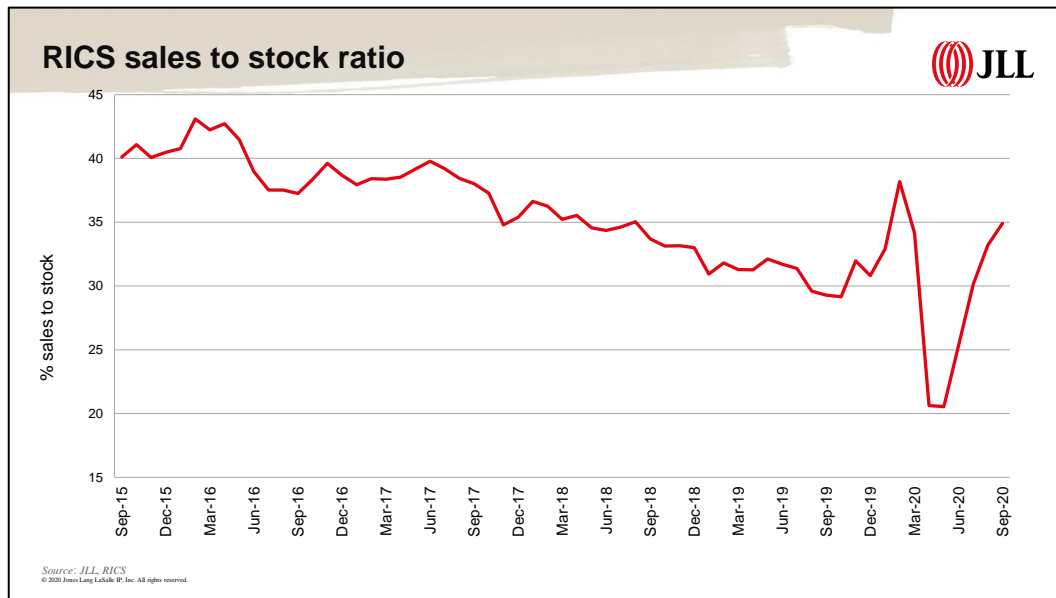


The average number of sales per month per estate agency office has rebounded in September 2020, though not quite reaching the pre-pandemic three month to February 2020 high of 16 sales.

As of the end of September 2020, estate agency offices were selling approximately 14.5 homes on average during the preceding three month period, up from 7 in the three months to May 2020 as well as up on 12 homes in the three months to September 2019 .



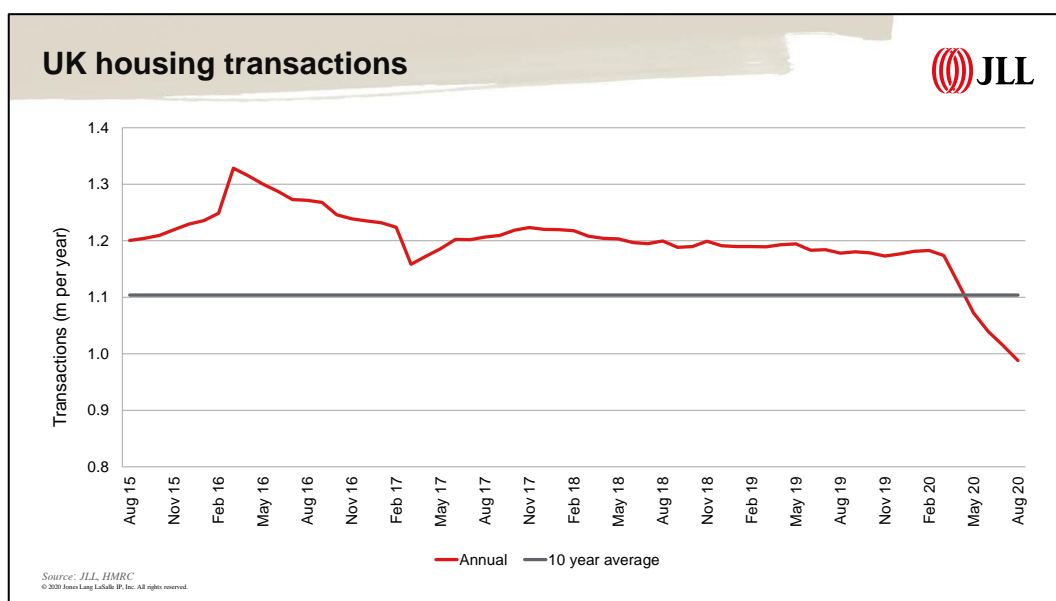
Further data from the RICS survey reveals that the sales to stock ratio increased greatly in the three months to September 2020. The sales to stock ratio in September 2020 was 35, up from 20 in May 2020 and down from both the February 2020 peak of 38 and up on the 29 in September 2019.



Housing transactions

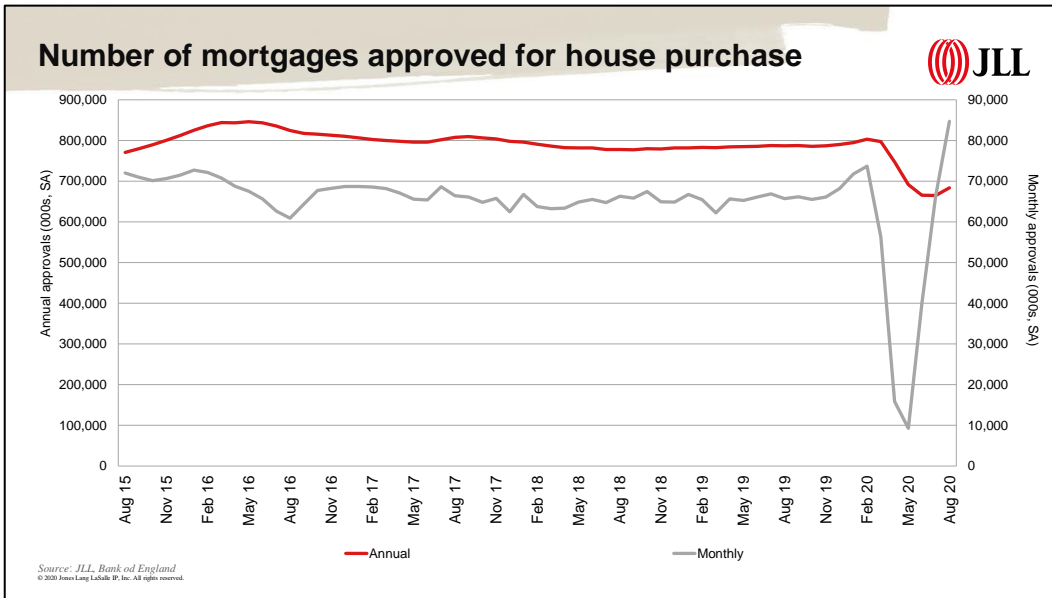
HMRC data reveals that annual fell significantly in Q2 and the beginning of Q3 2020 compared with the previous quarters. Transactions had levelled out since the spike in March 2016 but have fallen sharply again as a result of the COVID-19 pandemic.

In the year to August 2020, there were 0.99 million transactions in the UK, compared to 1.18 million transactions a year earlier. Annual transactions have fallen significantly below the 10-year average.



The mortgage market

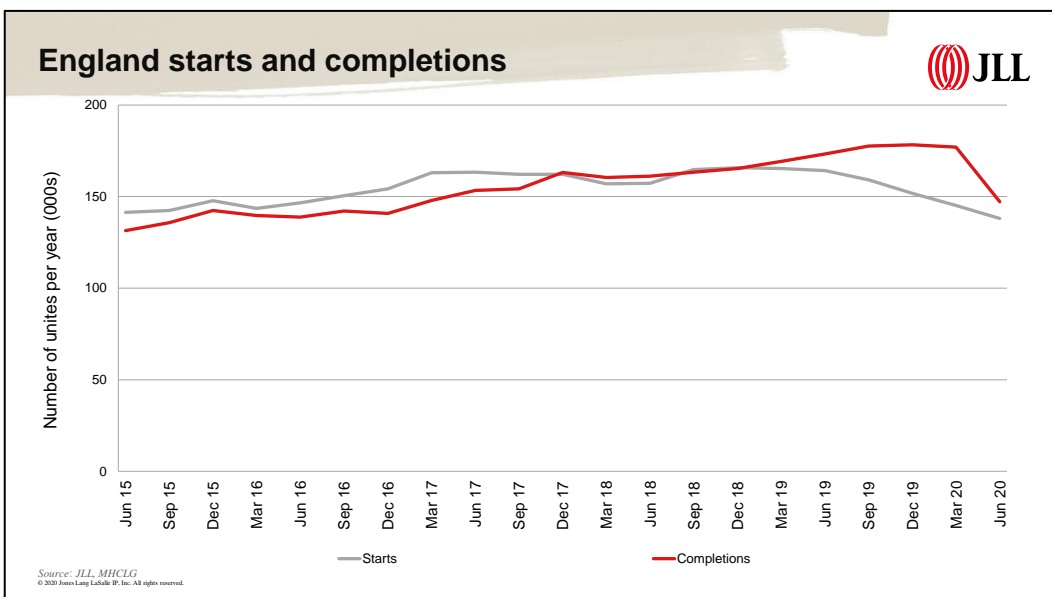
Data from the Bank of England shows that national house lending decreased dramatically during the height of the COVID-19 pandemic. While mortgage lending has rebounded in July 2020 as a result of pent up demand and the stamp duty holiday, the end of furlough and increasing financial insecurity may lead to another fall in approval levels in coming months.



Housing development

The number of housing starts in England decreased by 15.9% in the year to Q2 2020. There were approximately 138,060 starts in the year to Q2, below the 145,180 starts in Q1 2020 and below the 151,750 in Q4 2019. Annual completions across England decreased by 15.1% in the year to June 2020. There were 147,170 completions, compared with 173,350 a year earlier.

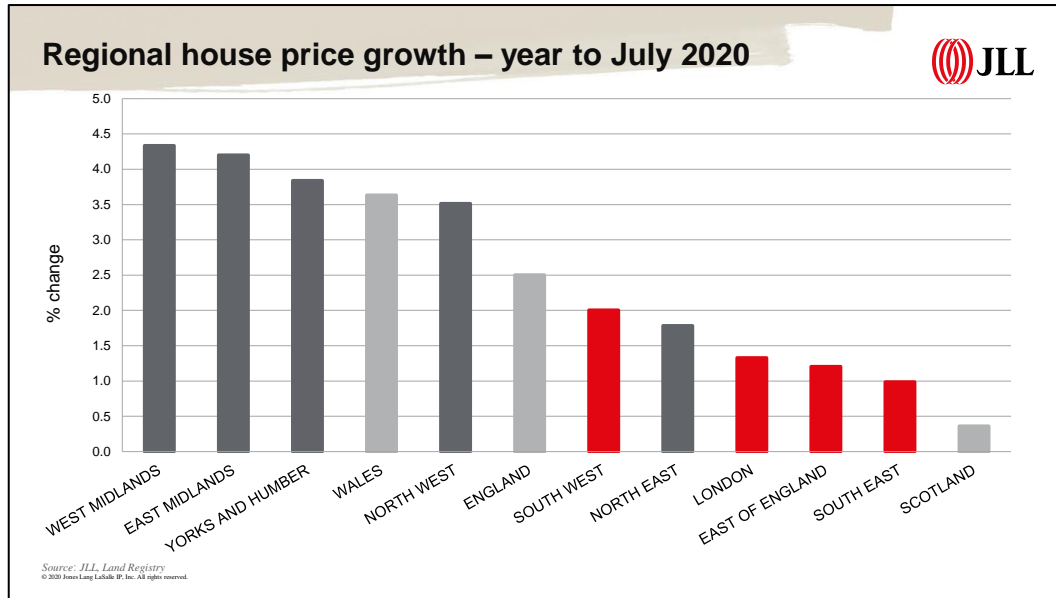
Over the past ten years, housing construction in England has consistently been well below the delivery target of 240,000-300,000 homes per annum.



Regional house price growth

Data from Land Registry reveals that house prices have increased in all regions in the year to July 2020. Overall, the North and Midlands have seen the most price growth while London and the South have seen the least.

Regional house price growth in the West Midlands increased by 4.3% in the year to July 2020, the highest increase of any region. This is followed by a rise of 4.2% in the East Midlands and an uptick of 3.8% in Yorkshire and the Humber.





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Taxation

United Kingdom Taxation

The following applies only to persons who are the beneficial owners of Bonds and is a summary of the Issuer's understanding of current United Kingdom law and published HM Revenue & Customs (*HMRC*) practice relating to certain aspects of United Kingdom taxation as at the date of this Prospectus. References to "interest" refer to interest as that term is understood for United Kingdom tax purposes. Some aspects do not apply to certain classes of person (such as dealers and persons connected with the Issuer) to whom special rules may apply. The United Kingdom tax treatment of prospective Bondholders depends on their individual circumstances and may be subject to change at any time in the future, possibly with retrospective effect. Prospective Bondholders may be subject to tax in a jurisdiction other than the United Kingdom. This is not intended to constitute a complete analysis of all tax consequences relating to the ownership of the Bonds and it is not intended to be, nor should it be considered to be, legal or tax advice. Prospective Bondholders who may be subject to tax in a jurisdiction other than the United Kingdom or who may be unsure as to their tax position should seek their own professional advice.

A. Interest on the Bonds

1 *Payment of interest on the Bonds*

Payments of interest by the Issuer on the Bonds may be made without deduction of or withholding on account of United Kingdom income tax provided that the Bonds continue to be listed on a "recognised stock exchange" within the meaning of section 1005 of the Income Tax Act 2007 (the **ITA 2007**). The London Stock Exchange is a recognised stock exchange for these purposes. Securities will be treated as listed on the London Stock Exchange if they are included in the Official List (within the meaning of and in accordance with the provisions of Part 6 of the Financial Services and Markets Act 2000) and admitted to trading on the London Stock Exchange. Provided, therefore, that the Bonds remain so listed, interest on the Bonds will be payable without withholding or deduction on account of United Kingdom tax.

In other cases, an amount must generally be withheld from payments of interest on the Bonds that has a United Kingdom source on account of United Kingdom 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 Bondholder, HMRC can issue a notice to the Issuer to pay interest to the Bondholder without deduction of tax (or for interest to be paid with tax deducted at the rate provided for in the relevant double tax treaty).

2 *Further United Kingdom Income Tax Issues*

Interest on the Bonds that constitutes United Kingdom source income for tax purposes may, as such, be subject to income tax by direct assessment even where paid without withholding.

However, interest with a United Kingdom source received without deduction or withholding on account of United Kingdom tax will not be chargeable to United Kingdom tax in the hands of a Bondholder (other than certain trustees) who is not resident for tax purposes in the United Kingdom unless that Bondholder carries on a trade, profession or vocation in the United Kingdom through a United Kingdom branch or agency in connection with which the interest is received or to which the Bonds are attributable (and where that Bondholder is a company,

unless that Bondholder carries on a trade in the United Kingdom through a permanent establishment in connection with which the interest is received or to which the Bonds are attributable). There are exemptions for interest received by certain categories of agent (such as some brokers and investment managers). The provisions of an applicable double taxation treaty may also be relevant for such Bondholders.

B. United Kingdom Corporation Tax Payers

3 In general, Bondholders which are within the charge to United Kingdom corporation tax will be charged to tax as income on all returns, profits or gains on, and fluctuations in value of, the Bonds (whether attributable to currency fluctuations or otherwise) broadly in accordance with their statutory accounting treatment.

C. Other United Kingdom Tax Payers

4 Taxation of Chargeable Gains

A disposal by a Bondholder of a Bond may give rise to a chargeable gain or an allowable loss for the purposes of the UK taxation of chargeable gains.

5 Accrued Income Scheme

On a disposal of Bonds by a Bondholder, any interest which has accrued since the last interest payment date may be chargeable to tax as income under the rules of the accrued income scheme as set out in Part 12 of the ITA 2007, if that Bondholder is resident in the United Kingdom or carries on a trade in the United Kingdom through a branch or agency to which the Bonds are attributable.

D. Stamp Duty and Stamp Duty Reserve Tax

6 No United Kingdom stamp duty or stamp duty reserve tax is payable on the issue of the Bonds or on a transfer by delivery of the Bonds.

The Proposed Financial Transactions Tax (FTT)

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

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in the Bonds (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 the Bonds where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

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

It is not clear how the FTT would apply to the UK following the UK's withdrawal from the European Union.

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

Subscription and Sale

The Joint Lead Managers have, in a subscription agreement (the **Subscription Agreement**) dated 20 November 2020, jointly and severally agreed to subscribe or procure subscribers for the Bonds at the issue price of 98.908 per cent. of the principal amount of the Bonds, less a combined selling, management and underwriting commission. The Issuer will also reimburse the Joint Lead Managers in respect of certain of their expenses. In addition, the Issuer has agreed to indemnify each of the Joint Lead Managers against certain liabilities, incurred in connection with the issue and offering of the Bonds. The Subscription Agreement may be terminated in certain circumstances prior to payment to the Issuer.

United States

The Bonds have not been and will not be registered under the Securities Act or the securities laws of any state and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act.

The Bonds 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.

Each of the Joint Lead Managers has represented and agreed that, except as permitted by the Subscription Agreement, it will not offer, sell or deliver Bonds (a) as part of its distribution at any time or (b) otherwise until 40 days after the later of the commencement of the offering and the Issue Date 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 the Bonds, an offer or sale of Bonds 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 of the Joint Lead Managers has represented and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the **FSMA**)) received by it in connection with the issue or sale of any Bonds in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or the Original Borrowers; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Bonds in, from or otherwise involving the United Kingdom.

Prohibition of Sales to EEA and UK Retail Investors

Each of the Joint Lead Managers has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Bonds to any retail investor in the EEA or the UK.

For the purposes of this provision:

- (a) the expression **retail investor** means a person who is one (or more) of the following:
 - (i) a retail client as defined in point (11) of Article 4(1) of 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 **offer** includes the communication in any form and by any means of sufficient information on the terms of the offer and the Bonds to be offered so as to enable an investor to decide to purchase or subscribe the Bonds.

General

Each of the Joint Lead Managers has agreed 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 Bonds or possesses or distributes this Prospectus and will obtain any consent, approval or permission which is, to the best of its knowledge and belief, required by it for the purchase, offer, sale or delivery by it of Bonds 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.

None of the Issuer, the Original Borrowers, the Bond Trustee or the Joint Lead Managers represents that Bonds 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 issue of the Bonds has been approved by a resolution of the Board of Directors of the Issuer dated 13 November 2020.

Listing of the Bonds

It is expected that the official listing of the Bonds will be granted on or about 25 November 2020 subject only to the issue of the Temporary Global Bond.

Application has been made to the Financial Conduct Authority for the Bonds to be admitted to the Official List and to the London Stock Exchange for the Bonds to be admitted to trading on the London Stock Exchange's regulated market.

The Issuer estimates that the total expenses related to the admission to trading will be £7,515. Each Original Borrower shall pay to the Issuer, *inter alia*, an amount equal to its *pro rata* share of such expenses in accordance with Clause 19 (*Expenses*) of its Original Loan Agreement.

Documents Available

For the period of 12 months following the date of this Prospectus, the following documents will be available for inspection on the Issuer's website at <https://www.orbitgroup.org.uk/about-us/partner-with-us/investor-hub/>:

- (a) the constitutional documents of the Issuer and each Borrower;
- (b) the Bond Trust Deed and the Security Trust Deed;
- (c) the Valuation Report;
- (d) the Financial Statements (the Issuer and the Original Borrowers currently prepare audited accounts on an annual basis); and
- (e) the most recently published audited annual financial statements (if any) of the Issuer and each Borrower and the most recently published unaudited interim financial statements (if any) of the Issuer and each Borrower, in each case, together with any audit or review reports prepared in connection therewith.

For the period of 12 months following the date of this Prospectus, copies of the following documents will, when published, be available for inspection from the registered office of the Issuer and from the specified office of the Paying Agent for the time being in London:

- (a) the Agency Agreement, the Account Agreement, the Custody Agreement, the Loan Agreements and the Security Agreements;
- (b) a copy of this Prospectus; and
- (c) any future prospectuses, offering circulars, information memoranda and supplements to this Prospectus and any other documents incorporated therein by reference.

Clearing Systems

The Bonds have been accepted for clearance through Euroclear and Clearstream, Luxembourg.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg.

Identification Codes

The LEI of the Issuer is 213800QIGGLJLT7WXP16.

The ISIN for the Bonds is XS2259211485.

The Common Code for the Bonds is 225921148.

The CFI for the Bonds is DAFNFB or as set out on the website of the Association of National Number Agencies (**ANNA**).

The FISN for the Bonds is ORBIT CAPITAL P/2ASST BKD 20381124 or as set out on the website of the ANNA.

Characteristics of underlying assets

The Loan Agreements and the assets comprising the Issuer Security have characteristics that demonstrate capacity to produce funds to service any payments due and payable on the Bonds.

Material or Significant Change

There has been no material adverse change in the financial position of the Issuer since 31 March 2020.

Other than as set out below in relation to the COVID-19 outbreak, there has been no material adverse change in the prospects of the Issuer since 31 March 2020.

Other than as set out below in relation to the COVID-19 outbreak, there has been no material adverse change in the prospects of any Original Borrower since 31 March 2020.

The prospects of the Issuer and/or any Original Borrower may be impacted by the ongoing impact of the COVID-19 outbreak. As referred to in the risk factor entitled "*Factors which may affect the Borrowers' ability to fulfil their obligations under the Loan Agreements which, in turn, may affect the Issuer's ability to fulfil its obligations under the Bonds: Macro-economic Risks: COVID-19*" in the section headed "*Risk Factors*", as at the date of this Prospectus, neither the Issuer nor any Original Borrower is aware of the full extent of the outbreak, or the impact, if any, on its operations but has taken, and continues to take, preparations and precautions to address its potential impact.

There has been no significant change in the financial performance or financial position of the Group since 31 March 2020.

Litigation

The Issuer is not and has not been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in the 12 months preceding the date of this Prospectus which may have, or have had in the recent past, a significant effect on the Issuer's financial position or profitability.

No Original Borrower is nor has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which such Original Borrower is aware) in the 12 months preceding the date of this Prospectus which may have, or have had in the

recent past, a significant effect on such Original Borrower's or the Group's financial position or profitability.

Auditors and reporting accountants

The auditors of the Issuer and each Original Borrower are KPMG LLP (**KPMG**). KPMG has no material interest in the Issuer or any Original Borrower. KPMG has audited the accounts of the Issuer and each Original Borrower, without qualification, in accordance with generally accepted auditing standards in the United Kingdom for each of the two financial years ended on 31 March 2019 and 31 March 2020.

Post-issuance information

The Issuer does not intend to provide any post-issuance information in relation to the Bonds, the Issuer Security or the Underlying Security, other than as required (and available from the Issuer at the request of any Bondholder) pursuant to Condition 6.2 (*Information Covenants*).

Joint Lead Managers transacting with the Issuer or the Borrowers

Each Joint Lead Manager and each of their respective affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer and/or any Borrower and/or their respective affiliates in the ordinary course of business. The Joint Lead Managers and their affiliates may have positions, deal or make markets in the Bonds, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuer, any Borrower and/or their 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 Joint Lead Managers 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 the Issuer, a Borrower or their respective affiliates. The Joint Lead Managers or their affiliates that have a lending relationship with the Issuer or any Borrower routinely hedge their credit exposure to the Issuer or any such Borrower consistent with their customary risk management policies. Typically, any such Joint Lead Manager and its 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 Bonds. Any such positions could adversely affect future trading prices of the Bonds. The Joint Lead Managers 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.

Potential Conflicts of Interest

Each of the Transaction Parties (other than the Issuer) and their affiliates in the course of each of their respective businesses may provide services to other Transaction Parties and to third parties and in the course of the provision of such services it is possible that conflicts of interest may arise between such Transaction Parties and their affiliates or between such Transaction Parties and their affiliates and such third parties. Each of the Transaction Parties (other than the Issuer) and their affiliates may provide such services and enter into arrangements with any person without regard to or constraint as a result of any such conflicts of interest arising as a result of it being a Transaction Party.

Yield

Indication of the yield on the Bonds: 2.073 per cent. (semi annual).

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

ISSUER

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BOND TRUSTEE AND SECURITY TRUSTEE

Prudential Trustee Company Limited

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London EC3M 5AG

PRINCIPAL PAYING AGENT, ACCOUNT BANK AND CUSTODIAN

The Bank of New York Mellon, London Branch

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London E14 5AL

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Madrid
Spain

HSBC Bank plc

8 Canada Square
London E14 5HQ

NatWest Markets Plc

250 Bishopsgate
London EC2M 4AA

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*To the Issuer and the Original Borrowers as to
English law*

*To the Joint Lead Managers, the Bond Trustee
and the Security Trustee as to English law*

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Milton Gate
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Auditors to the Issuer and the Original Borrowers

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