

EXECUTION VERSION

**SECOND AMENDED AND RESTATED INTERCOMPANY LOAN
CONFIRMATION**

DATED 8 JUNE 2012

**LANGTON FUNDING (NO. 1) LIMITED
as Funding 1**

**LANGTON SECURITIES (2008-1) PLC
as 2008-1 Issuer**

**CITICORP TRUSTEE COMPANY LIMITED
as Funding 1 Security Trustee and as Issuer Security Trustee**

**CITIBANK, N.A., LONDON BRANCH
as Agent Bank**

ALLEN & OVERY

Allen & Overy LLP

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THIS SECOND AMENDED AND RESTATED INTERCOMPANY LOAN CONFIRMATION is dated 8 June 2012

BETWEEN:

- (1) **LANGTON FUNDING (NO. 1) LIMITED** (registered in England and Wales No. 6432610) whose registered office is at 35 Great St. Helen's, London EC3A 6AP (**Funding 1**);
- (2) **LANGTON SECURITIES (2008-1) PLC** (registered in England and Wales No. 6432564) whose registered office is at 35 Great St. Helen's, London EC3A 6AP (the **2008-1 Issuer**);
- (3) **CITICORP TRUSTEE COMPANY LIMITED** (registered number 0235914) acting through its offices at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, acting in its capacities as **Funding 1 Security Trustee** and as **Issuer Security Trustee**; and
- (4) **CITIBANK N.A., LONDON BRANCH**, whose offices are at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB acting in its capacity as **Agent Bank**.

WHEREAS:

- (A) On 23 March 2011, the parties hereto entered into an intercompany loan confirmation (the **Issuer Intercompany Loan Confirmation**) which was amended and restated on 23 December 2011 and which, together with the Intercompany Loan Terms and Conditions, currently form the Issuer Intercompany Loan Agreement (the **Existing Issuer Intercompany Loan Agreement**) in respect of the Issuer Intercompany Loan (the **Existing Issuer Intercompany Loan**).
- (B) The parties hereto wish to amend the Issuer Intercompany Loan Confirmation on the terms set out herein effective as of 18 June 2012 (the **Effective Date**).
- (C) This Second Amended and Restated Issuer Intercompany Loan Confirmation, together with the Intercompany Loan Terms and Conditions, will on and from the Effective Date form the Issuer Intercompany Loan Agreement in respect of the Issuer Intercompany Loan.

IT IS AGREED as follows:

1. INTERPRETATION

- 1.1 The issuer master definitions and construction schedule signed by, among others, the parties hereto on 23 March 2011 (as the same may be amended, restated and/or supplemented from time to time with the consent of the parties hereto, including without limitation on 23 December 2011 and 8 June 2012) (the **Issuer Master Definitions and Construction Schedule**) is expressly and specifically incorporated into this Agreement and, accordingly, the expressions defined in the Issuer Master Definitions and Construction Schedule (as so amended, restated and/or supplemented) shall, except where the context otherwise requires and save where otherwise defined herein, have the same meanings in this Agreement, including the Recitals hereto and this Agreement shall be construed in accordance with the interpretation provisions set out in clause 2 of the Issuer Master Definitions and Construction Schedule.
- 1.2 Unless the context otherwise requires, references in the Intercompany Loan Terms and Conditions to:

Issuer means the 2008-1 Issuer;

Funding 1 Issuer Transaction Account means the Issuer Sterling Account;

Intercompany Loan means the Issuer Intercompany Loan;

Intercompany Loan Agreement means the Issuer Intercompany Loan Agreement; and

Intercompany Loan Confirmation means this Issuer Intercompany Loan Confirmation.

2. INTERCOMPANY LOAN TERMS AND CONDITIONS

Each of the parties to this Agreement agrees that the Intercompany Loan Terms and Conditions signed by Funding 1, the Funding 1 Security Trustee and the Agent Bank for the purposes of identification on 25 January 2008 as amended and restated pursuant to the first deed of amendment to the Intercompany Loan Terms and Conditions dated 1 October 2010 between, among others, Funding 1 and the Funding 1 Security Trustee and as amended and restated pursuant to the global deed of amendment dated 23 March 2011 between, among others, Funding 1 and the Issuer and the provisions set out therein shall form part of this Agreement and shall be binding on the parties to this Agreement as if they had expressly been set out herein. References in this Agreement to "this Agreement" shall be construed accordingly.

3. THE LOAN TRANCHES

3.1 Loan Tranches

- (a) The AAA Loan Tranches made available on the Closing Date are in the maximum aggregate principal amount of £16,501,152,000 which corresponds to the equivalent in Sterling (calculated at the Exchange Rate on the date hereof) of the aggregate principal amount upon issue of the Class A Notes issued on the Closing Date which consists of the following sub-tranches:
- (i) the AAA (Class A1) Loan Tranche is in the maximum aggregate principal amount of £1,000,512,000 which corresponds to the equivalent in Sterling of the principal amount upon issue of the Class A1 Notes;
 - (ii) the AAA (Class A2) Loan Tranche is in the maximum aggregate principal amount of £1,250,640,000 which corresponds to the equivalent in Sterling of the principal amount upon issue of the Class A2 Notes;
 - (iii) the AAA (Class A3) Loan Tranche is in the maximum aggregate principal amount of £2,500,000,000 which corresponds to the principal amount upon issue of the Class A3 Notes;
 - (iv) the AAA (Class A4) Loan Tranche is in the maximum aggregate principal amount of £2,500,000,000 which corresponds to the principal amount upon issue of the Class A4 Notes;
 - (v) the AAA (Class A5) Loan Tranche is in the maximum aggregate principal amount of £2,500,000,000 which corresponds to the principal amount upon issue of the Class A5 Notes;
 - (vi) the AAA (Class A6) Loan Tranche is in the maximum aggregate principal amount of £2,500,000,000 which corresponds to the principal amount upon issue of the Class A4 Notes; and

- (vii) the AAA (Class A7) Loan Tranche is in the maximum aggregate principal amount of £1,750,000,000 which corresponds to the principal amount upon issue of the Class A5 Notes.
- (b) The NR (Class Z) Loan Tranche is in the maximum aggregate principal amount of £2,500,000,000 which corresponds to the principal amount upon issue of the Class Z Notes.

3.2 Conditions Precedent

Save as the Issuer and the Funding 1 Security Trustee may otherwise agree, the Loan Tranches were not made available for utilisation unless all the information and documents listed in Schedule 1 have been delivered to the Funding 1 Security Trustee.

4. INTEREST

4.1 Payment of Interest

Subject to Clause 4 (Limited Recourse) of the Intercompany Loan Terms and Conditions, on each Funding 1 Interest Payment Date Funding 1 will pay to the Issuer, for same day value to the Issuer Transaction Account, interest on each Loan Tranche in the amounts as calculated in accordance with this Clause 4.

4.2 Determination of Loan Tranche Rates of Interest to first Funding 1 Interest Payment Date

On the Closing Date the Agent Bank determined the Initial Relevant Screen Rate (as defined below) in respect of each Loan Tranche made available on the Closing Date as at or about 11.00 a.m. (London time) on that date. The Rates of Interest of the Loan Tranches for the first Interest Period shall be the aggregate of (a) the Relevant Margin and (b) the Initial Relevant Screen Rate or, if the Initial Relevant Screen Rate is unavailable, the linear interpolation of the arithmetic mean of such offered quotations for two-month sterling deposits and the arithmetic mean of such offered quotations for three-month sterling deposits (rounded upwards, if necessary, to five decimal places).

Initial Relevant Screen Rate means the linear interpolation of the arithmetic mean of the offered quotations to leading banks for three-month sterling deposits and the arithmetic mean of the offered quotations to leading banks for four-month sterling deposits (rounded upwards if necessary to five decimal places) displayed on the Reuters screen LIBOR01 (or such replacement pages on that service which displays the information) or, if that service ceases to display the information, such other service as may be determined by the Issuer with the approval of the Funding 1 Security Trustee.

4.3 Loan Tranche Rates of Interest

The Rate of Interest payable on each Loan Tranche shall be LIBOR for three-month sterling deposits as determined in accordance with Clause 6 (Interest) of the Issuer Intercompany Loan Terms and Conditions plus a margin (the **Relevant Margin**) which shall be:

- (a) in respect of the AAA (Class A1) Loan Tranche, a margin of 1.57 per cent. per annum up to and including the Funding 1 Interest Period ending in March 2014 and thereafter 3.14 per cent. per annum;
- (b) in respect of the AAA (Class A2) Loan Tranche, a margin of 1.57 per cent. per annum up to and including the Funding 1 Interest Period ending in March 2014 and thereafter 3.14 per cent. per annum;

- (c) in respect of the AAA (Class A3) Loan Tranche, a margin of 1.20 per cent. per annum up to and including the Funding 1 Interest Period ending in June 2014 and thereafter 2.40 per cent. per annum;
- (d) in respect of the AAA (Class A4) Loan Tranche, a margin of 1.20 per cent. per annum up to and including the Funding 1 Interest Period ending in June 2014 and thereafter 2.40 per cent. per annum;
- (e) in respect of the AAA (Class A5) Loan Tranche, a margin of 1.20 per cent. per annum up to and including the Funding 1 Interest Period ending in March 2015 and thereafter 2.40 per cent. per annum;
- (f) in respect of the AAA (Class A6) Loan Tranche, a margin of 1.20 per cent. per annum up to and including the Funding 1 Interest Period ending in March 2015 and thereafter 2.40 per cent. per annum;
- (g) in respect of the AAA (Class A7) Loan Tranche, a margin of 1.20 per cent. per annum up to and including the Funding 1 Interest Period ending in December 2015 and thereafter 2.40 per cent. per annum; and
- (h) in respect of the NR (Class Z) Loan Tranche, a margin of 0.90 per cent. per annum up to and including the Funding 1 Interest Period ending in December 2016 and thereafter 1.80 per cent. per annum.

4.4 Interest Periods

The first Interest Period shall commence on (and include) the Closing Date and end on (but exclude) the Funding 1 Interest Payment Date falling in June 2011. Each subsequent Interest Period shall commence on (and include) a Funding 1 Interest Payment Date and end on (but exclude) the following Funding 1 Interest Payment Date.

5. REPAYMENT

5.1 Repayment subject to terms of the Funding 1 Deed of Charge

The terms and provisions of this Clause 5 are to be read subject to the provisions of Part 2 of Schedule 4 to the Funding 1 Deed of Charge and as the same may be further amended or varied from time to time in accordance with the terms of the Funding 1 Deed of Charge.

5.2 Final Redemption Dates

The Final Redemption Date:

- (a) in respect of the AAA (Class A1) Loan Tranche is the Funding 1 Interest Payment Date falling in December 2054;
- (b) in respect of the AAA (Class A2) Loan Tranche is the Funding 1 Interest Payment Date falling in December 2054;
- (c) in respect of the AAA (Class A3) Loan Tranche is the Funding 1 Interest Payment Date falling in December 2054;
- (d) in respect of the AAA (Class A4) Loan Tranche is the Funding 1 Interest Payment Date falling in December 2054;

- (e) in respect of the AAA (Class A5) Loan Tranche is the Funding 1 Interest Payment Date falling in December 2054;
- (f) in respect of the AAA (Class A6) Loan Tranche is the Funding 1 Interest Payment Date falling in December 2054;
- (g) in respect of the AAA (Class A7) Loan Tranche is the Funding 1 Interest Payment Date falling in December 2054; and
- (h) in respect of the NR (Class Z) Loan Tranche is the Funding 1 Interest Payment Date falling in December 2054.

5.3 Repayment prior to the occurrence of a Trigger Event and prior to the service on Funding 1 of an Intercompany Loan Acceleration Notice

Subject to the provisions of clauses 1, 2 and 3 of Part 2 of Schedule 4 of the Funding 1 Deed of Charge, prior to the occurrence of a Trigger Event and prior to the service on Funding 1 of an Intercompany Loan Acceleration Notice:

- (a) on each Funding 1 Interest Payment Date occurring on and after the Funding 1 Interest Payment Date occurring in March 2014, the AAA (Class A1) Loan Tranche shall be repaid to the extent of Funding 1 Available Principal Receipts until the AAA (Class A1) Loan Tranche is fully repaid;
- (b) on each Funding 1 Interest Payment Date occurring on and after the Funding 1 Interest Payment Date in March 2014, the AAA (Class A2) Loan Tranche shall be repaid to the extent of Funding 1 Available Principal Receipts until the AAA (Class A2) Loan Tranche is fully repaid;
- (c) on each Funding 1 Interest Payment Date occurring on and after the Funding 1 Interest Payment Date occurring in June 2012 to (and including) the Funding 1 Interest Payment Date occurring in June 2014, the AAA (Class A3) Loan Tranche shall be repaid in the following amounts:
 - (i) £331,122,033 on the Funding 1 Interest Payment Date occurring in June 2012;
 - (ii) £317,832,118 on the Funding 1 Interest Payment Date occurring in September 2012;
 - (iii) £301,826,299 on the Funding 1 Interest Payment Date occurring in December 2012;
 - (iv) £286,719,550 on the Funding 1 Interest Payment Date occurring in March 2013;
 - (v) £281,453,728 on the Funding 1 Interest Payment Date occurring in June 2013;
 - (vi) £270,157,300 on the Funding 1 Interest Payment Date occurring in September 2013;
 - (vii) £256,552,354 on the Funding 1 Interest Payment Date occurring in December 2013;
 - (viii) £243,711,618 on the Funding 1 Interest Payment Date occurring in March 2014; and
 - (ix) £210,625,000 on the Funding 1 Interest Payment Date occurring in June 2014,
- (d) on each Funding 1 Interest Payment Date occurring on and after the Funding 1 Interest Payment Date occurring in June 2012 to (and including) the Funding 1 Interest Payment

Date occurring in June 2014, the AAA (Class A4) Loan Tranche shall be repaid in the following amounts:

- (i) £331,122,033 on the Funding 1 Interest Payment Date occurring in June 2012;
 - (ii) £317,832,118 on the Funding 1 Interest Payment Date occurring in September 2012;
 - (iii) £301,826,299 on the Funding 1 Interest Payment Date occurring in December 2012;
 - (iv) £286,719,550 on the Funding 1 Interest Payment Date occurring in March 2013;
 - (v) £281,453,728 on the Funding 1 Interest Payment Date occurring in June 2013;
 - (vi) £270,157,300 on the Funding 1 Interest Payment Date occurring in September 2013;
 - (vii) £256,552,354 on the Funding 1 Interest Payment Date occurring in December 2013;
 - (viii) £243,711,618 on the Funding 1 Interest Payment Date occurring in March 2014; and
 - (ix) £210,625,000 on the Funding 1 Interest Payment Date occurring in June 2014.
- (e) on each Funding 1 Interest Payment Date occurring on and after the Funding 1 Interest Payment Date occurring in June 2014 to (and including) the Funding 1 Interest Payment Date occurring in March 2015, the AAA (Class A5) Loan Tranche shall be repaid in the following amounts:
- (i) £194,082,664, on the Funding 1 Interest Payment Date occurring in June 2014;
 - (ii) £177,839,316 on the Funding 1 Interest Payment Date occurring in September 2014;
 - (iii) £168,883,444 on the Funding 1 Interest Payment Date occurring in December 2014; and
 - (iv) £1,959,194,576 on the Funding 1 Interest Payment Date occurring in March 2015.
- (f) on each Funding 1 Interest Payment Date occurring on and after the Funding 1 Interest Payment Date occurring in June 2014 to (and including) the Funding 1 Interest Payment Date occurring in March 2015, the AAA (Class A6) Loan Tranche shall be repaid in the following amounts:
- (i) £194,082,664, on the Funding 1 Interest Payment Date occurring in June 2014;
 - (ii) £177,839,316 on the Funding 1 Interest Payment Date occurring in September 2014;
 - (iii) £168,883,444 on the Funding 1 Interest Payment Date occurring in December 2014; and
 - (iv) £1,959,194,576 on the Funding 1 Interest Payment Date occurring in March 2015.
- (g) on each Funding 1 Interest Payment Date occurring on and after the Funding 1 Interest Payment Date occurring in March 2015 to (and including) the Funding 1 Interest Payment Date occurring in December 2015, the AAA (Class A7) Loan Tranche shall be repaid in the following amounts:
- (i) £320,861,272 on the Funding 1 Interest Payment Date occurring in March 2015;

- (ii) £157,699,928 on the Funding 1 Interest Payment Date occurring in June 2015;
 - (iii) £151,370,483 on the Funding 1 Interest Payment Date occurring in September 2015;
and
 - (iv) £1,120,068,318 on the Funding 1 Interest Payment Date occurring in December 2015.
- (h) on each Funding 1 Interest Payment Date occurring on and after the Funding 1 Interest Payment Date occurring in December 2016, the NR (Class Z) Loan Tranche shall be repaid to the extent of Funding 1 Available Principal Receipts until the NR (Class Z) Loan Tranche is fully repaid.

5.4 Repayment after a Non-Asset Trigger Event but prior to the service on Funding 1 of an Intercompany Loan Acceleration Notice

Subject to the provisions of clauses 1, 2 and 3 of Part 2 of Schedule 4 of the Funding 1 Deed of Charge, after the occurrence of a Non-Asset Trigger Event but prior to the service on Funding 1 of an Intercompany Loan Acceleration Notice, a Loan Tranche will become due and payable, subject to, in relation to the NR (Class Z) Loan Tranche, the AAA Loan Tranches having been repaid in full.

5.5 Repayment after an Asset Trigger Event but prior to the service on Funding 1 of an Intercompany Loan Acceleration Notice

Subject to the provisions of clauses 4 and 5 of Part 2 of Schedule 4 of the Funding 1 Deed of Charge, after the occurrence of an Asset Trigger Event but prior to the service on Funding 1 of an Intercompany Loan Acceleration Notice, a Loan Tranche will become due and payable, subject to, in relation to the NR (Class Z) Loan Tranche, the AAA Loan Tranches having been repaid in full.

5.6 Repayment following the service on Funding 1 of an Intercompany Loan Acceleration Notice

Following the service on Funding 1 of an Intercompany Loan Acceleration Notice pursuant to the terms of the Intercompany Loan Agreement, the Intercompany Loan shall be repaid in the manner set out in Part 3 of Schedule 4 to the Funding 1 Deed of Charge (as the same shall be amended from time to time).

5.7 Repayment

Repayments of principal under this Clause 5 shall be paid by Funding 1 to the Issuer for same day value to the Issuer Transaction Account.

5.8 Application of repayment

The Issuer hereby agrees to apply any amounts received by way of repayment pursuant to Clause 5 (Repayment) in making repayments under the relevant Notes pursuant to Condition 5.2 (Mandatory Redemption) (including pursuant to payments by the Issuer to each Issuer Swap Provider under the Issuer Swap Agreements).

5.9 Acknowledgement of New Intercompany Loans

The Issuer hereby acknowledges and agrees that from time to time Funding 1 may enter into New Intercompany Loans with New Issuers and that the obligation of Funding 1 to repay this Intercompany Loan and any New Intercompany Loan will depend on the amount of Funding 1

Available Revenue Receipts and Funding 1 Available Principal Receipts available to pay amounts due to the Issuer and each New Issuer.

5.10 Amendments

Subject to Clause 20 (Additional Provisions Regarding the Funding 1 Security Trustee) of the Funding 1 Deed of Charge, any amendments to this Agreement will be made only with the prior written consent of each party to this Agreement.

6. PREPAYMENT

6.1 Prepayment of Loan Tranches

- (a) If the conditions set out in Condition 5.4 (Optional Redemption in Full) or Condition 5.5 (Optional Redemption for Tax and other Reasons) of the Notes of the Issuer are met, then Funding 1 has the right to prepay the Loan Tranches corresponding to the Notes to be redeemed, without penalty or premium, but subject to Clause 15 (Default Interest and Indemnity) of the Intercompany Loan Terms and Conditions (such prepayment to be paid by Funding 1 for same day value to the Issuer Transaction Account).
- (b) Each of the Funding 1 Security Trustee, the Issuer Security Trustee, the Agent Bank (without liability or responsibility to any secured creditor in respect of any loss, liability or claim arising as a result thereof), Funding 1 and the Issuer shall concur in, execute and do all such deeds, instruments, acts and things, and shall consent to any amendment, modification or waiver of the provisions of the Issuer Transaction Documents to which it is a party, which may be necessary or desirable to permit and give effect to the relevant prepayment (as certified by the Issuer and/or Funding 1 to the Issuer Security Trustee and Funding 1 Security Trustee prior to any such amendment, modification or waiver being effected), including any waiver of covenants of Funding 1.

6.2 Application of monies

The Issuer hereby agrees to apply any amounts received by way of prepayment pursuant to Clause 6.1 (Prepayment of Loan Tranches) in making repayments under the relevant Notes pursuant to Condition 5.4 (Optional Redemption in Full) or Condition 5.5 (Optional Redemption for Tax and other Reasons) (including pursuant to payments by the Issuer to each Issuer Swap Provider under the Issuer Swap Agreements).

7. CERTAIN FEES, ETC.

7.1 Fees

Funding 1 shall (except in the case of payments due to third parties or the Issuer Account Bank, which shall be paid when due) on each Funding 1 Interest Payment Date pay to the Issuer for same day value to the Issuer Transaction Account a fee for the provision of the Loan Tranches. Such fee shall be an amount or amounts in the aggregate equal to the following:

- (a) amounts due and payable by the Issuer pursuant to paragraph (a) of the Issuer Pre-Acceleration Revenue Priority of Payments or, as applicable, paragraph (b)(i) of the Issuer Post Enforcement Priority of Payments;
- (b) amounts due and payable by the Issuer pursuant to paragraph (b) of the Issuer Pre-Acceleration Revenue Priority of Payments (including any amount due and payable by the Issuer to HM Revenue and Customs in respect of the Issuer's liability to United Kingdom corporation tax (insofar as payment is not or will not be capable of being satisfied out of the

- profits, income or gains of the Issuer and subject to the terms of the Issuer Deed of Charge) or any other Taxes payable by the Issuer);
- (c) any amounts due and payable by the Issuer pursuant to paragraph (c) of the Issuer Pre-Acceleration Revenue Priority of Payments or, as applicable, paragraph (b)(ii) of the Issuer Post Enforcement Priority of Payments;
 - (d) respective amounts due and payable by the Issuer (in no order of priority but in proportion to the amounts due), to:
 - (i) (A) any Issuer (Class A1) Swap Provider (other than any Issuer Swap Excluded Amount) by way of a termination payment (less any amount received by the Issuer from a replacement Issuer (Class A1) Swap Provider in consideration of it entering into a replacement Issuer (Class A1) Swap Agreement) under paragraph (d)(i) of the Issuer Pre-Acceleration Revenue Priority of Payments or, as applicable, paragraph (b)(iii)(A) of the Issuer Post-Enforcement Priority of Payments or (B) any replacement Issuer (Class A1) Swap Provider in consideration for it entering into a replacement Issuer (Class A1) Swap Agreement (less any termination payment received by the Issuer under the Swap Agreement that it replaces);
 - (ii) (A) any Issuer (Class A2) Swap Provider (other than any Issuer Swap Excluded Amount) by way of a termination payment (less any amount received by the Issuer from a replacement Issuer (Class A2) Swap Provider in consideration of it entering into a replacement Issuer (Class A2) Swap Agreement) under paragraph (d)(ii) of the Issuer Pre-Acceleration Revenue Priority of Payments or, as applicable, paragraph (b)(iii) (B) of the Issuer Post-Enforcement Priority of Payments or (B) any replacement Issuer (Class A2) Swap Provider in consideration for it entering into a replacement Issuer (Class A2) Swap Agreement (less any termination payment received by the Issuer under the Swap Agreement that it replaces);
 - (e) an amount equal to the amount required to eliminate any deficiency on the Class A Notes Principal Deficiency Sub-Ledger of the Issuer pursuant to paragraph (e) of the Issuer Pre-Acceleration Revenue Priority of Payments (after taking into account any reduction in that Principal Deficiency Sub-Ledger as a result of the application of interest paid on the Issuer Loan Tranches on that Funding 1 Interest Payment Date);
 - (f) an amount equal to any amount required to ensure that the Issuer Reserve Fund is not less than the Issuer Reserve Fund Required Amount on that Funding 1 Interest Payment Date pursuant to paragraph (f) of the Issuer Pre-Acceleration Revenue Priority of Payments (after taking into account any replenishment of the Issuer Reserve Fund to be made on the relevant Funding 1 Interest Payment Date out of either interest paid by Funding 1 on the Loan Tranches or Issuer Principal Receipts);
 - (g) an amount equal to any amount required to ensure that the Issuer Liquidity Reserve Fund (if established) is not less than the Issuer Liquidity Reserve Fund Required Amount pursuant to paragraph (g) of the Issuer Pre-Acceleration Revenue Priority of Payments (taking into account any replenishment of the Issuer Liquidity Reserve Fund to be made on the relevant Funding 1 Interest Payment Date out of interest paid by Funding 1 on the Loan Tranches on that Funding 1 Interest Payment Date);
 - (h) an amount equal to the amount required to eliminate any deficiency on the Class Z Notes Principal Deficiency Sub-Ledger of the Issuer pursuant to paragraph (h) of the Issuer Pre-Acceleration Revenue Priority of Payments (after taking into account any reduction in that

Principal Deficiency Sub-Ledger as a result of the application of interest amounts paid by Funding 1 on the Loan Tranches on that Funding 1 Interest Payment Date);

- (i) amounts due and payable by the Issuer (in no order of priority but in proportion to the respective amounts due, to:
 - (i) any Issuer (Class A1) Swap Provider by way of a termination payment (less any amount the Issuer has received from a replacement Issuer (Class A1) Swap Provider in consideration of it entering into a replacement Issuer Swap Agreement) under paragraph (j)(i) of the Issuer Pre-Acceleration Revenue Priority of Payments or, as applicable, paragraph (b)(v)(A) of the Issuer Post-Enforcement Priority of Payments;
 - (ii) any Issuer (Class A2) Swap Provider by way of a termination payment (less any amount the Issuer has received from a replacement Issuer (Class A2) Swap Provider in consideration of it entering into a replacement Issuer Swap Agreement) under paragraph (j)(ii) of the Issuer Pre-Acceleration Revenue Priority of Payments or, as applicable, paragraph (b)(v)(B) of the Issuer Post-Enforcement Priority of Payments;
- (j) an amount equal to £1,250 to be retained by the Issuer as profit;
- (k) any amount due to the Issuer Start-Up Loan Provider under the Issuer Start-Up Loan Agreement pursuant to paragraph (k) of the Issuer Pre-Acceleration Revenue Priority of Payments and paragraph (b)(vi) of the Issuer Post Enforcement Priority of Payments; and
- (l) an amount equal to the difference between the weighted average rate of interest payable on the Notes and the weighted average rate of interest payable on the Intercompany Loan, where the Outstanding Principal Amount of the Intercompany Loan is less (or deemed to be less in accordance with the relevant Funding 1 Priority of Payments) than the Principal Amount Outstanding of the Notes,

LESS

- (m) an amount equal to the interest earned by the Issuer and paid to the Issuer during the immediately preceding Funding 1 Interest Period on the Issuer GIC Account.

7.2 Payment of fees subject to Funding 1 Deed of Charge

The parties acknowledge that the amount payable by Funding 1 to the Issuer pursuant to this Clause 7 shall be paid in accordance with the Funding 1 Deed of Charge and the relevant Funding 1 Priority of Payments, subject to the provisions of Clause 4 (Limited Recourse) of the Intercompany Loan Terms and Conditions.

8. SHORTFALLS

8.1 Revenue Shortfalls

The purpose of this Clause 8.1 is to determine the amount of any unpaid interest, fees or other amounts (excluding principal amounts) due and payable under this Intercompany Loan Agreement on any Funding 1 Interest Payment Date. Accordingly, if on any Funding 1 Interest Payment Date the amount of Funding 1 Issuer Allocable Revenue Receipts and Shared Funding 1 Issuer Revenue Receipts paid by Funding 1 to the Issuer under this Intercompany Loan Agreement is less than the amount of interest and fees and other amounts (excluding principal) due and payable under this Intercompany Loan Agreement on that Funding 1 Interest Payment Date, then the unpaid amount

(the **Revenue Shortfall**) shall be allocated to the following amounts in the following order of priority, until the amount of the payment due by Funding 1 is deemed unpaid in full or in part by the amount of the Revenue Shortfall:

- (a) first, amounts due under Clause 7.1(l);
- (b) *second*, amounts due under Clause 7.1(k);
- (c) *third*, amounts due under Clause 7.1(j);
- (d) *fourth*, amounts due under Clause 7.1(i)
- (e) *fifth*, interest due and payable on the NR (Class Z) Loan Tranche;
- (f) *sixth*, amounts due under Clause 7.1(h);
- (g) *seventh*, amounts due under Clause 7.1(g);
- (h) *eighth*, amounts due under Clause 7.1(f);
- (i) *ninth*, amounts due under Clause 7.1(e);
- (j) *tenth*, amounts due under Clause 7.1(d);
- (k) *eleventh, pro rata and pari passu*, (i) interest due and payable on the AAA (Class A1) Loan Tranche, (ii) interest due and payable on the AAA (Class A2) Loan Tranche, (iii) interest due and payable on the AAA (Class A3) Loan Tranche, (iv) interest due and payable on the AAA (Class A4) Loan Tranche, (v) interest due and payable on the AAA (Class A5) Loan Tranche, (vi) interest due and payable on the AAA (Class A6) Loan Tranche and (vii) interest due and payable on the AAA (Class A7) Loan Tranche;
- (l) *twelfth*, amounts due under Clause 7.1(c);
- (m) *thirteenth*, amounts due under Clause 7.1(b); and
- (n) *fourteenth*, amounts due under Clause 7.1(a).

8.2 Principal Shortfalls

The purpose of this Clause 8.2 is to determine the amount of any unpaid principal amounts due and payable under this Intercompany Loan Agreement on any Funding 1 Interest Payment Date. Accordingly, if on any Funding 1 Interest Payment Date the amount of Funding 1 Available Principal Receipts paid by Funding 1 to the Issuer under this Intercompany Loan Agreement is less than the principal amount due and payable under this Intercompany Loan Agreement on such Funding 1 Interest Payment Date, then the unpaid amount (the **Principal Shortfall**) shall be applied against the following amounts in the following order of priority, until the amount of the payment due by Funding 1 is cancelled (and therefore unpaid) by the amount of the Principal Shortfall:

- (a) *first*, amounts due and payable in respect of principal on the NR (Class Z) Loan Tranche;
- (b) *second, pro rata and pari passu*, (i) amounts due and payable in respect of principal on the AAA (Class A1) Loan Tranche, (ii) amounts due and payable in respect of principal on the AAA (Class A2) Loan Tranche, (iii) amounts due and payable in respect of principal on the AAA (Class A3) Loan Tranche, (iv) amounts due and payable in respect of principal on the AAA (Class A4) Loan Tranche, (v) amounts due and payable in respect of principal on the

AAA (Class A5) Loan Tranche, (vi) amounts due and payable in respect of principal on the AAA (Class A6) Loan Tranche and (vii) amounts due and payable in respect of principal on the AAA (Class A7) Loan Tranche;

- (c) *third*, the amount required to be credited to the Issuer Liquidity Reserve Fund (if established) pursuant to paragraph (b) of the Funding 1 Pre-Acceleration Principal Priority of Payments; and
- (d) *fourth*, the amount required to be credited to the Issuer Reserve Fund pursuant to paragraph (a) of the Funding 1 Pre-Acceleration Principal Priority of Payments.

9. ADDRESSES

The addresses referred to in Clause 18.4 of the Intercompany Loan Terms and Conditions are as follows:

The Funding 1 Security Trustee and the Issuer Security Trustee:

For the attention of: Agency and Trust

Address: Citicorp Trustee Company Limited
Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB

Facsimile: +44 (0) 20 7500 5877

The Issuer:

For the attention of: The Secretary

Address: Langton Securities (2008-1) plc
35 Great St. Helen's
London EC3A 6AP

Facsimile: +44 (0) 20 7398 6325

Copy to: Santander UK plc
2 Triton Square
Regent's Place
London NW1 3AN
Facsimile number +44 (0) 20 7756 5627
For the attention of the Company Secretary

Funding 1:

For the attention of: The Secretary

Address: Langton Funding (No. 1) Limited
35 Great St. Helen's
London EC3A 6AP

Facsimile: +44 (0) 20 7398 6325

Copy to: Santander UK plc
2 Triton Square
Regent's Place
London NW1 3AN
Facsimile number +44 (0) 20 7756 5627
For the attention of the Company Secretary

Rating Agencies:

Moody's: One Canada Square, Canary Wharf, London E14 5FA
For the attention of: Asset Backed Finance
Telephone: +44 (0) 20 7772 5332
Fax: +44 (0) 20 7772 5400

Fitch: 101 Finsbury Pavement, London EC2A 1RS
For the attention of: European Structured Finance
Telephone: +44 (0) 7417 4355
Fax: +44 (0) 7417 6262

Standard & Poor's: 20 Canada Square, London E14 5LH
For the attention of: Structured Finance Surveillance Group
Telephone: +44 (0) 7826 3855
Fax: +44 (0) 7826 3598

IN WITNESS WHEREOF the parties have caused this Agreement to be executed the day and year first before written.

SCHEDULE 1
CONDITIONS PRECEDENT

1. Authorisations

- (a) A copy of the memorandum and articles of association and certificate of incorporation of Funding 1.
- (b) A copy of a resolution of the board of directors of Funding 1 authorising the entry into, execution and performance of each of the relevant Transaction Documents to which Funding 1 is a party and authorising specified persons to execute those on its behalf.
- (c) A certificate of a director of Funding 1 certifying:
 - (i) that each document delivered under this paragraph 1 is correct, complete and in full force and effect as at a date no later than the date of the Loan Tranche Supplement and undertaking to notify the Funding 1 Security Trustee and the Issuer Security Trustee if that position should change prior to the Closing Date; and
 - (ii) as to the identity and specimen signatures of the directors and signatories of Funding 1.

2. Security

- (a) The Funding 1 Deed of Charge duly executed by the parties thereto.
- (b) Duly completed bank account mandates in respect of the Funding 1 GIC Account and the Funding 1 Transaction Account.
- (c) Security Power of Attorney for Funding 1.

3. Legal opinion

Legal opinions of:

- (a) Allen & Overy LLP, English legal advisers to the Sole Arranger, addressed to, and in form and substance satisfactory to, the Funding 1 Security Trustee, the Issuer Security Trustee and the Note Trustee;
- (b) Slaughter and May, English legal advisers to the Seller, the Issuer and Funding 1, addressed to, and in the form and substance satisfactory to, the Issuer;
- (c) Tods Murray LLP, Scottish legal advisers to the Seller, the Issuer and Funding 1, addressed to the Funding 1 Security Trustee, the Issuer Security Trustee and the Note Trustee;
- (d) Mourant Ozannes, Jersey legal advisers to the Mortgages Trustee, addressed to the Funding 1 Security Trustee, the Issuer Security Trustee and the Note Trustee; and
- (e) McGrigors LLP, Northern Irish legal advisers to the Seller, the Issuer and Funding 1, addressed to the Funding 1 Security Trustee, the Issuer Security Trustee and the Note Trustee.

4. Transaction Documents

Duly executed copies of:

- (a) the Global Deed of Amendment;
- (b) the Funding 1 Start-Up Loan Agreement;
- (c) the Global Notes;
- (d) the Issuer Cash Management Agreement;
- (e) the Issuer Corporate Services Agreement;
- (f) the Issuer Deed of Charge;
- (g) this Agreement;
- (h) the Issuer Bank Account Agreement;
- (i) the Issuer Master Definitions and Construction Schedule;
- (j) the Issuer Start-up Loan Agreement;
- (k) the Issuer (Class A1) Swap Agreement;
- (l) the Issuer (Class A2) Swap Agreement;
- (m) the Note Purchase Agreement;
- (n) the Note Trust Deed; and
- (o) the Paying Agent and Agent Bank Agreement.

5. Other Documentation

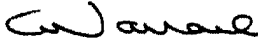
- (a) Confirmation that the Notes have been issued by the Issuer and the subscription proceeds received by the Issuer; and
- (b) Copies of the Prospectus in respect of the Notes.

6. Miscellaneous

Solvency certificates from Funding 1 signed by two directors of Funding 1.

SIGNATORIES

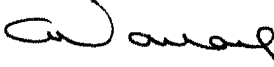
Funding 1

EXECUTED by)
SFM DIRECTORS LIMITED, as Director)
for and on behalf of) 
LANGTON FUNDING (NO. 1) LIMITED)

by

Name Claudia Wallace per pro SFM Directors Limited
as Director

Issuer

EXECUTED by)
SFM DIRECTORS LIMITED, as Director)
for and on behalf of) 
LANGTON SECURITIES (2008-1) PLC)

by

Name Claudia Wallace per pro SFM Directors Limited
as Director

Funding 1 Security Trustee and Issuer Security Trustee

EXECUTED by)
for and on behalf of)
CITICORP TRUSTEE COMPANY LIMITED)

by its duly authorised signatory

Name

Agent Bank

EXECUTED by)
for and on behalf of)
CITIBANK N.A., LONDON BRANCH)

by its duly authorised signatory

Name

SIGNATORIES

Funding I

EXECUTED by)
SFM DIRECTORS LIMITED, as Director)
for and on behalf of)
LANGTON FUNDING (NO. 1) LIMITED)

by

Name

Issuer

EXECUTED by)
SFM DIRECTORS LIMITED, as Director)
for and on behalf of)
LANGTON SECURITIES (2008-1) PLC)

by

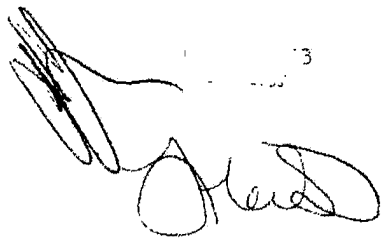
Name

Funding 1 Security Trustee and Issuer Security Trustee

EXECUTED by)
for and on behalf of)
CITICORP TRUSTEE COMPANY LIMITED)

by its duly authorised signatory

Name



Agent Bank

EXECUTED by)
for and on behalf of)
CITIBANK N.A., LONDON BRANCH)

by its duly authorised signatory

Name

SIGNATORIES

Funding 1

EXECUTED by)
SFM DIRECTORS LIMITED, as Director)
for and on behalf of)
LANGTON FUNDING (NO. 1) LIMITED)

by

Name

Issuer

EXECUTED by)
SFM DIRECTORS LIMITED, as Director)
for and on behalf of)
LANGTON SECURITIES (2008-1) PLC)

by

Name

Funding 1 Security Trustee and Issuer Security Trustee

EXECUTED by)
for and on behalf of)
CITICORP TRUSTEE COMPANY LIMITED)

by its duly authorised signatory

Name

Agent Bank

EXECUTED by)
for and on behalf of)
CITIBANK N.A., LONDON BRANCH)

by its duly authorised signatory

Name

Stuart Hoare
Vice President