

CONFORMED COPY

NOTE TRUST DEED

DATED 28 NOVEMBER 2006

FOSSE MASTER ISSUER PLC

LAW DEBENTURE TRUST COMPANY OF NEW YORK

relating to a

Residential Mortgage Backed Note Programme

ALLEN & OVERY

Allen & Overy LLP

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THIS NOTE TRUST DEED is made on 28 November 2006

BETWEEN:

- (1) **FOSSE MASTER ISSUER PLC** (registered number 5925693) whose registered office is at 35 Great St. Helen's, London, EC3A 6AP (the **Issuer**); and
- (2) **LAW DEBENTURE TRUST COMPANY OF NEW YORK**, acting through its offices at 767 Third Avenue – 31st Floor, New York, New York 10017 (acting in its capacity as **Note Trustee**, which expression shall include such company and all other persons and companies for the time being acting as note trustee under this Deed).

WHEREAS:

- (A) By a resolution of a duly authorised Board of Directors of the Issuer passed on 20 November 2006, the Issuer has resolved to establish the Programme pursuant to which the Issuer may from time to time issue Notes as set out herein.
- (B) The Note Trustee has agreed to act as trustee of these presents for the benefit of the Noteholders upon and subject to the terms and conditions of these presents.

NOW THIS NOTE TRUST DEED WITNESSES AND IT IS AGREED AND DECLARED:

1. DEFINITIONS

- 1.1 The master definitions and construction schedule signed by, amongst others, Alliance & Leicester plc and dated 28 November 2006 (as the same may be amended, varied or supplemented from time to time with the consent of the parties to this Deed) (the **Master Definitions and Construction Schedule**) and the issuer master definitions and construction schedule, signed by, amongst others, the parties to this Agreement and dated on 28 November 2006 (as the same may be amended, varied or supplemented from time to time with the consent of the parties to this Deed) (the **Issuer Master Definitions and Construction Schedule**) are expressly and specifically incorporated into this Deed and, accordingly, the expressions defined in the Master Definitions and Construction Schedule and the Issuer Master Definitions and Construction Schedule shall, except where the context otherwise requires and save where otherwise defined herein, have the same meanings in this Deed, including the recitals thereto.
- 1.2
 - (a) All references in these presents to interest in respect of the Notes or to any monies payable by the Issuer under these presents shall be deemed to include a reference to any Additional Interest which may be payable under **Condition 4.4** or, if applicable, under any undertaking or covenant given pursuant to **Clause 2.2**.
 - (b) All references in these presents to **£, sterling** or **pounds sterling** shall be construed as references to the lawful currency or currency unit for the time being of the United Kingdom of Great Britain and Northern Ireland. All references to **€, EUR, euro** or **Euro** shall be construed as references to the single currency introduced at the third stage of European Economic and Monetary Union pursuant to the Treaty establishing the European Communities as amended from time to time. All references to **\$, U.S.\$** or **U.S. dollars** shall be construed as references to the lawful currency or currency unit for the time being of the United States of America.

- (c) All references in this Deed to **these presents** means this Deed, the schedules hereto, the Notes, the Conditions, any deed expressed to be supplemental hereto or thereto and the Issuer Deed of Charge and the schedules thereto, all as from time to time supplemented or modified in accordance with the provisions contained in this Deed and/or where applicable, therein contained.
- (d) All references in these presents to guarantees or to an obligation being guaranteed shall be deemed to include respectively references to indemnities or to an indemnity being given in respect thereof.
- (e) All references in these presents to any action, remedy or method of proceeding for the enforcement of the rights of creditors shall be deemed to include, in respect of any jurisdiction other than England, references to such action, remedy or method of proceeding for the enforcement of the rights of creditors available or appropriate in such jurisdiction as shall most nearly approximate to such action, remedy or method of proceeding described or referred to in these presents.
- (f) All references in these presents to taking proceedings against the Issuer shall be deemed to include references to proving in the winding up of the Issuer.
- (g) All references in these presents to DTC, Euroclear and Clearstream, Luxembourg, shall be deemed to include references to any other or additional clearing system as may be approved in writing by the Note Trustee or as may otherwise be specified in the applicable Final Terms.
- (h) Unless the context otherwise requires, words or expressions used in these presents shall bear the same meanings as in the Companies Act 1985.
- (i) Wherever in this Deed there is a requirement for the consent of, or a request from, the Noteholders, then, for so long as any of the Notes is represented by a Global Note registered in the name of DTC or its nominee, DTC may appoint proxies (which it may effect by and under an omnibus proxy or such other form of proxy as it shall designate which may be mailed to the Issuer) in accordance with and in the form used by DTC as part of its usual procedures from time to time. Any proxy so appointed may give the relevant consent or, as the case may be, make the relevant request in accordance with this Deed.

2. COVENANT TO REPAY AND TO PAY INTEREST ON NOTES

- 2.1 The Notes will be issued in Series and Classes in an aggregate nominal amount from time to time and for the purposes of determining such aggregate nominal amount **clause 12** of the Programme Agreement shall apply. Each Series will comprise one or more Class A Notes, Class B Notes, Class M Notes, Class C Notes and/or Class D Notes issued on the relevant Closing Date.

By not later than 5.00 p.m. (London time) on the second London Business Day preceding each proposed Closing Date, the Issuer shall deliver or cause to be delivered to the Note Trustee a copy of the applicable Final Terms and drafts of all legal opinions to be given in relation to the relevant Issue and shall notify the Note Trustee in writing without delay of the relevant Closing Date and the nominal amount of the Notes to be issued. Upon the issue and authentication of the relevant Notes, such Notes shall become constituted by these presents without further formality.

Before the first issue of Notes occurring after each anniversary of this Note Trust Deed and on such other occasions as the Note Trustee so requests (on the basis that the Note Trustee considers it necessary in view of a change (or a proposed change which is reasonably likely to result in an actual change) in English law affecting the Issuer, these presents, the Programme Agreement or the Paying Agent and Agent Bank Agreement or the Note Trustee has other grounds), the Issuer will procure that (a) further legal opinion(s) (relating, if applicable, to any such change or proposed change) in such form and with such content as the Note Trustee may require from the legal advisers specified in the Programme Agreement or such other legal advisers as the Note Trustee may require is/are delivered to the Note Trustee. Whenever such a request is made with respect to any Notes to be issued, the receipt of such opinion in a form satisfactory to the Note Trustee shall be a further condition precedent to the issue of those Notes.

2.2 The Issuer covenants with the Note Trustee that it will, as and when the Notes of any Series and Class or any instalment of principal in respect thereof becomes due to be redeemed, or on such earlier date as the same or any part thereof may become due and repayable thereunder, in accordance with the Conditions, unconditionally pay or procure to be paid to or to the order of the Note Trustee in euro, U.S. dollars or sterling, as applicable, in London or New York City, as applicable, in immediately available funds the principal amount of such Series and Class of the amount of such instalment becoming due for redemption on that date and (except in the case of Zero Coupon Notes) shall in the meantime and until redemption in full of the Notes (both before and after any judgment or other order of a court of competent jurisdiction) unconditionally pay or procure to be paid to or to the order of the Note Trustee as aforesaid interest (which shall accrue from day to day) on the Principal Amount Outstanding of such Series and Class of the Notes outstanding at the rates set out in or (as the case may be) calculated from time to time in accordance with **Condition 4** and on the dates provided for in the Conditions **PROVIDED THAT:**

- (a) every payment of principal or interest in respect of the Notes to or to the account of the Principal Paying Agent, in the manner provided in the Paying Agent and Agent Bank Agreement, shall operate in satisfaction *pro tanto* of the relative covenant by the Issuer in this **Clause 2.2** in relation to such Series and Class of the Notes except to the extent that there is default in the subsequent payment thereof in accordance with the Conditions to the relevant Noteholders;
- (b) in any case where payment of principal is not made to the Note Trustee or the Principal Paying Agent on or before the due date, interest shall continue to accrue on the principal amount of such Series and Class of Notes (except in the case of Zero Coupon Notes) (both before and after any judgment or other order of a court of competent jurisdiction) at the rates aforesaid (or, if higher, the rate of interest on judgment debts for the time being provided by English law) up to and including the date which the Note Trustee determines to be the date on and after which payment is to be made to the Noteholders in respect thereof as stated in a notice given to the Noteholders in accordance with **Condition 14** (such date to be not later than 30 days after the day on which the whole of such principal amount, together with an amount equal to the interest which has accrued and is to accrue pursuant to this proviso up to and including that date, has been received by the Note Trustee or the Principal Paying Agent);
- (c) in any case where payment of the whole or any part of the principal amount of any Note is improperly withheld or refused upon due presentation thereof (other than in circumstances contemplated by proviso (b) above) interest shall accrue on that principal amount of such Series and Class of such Note (except in the case of any

Zero Coupon Note) payment of which has been so withheld or refused (both before and after any judgment or other order of a court of competent jurisdiction) at the rates aforesaid (or, if higher, the rate of interest on judgment debts for the time being provided by English law) from and including the date of such withholding or refusal up to and including the date on which, upon further presentation of the relevant Note, payment of the full amount (including interest as aforesaid) in euro, U.S. dollars or sterling, as applicable, payable in respect of such Note is made or (if earlier) the seventh day after notice is given to the relevant Noteholder (either individually or in accordance with **Condition 14** that the full amount (including interest as aforesaid) in euro, U.S. dollars or sterling, as applicable, payable in respect of such Note is available for payment, provided that, upon further presentation thereof being duly made, such payment is made; and

- (d) notwithstanding any other provision of this Deed, the right of any Noteholder to receive payment of principal and interest on the Notes, on or after the respective due dates expressed in the Notes, or to bring suit for the enforcement of any such payment on or after such respective dates, shall not be impaired or affected without the consent of the Noteholder.

The Issuer shall pay Additional Interest in accordance with **Condition 4.4**.

The Note Trustee will hold the benefit of the covenants contained in this Clause on trust for the Noteholders and itself in accordance with this Deed.

- 2.3 At any time after a Potential Note Event of Default or a Note Event of Default shall have occurred or the Notes or any of them shall otherwise have become due and repayable or Definitive Notes have not been issued when so required in accordance with this Deed and the relative Global Notes, the Note Trustee may and shall, if directed by an Extraordinary Resolution of the Noteholders and subject to it being indemnified and/or secured to its satisfaction:

- (a) by notice in writing to the Issuer, the Principal Paying Agent, the U.S. Paying Agent, the Transfer Agent and the Registrar require the Principal Paying Agent, the U.S. Paying Agent, the Transfer Agent and the Registrar pursuant to the Paying Agent and Agent Bank Agreement and by notice in writing to the Issuer to:
 - (i) act thereafter as Principal Paying Agent, U.S. Paying Agent, Transfer Agent and Registrar of the Note Trustee in relation to payments to be made by or on behalf of the Note Trustee under the provisions of this Deed *mutatis mutandis* on the terms provided in the Paying Agent and Agent Bank Agreement (save that the Note Trustee's liability under any provisions thereof for the indemnification, remuneration and payment of out-of-pocket expenses of the Paying Agents, the Transfer Agent and the Registrar shall be limited to the amounts for the time being held by the Note Trustee on the trusts of these presents relating to the Notes and available for such purpose) and thereafter to hold all Notes and all sums, documents and records held by them in respect of Notes on behalf of the Note Trustee; or
 - (ii) deliver up all Notes and all sums, documents and records held by them in respect of the Notes to the Note Trustee or as the Note Trustee shall direct in such notice provided that such notice shall be deemed not to apply to any documents or records which the relevant Paying Agent or the Registrar, as the case may be, is obliged not to release by any law or regulation; and/or

- (b) by notice in writing to the Issuer require it to make all subsequent payments in respect of the Notes to or to the order of the Note Trustee and not to the Principal Paying Agent; with effect from the issue of any such notice to the Issuer and until such notice is withdrawn **Clause 2.2(a)** relating to the Notes shall cease to have effect.
- 2.4 If any Series and Class of Floating Rate Notes become immediately due and repayable under **Condition 10**, the rate and/or amount of interest payable in respect of them will be calculated by the Agent Bank at the same intervals as if such Notes had not become due and repayable, the first of which will commence on the expiry of the Interest Period during which the Notes of the relevant Series and Class become so due and repayable *mutatis mutandis* in accordance with the provisions of **Condition 4** except that the rates of interest need not be published.
- 2.5 All payments in respect of, under and in connection with these presents and Series and Class of the Notes to the relevant Noteholders shall be made in the relevant Specified Currency.
- 2.6 The Issuer shall be at liberty from time to time (but subject always to the provisions of these presents) without the consent of the Noteholders to create and issue Notes having terms and conditions the same as any Series and Class of Notes (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 Notes of a particular Series and Class.
- 2.7 Each Series and Class of the Notes shall form a separate Series or Class and accordingly, unless for any purpose the Note Trustee in its absolute discretion shall otherwise determine, the provisions of this Clause and of **Clauses 3 to 20** (both inclusive) and **21.3** and **Schedule 3** and **6** shall apply *mutatis mutandis* separately and independently to each Series and Class of the Notes and in such Clauses and Schedule the expressions Notes and Noteholders shall (where appropriate) be construed accordingly so that each Series shall be constituted by a separate trust and that, unless expressly provided, events affecting one Series shall not affect any other.

3. FORM AND ISSUE OF NOTES

- 3.1 The Issuer may, without the consent of the Noteholders, raise funds, from time to time, on any date by the creation and issue of a Series comprising one or more Classes of Notes, provided that the following tests and conditions (the **Issuance Tests**) are satisfied:
 - (a) there shall be no debit balance on the Funding 1 Principal Deficiency Ledger which shall not be cured on the next Funding 1 Interest Payment Date;
 - (b) no Note Event of Default shall have occurred which is continuing as at the applicable Closing Date or will occur as a consequence of such issuance;
 - (c) no Note Acceleration Notice as at the applicable Closing Date has been served on the Issuer;
 - (d) no Intercompany Loan Acceleration Notice has as at the applicable Closing Date been served on Funding 1;
 - (e) the General Reserve Fund is as at the applicable Closing Date funded up to the General Required Reserve Amount;
 - (f) the Liquidity Reserve Fund is fully funded up to the Liquidity Reserve Fund Required Amount;

- (g) each of the applicable Transaction Documents has been executed by the relevant parties to those documents;
 - (h) the Issuer delivers a solvency certificate to the Note Trustee on the applicable Closing Date;
 - (i) the Rating Agencies have provided written confirmation that (i) such Series of Notes have been assigned the required note issuance ratings and (ii) their ratings of the notes then outstanding will not be reduced, qualified or withdrawn as a consequence of such issuance;
 - (j) on the applicable Closing Date and after giving effect to the issuance of such Series of Notes on such Closing Date, the Class A Available Subordinated Amount is equal to or greater than the Class A Required Subordinated Amount;
 - (k) on the applicable Closing Date and after giving effect to the issuance of such Series of Notes on such Closing Date, the Class B Available Subordinated Amount is equal to or greater than the Class B Required Subordinated Amount;
 - (l) on the applicable Closing Date and after giving effect to the issuance of such Series of Notes on such Closing Date, the Class M Available Subordinated Amount is equal to or greater than the Class M Required Subordinated Amount; and
 - (m) on the applicable Closing Date and after giving effect to the issuance of such Series of Notes on such Closing Date, the Class C Available Subordinated Amount is equal to or greater than the Class C Required Subordinated Amount.
- 3.2 (a) Each Series and Class of the Rule 144A Notes will be initially offered and sold in the United States to qualified institutional buyers (as defined in Rule 144A under the Securities Act (**Rule 144A**)) in reliance on Rule 144A. Each Series and Class of Rule 144A Notes will initially be represented by a Rule 144A Global Note in registered form, in each case without coupons or talons attached and which, in aggregate, will represent the aggregate Principal Amount Outstanding of such Rule 144A Notes.
- (b) Each Series and Class of the Reg S Notes will be initially offered and sold outside the United States to non-U.S. persons in reliance on Regulation S (**Reg S**) under the Securities Act. Each Series and Class of Reg S Notes will initially be represented by a Reg S Global Note in registered form, in each case without coupons or talons attached and which, in aggregate, will represent the aggregate Principal Amount Outstanding of such Reg S Notes.
- 3.3 The Global Notes shall be printed or typed in, or substantially in, the form set out in **Schedule 1** and may be executed in facsimile, which the Issuer shall deposit with the DTC Custodian or the Common Depository, as the case may be. Each Global Note shall represent such of the outstanding Notes of the relevant Series and Class as shall be specified therein and each shall provide that it shall represent the aggregate Principal Amount Outstanding of the relevant Series and Class of Notes from time to time endorsed thereon and that the aggregate Principal Amount Outstanding of the Notes represented thereby may from time to time be reduced or increased, as appropriate, to reflect exchanges, redemptions, purchases and transfers of interests therein in accordance with the terms of this Deed and the Paying Agent and Agent Bank Agreement. Any endorsement of a Global Note to reflect the amount of any increase or decrease in the Principal Amount Outstanding of any Series and Class of Notes represented thereby shall be made by the Registrar in accordance with **Clause 5**. Title to the Global Notes shall pass by and upon the registration in the Register in respect thereof in accordance

with the provisions of these presents. The Global Notes shall be issuable only in registered form without coupons or talons attached and signed manually by a person duly authorised by the Issuer on behalf of the Issuer and shall be authenticated by or on behalf of the Registrar. The Global Notes so executed and authenticated shall be binding and valid obligations of the Issuer, notwithstanding that such duly authorised person no longer holds that office at the time the Registrar authenticates the relevant Global Note.

- 3.4 The Global Notes shall be issued by the Issuer to Cede & Co., as nominee for DTC, in respect of each Rule 144A Global Note and to Citivic Nominees Limited, as nominee for the Common Depository, in respect of each Reg S Global Note, on terms that the DTC Custodian and the Common Depository shall, respectively, hold the same for the account of the persons who would otherwise be entitled to receive the Definitive Notes and the successors in title to such persons appearing in the records of DTC, Euroclear and Clearstream, Luxembourg for the time being. Upon the issuance of each such Global Notes, DTC, Euroclear and Clearstream, Luxembourg shall credit, on their respective internal book-entry registration and transfer systems, the accounts of holders of Book-Entry Interests with the respective interests owned by such Noteholders.
- 3.5 The provisions of the Applicable Procedures of the Euroclear System and Terms and Conditions Governing Use of Euroclear and the General Terms and Conditions of Clearstream, Luxembourg and Customer Handbook of Clearstream, Luxembourg shall be applicable to interests in the Reg S Global Notes that are held through Euroclear and Clearstream, Luxembourg.
- 3.6 The Issuer shall issue Definitive Notes only if any of the following applies while any Series and Class of Notes are represented by a Global Note at any time after the fortieth day following the later of the date of the issue of such Global Note and the commencement of the offering of the relevant Notes:
- (a) (in the case of any Rule 144A Global Notes) DTC has notified the Issuer that it is at any time unwilling or unable to continue as depository with respect to such Rule 144A Global Notes or is at any time unwilling or unable to continue as, or ceases to be, a clearing agency registered under the Exchange Act, and a successor to DTC registered as a clearing agency under the Exchange Act is not able to be appointed by the Issuer within 90 days of such notification, or (in the case of the Reg S Global Notes) both Euroclear and Clearstream, Luxembourg are closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announce an intention permanently to cease business and do so cease to do business and no alternative clearing system satisfactory to the Note Trustee is available; and
 - (b) as a result of any amendment to, or change in, the laws or regulations of the United Kingdom (or of any political sub-division thereof) or of any authority therein or thereof having power to tax or in the interpretation or administration by a revenue authority or a court or administration of such laws or regulations which becomes effective on or after the date of issue of such Global Note, the Issuer or any Paying Agent is or will be required to make any deduction or withholding from any payment in respect of such Notes which would not be required were the Notes in definitive form.

If required by this **Clause 3.6**, the Issuer shall, at its sole cost and expense within 30 days of the occurrence of the relevant event, issue Definitive Notes of the same class as the Series and Class of Notes represented by the relevant Global Note in exchange for the whole (or the remaining part(s) outstanding) of the relevant Global Note. If Definitive Notes are issued, the

beneficial interests represented by the Reg S Global Notes of each Series and Class shall be exchanged by the Issuer for Definitive Notes of that Series and Class (such exchanged Reg S Global Notes, the **Reg S Definitive Notes**) and the beneficial interests represented by the Rule 144A Global Note of each Series and Class shall be exchanged by the Issuer for Definitive Notes of that Series and Class (such exchanged Rule 144A Notes, the **Rule 144A Definitive Notes**).

- 3.7 The Definitive Notes shall be printed or typed in, or substantially in, the form set out in **Schedule 2** in the denomination and transferable in units specified for such Notes in the applicable Final Terms, shall be serially numbered and shall be endorsed with a form of transfer in the form or substantially in the form also set out in **Schedule 2**. Title to the Definitive Notes shall pass by and upon the registration in the Register in respect thereof in accordance with the provisions of these presents. The Definitive Notes shall be issuable only in registered form without coupons or talons attached and signed manually or in facsimile by a person duly authorised by or on behalf of the Issuer and shall be authenticated by or on behalf of the Registrar. Each Note so executed and authenticated shall be a binding and valid obligation of the Issuer notwithstanding that such duly authorised person (for whatever reason) no longer holds that office at the time the Registrar authenticates the Note.
- 3.8 If the Issuer is obliged to issue or procure the issue of any Definitive Notes pursuant to **Clause 3.6** but fails to do so within 30 days of the occurrence of the relevant event described in **Clause 3.6**, then the Issuer shall indemnify the Note Trustee, the registered holder of the relevant Global Note(s) and the relevant Noteholders and keep them indemnified against any and all loss or damage incurred by any of them if the amount received by the Note Trustee, the registered holder of such Global Note(s) or the relevant Noteholders in respect of the Notes is less than the amount that would have been received had Definitive Notes been issued in accordance with **Clause 3.6**. If and for so long as the Issuer discharges its obligations under this indemnity, the breach by the Issuer of the provisions of **Clause 3.6** shall be deemed to be cured *ab initio*.

4. **REPLACEMENT OF NOTES**

If a mutilated or defaced Global Note or Definitive Note is surrendered to the Registrar or Transfer Agent or if a Noteholder claims that a Global Note or Definitive Note has been lost, stolen or destroyed, the Issuer shall issue, and the Registrar shall authenticate, a replacement Global Note or Definitive Note, respectively, on receipt of satisfactory evidence in accordance with **Condition 13**. An indemnity for an amount sufficient in the judgement of the Issuer and the Registrar to protect the Issuer and the Registrar from any loss which any of them may suffer if a Global Note or a Definitive Note is replaced may be required by the Issuer and the Registrar. The Issuer may charge such Noteholder for its costs in replacing such Note.

5. **REGISTER, TRANSFER AND EXCHANGE OF NOTES**

5.1 **Transfer and Exchange of Global Notes**

Notwithstanding any other provisions of this Note Trust Deed or the Notes, transfers and exchanges of interests in Global Notes shall be made only in accordance with the following provisions:

- (a) **Transfers from a Rule 144A Global Note to a Reg S Global Note.** If the holder of a beneficial interest in a Rule 144A Global Note of one Series or Class wishes at any time to transfer such interest to a person who wishes to take delivery thereof in the form of a beneficial interest in the Reg S Global Note of the same Series and Class

such transfer may be effected, subject to the rules and procedures of DTC, Euroclear and Clearstream, Luxembourg, to the extent applicable (the **Applicable Procedures**) by the transferor giving a certificate to the Registrar in, or substantially in, the form set out in **Schedule 3** hereto. Upon receipt by the Registrar of the relevant certificate given by the transferor, the Registrar shall present the Global Notes of the relevant Series and Class to, or to the order of, the relevant Paying Agent which shall reduce the Principal Amount Outstanding of such Rule 144A Global Note and increase the Principal Amount Outstanding of the corresponding Reg S Global Note by the principal amount of the beneficial interest in such Rule 144A Global Note to be transferred, by annotation thereon.

- (b) **Transfers from a Reg S Global Note to a Rule 144A Global Note during the Distribution Compliance Period.** If the holder of a beneficial interest in a Reg S Global Note of one Series and Class wishes at any time during the Distribution Compliance Period to transfer such interest to a person who wishes to take delivery thereof in the form of a beneficial interest in the Rule 144A Global Note of the same Series and Class, such transfer may be effected, subject to the Applicable Procedures, by the transferor giving a certificate to the Registrar in, or substantially in, the form set out in **Schedule 4** hereto. Upon receipt by the Registrar of the relevant certificate given by the transferor, the Registrar shall present the Global Note of the relevant Series and Class to, or to the order of, the relevant Paying Agent which shall reduce the Principal Amount Outstanding of such Reg S Global Note and increase the Principal Amount Outstanding of such Rule 144A Global Note by the principal amount of the beneficial interest in such Reg S Global Note to be so transferred, by annotation thereon.
- (c) **Transfers from a Reg S Global Note to a Rule 144A Global Note after the Distribution Compliance Period.** If the holder of a beneficial interest in a Reg S Global Note of one Series and Class wishes at any time after the Distribution Compliance Period to transfer such interest to a person who wishes to take delivery thereof in the form of a beneficial interest in the Rule 144A Global Note of the same Series and Class, such transfer may be effected subject only to the Applicable Procedures. The Registrar shall present the Global Note of the relevant Series and Class to, or to the order of, the relevant Paying Agent which shall reduce the Principal Amount Outstanding of such Reg S Global Note and increase the Principal Amount Outstanding of such Rule 144A Global Note by the principal amount of the beneficial interest in such Reg S Global Note to be so transferred, by annotation thereon.
- (d) **Exchanges of a Rule 144A Global Note for a Reg S Global Note.** If the holder of a beneficial interest in a Rule 144A Global Note of one Series and Class wishes at any time to exchange such interest for a beneficial interest in the Reg S Global Note of the same Series and Class, such exchange may be effected, subject to the Applicable Procedures, by the transferor giving a certificate to the Registrar in, or substantially in, the form set out in **Schedule 3** hereto. Upon receipt by the Registrar of the relevant certificate given by the holder of the beneficial interest, the Registrar shall present the Global Note of the relevant Series and Class to, or to the order of, the relevant Paying Agent which shall reduce the Principal Amount Outstanding of such Rule 144A Global Note and increase the Principal Amount Outstanding of the corresponding Reg S Global Note by the principal amount of the beneficial interest in such Rule 144A Global Note to be so exchanged, by annotation thereon.
- (e) **Exchanges of a Reg S Global Note for a Rule 144A Global Note.** If the holder of a beneficial interest in a Reg S Global Note of one Series and Class wishes at any time

to exchange such interest for a beneficial interest in the Rule 144A Global Note of the same Series and Class, such exchange may be effected, subject to the Applicable Procedures, by the transferor giving a certificate to the Registrar in, or substantially in, the form set out in **Schedule 4** hereto. Upon receipt by the Registrar of the relevant certificate given by the holder of the beneficial interest, the Registrar shall present the Global Note of the relevant Series and Class to, or to the order of, the relevant Paying Agent which shall reduce the Principal Amount Outstanding of such Reg S Global Note and increase the Principal Amount Outstanding of the corresponding Rule 144A Global Note by the principal amount of the beneficial interest in such Reg S Global Note to be so exchanged, by annotation thereon.

5.2 Transfer and Exchange of Book-Entry Interests

The transfer and exchange of Book-Entry Interests shall be effected through DTC, Euroclear and/or Clearstream, Luxembourg, as the case may be, in accordance with these presents, the Paying Agent and Agent Bank Agreement and the procedures therefor of DTC, Euroclear and/or Clearstream, Luxembourg, as the case may be. Book-Entry Interests shall be subject to restrictions on transfer comparable to those set forth herein and in the Paying Agent and Agent Bank Agreement to the extent required by the Securities Act. The Note Trustee shall have no obligation to ascertain or to monitor DTC's, Euroclear's or Clearstream, Luxembourg's compliance with any such restrictions on transfer nor shall it have any liabilities to any person for not so doing.

5.3 Transfer of Definitive Notes

Definitive Notes may be transferred in whole or in part in the principal amount specified in the applicable Final Terms or, in each case, in such other denominations as the Note Trustee shall determine and notify to the relevant Noteholders. When Definitive Notes are presented by a Noteholder to the Registrar with a request to register the transfer of such Definitive Notes, the Registrar shall register the transfer as requested only if such Definitive Notes are presented or surrendered for registration of transfer and are endorsed or accompanied by a written instrument of transfer in form satisfactory to the Registrar duly executed by such Noteholder or by his attorney duly authorised in writing and upon receipt of such certificates and other documents as shall be necessary to evidence compliance with the restrictions on transfer contained in this Agreement and in the Paying Agent and Agent Bank Agreement. Thereupon, the Registrar shall request the Issuer to issue and the Registrar shall itself authenticate new Definitive Notes required to be issued in connection with such transfer. In the case of a transfer of part only of such Definitive Note, a new Definitive Note in respect of the balance not transferred will be issued to the transferor. All transfers of Definitive Notes are subject to any restrictions on transfer set forth on such Definitive Notes and the detailed regulations concerning transfers in the Paying Agent and Agent Bank Agreement.

5.4 Rule 144A Legend

Each Rule 144A Global Note and each Rule 144A Definitive Note issued in exchange therefore shall bear a legend in substantially the following form:

"THIS NOTE HAS NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE **SECURITIES ACT**), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES, AND, AS A MATTER OF U.S. LAW, MAY NOT BE OFFERED OR SOLD IN VIOLATION OF THE SECURITIES ACT OR SUCH STATE LAWS. THIS NOTE MAY BE TRANSFERRED ONLY IN INITIAL PRINCIPAL AMOUNTS OF \$100,000 AND INTEGRAL MULTIPLES OF \$1,000 IN EXCESS THEREOF (OR ITS EQUIVALENT IN ANY OTHER CURRENCY

AS AT THE DATE OF ISSUE OF SUCH NOTES). THE HOLDER HEREOF, BY PURCHASING OR ACCEPTING THIS NOTE, AGREES FOR THE BENEFIT OF THE ISSUER AND THE MANAGERS OF THE OFFERING OF THE NOTES OUTSIDE THE UNITED STATES THAT IT WILL OFFER, RESELL, PLEDGE OR OTHERWISE TRANSFER THIS NOTE, ONLY (A) (1) IN ACCORDANCE WITH RULE 144A UNDER THE SECURITIES ACT (**RULE 144A**), TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER, AS DEFINED IN RULE 144A (A **QUALIFIED INSTITUTIONAL BUYER**), THAT IS ACQUIRING THIS NOTE FOR ITS OWN ACCOUNT OR AS A FIDUCIARY OR AGENT FOR OTHERS (WHICH OTHERS MUST BE QUALIFIED INSTITUTIONAL BUYERS) TO WHOM NOTICE IS GIVEN THAT THE RESALE OR OTHER TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (2) PURSUANT TO AN EXEMPTION FROM REGISTRATION IN ACCORDANCE WITH RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE), (3) TO A NON-U.S. PERSON (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT), AND WHO IS NOT ACQUIRING THE NOTE FOR THE ACCOUNT OR BENEFIT OF A U.S. PERSON, IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT OR (4) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION AND (B) WITH RESPECT TO THE NOTES SPECIFIED IN THE APPLICABLE FINAL TERMS TO BE ERISA-ELIGIBLE, TO A PURCHASER WITH RESPECT TO WHOM (X) NO PART OF THE ASSETS USED TO PURCHASE THIS NOTE CONSTITUTES ASSETS OF ANY EMPLOYEE BENEFIT PLAN, OTHER PLAN OR INDIVIDUAL RETIREMENT ACCOUNT SUBJECT TO TITLE I OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED (**ERISA**), OR SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE **CODE**), OR (Y) PART OR ALL OF THE ASSETS USED TO PURCHASE THIS NOTE CONSTITUTE ASSETS OF AN EMPLOYEE BENEFIT PLAN, OTHER PLAN OR INDIVIDUAL RETIREMENT ACCOUNT SUBJECT TO TITLE I OF ERISA OR SECTION 4975 OF THE CODE IF AND ONLY IF THE USE OF SUCH ASSETS WILL NOT CONSTITUTE, CAUSE OR RESULT IN THE OCCURRENCE OF A NON-EXEMPT PROHIBITED TRANSACTION UNDER ERISA OR SECTION 4975 OF THE CODE PROVIDED THAT THE AGREEMENT OF THE HOLDER HEREOF IS SUBJECT TO ANY REQUIREMENT OF LAW THAT THE DISPOSITION OF THE PURCHASER'S PROPERTY SHALL AT ALL TIMES BE AND REMAIN WITHIN ITS CONTROL. IF THE NOTE REPRESENTED HEREBY IS NOT SPECIFIED IN THE APPLICABLE FINAL TERMS AS ERISA-ELIGIBLE, THE HOLDER HEREOF, BY PURCHASING OR ACCEPTING THIS NOTE, AGREES FOR THE BENEFIT OF THE ISSUING ENTITY AND THE RELEVANT DEALERS THAT NO PART OF THE ASSETS USED TO PURCHASE THIS NOTE CONSTITUTES ASSETS OF ANY EMPLOYEE BENEFIT PLAN, OTHER PLAN OR INDIVIDUAL RETIREMENT ACCOUNT SUBJECT TO TITLE I OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED, OR SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED. THIS NOTE AND RELATED DOCUMENTATION MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME TO MODIFY THE RESTRICTIONS ON AND PROCEDURES UNDERTAKEN OR REPRESENTED BY THE HOLDER, FOR REALES AND OTHER TRANSFERS OF THIS NOTE TO REFLECT ANY CHANGE IN APPLICABLE LAW OR REGULATION (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO REALES OR OTHER TRANSFERS OR RESTRICTED SECURITIES GENERALLY. THE HOLDER OF THIS NOTE AND ANY BENEFICIAL OWNER OF ANY INTEREST HEREIN SHALL

BE DEEMED, BY ITS ACCEPTANCE OR PURCHASE HEREOF, TO HAVE AGREED TO ANY SUCH AMENDMENT OR SUPPLEMENT (EACH OF WHICH SHALL BE CONCLUSIVE AND BINDING ON THE HOLDER HEREOF AND ALL FUTURE HOLDERS OF THIS NOTE AND ANY NOTES ISSUED IN EXCHANGE OR SUBSTITUTION HEREFOR, WHETHER OR NOT ANY NOTATION THEREOF IS MADE HEREON) AND AGREES TO TRANSFER THIS NOTE ONLY IN ACCORDANCE WITH ANY SUCH AMENDMENT OR SUPPLEMENT IN ACCORDANCE WITH APPLICABLE LAW IN EFFECT AT THE DATE OF SUCH TRANSFER. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT FOR REALES OF THIS NOTE."

5.5 Regulation S Legend

Each Reg S Global Note and each Reg S Definitive Note issued in exchange therefore shall bear a legend in substantially the following form:

"THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE SECURITIES ACT), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND, AS A MATTER OF U.S. LAW (1) AS PART OF THEIR DISTRIBUTION AT ANY TIME OR (2) PRIOR TO THE DATE THAT IS 40 DAYS AFTER THE LATER OF THE COMMENCEMENT OF THE OFFERING OF THE NOTES AND THE CLOSING DATE, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, A U.S. PERSON (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT) EXCEPT PURSUANT TO AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. THE HOLDER HEREOF, BY PURCHASING OR ACCEPTING THIS NOTE, AGREES FOR THE BENEFIT OF THE ISSUER AND THE MANAGERS OF THE OFFERING OF THE NOTES OUTSIDE THE UNITED STATES THAT NO PART OF THE ASSETS USED TO PURCHASE THIS NOTE CONSTITUTES ASSETS OF ANY EMPLOYEE BENEFIT PLAN, OTHER PLAN OR INDIVIDUAL RETIREMENT ACCOUNT SUBJECT TO TITLE I OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED, OR SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED."

5.6 Additional Legend

Each Global Note shall bear a legend in substantially the following form:

"THIS NOTE (OR ANY INTEREST HEREIN) MAY NOT BE OFFERED, SOLD, TRANSFERRED OR DELIVERED AS PART OF ITS INITIAL DISTRIBUTION OR AT ANY TIME THEREAFTER, DIRECTLY OR INDIRECTLY, TO INDIVIDUALS OR LEGAL ENTITIES WHO ARE ESTABLISHED, DOMICILED OR HAVE THEIR RESIDENCE IN THE NETHERLANDS (**DUTCH RESIDENTS**) OTHER THAN TO PROFESSIONAL MARKET PARTIES WITHIN THE MEANING OF THE EXEMPTION REGULATION PURSUANT TO THE DUTCH ACT ON THE SUPERVISION OF THE CREDIT SYSTEM 1992 (**PMPS**).

EACH DUTCH RESIDENT BY PURCHASING THIS NOTE (OR ANY INTEREST HEREIN), WILL BE DEEMED TO HAVE REPRESENTED AND AGREED FOR THE BENEFIT OF THE MASTER ISSUER (AS DEFINED BELOW) THAT IT IS SUCH A PMP

AND IS ACQUIRING THIS NOTE FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A PMP.

EACH HOLDER OF THIS NOTE (OR ANY INTEREST HEREIN), BY PURCHASING THIS NOTE (OR ANY INTEREST HEREIN), WILL BE DEEMED TO HAVE REPRESENTED AND AGREED FOR THE BENEFIT OF THE MASTER ISSUER THAT (1) THIS NOTE (OR ANY INTEREST HEREIN) MAY NOT BE OFFERED, SOLD, TRANSFERRED OR DELIVERED TO DUTCH RESIDENTS OTHER THAN TO A PMP ACQUIRING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A PMP AND THAT (2) THE HOLDER WILL PROVIDE NOTICE OF THE TRANSFER RESTRICTIONS DESCRIBED HEREIN TO ANY SUBSEQUENT TRANSFEREE."

5.7 Cancellation and/or Adjustment of Global Notes

At such time as all Book-Entry Interests in respect of a Global Note have been exchanged for Definitive Notes, such Global Note shall be returned to or retained and cancelled by the Registrar as set out in the Paying Agent and Agent Bank Agreement. At any time prior to such cancellation, if any Book-Entry Interest is exchanged for an interest in another Global Note, the principal amount of Notes represented by such Global Note shall be reduced accordingly and an endorsement shall be made on such Global Note by the Registrar to reflect such reduction.

5.8 General Provisions Relating to all Transfers and Exchanges

- (a) To permit registrations of transfers and exchanges of Notes, the Issuer shall execute and the Registrar shall authenticate Global Notes and Definitive Notes upon a written order signed by an officer of the Issuer.
- (b) No service fee shall be charged to a Noteholder for any registration of a Definitive Note on transfer or exchange but the Issuer may require payment of a sum sufficient to cover any stamp or transfer tax or similar governmental charge payable in connection therewith (other than any such stamp or transfer taxes or similar governmental charge payable upon exchange or transfer pursuant to **Condition 13**) and the Registrar may require an indemnity in respect of such tax or charge.
- (c) All Global Notes and Definitive Notes issued upon any registration of transfer or exchange of Global Notes or Definitive Notes shall be the valid obligations of the Issuer, evidencing the same debt and entitled to the same benefits under this Deed, as the Global Notes or Definitive Notes surrendered upon such registration of transfer or exchange.

5.9 Register of Notes

The Issuer shall at all times ensure that the Registrar maintains in London, or at such other place as the Note Trustee may agree in writing, a register (the **Register**) in respect of the Notes showing the amount of the Global Notes or Definitive Notes, as the case may be, from time to time outstanding and the dates of issue and all subsequent transfers and changes of ownership thereof and the names and addresses of the holders of the Global Notes or the Definitive Notes. Subject to and without prejudice to **Clause 1.2(i)**, so long as DTC or its nominee, or the Common Depository or its nominee, is the registered holder of a Global Note, DTC or the Common Depository, as the case may be, will be considered the sole registered holder of such Global Note for all purposes under this Note Trust Deed. Each Note, whether in global or definitive form, shall have an identifying serial number which shall be entered on the Register. The Note Trustee and the holders of such Notes or any of them and any person

authorised by it or any of them may at all reasonable times during office hours inspect the Register and take copies of or extracts from it.

6. FEES, DUTIES AND TAXES

- (a) The Issuer will pay any stamp duty, issue, registration, documentary or other taxes of a similar nature and duties payable in the United Kingdom, Belgium, Luxembourg or the United States, including interest and penalties, on or in connection with (a) the execution and delivery of these presents and the Issuer Transaction Documents to which it is a party and any documents executed pursuant thereto, (b) the constitution and original issue of the Notes and (c) any action in any jurisdiction taken by or on behalf of the Note Trustee or the Issuer Security Trustee or (where permitted under these presents so to do) any Noteholder to enforce the Notes.
- (b) The Issuer hereby confirms that the obtaining of a tax advantage (as defined in section 709 ICTA) for any person is not the main or one of the main purposes of the Issuer for entering into the Issuer Transaction Documents to which it is a party.

7. APPLICATION OF MONEYS RECEIVED BY THE TRUSTEE

If, any moneys are received by the Note Trustee, such sums shall be applied in accordance with the Issuer Priority of Payments set forth in the Issuer Deed of Charge or the Issuer Cash Management Agreement (as the case maybe).

8. COVENANT OF COMPLIANCE

The Issuer covenants with the Note Trustee that it will comply with and perform and observe all the provisions of these presents, the Notes, the Issuer Deed of Charge, the Paying Agent and Agent Bank Agreement and the documents executed pursuant thereto and the other Issuer Transaction Documents which are expressed to be binding on it. The Conditions shall be binding on the Issuer, the Noteholders, the Note Trustee and all persons claiming through or under any of them. The Note Trustee shall be entitled to enforce the obligations of the Issuer under the Notes and the Conditions and to exercise any other rights, powers, trusts, authorities, duties and discretions conferred upon the Note Trustee in the Conditions as if the same were set out and contained in this Deed, which shall be read and construed as one document with the Notes. The Note Trustee shall hold the benefit of this covenant upon trust for itself and the Noteholders according to its and their respective interests. The provisions of **Schedule 3** and **Schedule 4** shall have effect in the same manner as if herein set forth.

9. CANCELLATION OF NOTES AND RECORDS

- 9.1 The Issuer shall procure that all Notes (a) redeemed, (b) being mutilated or defaced, surrendered and replaced pursuant to **Condition 13** or (c) exchanged as provided in these presents shall forthwith be cancelled by or on behalf of the Issuer and a certificate stating:
 - (a) the aggregate principal amount of Notes which have been redeemed;
 - (b) the serial numbers of Notes of each class so redeemed;
 - (c) the aggregate amount of interest paid (and the due dates of such payments) on Notes of each Series and Class; and
 - (d) the aggregate principal amounts of Notes of each Series and Class which have been so exchanged and replaced and the serial numbers of such Notes in definitive form,

shall be given to the Note Trustee by or on behalf of the Issuer as soon as possible and in any event within four months after the date of such redemption, purchase, cancellation, exchange or replacement, as the case may be. The Note Trustee may accept without further investigation or inquiry such certificate as conclusive evidence of such redemption, purchase, exchange or replacement *pro tanto* of the Notes or payment of interest thereon and of cancellation of the relative Notes.

- 9.2 The Issuer shall procure that the Registrar shall keep a full and complete record of all Notes and of their redemption, cancellation, payment or exchange (as the case may be) and of all replacement Notes issued in substitution for lost, stolen, mutilated, defaced or destroyed Notes. The Issuer shall procure that the Registrar shall at all reasonable times make such record available to the Issuer and the Note Trustee.
- 9.3 All records and certificates maintained pursuant to this Clause shall make a distinction between Definitive Notes and Global Notes.

10. ENFORCEMENT

- 10.1 The Note Trustee may, at its discretion and without notice at any time and from time to time, take such steps and institute such proceedings against the Issuer or any other person as it may think fit to enforce the provisions of the Notes, this Note Trust Deed (including the Conditions) or any of the other Transaction Documents to which it is a party and the Note Trustee may, at its discretion at any time after the Issuer Security has become enforceable (including after the service of a Note Acceleration Notice in accordance with **Condition 9**), instruct the Issuer Security Trustee to take such steps as it may think fit to enforce the Issuer Security. The Note Trustee shall not be bound to take such steps or institute such proceedings or give such instructions except as provided in **Condition 10.1**.
- 10.2 Unless the contrary be proved to the satisfaction of the Note Trustee, proof that as regards any specified Note the Issuer has made default in paying any amount due in respect of such Note shall be sufficient evidence that the same default has been made as regards all other Notes in respect of which the relevant amount is due and payable.
- 10.3 References in **Clauses 2.2(b)** and **2.2(c)** or the provisions of any trust deed supplemental to this Deed corresponding to **Clauses 2.2(b)** and **2.2(c)** to the rates aforesaid shall, in the event of such Notes having become due and repayable, with effect from the expiry of the Interest Period during which such Notes become due and repayable, be construed as references to rates of interest calculated *mutatis mutandis* in accordance with the Conditions except that no notices need be published in respect thereof.

11. PROCEEDINGS, ACTIONS AND INDEMNIFICATION

- 11.1 The Note Trustee shall not be bound to take any proceedings or give any directions mentioned in **Clause 10.1** or any other action in relation to these presents, the Notes or any documents executed pursuant thereto or any of the other Transaction Documents unless (a) respectively directed or requested to do so by an Extraordinary Resolution of the Class A Noteholders, the Class B Noteholders, the Class M Noteholders, the Class C Noteholders or the Class D Noteholders, as the case may be, or in writing by the holders of at least one-quarter in aggregate Principal Amount Outstanding of the Class A Notes, the Class B Notes, the Class M Notes, the Class C Notes or the Class D Notes, as the case may be, for the time being, outstanding and (b) it shall be indemnified and/or secured to its satisfaction against all liabilities, actions, proceedings, claims and demands to which it may be or become liable and all costs, charges, damages and expenses which may be incurred by it in connection therewith,

and the terms of such indemnity may include the provisions of a fighting fund, non-recourse loan or other similar arrangement **PROVIDED THAT:**

- (c) the Note Trustee shall not be obliged to act at the direction or request of the Class B Noteholders as aforesaid unless either the Note Trustee is of the sole opinion that to do so would not be materially prejudicial to the interests of the Class A Noteholders or such action is sanctioned by an Extraordinary Resolution of the Class A Noteholders;
- (d) the Note Trustee shall not be obliged to act at the direction or request of the Class M Noteholders as aforesaid unless (i) either the Note Trustee is of the sole opinion that to do so would not be materially prejudicial to the interests of the Class A Noteholders or such action is sanctioned by an Extraordinary Resolution of the Class A Noteholders and (ii) either the Note Trustee is of the sole opinion that to do so would not be materially prejudicial to the interests of the Class B Noteholders or such action is sanctioned by an Extraordinary Resolution of the Class B Noteholders;
- (e) the Note Trustee shall not be obliged to act at the direction or request of the Class C Noteholders as aforesaid unless (i) either the Note Trustee is of the sole opinion that to do so would not be materially prejudicial to the interests of the Class A Noteholders or such action is sanctioned by an Extraordinary Resolution of the Class A Noteholders; (ii) either the Note Trustee is of the sole opinion that to do so would not be materially prejudicial to the interests of the Class B Noteholders or such action is sanctioned by an Extraordinary Resolution of the Class B Noteholders; and (iii) either the Note Trustee is of the sole opinion that to do so would not be materially prejudicial to the interests of the Class M Noteholders or such action is sanctioned by an Extraordinary Resolution of the Class M Noteholders;
- (f) the Note Trustee shall not be obliged to act at the direction or request of the Class D Noteholders as aforesaid unless (i) either the Note Trustee is of the sole opinion that to do so would not be materially prejudicial to the interests of the Class A Noteholders or such action is sanctioned by an Extraordinary Resolution of the Class A Noteholders; (ii) either the Note Trustee is of the sole opinion that to do so would not be materially prejudicial to the interests of the Class B Noteholders or such action is sanctioned by an Extraordinary Resolution of the Class B Noteholders; (iii) either the Note Trustee is of the sole opinion that to do so would not be materially prejudicial to the interests of the Class M Noteholders or such action is sanctioned by an Extraordinary Resolution of the Class M Noteholders; and (iv) either the Note Trustee is of the sole opinion that to do so would not be materially prejudicial to the interests of the Class C Noteholders or such action is sanctioned by an Extraordinary Resolution of the Class C Noteholders; and
- (g) the Note Trustee shall only be obliged to give a Note Acceleration Notice at the direction or request of the most senior class of Noteholders as aforesaid.

11.2 Save as provided below, only the Note Trustee may enforce the provisions of these presents, the Conditions or the Notes. No Noteholder shall be entitled to proceed directly against the Issuer or any other party to any of the Issuer Transaction Documents unless the Note Trustee, having become bound as aforesaid to institute proceedings, fails to do so within 30 days of becoming so bound and such failure is continuing, provided that no Class B Noteholder, Class M Noteholder, Class C Noteholder or Class D Noteholder will be entitled to commence proceedings for the winding up or administration of the Issuer unless there are no outstanding Notes of a Class with higher priority or, if Notes of a Class with higher priority are outstanding, there is consent of Noteholders of not less than one quarter of the aggregate

principal amount of the Notes outstanding of the Class or Classes of Notes with higher priority or pursuant to an Extraordinary Resolution of the Holders of such Class of Notes.

12. DISCHARGE OF PAYMENT

Any payment to be made in respect of the Notes by the Issuer or the Note Trustee may be made in accordance with the Conditions and any payment so made shall be a good discharge of the relevant payment obligation of the Issuer or, as the case may be, the Note Trustee.

13. PARTIAL PAYMENTS

Upon presentation and surrender to the Registrar of a Definitive Note that is redeemed in part, the Registrar shall authenticate for the holder a new Definitive Note equal in principal amount to the principal amount of the unredeemed portion of the Definitive Note surrendered. Upon presentation of a Global Note that is redeemed in part, the Registrar shall make a notation on **Part I** of the Schedule thereto to reduce the aggregate principal amount of such Global Note to an amount equal to the aggregate principal amount of the unredeemed portion of the Global Note presented.

14. COVENANTS BY THE ISSUER

So long as any of the Notes remains outstanding the Issuer covenants with the Note Trustee that it shall:

- (a) **Conduct:** at all times carry on and conduct its affairs in a proper and efficient manner and in accordance with its constitutive documents and all laws and regulations applicable to it;
- (b) **Information:** give or procure to be given to the Note Trustee such opinions, certificates, information and evidence as the Note Trustee shall require and in such form as it shall require, including without limitation the procurement by the Issuer of all such certificates called for by the Note Trustee pursuant to this Deed or any other Transaction Document to which it is a party for the purpose of the discharge or exercise of the duties, trusts, powers, authorities and discretions vested in it under these presents or by operation of law;
- (c) **Accounts for Stock Exchange:** cause to be prepared and certified by the Auditors of the Issuer in respect of each Financial Period, accounts in such form as will comply with all relevant legal and accounting requirements and all requirements for the time being of any stock exchange, competent listing authority and/or quotation system on or by which the Notes are listed, quoted and/or traded;
- (d) **Books and Records:** at all times keep proper books of account and allow the Note Trustee and any person appointed by the Note Trustee free access to such books of account at all reasonable times during normal business hours;
- (e) **Noteholder Information:** send to the Note Trustee (in addition to any copies to which it may be entitled as a holder of any securities of the Issuer) two copies in English of every balance sheet, profit and loss account, report, circular and notice of general meeting and every other document issued or sent to its shareholders as a class together with any of the foregoing, and every document issued or sent to holders of securities other than its shareholders (including the Noteholders) as soon as practicable after the issue or publication thereof;

- (f) **Notice of Note Event of Default:** give notice in writing to the Note Trustee of the occurrence of any Note Event of Default, any Potential Note Event of Default or any matter it concludes, acting reasonably, to be likely to give rise to a Note Event of Default immediately upon becoming aware thereof, including the status of any such default or matter and what action the Issuer is taking or proposes to take with respect thereto, and without waiting for the Note Trustee to take any action;
- (g) **Notice of Satisfaction of Conditions to Issue of the Notes:** prior to the issue of any Notes, certify in writing to the Note Trustee that all the conditions to issue and the Issuance Tests of such Notes are satisfied (and where the Issuer has waived one or more such conditions) specifying the same in such certificate, which certificate shall be conclusive and binding on the Note Trustee and the Noteholders;
- (h) **Notice of Deferral of Payments:** as soon as practicable after becoming aware that any part of a payment of interest on the Notes will be deferred or that a payment previously deferred will be made in accordance with **Condition 4**, give notice thereof to the Noteholders in accordance with **Condition 14** and, for so long as the Notes are listed on the official list of the United Kingdom Listing Authority and admitted to trading on the London Stock Exchange's market for listed securities, in accordance with the listing rules of the United Kingdom Listing Authority and the rules of the London Stock Exchange;
- (i) **Certificates Relating to Financial Information:** give to the Note Trustee (i) within 14 days after demand by the Note Trustee therefor and (ii) (without the necessity for any such demand) promptly after the publication of its audited accounts in respect of each Financial Period commencing with the financial period first ending after the date hereof and in any event not later than 120 days after the end of each such financial period a certificate signed by two directors of the Issuer to the effect that as at a date not more than five days before delivering such certificate (the **certification date**) there did not exist and had not existed since the certification date of the previous certificate (or in the case of the first such certificate the date hereof) any Note Event of Default or any Potential Note Event of Default (or if such exists or existed, specifying the same) and that during the period from and including the certification date of the last such certificate (or in the case of the first such certificate the date hereof) to and including the certification date of such certificate the Issuer has complied, to the best of such directors' knowledge and belief, with all its obligations contained in these presents and each of the Issuer Transaction Documents to which it is a party or (if such is not the case) specifying the respects in which it has not so complied;
- (j) **Further Assurances:** at all times execute and do all such further documents, acts and things as may be necessary at any time or times in the opinion of the Note Trustee to give effect to these presents and the other Issuer Transaction Documents only in so far as permitted by law;
- (k) **Agent Bank, Reference Banks etc.:** at all times maintain an Agent Bank, four Reference Banks, a Paying Agent, a Transfer Agent and a Registrar in accordance with the Conditions;
- (l) **Notification of Non-Payment:** procure the Principal Paying Agent (or any other relevant Paying Agent) to notify the Note Trustee forthwith in the event that (i) the Principal Paying Agent (or other relevant Paying Agent) does not, on or before the due date for any payment in respect of any of the Notes, receive unconditionally pursuant to the Paying Agent and Agent Bank Agreement, as applicable, payment of

the full amount in the requisite currency of the monies payable on such due date on all such Notes, or (ii) there are insufficient funds in euro, U.S. dollars, or sterling, as the case may be, available to the Principal Paying Agent to discharge the amount of the monies payable on such due date;

- (m) **Notification of Late Unconditional Payment:** in the event of any unconditional payment to the Principal Paying Agent, any other relevant Paying Agent, or the Note Trustee of any sum due in respect of any of the Notes being made after the due date for payment thereof forthwith give or procure to be given notice to the relevant Noteholders in accordance with **Condition 14** that such payment has been made;
- (n) **Listing:** use reasonable endeavours to maintain the listing of the Notes on the official list of the United Kingdom Listing Authority and to maintain the admission to trading of the Notes on the London Stock Exchange's market for listed securities or, if it is unable to do so having used reasonable endeavours, use reasonable endeavours to obtain and maintain a quotation, listing and admission to trading of the Notes on or by such other stock exchanges, competent listing authorities and/or quotation systems as the Issuer may decide (with the prior written approval of the Note Trustee) and shall also upon obtaining a quotation, listing and admission to trading of such Notes on or by such other stock exchanges, competent listing authorities and/or quotation systems enter into a trust deed supplemental to this Deed to effect such consequential amendments to this Deed as the Note Trustee may require or as shall be requisite to comply with the requirements of any such stock exchange, competent listing authority and/or quotation system;
- (o) **Change of Agent Bank, Reference Banks, etc.:** give notice to the Noteholders in accordance with **Condition 14** of any appointment, resignation or removal of any Agent Bank, Reference Banks, Paying Agent, Transfer Agent or Registrar (other than the appointment of the initial Agent Bank, Reference Banks, Paying Agents, Transfer Agent and Registrar) after, except in the case of resignation, having obtained the prior written approval of the Note Trustee (such approval not to be unreasonably withheld or delayed) thereto or any change of any Paying Agent's, Agent Bank's, Transfer Agent's or Registrar's specified office and (except as provided by the Paying Agent and Agent Bank Agreement or the Conditions) at least 30 days prior to such event taking effect; **PROVIDED ALWAYS THAT** so long as any of the Notes remains outstanding in the case of the termination of the appointment of the Agent Bank, Transfer Agent or the Registrar or so long as any of the Notes remains outstanding in the case of the termination of the appointment of the Principal Paying Agent no such termination shall take effect until a new Agent Bank, Transfer Agent, Registrar or Principal Paying Agent, as the case may be, has been appointed on terms previously approved in writing by the Note Trustee;
- (p) **Pre-Approval of Notices:** obtain the prior written approval of the Note Trustee to, and promptly give to the Note Trustee and the Rating Agencies two copies of, the form of every notice given to the Noteholders in accordance with **Condition 14** (such approval, unless so expressed, not to constitute an invitation or inducement to engage in investment activities within the meaning of Section 21 of the Financial Services and Markets Act 2000);
- (q) **Availability of Meeting Materials:** from time to time as required or contemplated by this Deed or as reasonably requested by the Note Trustee, make available through the Paying Agents, or otherwise, such documents as may be required by the Noteholders in connection with meetings of Noteholders;

- (r) **Compliance with Paying Agent and Agent Bank Agreement and other Issuer Transaction Documents:** use its best endeavours to procure that the Agent Bank, the Paying Agents, the Transfer Agent and the Registrar comply with and perform all their respective obligations under the Paying Agent and Agent Bank Agreement and the other Issuer Transaction Documents and (in the case of the Paying Agents, the Transfer Agent and the Registrar) any notice given by the Note Trustee pursuant to **Clause 2.3(a)** and not make any amendment or modification to the Paying Agent and Agent Bank Agreement or any other Issuer Transaction Documents or agree to waive or authorise any breach thereof without the prior written approval of the Note Trustee;
- (s) **Exercise of Redemption Rights:** in the event that Funding 1 elects to prepay any Loan Tranche in whole or in part under the Intercompany Loan Agreement, the Issuer shall exercise its right to redeem the corresponding Series and Class/es of Notes in the same respective aggregate principal amounts as such Loan Tranches on the same Interest Payment Date under **Condition 5.4, Condition 5.5** or **Condition 5.6**, as applicable;
- (t) **Redemption Requirements:** not give notice of its election to redeem all or any part of any Series and Class/es of Notes pursuant to **Condition 5.4, 5.5** or **5.6** unless it shall first have:
 - (i) given prior written notice to the Note Trustee of its intention so to do in accordance with the Paying Agent and Agent Bank Agreement; and
 - (ii) delivered to the Note Trustee a certificate signed by two directors of the Issuer certifying that the Issuer will have the necessary funds on the Interest Payment Date on which redemption is to occur (the **redemption date**) to discharge all amounts required under the Issuer Deed of Charge to be paid in priority to such Series and Class/es of Notes on the redemption date, and to redeem such Series and/ or Class/es of Notes in whole or, as the case may be, in part; and that all such funds will on such redemption date be subject to the security constituted by the Issuer Deed of Charge and not subject to the interest of any other person,

provided always that the provisions of this sub-clause are subject to and without prejudice to the provisions of **Clause 14(i)**;
- (u) **United States Reporting Requirements:** file with the Note Trustee copies of the annual reports and of the information, documents, and other reports (or copies of such portions of any of the foregoing as the SEC may by rules and regulations prescribe) which the Issuer is required to file with the SEC pursuant to Section 13 or 15(d) of the Exchange Act within 15 days after it files them with the SEC;
- (v) **Interest in Issuer Charged Property:** ensure that, save as permitted in these presents, the Issuer Deed of Charge, the Conditions and the other Issuer Transaction Documents, no person other than the Issuer and the Issuer Security Trustee shall have any equitable interest in the Issuer Charged Property;
- (w) **Maintenance of Issuer Cash Manager:** ensure that there is at all times a cash manager appointed in accordance with the provisions of the Issuer Cash Management Agreement;
- (x) **Tax Deduction:** take reasonable steps to ensure that it does not engage in any course of conduct that would lead to a deduction, for United Kingdom corporation tax purposes, in respect of accrued interest or discount on the Notes by the Issuer being

denied, postponed or restricted (whether such denial, postponement or restriction results from the application of paragraph 2 or 13 of Schedule 9 of the Finance Act 1996 or otherwise);

- (y) **United Kingdom and United States Tax Status:** ensure that it is at all times solely resident in the United Kingdom for United Kingdom tax purposes and has no branch, business establishment or other fixed establishment outside the United Kingdom; and furthermore, ensure that it will not engage in any activities in the United States (directly or through agents), will not derive any income from United States sources as determined under United States income tax principles, and will not hold any property if doing so would cause it to be engaged or deemed to be engaged in a trade or business within the United States as determined under United States income tax principles;
- (z) **Pre-Enforcement Payments:** ensure that amounts standing to the credit of the Issuer Transaction Account will be applied by the Issuer in or towards satisfaction of such of the obligations set out in the Issuer Cash Management Agreement as may be, at any given time, then due and payable (in each case only if and to the extent that payments or provisions of a higher order of priority which are also due and payable or are likely to fall due at that time or prior to the next succeeding Interest Payment Date have been made or provided for in full);
- (aa) **Availability of Information:** make available for inspection by Noteholders at the specified office of the Registrar during normal business hours on any Business Day copies of each balance sheet and profit and loss account sent to the Note Trustee pursuant to **Clause 14(e)**, this Deed, and the other Issuer Transaction Documents and promptly provide the Registrar, the Paying Agents, the Agent Bank, the Note Trustee, the Issuer Security Trustee and the Noteholders with the information specified in **Condition 5.3**;
- (bb) **Ratings:** furnish, or procure that there is furnished, from time to time, any and all documents, instruments, information and undertakings that may be reasonably necessary in order to maintain the current ratings of the Notes by the Rating Agencies (save that when any such document, instrument, information and/or undertaking is not within the possession or control of the Issuer, the Issuer agrees only to use its best efforts to furnish, or procure that there is furnished, from time to time any such documents, instruments, information and undertakings as may be reasonably necessary in order to maintain the current ratings of the Notes by the Rating Agencies);
- (cc) **Calculations:** do, or procure that there are done on its behalf, all calculations required pursuant to the Conditions;
- (dd) **DTC, Euroclear and Clearstream, Luxembourg:** use its reasonable endeavours to procure that DTC, Euroclear and/or Clearstream, Luxembourg (as the case may be) issue(s) any certificate or other document requested by the Note Trustee acting reasonably pursuant to these presents as soon as practicable after such request;
- (ee) **Information Regarding Noteholders:** furnish or cause to be furnished to the Note Trustee on 30 June and 31 December of each year, commencing 31 December 2006 and at such other times as the Note Trustee may request in writing, all information in the possession or control of the Issuer or of the Registrar as to the names and addresses of the Noteholders;

- (ff) **Authorised Signatories:** upon the execution of this Deed and thereafter forthwith upon any change of the same, deliver to the Note Trustee (with a copy to the Principal Paying Agent and the Registrar) a list of the Authorised Signatories of the Issuer, together with certified specimen signatures of the same;
- (gg) **Notes of the Issuer:** in order to enable the Note Trustee to ascertain the nominal amount of the Notes of each Series and Class for the time being outstanding for any of the purposes referred to in the proviso to the definition of **outstanding** in the Issuer Master Definitions and Construction Schedule, deliver to the Note Trustee as soon as practicable upon being so requested in writing by the Note Trustee a certificate in writing signed by two Authorised Signatories setting out the total number and aggregate nominal amount of the Notes of each Series and Class issued which:
 - (i) up to and including the date of such certificate have been purchased by the Issuer, any Subsidiary of the Issuer, Funding 1, the Mortgages Trustee or the Seller or any holding company of any of them or any other Subsidiary of such holding company and cancelled; and
 - (ii) are at the date of such certificate held by, for the benefit of, or on behalf of, the Issuer, any Subsidiary of the Issuer, Funding 1, the Mortgages Trustee or the Seller or any holding company of any of them or any other Subsidiary of such holding company;
- (hh) **New Issuance:** notify the Note Trustee five London Business Days prior to the relevant Closing Date of any new Series and Class of Notes if the form of terms and conditions of such Notes are different from the Conditions attached hereto as **Schedule 3**; and
- (ii) **Issuer Profit Amount:** in the event that a permanent regime is established with respect to the taxation of securitisation special purpose companies pursuant to the Finance Act 2005, the Issuer may choose to elect into such regime if it is advantageous for it to do so (in which case, the Issuer hereby undertakes to do at the earliest appropriate opportunity and, in any event, within the requisite time limits therefor and in the form required by the regulations made to introduce that regime). Upon electing into such regime, the Issuer shall consider from time to time the level of the Issuer Profit Amount and if the Issuer determines that a change in such level is appropriate in all the circumstances, then the Issuer shall certify to the Note Trustee, with a copy to the Rating Agencies and Funding 1, that its tax position shall not be adversely affected thereby; and
- (jj) **Shares and dividends:** the Issuer shall not (i) declare or pay any dividend or make any other distribution in respect of any of its shares other than, for so long as the Holdings Loan Agreement is still outstanding, by making a dividend to Holdings for the purpose of Holdings prepaying the Holdings Loan Agreement, (ii) issue any further shares or alter any rights attaching to its issued shares as at the date hereof or (iii) repay or redeem any of its share capital.

15. THE POST-ENFORCEMENT CALL OPTION

- (a) **Authorisation and acceptance:** Each Noteholder by accepting a Note agrees to the terms of this **Clause 15, Condition 10.2** (*Post Enforcement Call Option*) and the Post-Enforcement Call Option Agreement and authorises the Note Trustee as its representative to enter into and perform its obligations under the Post-Enforcement Call Option Agreement.

- (b) **Agreement to be bound:** The Note Trustee shall on the date of this Trust Deed enter into the Post-Enforcement Call Option Agreement in order to acknowledge that the Note Trustee (on behalf of the (for the avoidance of doubt, present and future) Noteholders) is bound by, and the Notes are issued subject to the Post-Enforcement Call Agreement. Upon the exercise of the Post-Enforcement Call Option by the Post-Enforcement Call Option Holder no Noteholder shall have any further rights or interests in respect of the Notes and the unpaid interest, principal and other amounts (if any) in respect of the Notes shall be due and payable to the Post-Enforcement Call Option Holder.
- (c) **Certification:** The Note Trustee shall, for the purposes of **Condition 10.2** (*Post Enforcement Call Option*), give written notice to the Post Enforcement Call Option Holder and the Issuer when it has determined, in its sole opinion and discretion, that all amounts outstanding under the Notes have become due and payable and that the Issuer Security Trustee has determined in its sole opinion and discretion that (i) the proceeds of enforcement of the Issuer Security, after distribution of such proceeds to the persons entitled thereto ranking in priority to the Notes under the Issuer Deed of Charge and to the Noteholders (to the extent entitled thereto), are insufficient to pay in full all principal and interest and other amounts whatsoever due in respect of the Notes and all other claims ranking *pari passu* therewith (ii) such proceeds of enforcement have been so distributed in accordance with the terms of the Issuer Deed of Charge and (iii) there are no further assets available to pay principal and interest and other amounts whatsoever due in respect of the Notes.

16. REMUNERATION AND INDEMNIFICATION OF THE NOTE TRUSTEE

- 16.1 The Issuer shall pay to the Note Trustee remuneration for its services as trustee as from the date of this Deed, such remuneration to be at such rate and to be paid on such dates as may from time to time be agreed in writing between the Issuer and the Note Trustee. The rate of remuneration in force from time to time may upon the final redemption of the whole of the Notes of any Series and Class be reduced by such amount as shall be agreed in writing between the Issuer and the Note Trustee, such reduced remuneration to be calculated from such date as shall be agreed as aforesaid. Such remuneration shall accrue from day to day and be payable (in priority to payments to the Noteholders) up to and including the date when, all the Notes having become due for redemption, the redemption monies and interest thereon to the date of redemption have been paid to the Principal Paying Agent or, as the case may be, the Note Trustee **PROVIDED THAT** if upon due presentation of any Note or any cheque payment of the monies due in respect thereof is improperly withheld or refused, remuneration will commence again to accrue until payment to Noteholders is made.
- 16.2 In the event of the occurrence of a Note Event of Default or the Note Trustee in its absolute discretion considering it necessary, or being requested by the Issuer to undertake duties which the Note Trustee and the Issuer agree to be of an exceptional nature or otherwise outside the scope of the normal duties of the Note Trustee under this Deed, the Issuer shall pay to the Note Trustee such additional remuneration as shall be agreed between them.
- 16.3 The Issuer shall pay to the Note Trustee in addition an amount equal to the amount of any value added tax or similar tax chargeable in respect of its remuneration under this Deed against production of a valid tax invoice.
- 16.4 In the event of the Note Trustee and the Issuer failing to agree:
 - (a) (in a case to which **sub-clause 16.1** above applies) upon the amount of the remuneration; or

- (b) (in a case to which **sub-clause 16.2** above applies) upon whether such duties shall be of an exceptional nature or otherwise outside the scope of the normal duties of the Note Trustee under this Deed, or upon such additional remuneration,

such matters shall be determined by a merchant or investment bank (acting as an expert and not as an arbitrator) selected by the Note Trustee and approved by the Issuer or, failing such approval, nominated (on the application of the Note Trustee) by the President for the time being of The Law Society of England and Wales (the expenses involved in such nomination and the fees of such merchant or investment bank being payable by the Issuer) and the determination of any such merchant or investment bank shall be final and binding upon the Note Trustee and the Issuer.

- 16.5 In addition to remuneration hereunder, the Issuer shall on written request pay (on an indemnity basis) all other costs, charges and expenses which the Note Trustee may properly incur in relation to the negotiation, preparation and execution of, the exercise of its powers and the performance of its duties under, and in any other manner in relation to, this Deed and any other Transaction Document to which the Note Trustee is a party, including but not limited to travelling and legal expenses properly incurred and any stamp, issue, registration, documentary and other similar taxes or duties paid or payable by the Note Trustee in connection with any action taken or contemplated by or on behalf of the Note Trustee for enforcing, or for any other purpose in relation to, this Deed or any of the other Issuer Transaction Documents.
- 16.6 All amounts payable pursuant to **sub-clause 16.2** above and/or **Clause 17(m)** shall be payable by the Issuer on the date specified in a written demand by the Note Trustee and in the case of payments actually made by the Note Trustee prior to such demand shall (if not paid within three days after such demand and the Note Trustee so requires) carry interest at the rate of 3 per cent. per annum above the mean base rate from time to time of the Reference Banks from the date specified in such demand, and in all other cases shall (if not paid on the date specified in such demand or, if later, within three days after such demand and, in either case, the Note Trustee so requires) carry interest at such rate from the date specified in such demand. All remuneration payable to the Note Trustee shall carry interest at such rate from the due date therefor.
- 16.7 Unless otherwise specifically stated in any discharge of this Deed, the provisions of this Clause and **Clause 17(m)** shall continue in full force and effect notwithstanding such discharge.
- 16.8 The Note Trustee shall be entitled in its absolute discretion to determine in respect of which Series and Class of Notes any liabilities incurred under this Deed have been incurred or to allocate any such liabilities between the Notes of any Series and Class.
- 16.9 Notwithstanding anything else herein contained, the Note Trustee may refrain from taking any action or exercising any right, power, authority or discretion vested in it under this Deed or any other agreement relating to the transactions therein contemplated until it has been indemnified and/or secured to its satisfaction (whether by payment in advance or otherwise) against any and all actions, charges, claims, costs, damages, demands, expenses, liabilities, losses and proceedings (including legal and other professional fees) which might be brought, made or conferred against or suffered, incurred or sustained by it as a result and nothing contained herein shall require the Note Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties or the exercise of any right, power, authority or discretion hereunder if it has reasonable grounds for believing the repayment of such funds or adequate indemnity against, or security for, such risk or liability assured to it.

17. SUPPLEMENT TO TRUSTEE ACTS

Section 1 of the Trustee Act 2000 shall not apply to the duties of the Note Trustee in relation to the trusts constituted by these presents. Where there are any inconsistencies between the Trustee Act and the provisions of these presents, the provisions of these presents shall, to the extent allowed by law, prevail and, in the case of any such inconsistency with the Trustee Act 2000, the provisions of these presents shall constitute a restriction or exclusion for the purposes of that Act.

The Note Trustee shall have all the powers conferred upon trustees by the Trustee Act 1925 of England and Wales and by way of supplement thereto it is expressly declared as follows:

- (a) **Expert Advice or Opinion:** the Note Trustee may in relation to these presents or the other Issuer Transaction Documents act on the advice or opinion of or any information obtained from any lawyer, valuer, accountant, surveyor, banker, broker, auctioneer or other expert whether obtained by the Issuer, the Note Trustee, the Principal Paying Agent, the Registrar or otherwise and shall not be responsible for any liability occasioned by so acting in good faith; any such advice, opinion or information may be sent or obtained by letter, telex, telegram, facsimile transmission, e-mail or cable and the Note Trustee shall not be liable for acting on any advice, opinion or information purporting to be conveyed by any such letter, telex, telegram, facsimile transmission, e-mail or cable although the same shall contain some error or shall not be authentic;
- (b) **Certificate as Sufficient Evidence:** the Note Trustee may call for and shall be at liberty to accept as sufficient evidence of any fact or matter or the expediency of any transaction or thing a certificate signed by any two directors of the Issuer as to that fact or to the effect that, in their opinion that act is expedient and the Note Trustee shall not be bound in any such case to call for further evidence or be responsible for any liability that may be occasioned by it or any other person acting on such certificate;
- (c) **Custody of Documents:** the Note Trustee shall be at liberty to hold these presents and any other documents relating thereto or any other Issuer Transaction Documents or to deposit them in any part of the world with any banker or banking company or company whose business includes undertaking the safe custody of documents or lawyer or firm of lawyers considered by the Note Trustee to be of good repute and the Note Trustee shall not be responsible for or required to insure against any liability incurred in connection with any such holding or deposit and may pay all sums required to be paid on account of or in respect of any such deposit;
- (d) **Application of Proceeds:** the Note Trustee shall not be responsible for the receipt or application of the proceeds of the issue of any of the Notes by the Issuer, the exchange of any Global Note for another Global Note or Definitive Notes or the exchange of any Definitive Note for another Definitive Note or the delivery of any Global Note or Definitive Notes to the person(s) entitled to it or them;
- (e) **Assumption of No Default:** the Note Trustee shall not be bound to give notice to any person of the execution of any documents comprised or referred to in these presents or to take any steps to ascertain whether any Note Event of Default or Potential Note Event of Default has happened and, until it shall have actual written notice pursuant to these presents to the contrary, the Note Trustee shall be entitled to assume that no Note Event of Default or Potential Note Event of Default has occurred

and that the Issuer is observing and performing all of its obligations under these presents;

- (f) **Condition to Issue of Notes:** the Note Trustee shall have no obligation to monitor or determine whether the conditions to issue of any Notes or the Issuance Tests have been satisfied and shall rely without liability to any person on a certification provided by the Issuer as to their satisfaction or waiver;
- (g) **Absolute Discretion:** save as expressly otherwise provided in this Deed, the Note Trustee shall have absolute and uncontrolled discretion as to the exercise or non-exercise of its trusts, powers, authorities and discretions under these presents (the exercise or non-exercise of which as between the Note Trustee and the Noteholders shall be conclusive and binding on the Noteholders), shall not be responsible for any liability which may result from their exercise or non-exercise;
- (h) **Reliance on Extraordinary Resolution:** the Note Trustee shall not be liable to any person by reason of having acted upon any Extraordinary Resolution in writing or any Extraordinary Resolution or other resolution purporting to have been passed at any meeting of the holders of Notes of all or any Series and/or Class/es in respect whereof minutes have been made and signed even though subsequent to its acting it may be found that there was some defect in the constitution of the meeting or the passing of the resolution or (in the case of an Extraordinary Resolution in writing) that not all relevant Noteholders had signed the Extraordinary Resolution or that for any reason the resolution was not valid or binding upon such Noteholders;
- (i) **Reliance on Notice of Prepayment:** without prejudice to the right of the Note Trustee to require and/or accept any other evidence, the Note Trustee may accept as conclusive evidence of the matters certified therein a certificate signed by two directors of the Issuer under **Clause 14(t)(ii)**. The Note Trustee shall have no responsibility to the Noteholders or any other person for guaranteeing or ensuring that the Issuer's liabilities in respect of the Notes and any other amounts are in fact discharged on the due date and shall have no liability to the Noteholders or any other person for any failure by the Issuer to discharge or pay such liabilities and other amounts;
- (j) **Issuer Charged Property:** the Note Trustee may accept without enquiry, requisition or objection such title as the Issuer may have to the Issuer Charged Property or any part thereof from time to time and shall not be bound to investigate or make any enquiry into the title of the Issuer to the Issuer Charged Property or any part thereof from time to time whether or not any default or failure is or was known to the Note Trustee or might be, or might have been, discovered upon examination, inquiry or investigation and whether or not capable of remedy. Notwithstanding the generality of the foregoing, each Noteholder shall be solely responsible for making its own independent appraisal of and investigation into the financial condition, creditworthiness, condition, affairs, status and nature of the Issuer, and the Note Trustee shall not at any time have any responsibility for the same and each Noteholder shall not rely on the Note Trustee in respect thereof;
- (k) **Reliance on Certificates or Confirmations:** subject to **Clause 18**, the Note Trustee shall be entitled to rely without investigation or enquiry on a certificate or confirmation of the Agent Bank, any Paying Agent, any Rating Agency or any Reference Bank in respect of every matter and circumstance for which a certificate or confirmation of the Agent Bank, any Paying Agent, any Rating Agency or any Reference Bank is expressly provided for under these presents, the Conditions or any

other Issuer Transaction Document and to call for and rely upon a certificate or confirmation of the Agent Bank, any Paying Agent, any Rating Agency or any Reference Bank or any other person as to any other fact or matter *prima facie* within the knowledge of the Agent Bank, any Paying Agent, any Rating Agency or any Reference Bank or such other person, as sufficient evidence thereof and the Note Trustee shall not be bound in any such case to call for further evidence or be responsible for any loss, liability, costs, damages, expenses or inconvenience that may be occasioned by its failing so to do or the exercise or non-exercise by the Note Trustee of any of its powers, duties and discretions hereunder;

- (l) **Notes Not Authentic:** the Note Trustee shall not be liable to any person by reason of having accepted as valid or not having rejected any Note purporting to be such and subsequently found to be forged or not authentic;
- (m) **Indemnity:** subject to **Clause 18**, without prejudice to the right of indemnity by law given to trustees, the Issuer shall indemnify the Note Trustee and keep it or him indemnified against all Liabilities to which it or he may be or become subject or which may be incurred by it or him in the proper execution or purported proper execution of any of its or his trusts, powers, authorities and discretions under these presents or any other Issuer Transaction Document or its or his functions under any such appointment or in respect of any other matter or thing done or omitted in any way relating to these presents or any other Issuer Transaction Document or any such appointment (including any Agent/Delegate Liabilities). The Issuer will on demand by such agent or delegate indemnify it against such Agent/Delegate Liabilities. The Contracts (Rights of Third Parties) Act applies to this Clause 15(l);
- (n) **No Disclosure Obligation:** unless and to the extent ordered so to do by a court of competent jurisdiction, the Note Trustee shall not be required to disclose to any Noteholder any information (including, without limitation, information of a confidential, financial or price sensitive nature) made available to the Note Trustee by the Issuer or any other person in connection with these presents or any other Issuer Transaction Document and no Noteholder shall be entitled to take any action to obtain from the Note Trustee any such information;
- (o) **Currency Conversion:** where it is necessary or desirable for any purpose in connection with these presents to convert any sum from one currency to another it shall be converted (unless otherwise provided by these presents or required by law) at such rate or rates, in accordance with such method and as at such date for the determination of such rate of exchange, as may be agreed by the Note Trustee in consultation with the Issuer and any rate, method and date so agreed shall be binding on the Issuer and the Noteholders;
- (p) **Certificate in respect of Material Prejudice:** the Note Trustee may certify whether or not any of the conditions, events and acts set out in **Condition 9** (each of which conditions, events and acts shall, unless the Note Trustee in its absolute discretion shall otherwise determine, for all the purposes of these presents be deemed to include the circumstances resulting therein and the consequences resulting therefrom) is in its opinion materially prejudicial to the interests of the Noteholders of the relevant Series and/or Class or Classes and any such certificate shall be conclusive and binding upon the Issuer and the Noteholders;
- (q) **Determination by Note Trustee:** the Note Trustee as between itself and the Noteholders may determine all questions and doubts arising in relation to any of the provisions of this Deed. Every such determination, whether or not relating in whole

or in part to the acts or proceedings of the Note Trustee, shall be conclusive and shall bind the Note Trustee and the Noteholders;

- (r) **Interests of Noteholders:** in connection with the exercise or execution by the Note Trustee of any of its trusts, duties, rights, powers, authorities and discretions under these presents and the other Issuer Transaction Documents:
- (i) where it is required to have regard to the interests of the Noteholders of any Class, it shall have regard to the interests of such Noteholders as a class and, in particular but without prejudice to the generality of the foregoing, shall not have regard to, or be in any way liable for, the consequences of any exercise thereof for individual Noteholders of any Series or Class resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory, and the Note Trustee shall not be entitled to require, nor shall any Noteholder be entitled to claim, from the Issuer or any other person, any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders;
 - (ii) except where expressly provided otherwise, it shall have regard to the interests of the Class A Noteholders, the Class B Noteholders, the Class M Noteholders, the Class C Noteholders and the Class D Noteholders equally **PROVIDED THAT** (A) if in the opinion of the Note Trustee there is a conflict between the interests of the Class A Noteholders, on the one hand and the interests of the Class B Noteholders and/or the Class M Noteholders and/or the Class C Noteholders and/or the Class D Noteholders on the other hand, the Note Trustee shall have regard only to the interests of the Class A Noteholders; (B) if in the opinion of the Note Trustee there is a conflict between the interests of the Class B Noteholders on the one hand and the Class M Noteholders and/or the Class C Noteholders and/or the Class D Noteholders on the other hand, the Note Trustee shall have regard only to the interests of the Class B Noteholders; (C) if in the opinion of the Note Trustee there is a conflict between the interests of the Class M Noteholders on the one hand and the Class C Noteholders and/or the Class D Noteholders on the other hand, the Note Trustee shall have regard only to the interests of the Class M Noteholders; and (D) if in the opinion of the Note Trustee there is a conflict between the interests of the Class C Noteholders on the one hand and the Class D Noteholders on the other hand, the Note Trustee shall have regard only to the interests of the Class C Noteholders, but so that this proviso shall not apply in the case of powers, authorities or discretions in relation to which it is expressly stated that they may be exercised by the Note Trustee only if in its opinion the interests of all the Noteholders would not be materially prejudiced thereby; and
 - (iii) it shall not have regard to, or be in any way liable for, the consequences of any exercise thereof for any other Issuer Secured Creditor or any other person,
 - (s) **Rating Confirmation:** the Note Trustee shall be entitled to assume, without further investigation or inquiry, for the purpose of exercising or performing any right, power, trust, authority, duty or discretion under or in relation to these presents or any other Issuer Transaction Document (including, without limitation, any consent, approval, modification, waiver, authorisation or determination referred to in **Clause 19**), that such exercise will not be materially prejudicial to the interests of the Noteholders or any Series and/or Class thereof, if each of the Rating Agencies rating the relevant Series and/or Class of Notes has confirmed in writing (whether or not such confirmation is addressed to, or provides that it may be relied upon by, the Note Trustee and irrespective of the method by which such confirmation is conveyed) (i) that the then current rating by it of the relevant Series and/or Class of Notes would not be downgraded, withdrawn or qualified by such exercise or performance and/or

- (ii) if the original rating of the relevant Series and/or Class of Notes has been downgraded previously, that such exercise or performance will not prevent the restoration of such original rating of such Series and/or Class of Notes. The provisions of **Clause 18.4** shall apply to this sub-clause. The Note Trustee shall be entitled to rely on such Rating Agency confirmation, without liability to any person;
- (t) **Certificate of Principal Amount Outstanding:** the Note Trustee may call for any certificate or other document to be issued by DTC, Euroclear or Clearstream, Luxembourg as to the Principal Amount Outstanding of Notes represented by a Global Note standing to the account of any person. Any such certificate or other document shall (in the absence of manifest error) be conclusive and binding for all purposes. The Note Trustee shall not be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by DTC, Euroclear or Clearstream, Luxembourg and subsequently found to be forged or not authentic;
- (u) **Notes held in clearing systems:** so long as any Global Notes are held by or on behalf of a Clearing System, in considering the interests of Noteholders, the Note Trustee may have regard to any information provided to it by such clearing system or its operator as to the identity (either individually or by category) of its accountholders or participants with entitlements to any such Global Note and may consider such interests on the basis that such accountholders or participants were the holders thereof;
- (v) **Professional Charges:** any trustee of these presents being a lawyer, accountant, broker or other person engaged in any profession or business shall be entitled to charge and be paid all usual professional and other charges for business transacted and acts done by him or his firm in connection with the trusts of these presents and also his reasonable charges in addition to disbursements for all other work and business done and all time spent by him or his firm in connection with matters arising in connection with these presents;
- (w) **Power of Attorney:** the Note Trustee may whenever it thinks fit (acting reasonably) delegate by power of attorney or otherwise to any person or persons or fluctuating body of persons (whether being a joint trustee of these presents or not) all or any of its trusts, powers, authorities and discretions under these presents. Such delegation may be made upon such terms (including power to sub-delegate) and subject to such conditions and regulations as the Note Trustee may in the interests of the Noteholders think fit;
- (x) **Delegation:** the Note Trustee may in the conduct of the trusts of these presents instead of acting personally employ and pay an agent (whether being a lawyer or other professional person) to transact or conduct, or concur in transacting or conducting, any business and to do, or concur in doing, all acts required to be done in connection with these presents. The Note Trustee shall not be in any way responsible for any liability incurred by reason of any misconduct or default on the part of any such agent or be bound to supervise the proceedings or acts of any such agent;
- (y) **Ratings:** the Note Trustee shall have no responsibility for the maintenance of any rating of any of the Notes by the Rating Agencies or any other person;
- (z) **Nominees:** in relation to any asset held by it under this Note Trust Deed, the Trustee may appoint any person to act as its nominee on any terms;

- (aa) **No Requirement to Perform Illegal Acts, etc.:** no provision of these presents shall require the Note Trustee to do anything which may be illegal or contrary to applicable law or regulation or expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties, or in the exercise of any of its rights or powers or otherwise in connection with these presents, any other Issuer Transaction Document or the Notes (including, without limitation, forming any opinion or employing any legal, financial or other adviser), if it shall believe that repayment of such funds or adequate indemnity against such risk or liability is not assured to it;
- (bb) **Responsibility for agents etc:** if the Note Trustee exercises reasonable care in selecting any custodian, agent, delegate or nominee appointed under this **Clause 17** (an **Appointee**), it will not have any obligation to supervise the Appointee or be responsible for any loss, liability, cost, claim, action, demand or expense incurred by reason of the Appointee's misconduct or default or the misconduct or default of any substitute appointed by the Appointee;
- (cc) **Notes held by the Issuer:** In the absence of knowledge or express notice to the contrary, the Note Trustee may assume without enquiry (other than requesting a certificate under **Clause 14(hh)**) that no Notes are for the time being held by, for the benefit, or on behalf of the Issuer, any Subsidiary of the Issuer, by Funding 1, the Mortgages Trustee or the Seller or any holding company of any of them or any other such Subsidiary of such holding company.
- (dd) **Responsibility for Reports etc.:** the Note Trustee has no responsibility to verify or monitor the contents of, or (if applicable) to check any calculations contained in, any reports, information, documents, Officers' Certificate and Opinions of Counsel delivered to the Note Trustee in accordance with **Clauses 14(u), (ee), or Clause 28**, and is under no obligation to inform Noteholders of the contents of any such reports, information, documents, Officers' Certificate and Opinions of Counsel, other than allowing Noteholders upon reasonable notice, to inspect such reports, information, documents, Officers' Certificate and Opinions of Counsel;
- (ee) **Auditors Reports and Certificates:** any certificate or report of the Auditors other experts or financial advisers called for by or provided to the Note Trustee in accordance with or for the purposes of these presents may be relied upon by the Note Trustee without further investigation or enquiry as sufficient evidence of the facts stated therein notwithstanding that such certificate or report and/or any engagement letter or other document entered into by the Note Trustee in connection therewith contains a monetary or other limit on the liability of the Auditors other experts or financial advisers in respect thereof;
- (ff) **Limitation of Liability:** subject to **Clause 18** the Note Trustee shall not be responsible for the genuineness, validity, effectiveness or suitability of any of the Issuer Transaction Documents or any other documents entered into in connection therewith or any other document or any obligation or rights created or purported to be created thereby or pursuant thereto or any security or the priority thereof constituted or purported to be constituted thereby or pursuant thereto, nor shall it be responsible or liable to any person because of any invalidity of any provision of such documents or the unenforceability thereof, whether arising from statute, law or decisions of any court and (without prejudice to the generality of the foregoing) the Note Trustee shall not have any responsibility for or have any duty to make any investigation in respect of or in any way be liable whatsoever for:

- (i) the nature, status, creditworthiness or solvency of the Issuer or Funding 1 or any other person or entity who has at any time provided any security or support whether by way of guarantee, charge or otherwise in respect of any advance made to the Issuer;
- (ii) the execution, delivery, legality, validity, adequacy, admissibility in evidence or enforceability of any Issuer Transaction Document or any other document entered into in connection therewith;
- (iii) the title, ownership, value, sufficiency, enforceability or existence of any Issuer Charged Property or any security (howsoever described) relating thereto;
- (iv) the registration, filing, protection or perfection of any security (howsoever described) relating to the Issuer Charged Property or the priority of the security (howsoever described) thereby created whether in respect of any initial advance or any subsequent advance or any other sums or liabilities;
- (v) the scope or accuracy of any representations, warranties or statements made by or on behalf of the Issuer or Funding 1 or any other person or entity who has at any time provided the same in any Issuer Transaction Document or in any document entered into in connection therewith;
- (vi) the performance or observance by the Issuer or Funding 1 or any other person of any provisions of any Issuer Transaction Document or any document entered into in connection therewith or the fulfilment or satisfaction of any conditions contained therein or relating thereto or as to the existence or occurrence at any time of any default, event of default or similar event howsoever described contained therein or any waiver or consent which has at any time been granted in relation to any of the foregoing;
- (vii) the existence, accuracy or sufficiency of any legal or other opinions, searches, reports, certificates, valuations or investigations delivered or obtained or required to be delivered or obtained at any time in connection with any Issuer Charged Property or Issuer Transaction Document;
- (viii) the title of the Issuer to any Issuer Charged Property;
- (ix) the suitability, adequacy or sufficiency of any applicable criteria for any advances under the Intercompany Loan Agreement or the legality or recoverability or enforceability thereof or the priority of any security (howsoever described) in relation thereto;
- (x) the failure by the Issuer to obtain or comply with any licence, consent or other authority in connection with the Issuer Charged Property or the Issuer Transaction Documents or the making of any advances in connection therewith or the failure to effect or procure registration of or to give notice to any person in relation to or otherwise protect the security (howsoever described) created or purported to be created by or pursuant to any of the Issuer Charged Property or the Issuer Transaction Documents or other documents entered into in connection therewith;
- (xi) the failure to call for delivery of documents of title to or require any transfers, legal mortgages, charges or other further assurances in relation to any of the assets that are the subject matter of any of the Issuer Transaction Documents or any other document;
- (xii) any assets comprised in the security (howsoever described) created by the Issuer Deed of Charge, or any deeds or documents of title thereto, being uninsured or inadequately insured or being held by or to the order of other parties to the Issuer Transaction

Documents, clearing organisations or their operators or by intermediaries such as banks, brokers, depositories, warehousemen or other similar persons whether or not on behalf of the Note Trustee;

- (xiii) any accounts, books, records or files maintained by the Issuer or any other person in respect of any of the Issuer Charged Property or Issuer Transaction Documents; or
- (xiv) any other matter or thing relating to or in any way connected with any Issuer Charged Property or any Issuer Transaction Document or any document entered into in connection therewith whether or not similar to the foregoing; and
- (gg) the Note Trustee may or may not act and rely on (and shall have no liability to Noteholders for doing so) certificates or reports provided by any accountant or other expert whether or not addressed to the Note Trustee and whether or not such certificate or report or any engagement letter or other document entered into by the Note Trustee and such accountant or other expert (whether by reference to a monetary cap or by reference to the methodology to be employed in producing the same).

18. NOTE TRUSTEE'S LIABILITY

None of the provisions of these presents shall, in any case in which the Note Trustee has failed to show the degree of care and diligence required of it as trustee of these presents, having regard to the provisions of these presents and any of the other Issuer Transaction Documents to which the Note Trustee is a party conferring on the Note Trustee any powers, authorities or discretions, relieve or indemnify the Note Trustee against any liabilities which by virtue of any rule of law would otherwise attach to it in respect of any wilful misconduct, breach of duty, negligence or breach of trust of which it may be guilty in relation to its duties under these presents or its breach of the terms of this Agreement.

19. NOTE TRUSTEE CONTRACTING WITH THE ISSUER

Neither the Note Trustee nor any director or officer or holding company or associated company of a corporation acting as a trustee under these presents shall by reason of its or his fiduciary position be in any way precluded from:

- (a) entering into or being interested in any contract or financial or other transaction or arrangement with the Issuer or any other party to the Issuer Transaction Documents or any person or body corporate associated with the Issuer or any other party to the Issuer Transaction Documents (including without limitation any contract, transaction or arrangement of a banking or insurance nature or any contract, transaction or arrangement in relation to the making of loans or the provision of financial facilities or financial advice to, or the purchase, placing or underwriting of or the subscribing or procuring subscriptions for or otherwise acquiring, holding or dealing with, or acting as paying agent in respect of, the Notes or any other notes, bonds, stocks, shares, debenture stock, debentures or other securities of, the Issuer or any other party to the Issuer Transaction Documents or any person or body corporate associated as aforesaid); or
- (b) accepting or holding the trusteeship of any other trust deed constituting or securing any other notes issued by or relating to the Issuer or any other party to the Issuer Transaction Documents or any such person or body corporate so associated or any other office of profit under the Issuer or any other party to the Issuer Transaction Documents or any such person or body corporate so associated,

and shall be entitled to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such contract, transaction or arrangement as is referred to in (a) above or, as the case may be, any such trusteeship or office of profit as is referred to in (b) above without regard to the interests of the Noteholders and notwithstanding that the same may be contrary or prejudicial to the interests of the Noteholders and shall not be responsible for any liability occasioned to the Noteholders thereby and shall be entitled to retain and shall not be in any way liable to account for any profit made or share of brokerage or commission or remuneration or other amount or benefit received thereby or in connection therewith.

Where any holding company, subsidiary or associated company of the Note Trustee or any director or officer of the Note Trustee acting other than in such capacity as director or officer has any information, the Note Trustee shall not thereby be deemed also to have knowledge of such information and, unless it shall have express notice pursuant to this Deed of such information, shall not be responsible for any loss suffered by Noteholders resulting from the Note Trustee's failing to take such information into account in acting or refraining from acting under or in relation to these presents.

20. WAIVER, AUTHORISATION AND DETERMINATION

20.1 Waiver and determination

The Note Trustee may, without the consent or sanction of the Noteholders and without prejudice to its rights in respect of any subsequent breach, from time to time and at any time but, unless otherwise specified, only if and in so far as, in the case of (a), (c) and (d) below, in its opinion the interests of the holders of each Series and/or Class of Notes shall not be materially prejudiced thereby and in the case of (b) below in its opinion the interests of the holders of the most senior class of Notes then outstanding shall not be materially prejudiced thereby:

- (a) waive or authorise (other than a waiver or authorisation, the subject of which falls within the definition of a Basic Terms Modification) any breach or proposed breach by the Issuer or any other person of any of the covenants or provisions contained in these presents or any of the other Issuer Transaction Documents;
- (b) determine that any Note Event of Default shall not be treated as such for the purposes of these presents;
- (c) direct the Issuer Security Trustee to waive or authorise (other than a waiver or authorisation, the subject of which falls within the definition of a Basic Terms Modification) any breach or proposed breach by the Issuer or any other person of any of the covenants or provisions contained in any of the Issuer Transaction Documents;
or
- (d) direct the Issuer Security Trustee to direct the Funding 1 Security Trustee to waive or authorise any breach or proposed breach by Funding 1 or any other person of any of the covenants or provisions contained in any Issuer Transaction Documents;

PROVIDED ALWAYS THAT the Note Trustee shall not exercise any powers conferred on it by this Clause in contravention of any express direction given by Extraordinary Resolution of any class of Notes or by a request under **Condition 9** or **10** but so that no such direction or request shall affect any waiver, authorisation or determination previously given or made. Any such waiver, authorisation or determination may be given or made on such terms and subject to such conditions (if any) as the Note Trustee may determine, shall be binding on the

Noteholders and, if, but only if, the Note Trustee shall so require, shall be notified by the Issuer to the Noteholders in accordance with **Condition 14** as soon as practicable thereafter.

20.2 Modification

- (a) The Note Trustee may without the consent or sanction of the Noteholders at any time and from time to time:
 - (i) concur with the Issuer or any other person;
 - (ii) direct the Issuer Security Trustee to concur with the Issuer or any other person; or
 - (iii) direct the Issuer Security Trustee to direct the Funding 1 Security Trustee to concur with Funding 1 or any other person,

in making any modification (except a Basic Terms Modification (as defined in **paragraph 5** of **Schedule 6** hereto)) to these presents or any of the other Issuer Transaction Documents which in the sole opinion of the Note Trustee it may be proper to make PROVIDED THAT the Note Trustee is of the opinion that such modification will not be materially prejudicial to the interests of the holders of any Series and/or Class of Notes or any modification to these presents or any of the other Issuer Transaction Documents if in the sole opinion of the Note Trustee such modification is of a formal, minor or technical nature or is necessary to correct a manifest error or is to comply with the mandatory provisions of law (and for the avoidance of doubt, the Note Trustees shall be entitled to assume, without further investigation or inquiry, that such modification, waiver or authorisation will not be materially prejudicial to the interests of the Noteholders if each of the Rating Agencies has confirmed in writing that the then current ratings of the applicable Series and/or Classes of Notes would not be adversely affected by such modification, waiver or authorisation) PROVIDED ALWAYS THAT the Note Trustee shall not exercise any powers conferred on it by this Clause in contravention of any express direction given by Extraordinary Resolution of any class of Notes or by a request under **Condition 9** or **10** but so that no such direction or request shall affect any modification previously made. Any such modification may be made on such terms and subject to such conditions (if any) as the Note Trustee may determine, shall be binding upon the Noteholders and, unless the Note Trustee agrees otherwise, shall be notified by the Issuer to the Noteholders and the Rating Agencies in accordance with **Condition 14** as soon as practicable thereafter.

- (b) So long as any of the Notes are rated by the Rating Agencies, the Issuer shall notify the Rating Agencies in writing as soon as reasonably practicable thereafter of any modification to the provisions of these presents, the Notes or any of the other Issuer Transaction Documents. The Note Trustee may also agree, without the consent of the Noteholders, to a change of the laws governing the Notes and/or the Issuer Transaction Documents (and to any consequential amendments deriving therefrom) **PROVIDED THAT** such change and consequential amendments would not, in the opinion of the Note Trustee, be materially prejudicial to the interests of the holders of any Series or Class/es of Notes.
- (c) In addition, the Note Trustee shall give its consent to any modifications to any Issuer Transaction Document or direct the Issuer Security Trustee to give its consent to such modifications or to direct the Funding 1 Security Trustee to give its consent to such modifications, that are requested by Funding 1 (or the Cash Manager on its behalf) or the Issuer (or the Issuer Cash Manager on its behalf) provided that Funding 1 (or the Cash Manager on its behalf) or the Issuer (or the Issuer Cash Manager on its behalf) certifies to the Note Trustee, the Issuer Security Trustee and/or the Funding 1 Security Trustee (as

applicable) in writing that such modifications are required in order to accommodate (among other things):

- (i) any Loan Tranches to be advanced to Funding 1 under the Intercompany Loan and/or the issue of any Notes by the Issuer;
 - (ii) New Intercompany Loan Agreements of Funding 1 or any Further Funding Companies and/or the issue of New Notes by New Issuers;
 - (iii) the addition of other relevant secured creditors of the Issuer Secured Creditors, Funding 1 Secured Creditors, any New Issuer or any Further Funding Company;
 - (iv) the accession of New Beneficiaries to the Mortgages Trust Deed;
 - (v) the issue (directly or indirectly) of debt by Funding 1 and/or any Further Funding Company (other than as referred to in **paragraphs (i) and (ii)** above);
 - (vi) the sale of New Types or Mortgages to the Mortgages Trustee;
 - (vii) changes to the General Reserve Required Amount and/or any additional amounts for the purposes of an Arrears or Step-up Trigger Event and/or the Liquidity Reserve Fund Required Amount and/or the manner in which these are funded;
 - (viii) the establishment of the Funding 1 Liquidity Facility; and/or
 - (ix) changes to the Asset Trigger Events and Non-Asset Trigger Events;
- (d) The Note Trustee shall only be required to agree or consent to the modifications set out in **paragraph (c)** above if the Note Trustee is satisfied that:
- (i) in respect of the matters listed in paragraphs (c)(i), (c)(iv) and (c)(vi) above, Funding 1, the Cash Manager, the Issuer and/or the Issuer Cash Manager has certified to the Note Trustee in writing that the conditions precedent to:
 - (A) Notes being issued by the Issuer and/or Loan Tranches being made available to Funding 1 (as set out in Condition 15 and Clause 3 of the Intercompany Loan Agreement);
 - (B) the assignment of New Loans to the Mortgages Trustee (as set out in Clause 4 of the Mortgage Sale Agreement);
 - (C) the inclusion of a New Beneficiary of the Mortgages Trust (as set out in Clause 17 of the Mortgages Trust Deed),have been satisfied; and
 - (ii) in respect of the matters listed in paragraphs (c)(i) to (c)(ix) above, the Note Trustee has received written confirmation from each of the Rating Agencies that as a result of the relevant modifications the then current ratings of the Notes will not be downgraded, withdrawn or qualified.

20.3 Consent

The Note Trustee may give, or direct the Issuer Security Trustee or the Funding 1 Security Trustee to give, or direct the Issuer Security Trustee to direct the Funding 1 Security Trustee

to give, any consent or approval for the purposes of these presents or any other Issuer Transaction Document if, in its opinion, the interests of all classes of the Noteholders will not be materially prejudiced thereby. For the avoidance of doubt, the Note Trustee shall not have any duty to the Noteholders in relation to such matters other than that which is contained in this clause. Any such consent or approval may be given on such terms and subject to such conditions (if any) as the Note Trustee thinks fit and notwithstanding anything to the contrary in these presents or any other Issuer Transaction Document may be given retrospectively.

20.4 Rating Agencies

If:

- (a) a confirmation of rating or other response by a Rating Agency is a condition to any action or step under any Issuer Transaction Document; and
- (b) a written request for such confirmation or response is delivered to each Rating Agency by the Issuer (copied to the Note Trustee) and either one or more Rating Agency (each a **Non-Responsive Rating Agency**) indicates that it does not consider such confirmation or response necessary in the circumstances or within 30 days of delivery of such request elicits no confirmation or response and/or such request elicits no statement by such Rating Agency that such request could not be given; and
- (c) at least one Rating Agency gives such a confirmation or response based on the same facts,

then such condition shall be deemed to be modified with respect to the facts set out in the request referred to in **paragraph (b)** (above) so that there shall be no requirement for the confirmation or response from the Non-Responsive Rating Agency.

The Note Trustee shall be entitled to treat as conclusive a certificate by any director, officer or employee of the Issuer, Funding 1, the Seller, any investment bank or financial adviser acting in relation to the Notes as to any matter referred to in **paragraph (b)** (above) in the absence of manifest error or the Note Trustee having facts contradicting such certificates specifically drawn to his attention and the Note Trustee shall not be responsible for any loss, liability, costs, damages, expenses or inconvenience that may be caused as a result of treating such certificate as conclusive.

20.5 Breach

Any breach of or failure by the Issuer to comply with any such terms and conditions as are referred to in **sub-clauses 20.1, 20.2 and 20.3** of this Clause shall constitute a default by the Issuer in the performance or observance of a covenant or provision binding on it under or pursuant to these presents.

21. ENTITLEMENT TO TREAT NOTEHOLDER AS ABSOLUTE OWNER

The Issuer, the Note Trustee, the Paying Agents, the Transfer Agent and the Registrar may (to the fullest extent permitted by applicable laws) deem and treat the registered holder of any Note or of a particular principal amount of the Notes as the absolute owner of such Note or principal amount, as the case may be, for all purposes (whether or not such Note or principal amount shall be overdue and notwithstanding any notice of ownership thereof or of trust or other interest with regard thereto, any notice of loss or theft thereof or any writing thereon), and the Issuer, the Note Trustee, the Paying Agents, the Transfer Agent and the Registrar shall not be affected by any notice to the contrary. All payments made to any such registered

holder of a Definitive Note or Global Note shall be valid and, to the extent of the sums so paid, effective to satisfy and discharge the liability for the monies payable in respect of such Note or principal amount, as the case may be.

22. CURRENCY INDEMNITY

The Issuer shall indemnify the Note Trustee, every appointee of the Note Trustee and the Noteholders and keep them indemnified against:

- (a) any liability incurred by any of them arising from the non-payment by the Issuer of any amount due to the Note Trustee or the Noteholders under these presents by reason of any variation in the rates of exchange between those used for the purposes of calculating the amount due under a judgment or order in respect thereof and those prevailing at the date of actual payment by the Issuer; and
- (b) any deficiency arising or resulting from any variation in rates of exchange between (i) the date as of which the local currency equivalent of the amounts due or contingently due under these presents (other than this Clause) is calculated for the purposes of any bankruptcy, insolvency or liquidation of the Issuer and (ii) the final date for ascertaining the amount of claims in such bankruptcy, insolvency or liquidation. The amount of such deficiency shall be deemed not to be reduced by any variation in rates of exchange occurring between the said final date and the date of any distribution of assets in connection with any such bankruptcy, insolvency or liquidation.

The above indemnity (and the indemnities given by the Issuer in **Clause 16.5** and **Clause 17(m)**) shall constitute obligations of the Issuer separate and independent from its obligations under the other provisions of these presents and the Notes and shall apply irrespective of any indulgence granted by the Note Trustee or the Noteholders from time to time and shall continue in full force and effect notwithstanding the judgment or filing of any proof or proofs in any bankruptcy, insolvency or liquidation of the Issuer for a liquidated sum or sums in respect of amounts due under these presents (other than this Clause). Any such deficiency as aforesaid shall be deemed to constitute a loss suffered by the Noteholders and no proof or evidence of any actual loss shall be required by the Issuer or its liquidator or liquidators.

23. ELIGIBILITY AND DISQUALIFICATION; NEW NOTE TRUSTEE

23.1 Eligibility and Disqualification

This Deed shall always have a Note Trustee that meets the requirements of Section 26(a)(1) of the U.S. Investment Company Act of 1940; is not an affiliate (as defined in Rule 405 of the Securities Act) of the Issuer or of any person involved in the organisation or operation of the Issuer; does not offer or provide credit or credit enhancement to the Issuer; and has executed an agreement or instrument concerning the Notes containing provisions to the effect set forth in Section 26(a)(3) of the U.S. Investment Company Act of 1940. If at any time the Note Trustee shall cease to be eligible in accordance with the provisions of this **Clause 23.1**, the Note Trustee shall resign promptly in the manner and with the effect specified in **Clause 24**.

23.2 New Note Trustee

Subject to **Clause 23.1** the power to appoint a new trustee of these presents shall be vested in the Issuer but no person shall be appointed who shall not previously have been approved by

an Extraordinary Resolution of the Class A Noteholders, the Class B Noteholders, the Class M Noteholders, the Class C Noteholders and the Class D Noteholders. One or more persons may hold office as trustee or trustees of these presents but such trustee or trustees shall be or include a Trust Corporation. Whenever there shall be more than two trustees of these presents the majority of such trustees shall be competent to execute and exercise all the duties, powers, trusts, authorities and discretions vested in the Note Trustee by these presents provided that a Trust Corporation shall be included in such majority. Any appointment of a new trustee of these presents shall as soon as practicable thereafter be notified by the Issuer to the Principal Paying Agent, the Transfer Agent, the Registrar, the Noteholders and the Rating Agencies.

23.3 Separate and Co-Trustees

Notwithstanding the provisions of **sub-clause 23.2 above**, the Note Trustee may, upon giving prior notice to the Issuer (but without requiring the consent of the Issuer or the Noteholders), appoint any person established or resident in any jurisdiction (whether a Trust Corporation or not) to act either as a separate trustee or as a co-trustee jointly with the Note Trustee:

- (a) if the Note Trustee considers such appointment to be in the interests of the Noteholders;
- (b) for the purposes of conforming to any legal requirements, restrictions or conditions in any jurisdiction in which any particular act or acts is or are to be performed; or
- (c) for the purposes of obtaining a judgment in any jurisdiction or the enforcement in any jurisdiction of either a judgment already obtained or any of the provisions of these presents or any of the other Issuer Transaction Documents against the Issuer or any other party thereto.

The Issuer irrevocably appoints the Note Trustee to be its attorney in its name and on its behalf to execute any such instrument of appointment. Such a person shall (subject always to the provisions of these presents) have such trusts, powers, authorities and discretions (not exceeding those conferred on the Note Trustee by these presents) and such duties and obligations as shall be conferred or imposed by the instrument of appointment. The Note Trustee shall have power in like manner to remove any such person. Such reasonable remuneration as the Note Trustee may pay to any such person, together with any attributable costs, charges and expenses incurred by it in performing its function as such separate trustee or co-trustee, shall for the purposes of this Deed be treated as costs, charges and expenses incurred by the Note Trustee.

24. NOTE TRUSTEE'S RETIREMENT AND REMOVAL

A trustee of this Deed may retire at any time on giving not less than three months' prior written notice to the Issuer without giving any reason and without being responsible for any costs incurred by reason of such retirement. The Noteholders may by Extraordinary Resolution of each Class of Noteholders remove any trustee or trustees for the time being of these presents. The Issuer undertakes that in the event of the only trustee of these presents which is a Trust Corporation giving notice under this Clause or being removed by Extraordinary Resolution of each Class of Noteholders it will use its best endeavours to procure that a new trustee of these presents being a Trust Corporation is appointed as soon as reasonably practicable thereafter. The retirement or removal of any such trustee shall not become effective until a successor trustee being a Trust Corporation is appointed. If a successor trustee being a trust corporation has not been appointed within 60 days after the date of the notice of retirement of the Note Trustee, then the retiring Note Trustee may appoint its own successor trustee being a trust corporation (provided that such successor

trustee is acceptable to the Rating Agencies and agrees to be bound by the terms of the Issuer Transaction Documents, and further provided that the Rating Agencies confirm that the current ratings of the Notes shall not be reduced, withdrawn or qualified as a result of such appointment).

25. NOTE TRUSTEE'S POWERS TO BE ADDITIONAL

The powers conferred upon the Note Trustee by these presents shall be in addition to any powers which may from time to time be vested in the Note Trustee by the general law or as a holder of any of the Notes.

26. NOTICES

26.1 Any notice or demand to the Issuer or the Note Trustee to be given, made or served for any purposes under these presents shall be in writing and shall be given, made or served by sending the same by pre-paid post (first class if inland, first class airmail if overseas) or facsimile transmission or by delivering it by hand to:

(a) **Issuer:**

Fosse Master Issuer plc
35 Great St. Helen's
London EC3A 6AP

For the attention of: The Directors
Facsimile: +44 (0)20 7398 6325

With a copy to:
Alliance & Leicester plc
Carlton Park
Leicester LE19 0AL

For the attention of the Group Treasurer
Facsimile: +44(0) 870 907 2277

(b) **Note Trustee:**

Law Debenture Trust Company of New York
767 Third Avenue – 31st Floor
New York
New York 10017

For the attention of: Patrick Healy
Facsimile: +1 212 750 1361

or to such other address or facsimile number as shall have been notified (in accordance with this Clause) to the other party hereto and any notice or demand sent by post as aforesaid shall be deemed to have been given, made or served three days in the case of inland post or seven days in the case of overseas post after despatch and any notice or demand sent by facsimile transmission as aforesaid shall be deemed to have been given, made or served on report of successful transmission.

26.2 Notices to Noteholders

Any notice or communication mailed to Noteholders hereunder shall be transmitted by mail to all Noteholders of Definitive Notes, as the names and addresses of such Noteholders appear upon the Register.

27. RIGHTS OF THIRD PARTIES

A person who is not a party to this Deed has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Deed except and to the extent (if any) that this Deed expressly provides for such Act to apply to any of its terms, but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

28. CERTIFICATES AND OPINIONS

28.1 Certificate and Opinions as to Conditions Precedent

Upon any request or application by the Issuer to the Note Trustee to take any action under this Deed, the Issuer shall furnish to the Note Trustee:

- (a) an Officers' Certificate (which shall include the statements set forth in **Clause 28.2 below**) stating that, in the opinion of the signers, all conditions precedent, if any, provided for in this Deed or required by the Note Trustee pursuant to the terms of this Deed relating to the proposed action have been complied with; and
- (b) an Opinion of Counsel (which shall include the statements set forth in **Clause 28.2 below**) stating that, in the opinion of such counsel, all such conditions precedent, if any, provided for in this Deed or required by the Note Trustee pursuant to the terms of this Deed relating to the proposed action have been complied with.

28.2 Statements Required in Certificate and Opinion

Each certificate and opinion with respect to compliance with a condition or covenant provided for in this Deed shall include:

- (a) a statement that the person making such certificate or opinion has read such covenant or condition and the definitions relating thereto;
- (b) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;
- (c) a statement that, in the opinion of such person, it or he has made such examination or investigation as is necessary to enable such person to express an informed opinion as to whether or not such covenant or condition has been complied with; and
- (d) a statement as to whether or not, in the opinion of such person, such covenant or condition has been complied with.

29. GOVERNING LAW

These presents and the Notes are governed by, and shall be construed in accordance with, English law.

30. COUNTERPARTS

This Deed and any trust deed supplemental hereto may be executed and delivered in any number of counterparts, all of which, taken together, shall constitute one and the same deed and any party to this Deed or any trust deed supplemental hereto may enter into the same by executing and delivering a counterpart.

31. SUBMISSION TO JURISDICTION

The Issuer irrevocably agrees for the benefit of the Issuer Security Trustee and the other Issuer Secured Creditors that the English courts have exclusive jurisdiction to settle any dispute which may arise out of or in connection with this Deed and accordingly submits to the exclusive jurisdiction of the English courts. The Issuer waives any objection to the courts of England on the grounds that they are an inconvenient or inappropriate forum. The Issuer Security Trustee and the other Issuer Secured Creditors may take any suit, action or proceeding arising out of or in connection with this Deed (together referred to as **Proceedings**) against the Issuer in any other court of competent jurisdiction and concurrent Proceedings in any number of jurisdictions.

IN WITNESS WHEREOF this Deed has been executed as a deed by the Issuer and the Note Trustee and delivered on the date first stated on page 1.

SCHEDULE 1

FORMS OF GLOBAL NOTES

SERIES [●] CLASS [A]/[B]/[M]/[C]/[D] [RULE 144A/REG S] GLOBAL NOTE

[THIS NOTE HAS NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE **SECURITIES ACT**), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES, AND, AS A MATTER OF U.S. LAW, MAY NOT BE OFFERED OR SOLD IN VIOLATION OF THE SECURITIES ACT OR SUCH STATE LAWS. THIS NOTE MAY BE TRANSFERRED ONLY IN INITIAL PRINCIPAL AMOUNTS OF \$100,000 AND INTEGRAL MULTIPLES OF \$1,000 IN EXCESS THEREOF (OR ITS EQUIVALENT IN ANY OTHER CURRENCY AS AT THE DATE OF ISSUE OF SUCH NOTES). THE HOLDER HEREOF, BY PURCHASING OR ACCEPTING THIS NOTE, AGREES FOR THE BENEFIT OF THE ISSUER AND THE MANAGERS OF THE OFFERING OF THE NOTES OUTSIDE THE UNITED STATES THAT IT WILL OFFER, RESELL, PLEDGE OR OTHERWISE TRANSFER THIS NOTE, ONLY (A) (1) IN ACCORDANCE WITH RULE 144A UNDER THE SECURITIES ACT (**RULE 144A**), TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER, AS DEFINED IN RULE 144A (A **QUALIFIED INSTITUTIONAL BUYER**), THAT IS ACQUIRING THIS NOTE FOR ITS OWN ACCOUNT OR AS A FIDUCIARY OR AGENT FOR OTHERS (WHICH OTHERS MUST BE QUALIFIED INSTITUTIONAL BUYERS) TO WHOM NOTICE IS GIVEN THAT THE RESALE OR OTHER TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (2) PURSUANT TO AN EXEMPTION FROM REGISTRATION IN ACCORDANCE WITH RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE), (3) TO A NON-U.S. PERSON (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT), AND WHO IS NOT ACQUIRING THE NOTE FOR THE ACCOUNT OR BENEFIT OF A U.S. PERSON, IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT OR (4) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION AND (B) WITH RESPECT TO THE NOTES SPECIFIED IN THE APPLICABLE FINAL TERMS TO BE ERISA-ELIGIBLE, TO A PURCHASER WITH RESPECT TO WHOM (X) NO PART OF THE ASSETS USED TO PURCHASE THIS NOTE CONSTITUTES ASSETS OF ANY EMPLOYEE BENEFIT PLAN, OTHER PLAN OR INDIVIDUAL RETIREMENT ACCOUNT SUBJECT TO TITLE I OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED (**ERISA**), OR SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE **CODE**), OR (Y) PART OR ALL OF THE ASSETS USED TO PURCHASE THIS NOTE CONSTITUTE ASSETS OF AN EMPLOYEE BENEFIT PLAN, OTHER PLAN OR INDIVIDUAL RETIREMENT ACCOUNT SUBJECT TO TITLE I OF ERISA OR SECTION 4975 OF THE CODE IF AND ONLY IF THE USE OF SUCH ASSETS WILL NOT CONSTITUTE, CAUSE OR RESULT IN THE OCCURRENCE OF A NON-EXEMPT PROHIBITED TRANSACTION UNDER ERISA OR SECTION 4975 OF THE CODE PROVIDED THAT THE AGREEMENT OF THE HOLDER HEREOF IS SUBJECT TO ANY REQUIREMENT OF LAW THAT THE DISPOSITION OF THE PURCHASER'S PROPERTY SHALL AT ALL TIMES BE AND REMAIN WITHIN ITS CONTROL. IF THE NOTE REPRESENTED HEREBY IS NOT SPECIFIED IN THE APPLICABLE FINAL TERMS AS ERISA-ELIGIBLE, THE HOLDER HEREOF, BY PURCHASING OR ACCEPTING THIS NOTE, AGREES FOR THE BENEFIT OF THE ISSUING ENTITY AND THE RELEVANT DEALERS THAT NO PART OF THE ASSETS USED TO PURCHASE THIS NOTE CONSTITUTES ASSETS OF ANY EMPLOYEE BENEFIT PLAN, OTHER PLAN OR INDIVIDUAL RETIREMENT ACCOUNT SUBJECT TO TITLE I OF THE

UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED, OR SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED. THIS NOTE AND RELATED DOCUMENTATION MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME TO MODIFY THE RESTRICTIONS ON AND PROCEDURES UNDERTAKEN OR REPRESENTED BY THE HOLDER, FOR REALES AND OTHER TRANSFERS OF THIS NOTE TO REFLECT ANY CHANGE IN APPLICABLE LAW OR REGULATION (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO REALES OR OTHER TRANSFERS OR RESTRICTED SECURITIES GENERALLY. THE HOLDER OF THIS NOTE AND ANY BENEFICIAL OWNER OF ANY INTEREST HEREIN SHALL BE DEEMED, BY ITS ACCEPTANCE OR PURCHASE HEREOF, TO HAVE AGREED TO ANY SUCH AMENDMENT OR SUPPLEMENT (EACH OF WHICH SHALL BE CONCLUSIVE AND BINDING ON THE HOLDER HEREOF AND ALL FUTURE HOLDERS OF THIS NOTE AND ANY NOTES ISSUED IN EXCHANGE OR SUBSTITUTION HEREFOR, WHETHER OR NOT ANY NOTATION THEREOF IS MADE HEREON) AND AGREES TO TRANSFER THIS NOTE ONLY IN ACCORDANCE WITH ANY SUCH AMENDMENT OR SUPPLEMENT IN ACCORDANCE WITH APPLICABLE LAW IN EFFECT AT THE DATE OF SUCH TRANSFER. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT FOR REALES OF THIS NOTE.]*

[THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE **SECURITIES ACT**), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND, AS A MATTER OF U.S. LAW (1) AS PART OF THEIR DISTRIBUTION AT ANY TIME OR (2) PRIOR TO THE DATE THAT IS 40 DAYS AFTER THE LATER OF THE COMMENCEMENT OF THE OFFERING OF THE NOTES AND THE CLOSING DATE, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, A U.S. PERSON (AS DEFINED IN REGULATIONS UNDER THE SECURITIES ACT) EXCEPT PURSUANT TO AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. THE HOLDER HEREOF, BY PURCHASING OR ACCEPTING THIS NOTE, AGREES FOR THE BENEFIT OF THE ISSUER AND THE MANAGERS OF THE OFFERING OF THE NOTES OUTSIDE THE UNITED STATES THAT NO PART OF THE ASSETS USED TO PURCHASE THIS NOTE CONSTITUTES ASSETS OF ANY EMPLOYEE BENEFIT PLAN, OTHER PLAN OR INDIVIDUAL RETIREMENT ACCOUNT SUBJECT TO TITLE I OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED, OR SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED.]**

[THIS NOTE (OR ANY INTEREST HEREIN) MAY NOT BE OFFERED, SOLD, TRANSFERRED OR DELIVERED AS PART OF ITS INITIAL DISTRIBUTION OR AT ANY TIME THEREAFTER, DIRECTLY OR INDIRECTLY, TO INDIVIDUALS OR LEGAL ENTITIES WHO ARE ESTABLISHED, DOMICILED OR HAVE THEIR RESIDENCE IN THE NETHERLANDS (**DUTCH RESIDENTS**) OTHER THAN TO PROFESSIONAL MARKET PARTIES WITHIN THE MEANING OF THE EXEMPTION REGULATION PURSUANT TO THE DUTCH ACT ON THE SUPERVISION OF THE CREDIT SYSTEM 1992 (**PMPs**).

EACH DUTCH RESIDENT BY PURCHASING THIS NOTE (OR ANY INTEREST HEREIN), WILL BE DEEMED TO HAVE REPRESENTED AND AGREED FOR THE BENEFIT OF THE

* To appear only on the Rule 144 A Global Notes.
** To appear only on the Reg S Global Notes.

ISSUER THAT IT IS SUCH A PMP AND IS ACQUIRING THIS NOTE FOR ITS OWN ACCOUNT.

EACH HOLDER OF THIS NOTE (OR ANY INTEREST HEREIN), BY PURCHASING THIS NOTE (OR ANY INTEREST HEREIN), WILL BE DEEMED TO HAVE REPRESENTED AND AGREED FOR THE BENEFIT OF THE ISSUER THAT (A) THIS NOTE (OR ANY INTEREST HEREIN) MAY NOT BE OFFERED, SOLD, TRANSFERRED OR DELIVERED TO DUTCH RESIDENTS OTHER THAN TO A PMP ACQUIRING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A PMP AND THAT (B) THE HOLDER WILL PROVIDE NOTICE OF THE TRANSFER RESTRICTIONS DESCRIBED HEREIN TO ANY SUBSEQUENT TRANSFEREE.]#

To delete on the Euro Global Notes.

FOSSE MASTER ISSUER PLC

(Incorporated with limited liability in England with registered number 5925693)

SERIES [●] CLASS [A]/[B]/[M]/[C]/[D] [RULE 144A/REG S] GLOBAL NOTE
representing up to

[●] Series [●] Class [A]/[B]/[M]/[C]/[D] Asset Backed Floating Rate Notes due [●]

(Initial aggregate principal amount of Series [●] Class [A]/[B]/[M]/[C]/[D] Global Notes: [●])

This Series [●] Class [A]/[B]/[M]/[C]/[D] Global Note is issued without principal or interest coupons in respect of a duly authorised issue of Series [●] Class [A]/[B]/[M]/[C]/[D] Notes of Fosse Master Issuer plc (the **Issuer**), designated as specified in the title hereof (the **Notes**), limited to the aggregate principal amount of up to [*Initial Principal Amount – words and figures*] [U.S. dollars/euro/pounds sterling] ([US\$/€/£][●]) and constituted by a Note Trust Deed dated 28 November 2006 (the **Note Trust Deed**) between the Issuer and Law Debenture Trust Company of New York, as trustee (the trustee for the time being thereof being herein called the **Note Trustee**). References herein to the Conditions (or to any particular numbered Condition) shall be to the Conditions (or that particular one of them) set out in **Schedule 35** to the Note Trust Deed. Terms used but not defined herein have the meanings ascribed to them in the master definitions and construction schedule signed by, amongst others, Alliance & Leicester plc and dated 28 November 2006 (the **Master Definitions and Construction Schedule**) and the issuer master definitions and construction schedule, signed by, amongst others, the parties to this Agreement and dated 28 November 2006 (the **Issuer Master Definitions and Construction Schedule**) (each as may be amended and/or restated from time to time with the consent of the parties to the Note Trust Deed), and the Note Trust Deed and this Global Note shall be construed in accordance with the interpretation provisions set out in **clause 2** of the Issuer Master Definitions and Construction Schedule. The aggregate principal amount from time to time of this Global Note shall be that amount not exceeding [US\$/€/£][*Currency and Initial Principal Amount*] as shall be shown by the latest entry duly made in the Schedule hereto.

This is to certify that:

[Cede & Co. as nominee on behalf of The Depository Trust Company]* [Citvic Nominees Limited as nominee on behalf of the Common Depository for both Euroclear and Clearstream, Luxembourg]**

is/are the duly registered holder(s) of one of the Series [●] Class [A]/[B]/[M]/[C]/[D] Global Notes. This Global Note is evidence of entitlement only. Title to the Global Notes passes only on due registration in the Register and only the registered holder is entitled to payment in respect of this Global Note.

1. **Promise to pay**

Subject as provided in this Global Note the Issuer promises to pay to the registered holder hereof the principal amount of this Global Note (being at the date hereof [*Initial Principal Amount – words and figures*] on the Interest Payment Date falling in [●] (or on such earlier date as the said principal amount may become repayable in accordance with the Conditions or the Note Trust Deed) and to pay interest monthly or quarterly, as the case may be, in arrear on each Interest Payment Date on the principal amount from time to time of this Global Note at the rates determined in accordance with the Conditions together with such other amounts (if

* To appear only on the Rule 144A Global Notes.

** To appear only on the Reg S Global Notes.

any) as may be payable, all subject to and in accordance with the Conditions and the provisions of the Note Trust Deed.

2. Exchange for Definitive Notes and purchases

This Global Note will be exchangeable (free of charge to the holder) for Definitive Notes only if (a) [The Depository Trust Company (**DTC**) has notified the Issuer that it is at any time unwilling or unable to continue as holder of this Global Note or is at any time unwilling or unable to continue as, or ceases to be, a clearing agency under the United States Securities Exchange Act of 1934, as amended (the **Exchange Act**), and a successor to DTC registered as a clearing agency under the Exchange Act is not able to be appointed by the Issuer within 90 days of such notification]* [both Euroclear Bank S.A./N.V. as operator of the Euroclear System (**Euroclear**) and Clearstream Banking, *société anonyme* (**Clearstream, Luxembourg**) are closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announce an intention permanently to cease business or do so and no alternative clearing system satisfactory to the Note Trustee is then available]**, or (b) as a result of any amendment to, or change in, the laws or regulations of the United Kingdom (or of any political subdivision thereof), or of any authority therein or thereof having power to tax, or in the interpretation or administration by a revenue authority or a court or administration of such laws or regulations which becomes effective on or after the Closing Date, the Issuer or any Paying Agent is or will be required to make any deduction or withholding from any payment in respect of the Notes which would not be required were the relevant Notes in definitive registered form. Thereupon the holder of this Global Note (acting on the instructions of (a) holder(s) of (a) Book-Entry Interest(s) (as defined in Section 3 hereof)) may give notice to the Issuer, and the Issuer may give notice to the Note Trustee and the Noteholders, of its intention to exchange this Global Note for [Rule 144A/Reg S] Definitive Notes on or after the Exchange Date (as defined below).

On or after the Exchange Date, the holder of this Global Note shall surrender this Global Note to or to the order of the Registrar. In exchange for this Global Note the Issuer will deliver, or procure the delivery of, Definitive Notes in registered form in denominations of [US\$100,000][€50,000][£100,000][£50,000] each, plus integral multiples of [US\$1,000][€1,000][£1,000], or in such other denominations as the Note Trustee shall determine (which must be higher than [US\$100,000][€50,000][£100,000][£50,000]) and notify to the relevant Noteholders, in exchange for the whole of this Global Note.

Exchange Date means a day specified in the notice requiring exchange falling not more than 60 days after that on which such notice is given and on which banks are open for business in the city in which the specified office of the Registrar is located and in the city in which the relevant clearing system is located.

Upon the cancellation of a part of this Global Note in accordance with the Note Trust Deed, the Conditions and the Paying Agent and Agent Bank Agreement, the portion of the principal amount hereof so exchanged or so purchased and cancelled shall be endorsed by or on behalf of the Registrar on behalf of the Issuer on **Part II** of the Schedule hereto, whereupon the principal amount hereof shall be increased or, as the case may be, reduced for all purposes by the amount so exchanged or so purchased and cancelled and endorsed. Upon the exchange of the whole of this Global Note for Definitive Notes, this Global Note shall be surrendered to or to the order of the Registrar and cancelled and, if the holder of this Global Note requests, returned to it together with any relevant Definitive Notes.

3. **Payments**

Until the entire principal amount of this Global Note has been extinguished, this Global Note shall be entitled to the benefit of and be bound by the Conditions, the Note Trust Deed and the Issuer Deed of Charge. Payments of principal and interest in respect of Notes represented by this Global Note will be made in accordance with the Conditions. Upon any payment of principal or interest on this Global Note the amount so paid shall be endorsed by or on behalf of the Registrar on behalf of the Issuer on **Part I** of the Schedule hereto.

Upon any payment of principal and endorsement of such payment on **Part I** of the Schedule hereto, the principal amount of this Global Note shall be reduced for all purposes by the principal amount so paid and endorsed.

All payments of any amounts payable and paid to the registered holder of this Global Note shall be valid and, to the extent of the sums so paid, effectual to satisfy and discharge the liability for the monies payable hereon.

4. **[DTC**

References herein to DTC shall be deemed to include references to any other clearing system approved by the Note Trustee.]*

5. **Euroclear, Clearstream, Luxembourg**

References herein to Euroclear and/or Clearstream, Luxembourg shall be deemed to include references to any other clearing system approved by the Note Trustee.]**

6. **Authentication**

This Global Note shall not be or become valid or obligatory for any purpose unless and until authenticated by or on behalf of the Registrar.

7. **[Tax Treatment**

The Issuer will treat the Notes as indebtedness for US federal income tax purposes. Each holder of a Note, by the acceptance hereof, agrees to treat this Note for US federal income tax purposes as indebtedness.]¹

8. **Governing law**

This Global Note is governed by, and shall be construed in accordance with, the laws of England and Wales and the Issuer has in the Note Trust Deed submitted to the non exclusive jurisdiction of the courts of England for all purposes in connection with this Global Note.

9. **Contracts (Rights of Third Parties) Act 1999**

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

* To appear only on the Rule 144A Global Notes.

** To appear only on the Reg S Global Notes.

¹ Delete for Reg S Notes

IN WITNESS WHEREOF the Issuer has caused this Global Note to be signed manually or in facsimile by a person duly authorised on its behalf.

FOSSE MASTER ISSUER PLC

By: _____
(Duly authorised)

Issued in London, England on [●] 2006.

Certificate of authentication

This Global Note is duly authenticated without recourse, warranty or liability.

Duly authorised
for and on behalf of
CITIBANK, N.A.
as Registrar

SCHEDULE 2

FORM OF DEFINITIVE NOTES

SERIES [●] CLASS [A]/[B]/[M]/[C]/[D] [RULE 144A/REG S] DEFINITIVE NOTE

[US\$][€][£] [●]

[ISIN:]

[SERIES]

[SERIAL NO.]

[THIS NOTE HAS NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE **SECURITIES ACT**), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES, AND, AS A MATTER OF U.S. LAW, MAY NOT BE OFFERED OR SOLD IN VIOLATION OF THE SECURITIES ACT OR SUCH STATE LAWS. THIS NOTE MAY BE TRANSFERRED ONLY IN INITIAL PRINCIPAL AMOUNTS OF \$100,000 AND INTEGRAL MULTIPLES OF \$1,000 IN EXCESS THEREOF (OR ITS EQUIVALENT IN ANY OTHER CURRENCY AS AT THE DATE OF ISSUE OF SUCH NOTES). THE HOLDER HEREOF, BY PURCHASING OR ACCEPTING THIS NOTE, AGREES FOR THE BENEFIT OF THE ISSUER AND THE MANAGERS OF THE OFFERING OF THE NOTES OUTSIDE THE UNITED STATES THAT IT WILL OFFER, RESELL, PLEDGE OR OTHERWISE TRANSFER THIS NOTE, ONLY (A) (1) IN ACCORDANCE WITH RULE 144A UNDER THE SECURITIES ACT (**RULE 144A**), TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER, AS DEFINED IN RULE 144A (A **QUALIFIED INSTITUTIONAL BUYER**), THAT IS ACQUIRING THIS NOTE FOR ITS OWN ACCOUNT OR AS A FIDUCIARY OR AGENT FOR OTHERS (WHICH OTHERS MUST BE QUALIFIED INSTITUTIONAL BUYERS) TO WHOM NOTICE IS GIVEN THAT THE RESALE OR OTHER TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (2) PURSUANT TO AN EXEMPTION FROM REGISTRATION IN ACCORDANCE WITH RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE), (3) TO A NON-U.S. PERSON (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT), AND WHO IS NOT ACQUIRING THE NOTE FOR THE ACCOUNT OR BENEFIT OF A U.S. PERSON, IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT OR (4) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION AND (B) WITH RESPECT TO THE NOTES SPECIFIED IN THE APPLICABLE FINAL TERMS TO BE ERISA-ELIGIBLE, TO A PURCHASER WITH RESPECT TO WHOM (X) NO PART OF THE ASSETS USED TO PURCHASE THIS NOTE CONSTITUTES ASSETS OF ANY EMPLOYEE BENEFIT PLAN, OTHER PLAN OR INDIVIDUAL RETIREMENT ACCOUNT SUBJECT TO TITLE I OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED (**ERISA**), OR SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE **CODE**), OR (Y) PART OR ALL OF THE ASSETS USED TO PURCHASE THIS NOTE CONSTITUTE ASSETS OF AN EMPLOYEE BENEFIT PLAN, OTHER PLAN OR INDIVIDUAL RETIREMENT ACCOUNT SUBJECT TO TITLE I OF ERISA OR SECTION 4975 OF THE CODE IF AND ONLY IF THE USE OF SUCH ASSETS WILL NOT CONSTITUTE, CAUSE OR RESULT IN THE OCCURRENCE OF A NON-EXEMPT PROHIBITED TRANSACTION UNDER ERISA OR SECTION 4975 OF THE CODE PROVIDED THAT THE AGREEMENT OF THE HOLDER HEREOF IS SUBJECT TO ANY REQUIREMENT OF LAW THAT THE DISPOSITION OF THE PURCHASER'S PROPERTY SHALL AT ALL TIMES BE AND REMAIN WITHIN ITS

CONTROL. IF THE NOTE REPRESENTED HEREBY IS NOT SPECIFIED IN THE APPLICABLE FINAL TERMS AS ERISA-ELIGIBLE, THE HOLDER HEREOF, BY PURCHASING OR ACCEPTING THIS NOTE, AGREES FOR THE BENEFIT OF THE ISSUING ENTITY AND THE RELEVANT DEALERS THAT NO PART OF THE ASSETS USED TO PURCHASE THIS NOTE CONSTITUTES ASSETS OF ANY EMPLOYEE BENEFIT PLAN, OTHER PLAN OR INDIVIDUAL RETIREMENT ACCOUNT SUBJECT TO TITLE I OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED, OR SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED. THIS NOTE AND RELATED DOCUMENTATION MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME TO MODIFY THE RESTRICTIONS ON AND PROCEDURES UNDERTAKEN OR REPRESENTED BY THE HOLDER, FOR REALES AND OTHER TRANSFERS OF THIS NOTE TO REFLECT ANY CHANGE IN APPLICABLE LAW OR REGULATION (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO REALES OR OTHER TRANSFERS OR RESTRICTED SECURITIES GENERALLY. THE HOLDER OF THIS NOTE AND ANY BENEFICIAL OWNER OF ANY INTEREST HEREIN SHALL BE DEEMED, BY ITS ACCEPTANCE OR PURCHASE HEREOF, TO HAVE AGREED TO ANY SUCH AMENDMENT OR SUPPLEMENT (EACH OF WHICH SHALL BE CONCLUSIVE AND BINDING ON THE HOLDER HEREOF AND ALL FUTURE HOLDERS OF THIS NOTE AND ANY NOTES ISSUED IN EXCHANGE OR SUBSTITUTION HEREFOR, WHETHER OR NOT ANY NOTATION THEREOF IS MADE HEREON) AND AGREES TO TRANSFER THIS NOTE ONLY IN ACCORDANCE WITH ANY SUCH AMENDMENT OR SUPPLEMENT IN ACCORDANCE WITH APPLICABLE LAW IN EFFECT AT THE DATE OF SUCH TRANSFER. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT FOR REALES OF THIS NOTE.]*

[THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE **SECURITIES ACT**), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND, AS A MATTER OF U.S. LAW (1) AS PART OF THEIR DISTRIBUTION AT ANY TIME OR (2) PRIOR TO THE DATE THAT IS 40 DAYS AFTER THE LATER OF THE COMMENCEMENT OF THE OFFERING OF THE NOTES AND THE CLOSING DATE, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, A U.S. PERSON (AS DEFINED IN REGULATIONS UNDER THE SECURITIES ACT) EXCEPT PURSUANT TO AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. THE HOLDER HEREOF, BY PURCHASING OR ACCEPTING THIS NOTE, AGREES FOR THE BENEFIT OF THE ISSUER AND THE MANAGERS OF THE OFFERING OF THE NOTES OUTSIDE THE UNITED STATES THAT NO PART OF THE ASSETS USED TO PURCHASE THIS NOTE CONSTITUTES ASSETS OF ANY EMPLOYEE BENEFIT PLAN, OTHER PLAN OR INDIVIDUAL RETIREMENT ACCOUNT SUBJECT TO TITLE I OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED, OR SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED.]**

[THIS NOTE (OR ANY INTEREST HEREIN) MAY NOT BE OFFERED, SOLD, TRANSFERRED OR DELIVERED AS PART OF ITS INITIAL DISTRIBUTION OR AT ANY TIME THEREAFTER, DIRECTLY OR INDIRECTLY, TO INDIVIDUALS OR LEGAL ENTITIES WHO ARE ESTABLISHED, DOMICILED OR HAVE THEIR RESIDENCE IN THE NETHERLANDS (**DUTCH RESIDENTS**) OTHER THAN TO PROFESSIONAL MARKET PARTIES WITHIN THE

* To appear only on the Rule 144 A Global Notes.

** To appear only on the Reg S Definitive Notes.

MEANING OF THE EXEMPTION REGULATION PURSUANT TO THE DUTCH ACT ON THE SUPERVISION OF THE CREDIT SYSTEM 1992 (**PMPs**).

EACH DUTCH RESIDENT BY PURCHASING THIS NOTE (OR ANY INTEREST HEREIN), WILL BE DEEMED TO HAVE REPRESENTED AND AGREED FOR THE BENEFIT OF THE ISSUER THAT IT IS SUCH A PMP AND IS ACQUIRING THIS NOTE FOR ITS OWN ACCOUNT.

EACH HOLDER OF THIS NOTE (OR ANY INTEREST HEREIN), BY PURCHASING THIS NOTE (OR ANY INTEREST HEREIN), WILL BE DEEMED TO HAVE REPRESENTED AND AGREED FOR THE BENEFIT OF THE ISSUER THAT (A) THIS NOTE (OR ANY INTEREST HEREIN) MAY NOT BE OFFERED, SOLD, TRANSFERRED OR DELIVERED TO DUTCH RESIDENTS OTHER THAN TO A PMP ACQUIRING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A PMP AND THAT (B) THE HOLDER WILL PROVIDE NOTICE OF THE TRANSFER RESTRICTIONS DESCRIBED HEREIN TO ANY SUBSEQUENT TRANSFEREE.]#

To delete on the Euro Global Notes.

FOSSE MASTER ISSUER PLC

(Incorporated with limited liability in England with registered number [●])

**[US\$][€][£] [●] Series [●] Class [A]/[B]/[M]/[C]/[D] Asset Backed Floating Rate Notes due [●]
(the Series [●] Class [A]/[B]/[M]/[C]/[D] Notes)**

This Series [●] Class [A]/[B]/[M]/[C]/[D] Note forms one of a series of notes constituted by a note trust deed (the **Note Trust Deed**) dated 28 November 2006 made between Fosse Master Issuer plc (the **Issuer**) and Law Debenture Trust Company of New York, as note trustee for the holders of the Series [●] Class [A]/[B]/[M]/[C]/[D] Notes (the **Note Trustee**) and issued as registered Series [●] Class [A]/[B]/[M]/[C]/[D] Notes in denominations of [US\$100,000][€50,000][£100,000][£50,000] each, plus integral multiples of [US\$1,000][€1,000][£1,000], or in such other denominations (which must be higher than [●] as the Note Trustee shall determine and notify to the holders of the relevant Series [●] Class [A]/[B]/[M]/[C]/[D] Notes.

THIS IS TO CERTIFY that [●]

is/are the registered holder(s) of one of the above-mentioned registered Series [●] Class [A]/[B]/[M]/[C]/[D] Notes, such Series [●] Class [A]/[B]/[M]/[C]/[D] Notes being in the denomination of [U.S. dollars/euro/pounds sterling] and is/are entitled on the Interest Payment Date falling in [●] (or on such earlier date as the principal sum hereinafter mentioned may become repayable in accordance with the terms and conditions of the Series [●] Class [A]/[B]/[M]/[C]/[D] Notes (the **Conditions**) endorsed hereon) to the repayment of such principal sum of:

[US\$][€][£] [●]

together with such other amounts (if any) as may be payable, all subject to and in accordance with the Conditions and the provisions of the Note Trust Deed.

Interest is payable on the Principal Amount Outstanding (as defined in **Condition [●]**) endorsed hereon of this Series [●] Class [A]/[B]/[M]/[C]/[D] Note at rates determined in accordance with the Conditions payable monthly or quarterly, as the case may be, in arrear on each Interest Payment Date and together with such other amounts (if any) as may be payable, all subject to and in accordance with the Conditions and the provisions of the Note Trust Deed.

IN WITNESS WHEREOF this registered Series [●] Class [A]/[B]/[M]/[C]/[D] Note has been executed on behalf of the Issuer.

FOSSE MASTER ISSUER PLC

By: _____
Director

By: _____
Director

Dated

Certificate of authentication

This Series [●] Class [A]/[B]/[M]/[C]/[D] Note is duly authenticated without recourse, warranty or liability.

Duly authorised
for and on behalf of
CITIBANK, N.A.
as Registrar

(REVERSE OF NOTE)

THE CONDITIONS

[In the form set out in **Schedule 5**]

FORM OF TRANSFER OF DEFINITIVE NOTE

FOR VALUE RECEIVED the undersigned hereby transfer(s) to

(Please print or type name and address (including postal code) of transferee)

[US\$][€][£] _____ principal amount of this Series [●] Class [A]/[B]/[M]/[C]/[D] Note and all rights hereunder, hereby irrevocably constituting and appointing _____ as attorney to transfer such principal amount of this Series [●] Class [A]/[B]/[M]/[C]/[D] Note in the register maintained by or on behalf of **FOSSE MASTER ISSUER PLC** with full power of substitution.

Signature(s) _____

Date: _____

NOTES:

1. This form of transfer must be accompanied by such documents, evidence and information as may be required pursuant to the Note Trust Deed and the Paying Agent and Agent Bank Agreement (as defined in the Conditions) and must be executed under the hand of the transferor or, if the transferor is a corporation, either under its common seal or under the hand of two of its officers duly authorised in writing and, in such latter case, the document so authorising such officers must be delivered with this form of transfer.
2. The signature(s) on this form of transfer must correspond with the name(s) as it/they appear(s) on the face of this Series [●] Class [A]/[B]/[M]/[C]/[D] Note in every particular, without alteration or enlargement or any change whatever.

SCHEDULE 3

FORM OF TRANSFER CERTIFICATE

RULE 144A GLOBAL NOTE TO REG S GLOBAL NOTE

Attention:

Re: FOSSE MASTER ISSUER PLC

Reference is hereby made to the Note Trust Deed dated as of 28 November 2006 (the **Note Trust Deed**) between Fosse Master Issuer plc (the **Issuer**) and Law Debenture Trust Company of New York, as Note Trustee. Capitalised terms used but not defined herein shall have the meanings given to them in the Note Trust Deed, the Master Definitions and Construction Schedule and the Issuer Master Definitions and Construction Schedule. Terms used in this certificate and not otherwise defined in the Note Trust Deed, the Master Definitions and Construction Schedule or the Issuer Master Definitions and Construction Schedule referred to in it have the meanings set forth in Regulation S under the Securities Act. This letter relates to US\$[●] aggregate principal amount of [●] Notes which are evidenced by the Rule 144A Global [●] Note (CUSIP No. [●]) and held by you on behalf of the undersigned (the **Transferor**). The Transferor has requested a transfer of such beneficial interest in the [●] Notes to a person who will take delivery thereof in the form of an equal aggregate principal amount of [●] Notes evidenced by the Reg S Global [●] Note (ISIN No. [●]), which amount, immediately after such transfer, is to be held with the Common Depository through Euroclear or Clearstream, Luxembourg or both.

In connection with such request and in respect of such Notes, the Transferor does hereby certify that such transfer has been effected pursuant to and in accordance with Rule 903 or Rule 904 of Regulation S (**Regulation S**) under the United States Securities Act of 1933, as amended (the **Securities Act**) and accordingly the Transferor does hereby further certify that:

- (1) the offer of the [●] Notes was not made to a person in the United States or to or for the account or benefit of a U.S. person (as defined in Regulation S under the Securities Act);
- (2) either:
 - (A) at the time the buy order was originated, the transferee was outside the United States or the Transferor and any person acting on its behalf reasonably believed that the transferee was outside the United States; or
 - (B) the transaction was executed in, on or through the facilities of a designated offshore securities market and neither the Transferor nor any person acting on its behalf knows that the transaction was pre-arranged with a buyer in the United States;
- (3) no directed selling efforts have been made in the United States in contravention of the requirements of Rule 903(b) or 904(b) of Regulation S, as applicable; and
- (4) the transaction is not part of a plan or scheme to evade the registration requirements of the Securities Act.

This certificate and the statements contained herein are made for the benefit of the Issuer, the Managers and the Dealers. Dated: [Insert Name of Transferor]

By: _____

Name:

Title:

(If the transferor is a corporation, partnership or fiduciary, the title of the person signing on behalf of such transferor must be stated.)

SCHEDULE 4

FORM OF TRANSFER CERTIFICATE

REG S GLOBAL NOTE TO RULE 144A GLOBAL NOTE

Attention:

Re: FOSSE MASTER ISSUER PLC

Reference is hereby made to the Note Trust Deed dated as of 28 November 2006 (the **Note Trust Deed**) between Fosse Master Issuer plc (the **Issuer**) and Law Debenture Trust Company of New York, as Note Trustee. Capitalised terms used but not defined herein shall have the meanings given to them in the Note Trust Deed, the Master Definitions and Construction Schedule and the Issuer Master Definitions and Construction Schedule.

This letter relates to US\$ [●] aggregate principal amount of [●] Notes which are evidenced by the Reg S Global [●] Note (ISIN No. [●]) and held by you through Euroclear or Clearstream, Luxembourg or both who in turn is holding an interest therein on behalf of the undersigned (the **Transferor**). The Transferor has requested a transfer of such beneficial interest in the [●] Notes to a person who, during the Distribution Compliance Period, will take delivery thereof in the form of an equal aggregate principal amount of [●] Notes evidenced by the Rule 144A Global [●] Note (CUSIP No. [●]).

In connection with such request and in respect of such [●] Notes, the Transferor does hereby certify that such transfer has been effected pursuant to and in accordance with Rule 144A under the United States Securities Act of 1933, as amended, and accordingly the Transferor does hereby further certify that the [●] Notes are being transferred to a person that the Transferor reasonably believes is purchasing the [●] Notes for its own account, or for one or more accounts with respect to which such person exercises sole investment discretion, and such person and each such account is a "qualified institutional buyer" within the meaning of Rule 144A, in each case in a transaction meeting the requirements of Rule 144A and in accordance with any applicable securities laws of any state of the United States.

This certificate and the statements contained herein are made for the benefit of the Issuer, the Managers and the Dealers.

Dated:

[Insert Name of Transferor]

By: _____

Name:

Title:

(If the transferor is a corporation, partnership or fiduciary, the title of the person signing on behalf of such transferor must be stated.)

SCHEDULE 5
TERMS AND CONDITIONS OF THE NOTES

SCHEDULE 6

PROVISIONS FOR MEETINGS OF NOTEHOLDERS

1. (a) As used in this Schedule the following expressions shall have the following meanings unless the context otherwise requires:
 - (i) **voting certificate** shall mean an English language certificate issued by a Registrar and dated in which it is stated:
 - (A) that on the date thereof Notes (represented by a Global Note and not being Notes in respect of which a block voting instruction has been issued and is outstanding in respect of the meeting specified in such voting certificate or any adjourned such meeting) were (to the satisfaction of such Registrar) held to its order or under its control and that no such Notes will cease to be so held until the first to occur of:
 - I. the conclusion of the meeting specified in such certificate or, if applicable, of any adjourned such meeting; and
 - II. the surrender of the certificate to the Registrar who issued the same; and
 - (B) that the bearer thereof is entitled to attend and vote at such meeting and any adjourned such meeting in respect of the Notes represented by such certificate;
 - (ii) **block voting instruction** shall mean an English language document issued by a Paying Agent and dated in which:
 - (A) it is certified that Notes (represented by a Global Note and not being Notes in respect of which a voting certificate has been issued and is outstanding in respect of the meeting specified in such block voting instruction and any adjourned such meeting) were (to the satisfaction of such Registrar) held to its order or under its control and that no such Notes will cease to be so held until the first to occur of:
 - I. the conclusion of the meeting specified in such document or, if applicable, of any adjourned such meeting; and
 - II. the surrender to that Registrar not less than 48 hours before the time for which such meeting or any adjourned such meeting is convened of the receipt issued by such Registrar in respect of each such Note which is to be released or (as the case may require) the Note or Notes ceasing with the agreement of that Paying Agent to be held to its order or under its control and the giving of notice by that Registrar to the Issuer in accordance with **paragraph 17** hereof of the necessary amendment to the block voting instruction;
 - (B) it is certified that each holder of such Notes has instructed such Paying Agent that the vote(s) attributable to the Note or Notes so

held should be cast in a particular way in relation to the resolution or resolutions to be put to such meeting or any adjourned such meeting and that all such instructions are during the period commencing 48 hours prior to the time for which such meeting or any adjourned such meeting is convened and ending at the conclusion or adjournment thereof neither revocable nor capable of amendment;

- (C) the aggregate principal amount of the Notes so held are listed distinguishing with regard to each such resolution between those in respect of which instructions have been given as aforesaid that the votes attributable thereto should be cast in favour of the resolution and those in respect of which instructions have been so given that the votes attributable thereto should be cast against the resolution; and
 - (D) one or more persons named in such document (each hereinafter called a **proxy**) is or are authorised and instructed by such Registrar to cast the votes attributable to the Notes so listed in accordance with the instructions referred to in (C) above as set out in such document;
- (iii) **24 hours** shall mean a period of 24 hours including all or part of a day upon which banks are open for business in both the place where the relevant meeting is to be held and in each of the places where the Registrar has its specified office (disregarding for this purpose the day upon which such meeting is to be held) and such period shall be extended by one period or, to the extent necessary, more periods of 24 hours until there is included as aforesaid all or part of a day upon which banks are open for business in all of the places as aforesaid;
- (iv) **48 hours** shall mean a period of 48 hours including all or part of two days upon which banks are open for business both in the place where the relevant meeting is to be held and in each of the places where the Registrar has its specified office (disregarding for this purpose the day upon which such meeting is to be held) and such period shall be extended by one period or, to the extent necessary, more periods of 24 hours until there is included as aforesaid all or part of two days upon which banks are open for business in all of the places as aforesaid; and
- (v) **Notes and Noteholders** shall mean:
- (A) in connection with a single meeting of Class A Noteholders, Class A Notes and Class A Noteholders, respectively;
 - (B) in connection with a single meeting of Class B Noteholders, Class B Notes and Class B Noteholders respectively;
 - (C) in connection with a single meeting of Class M Noteholders, Class M Notes and Class M Noteholders, respectively;
 - (D) in connection with a single meeting of Class C Noteholders, Class C Notes and Class C Noteholders respectively; and
 - (E) in connection with a single meeting of Class D Noteholders, Class D Notes and Class D Noteholders, respectively.

- (b) A holder of a Note represented by a Global Note may obtain a voting certificate in respect of such Note from a Paying Agent or require a Paying Agent to issue a block voting instruction in respect of such Note or by such Note (to the satisfaction of such Paying Agent) being held to its order or under its control, in each case not less than 48 hours before the time fixed for the relevant meeting and on the terms set out in **subparagraph (a)(i)(A)** or **(a)(ii)(A)** above (as the case may be), and (in the case of a block voting instruction) instructing such Paying Agent to the effect set out in **subparagraph (a)(ii)(B)** above. The holder of any voting certificate or the proxies named in any block voting instruction shall for all purposes in connection with the relevant meeting or adjourned meeting of Noteholders be deemed to be the holder of the Notes to which such voting certificate or block voting instruction relates and the person holding the same to the order or under the control of such Paying Agent shall be deemed for such purposes not to be the holder of those Notes.
- (c) (i) A holder of a Note may, by an instrument in writing in the English language (a **form of proxy**) signed by the holder or, in the case of a corporation, executed under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation and delivered to the specified office of the Registrar not less than 48 hours before the time fixed for the relevant meeting, appoint any person (a **proxy**) to act on his or its behalf in connection with any meeting of the Noteholders and any adjourned such meeting.
- (ii) If the Holder of a Note is The Depository Trust Company (**DTC**) or a nominee of DTC, such nominee or DTC may appoint proxies in accordance with and in the form used by DTC as part of its usual procedures from time to time in relation to meetings of Noteholders. Any proxy so appointed may, by an instrument in writing in the form of the English language available from the specified office of the Principal Paying Agent or the Registrar, as the case may be, or in such other form as approved by the Note Note Trustee, signed by the proxy or, in the case of a corporation, executed under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation and delivered to the principal Paying Agent or the Registrar, as the case may be, not later than 48 hours before the time fixed for any meeting, appoint any person (the **sub-proxy**) to act on his or its behalf in connection with any meeting or proposed meeting of Noteholders, provided that any such appointment certifies that no other person has been appointed as a sub-proxy in respect of the relevant Notes and that no voting instruction has been given in relation to those Notes. All references to "proxy" or "proxies" in this Schedule other than in this paragraph shall be read so as to include references to "sub-proxy" or "sub-proxies".
- (iii) Any holder of a Note which is a corporation may by resolution of its directors or other governing body authorise any person to act as its representative (a **representative**) in connection with any meeting of the Noteholders and any adjourned such meeting.
- (iv) Any proxy appointed pursuant to **subparagraph (i)** above or representative appointed pursuant to **subparagraph (iii) above** shall so long as such appointment remains in force be deemed, for all purposes in connection with the relevant meeting or adjourned meeting of the Noteholders, to be the holder of the Notes to which such appointment relates and the holder of the Notes shall be deemed for such purposes not to be the holder.

- (d) For so long as the Notes are eligible for settlement through DTC's book-entry settlement system, the Issuer may fix a record date for the purpose of any meeting, provided such date is not more than 10 days prior to the date fixed for such meeting or such other number of days prior thereto as the Note Trustee shall in its absolute discretion determine. The person in whose name a Note is registered on the record date shall be the holder for the purposes of the relevant meeting.
2. The Issuer or the Note Trustee may at any time and the Note Trustee shall upon a requisition in writing signed by the holders of not less than one-tenth in principal amount of the Notes of any Class for the time being outstanding convene a meeting of the Noteholders and if the Issuer makes default for a period of seven days in convening such a meeting the same may be convened by the Note Trustee or the requisitionists. Every such meeting shall be held at such time and place as the Note Trustee may appoint or approve.
 3. At least 21 days' notice (exclusive of the day on which the notice is given and the day on which the meeting is to be held) specifying the place, day and hour of meeting shall be given to the relevant Noteholders prior to any meeting of such Noteholders. Such notice, which shall be in the English language, shall state generally the nature of the business to be transacted at the meeting thereby convened but (except for an Extraordinary Resolution) it shall not be necessary to specify in such notice the terms of any resolution to be proposed. Such notice shall include statements, if applicable, to the effect that the holders of Notes of the relevant class may appoint proxies by executing and delivering a form of proxy in the English language to the specified office of the Registrar not less than 48 hours before the time fixed for the meeting or, in the case of corporations, may appoint representatives by resolution of their directors or other governing body. A copy of the notice shall be sent by post to the Note Trustee (unless the meeting is convened by the Note Trustee) and, to the Issuer (unless the meeting is convened by the Issuer).
 4. A person (who may but need not be a Noteholder) nominated in writing by the Note Trustee shall be entitled to take the chair at the relevant meeting or adjourned meeting but if no such nomination is made or if at any meeting or adjourned meeting the person nominated shall not be present within 15 minutes after the time appointed for holding the meeting or adjourned meeting the Noteholders present shall choose one of their number to be Chairman, failing which the Issuer may appoint a Chairman. The Chairman of an adjourned meeting need not be the same person as was Chairman of the meeting from which the adjournment took place.
 5. At any such meeting one or more persons present holding Notes of the relevant Series and Class or of any one or more Series of the same Class for the time being outstanding or voting certificates or being proxies or representatives and holding or representing in the aggregate not less than one-twentieth of the aggregate Principal Amount Outstanding of the Notes of the relevant Series and Class or of any one or more Series of the same Class for the time being outstanding shall (except for the purpose of passing an Extraordinary Resolution including, for the avoidance of doubt, a Programme Resolution) form a quorum for the transaction of business and no business (other than the choosing of a Chairman) shall be transacted at any meeting unless the requisite quorum be present at the commencement of the relevant business. The quorum at any such meeting for passing an Extraordinary Resolution including, for the avoidance of doubt, a Programme Resolution shall (subject as provided below) be two or more persons present holding or representing Notes of the relevant Series and Class or of any one or more Series of the same Class or voting certificates or being proxies or representatives and holding or representing in the aggregate not less than 50 per cent. in Principal Amount Outstanding of the Notes outstanding of the relevant Series and Class or of any one or more Series of the same Class (or, at any adjourned meeting, two or more persons being or representing Noteholders whatever the aggregate Principal Amount Outstanding of the Notes

outstanding of such Series and Class or such one or more Series of the same Class so held or represented) **PROVIDED THAT** at any meeting the business of which includes the passing of an Extraordinary Resolution to sanction any of the following matters (each a **Basic Terms Modification**) namely:

- (a) reduction or cancellation of the amount payable or, where applicable, modification, (except where such modification is in the opinion of the Note Trustee bound to result in an increase), of the method of calculating the amount payable or modification of the date of payment or, where applicable, of the method of calculating the date of payment in respect of any principal or interest in respect of the Notes of the relevant Series and Class;
- (b) alteration of the currency in which payments under such Notes are to be made;
- (c) alteration of the quorum or majority required to pass an Extraordinary Resolution in respect of any such Basic Terms Modification; and
- (d) alteration of this proviso or the proviso to **paragraph 6** below,

the quorum for passing the requisite Extraordinary Resolution shall be two or more persons present holding Notes of the relevant Series and Class or voting certificates or being proxies or representatives and holding or representing in the aggregate not less than three quarters (or, at any adjourned meeting, not less than one quarter) of the Principal Amount Outstanding of the Notes outstanding of the relevant Series and Class for the time being outstanding.

6. If within 15 minutes (or such longer period not exceeding 30 minutes as the Chairman may decide) after the time appointed for any such meeting a quorum is not present for the transaction of any particular business, then, subject and without prejudice to the transaction of the business (if any) for which a quorum is present, the meeting shall if convened upon the requisition of Noteholders be dissolved. In any other case it shall stand adjourned to the same day in the next week (or if such day is a public holiday the next succeeding Business Day) at the same time and place (except in the case of a meeting at which an Extraordinary Resolution is to be proposed in which case it shall stand adjourned for such period, being not less than 13 clear days nor more than 42 clear days, and to such place as may be appointed by the Chairman either at or subsequent to such meeting and approved by the Note Trustee). If within 15 minutes (or such longer period not exceeding 30 minutes as the Chairman may decide) after the time appointed for any adjourned meeting a quorum is not present for the transaction of any particular business, then, subject and without prejudice to the transaction of the business (if any) for which a quorum is present, the Chairman may either (with the approval of the Note Trustee) dissolve such meeting or adjourn the same for such period, being not less than 13 clear days (but without any maximum number of clear days), and to such place as may be appointed by the Chairman either at or subsequent to such adjourned meeting and approved by the Note Trustee, and the provisions of this sentence shall apply to all further adjourned such meetings. At any adjourned meeting one or more persons present holding Notes or being proxies or representatives (whatever the principal amount of the Notes so held or represented by them) shall (subject as provided below) form a quorum and shall (subject as provided below) have power to pass any Extraordinary Resolution or other resolution and to decide upon all matters which could properly have been dealt with at the meeting from which the adjournment took place had the requisite quorum been present **PROVIDED THAT** at any adjourned meeting the quorum for the transaction of business comprising any of the matters specified in the proviso to **paragraph 5 above** shall be one or more persons present holding Notes or voting certificates or being proxies or representatives and holding or representing in the aggregate not less than one-third of the principal amount of the Notes of the relevant Series and Class/es for the time being outstanding.

7. Notice of any adjourned meeting at which an Extraordinary Resolution is to be submitted shall be given in the same manner as notice of an original meeting but as if 10 were substituted for 21 in **paragraph 3 above** and such notice shall state the relevant quorum. Subject as aforesaid it shall not be necessary to give any notice of an adjourned meeting.
8. Every question submitted to a meeting shall be decided in the first instance by a show of hands and in case of equality of votes the Chairman shall both on a show of hands and on a poll have a casting vote in addition to the vote or votes (if any) to which he may be entitled as a Noteholder or as a holder of a voting certificate or as a proxy or as a representative.
9. At any meeting unless a poll is (before or on the declaration of the result of the show of hands) demanded by the Chairman, the Issuer, the Note Trustee or any person present holding a Note or a voting certificate or being a proxy or representative (whatever the principal amount of the Notes so held or represented by him) a declaration by the Chairman that a resolution has been carried or carried by a particular majority or lost or not carried by a particular majority shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.
10. Subject to **paragraph 12 below**, if at any such meeting a poll is so demanded it shall be taken in such manner and subject as hereinafter provided either at once or after an adjournment as the Chairman directs and the result of such poll shall be deemed to be the resolution of the meeting at which the poll was demanded as at the date of the taking of the poll. The demand for a poll shall not prevent the continuance of the meeting for the transaction of any business other than the motion on which the poll has been demanded.
11. The Chairman may with the consent of (and shall if directed by) any such meeting adjourn the same from time to time and from place to place but no business shall be transacted at any adjourned meeting except business which might lawfully (but for lack of required quorum) have been transacted at the meeting from which the adjournment took place.
12. Any poll demanded at any such meeting on the election of a Chairman or on any question of adjournment shall be taken at the meeting without adjournment.
13. The Note Trustee and its lawyers and any director, officer or employee of a corporation being a trustee of the Note Trust Deed and any director or officer of the Issuer and its lawyers and any other person authorised so to do by the Note Trustee may attend and speak at any meeting. Save as aforesaid, but without prejudice to the definition of Principal Amount Outstanding, no person shall be entitled to attend and speak nor shall any person be entitled to vote at any meeting of the Noteholders or join with others in requesting the convening of such a meeting or to exercise the rights conferred on the Noteholders by **Clause 11** of the Note Trust Deed unless he either produces Note(s) or a voting certificate or is a proxy or a representative or is the holder of a Definitive Note or Definitive Notes. No person shall be entitled to vote at any meeting in respect of Notes held by, for the benefit of, or on behalf of, the Issuer, Funding 1, the Mortgages Trustee or the Seller, any holding company of any of them or any other Subsidiary or any such holding company or the Borrowers. Nothing herein shall prevent any of the proxies named in any block voting instruction or form of proxy or any representative from being a director, officer or representative of or otherwise connected with the Issuer.
14. Subject as provided in **paragraph 13** hereof at any meeting:
 - (a) on a show of hands every person who is present in person or is a holder of Notes or is a proxy or representative shall have one vote; and

- (b) on a poll every person who is so present shall have one vote in respect of each £1 in respect of Sterling Notes, each U.S.\$1 in respect of US Dollar Notes, each €1 in respect of Euro Notes or such amount as the Note Trustee may in its absolute discretion stipulate in respect of Notes denominated in any other specified currency in Principal Amount Outstanding of the Notes outstanding represented by the voting certificate so produced or in respect of which he is a proxy or representative or in respect of which he is the holder.

Without prejudice to the obligations of the proxies named in any block voting instruction or form of proxy any person entitled to more than one vote need not use all his votes or cast all the votes to which he is entitled in the same way.

- 15. The proxies named in any block voting instruction or form of proxy and representatives need not be Noteholders.
- 16. Each block voting instruction together (if so requested by the Note Trustee) with proof satisfactory to the Note Trustee of its due execution on behalf of the relevant Paying Agent and each form of proxy shall be deposited by the relevant Paying Agent or (as the case may be) by the Registrar at such place as the Note Trustee shall approve not less than 24 hours before the time appointed for holding the meeting or adjourned meeting at which the proxies named in the block voting instruction or form of proxy propose to vote and in default the block voting instruction or form of proxy shall not be treated as valid unless the Chairman of the meeting decides otherwise before such meeting or adjourned meeting proceeds to business. A notarially certified copy of each block voting instruction and form of proxy shall be deposited with the Note Trustee before the commencement of the meeting or adjourned meeting but the Note Trustee shall not thereby be obliged to investigate or be concerned with the validity of or the authority of the proxies named in any such block voting instruction or form of proxy.
- 17. Any vote given in accordance with the terms of a block voting instruction or form of proxy shall be valid notwithstanding the previous revocation or amendment of the block voting instruction or form of proxy or of any of the Noteholders' instructions pursuant to which it was executed provided that no intimation in writing of such revocation or amendment shall have been received from the relevant Paying Agent or in the case of a Definitive Note from the holder thereof by the Issuer at its registered office (or such other place as may have been required or approved by the Note Trustee for the purpose) by the time being 24 hours and 48 hours respectively before the time appointed for holding the meeting or adjourned meeting at which the block voting instruction or form of proxy is to be used.
- 18. Subject always to the provisions of **Clause 20** of the Note Trust Deed, a meeting of the Noteholders shall in addition to the powers hereinbefore given have the following powers exercisable only by Extraordinary Resolution (subject to the provisions relating to quorum contained in **paragraphs 5 and 6 above**) namely:
 - (a) power to sanction any compromise or arrangement proposed to be made between the Issuer, the Note Trustee, any appointee of the Note Trustee and the Noteholders or any of them;
 - (b) power to sanction any abrogation, modification, compromise or arrangement in respect of the rights of the Note Trustee, any appointee of the Note Trustee, the Noteholders or the Issuer against any other or others of them or against any other party to any of the Issuer Transaction Documents or against any of their property whether such rights shall arise under the Note Trust Deed, any other Issuer Transaction Document or otherwise;

- (c) power to assent to any modification of the provisions of the Conditions, the Note Trust Deed or any other Issuer Transaction Document which shall be proposed by the Issuer, the Note Trustee, or any Noteholder or any other person;
- (d) power to give any authority or sanction which under the provisions of the Conditions or the Note Trust Deed is required to be given by Extraordinary Resolution;
- (e) power to appoint any persons (whether Noteholders or not) as a committee or committees to represent the interests of the Noteholders and to confer upon such committee or committees any powers or discretions which the Noteholders could themselves exercise by Extraordinary Resolution;
- (f) power to approve of a person to be appointed a trustee and power to remove any trustee or trustees for the time being of the Note Trust Deed;
- (g) power to discharge or exonerate the Note Trustee and/or any appointee of the Note Trustee from all liability in respect of any act or omission for which the Note Trustee and/or such appointee may have become responsible under the Note Trust Deed;
- (h) power to authorise the Note Trustee and/or any appointee of the Note Trustee to concur in and execute and do all such deeds, instruments, acts and things as may be necessary to carry out and give effect to any Extraordinary Resolution; and
- (i) power to sanction any scheme or proposal for the exchange or sale of the Notes for or the conversion of the Notes into or the cancellation of the Notes in consideration of shares, stock, notes, bonds, debentures, debenture stock and/or other obligations and/or notes of the Issuer or any other company formed or to be formed, or for or into or in consideration of cash, or partly for or into or in consideration of such shares, stock, notes, bonds, debentures, debenture stock and/or other obligations and/or notes as aforesaid and partly for or into or in consideration of cash and for the appointment of some person with power on behalf of the Noteholders to execute an instrument of transfer of the Definitive Notes held by them in favour of the persons with or to whom the Notes are to be exchanged or sold respectively,

PROVIDED THAT:

- (i) no Extraordinary Resolution of the Class A Noteholders or the Class B Noteholders or the Class M Noteholders or the Class C Noteholders or the Class D Noteholders (in each case of any one or more Series) to sanction a modification of the Conditions, the Note Trust Deed or any of the other Issuer Transaction Documents or a waiver or authorisation of any breach or proposed breach of any of the provisions of the Conditions, the Note Trust Deed or any of the other Issuer Transaction Documents shall be effective for any purpose unless either:
 - (A) the Note Trustee is of the opinion that it will not be materially prejudicial to the interests of (in the case of an Extraordinary Resolution of the Class A Noteholders) the Class B Noteholders, the Class M Noteholders, the Class C Noteholders and the Class D Noteholders, in each case of each Series, or (in the case of an Extraordinary Resolution of the Class B Noteholders) the Class M Noteholders, the Class C Noteholders and the Class D Noteholders, in each case of each Series, or (in the case of an Extraordinary Resolution of the Class M Noteholders) the Class C Noteholders and the Class D Noteholders, in each case of each Series or (in the case of an Extraordinary Resolution of the Class C Noteholders) the Class D Noteholders of each Series; or

- (B) it shall have been sanctioned by an Extraordinary Resolution of (in the case of an Extraordinary Resolution of the Class A Noteholders) the Class B Noteholders, the Class M Noteholders, the Class C Noteholders and the Class D Noteholders, in each case of each Series, or (in the case of an Extraordinary Resolution of the Class B Noteholders) the Class M Noteholders, the Class C Noteholders and the Class D Noteholders, in each case of each Series, or (in the case of an Extraordinary Resolution of the Class M Noteholders) the Class C Noteholders and the Class D Noteholders, in each case of each Series, or (in the case of an Extraordinary Resolution of the Class C Noteholders) the Class D Noteholders of each Series;
 - (ii) no Extraordinary Resolution of the Class B Noteholders of any Series shall be effective for any purpose while any Class A Notes (of that Series or any other Series) remain outstanding unless either (A) the Note Trustee is of the opinion that it will not be materially prejudicial to the interests of the Class A Noteholders of each Series or (B) it is sanctioned by an Extraordinary Resolution of the Class A Noteholders of each Series;
 - (iii) no Extraordinary Resolution of the Class M Noteholders of any Series shall be effective for any purpose while any Class A Notes or Class B Notes (in each case, of that Series or of any other Series) remain outstanding unless either (A) the Note Trustee is of the opinion that it will not be materially prejudicial to the interests of the Class A Noteholders and/or the Class B Noteholders (as the case may be), in each case of each Series, or (B) it is sanctioned by an Extraordinary Resolution of the Class A Noteholders and/or the Class B Noteholders (as the case may be) of each Series;
 - (iv) no Extraordinary Resolution of the Class C Noteholders of any Series shall be effective for any purpose while any Class A Notes, Class B Notes or Class M Notes (in each case, of that Series or of any other Series) remain outstanding unless either (A) the Note Trustee is of the opinion that it will not be materially prejudicial to the interests of the Class A Noteholders and/or the Class B Noteholders and/or the Class M Noteholders (as the case may be), in each case of each Series, or (B) it is sanctioned by an Extraordinary Resolution of the Class A Noteholders and/or the Class B Noteholders and/or the Class M Noteholders (as the case may be) of each Series; and
 - (v) no Extraordinary Resolution of the Class D Noteholders of any Series shall be effective for any purpose while any Class A Notes, Class B Notes, Class M Notes or Class C Notes (in each case, of that Series or of any other Series) remain outstanding unless either (A) the Note Trustee is of the opinion that it will not be materially prejudicial to the interests of the Class A Noteholders and/or the Class B Noteholders and/or the Class M Noteholders and/or the Class C Noteholders (as the case may be), in each case of each Series, or (B) it is sanctioned by an Extraordinary Resolution of the Class A Noteholders and/or the Class B Noteholders and/or the Class M Noteholders and/or the Class C Noteholders (as the case may be) of each Series.
19. Subject to the provisos to **paragraph 18** any resolution passed at a meeting of the Noteholders duly convened and held in accordance with the Note Trust Deed shall be binding upon the Noteholders of all classes whether present or not present at such meeting and whether or not voting and each of them shall be bound to give effect thereto accordingly and the passing of any such resolution shall be conclusive evidence that the circumstances justify the passing thereof. Notice of the result of the voting on any resolution duly considered by the Noteholders shall be given by the Issuer to the Noteholders in accordance with **Condition**

14 within 14 days of such result being known **PROVIDED THAT** the non-publication of such notice shall not invalidate such result.

20. Subject to **paragraph 25 below**:

- (a) A resolution which in the opinion of the Note Trustee affects the interests of the holders of Class A Notes of one Class only shall be deemed to have been duly passed if passed at a meeting of the holders of the Class A Notes of that Class.
- (b) A resolution which, in the opinion of the Note Trustee, affects the interests of the holders of Class A Notes of any two or more Classes but does not give rise to a conflict of interest between the holders of such two or more Classes of Class A Notes, shall be deemed to have been duly passed if passed at a single meeting of the holders of such two or more Classes of Class A Notes.
- (c) A resolution which in the opinion of the Note Trustee affects the interests of the holders of Class A Notes of any two or more Classes and gives or may give rise to a conflict of interest between the holders of such two or more Classes of the Class A Notes shall be deemed to have been duly passed only if, in lieu of being passed at a single meeting of the holders of such two or more Classes of Class A Notes, it shall be duly passed at separate meetings of the holders of such two or more Classes of the Class A Notes.

21. Subject to **paragraph 25 below**:

- (a) A resolution which, in the opinion of the Note Trustee, affects the interests of the holders of Class B Notes of one Class only shall be deemed to have been duly passed if passed at a meeting of the holders of the Class B Notes of that Class.
- (b) A resolution which, in the opinion of the Note Trustee, affects the interests of the holders of Class B Notes of any two or more Classes but does not give rise to a conflict of interest between the holders of such two or more Classes of the Class B Notes, shall be deemed to have been duly passed if passed at a single meeting of the holders of such two or more Classes of Class B Notes.
- (c) A resolution which, in the opinion of the Note Trustee, affects the interests of the holders of Class B Notes of any two or more Classes and gives or may give rise to a conflict of interest between the holders of such two or more Classes of Class B Notes, shall be deemed to have been duly passed only if, in lieu of being passed at a single meeting of the holders of such two or more Classes of Class B Notes, it shall be duly passed at separate meetings of the holders of such two or more Classes of the Class B Notes.

22. Subject to **paragraph 25 below**:

- (a) A resolution which in the opinion of the Note Trustee affects the interests of the holders of Class M Notes of one Class only shall be deemed to have been duly passed if passed at a meeting of the holders of the Class M Notes of that Class.
- (b) A resolution which, in the opinion of the Note Trustee, affects the interests of the holders of Class M Notes of any two or more Classes but does not give rise to a conflict of interest between the holders of such two or more Classes of Class M Notes, shall be deemed to have been duly passed if passed at a single meeting of the holders of such two or more Classes of Class M Notes.

- (c) A resolution which in the opinion of the Note Trustee affects the interests of the holders of Class M Notes of any two or more Classes and gives or may give rise to a conflict of interest between the holders of such two or more Classes of the Class M Notes shall be deemed to have been duly passed only if, in lieu of being passed at a single meeting of the holders of such two or more Classes of Class M Notes, it shall be duly passed at separate meetings of the holders of such two or more Classes of the Class M Notes.
23. Subject to **paragraph 25 below**:
- (a) A resolution which, in the opinion of the Note Trustee, affects the interests of the holders of Class C Notes of one Class only shall be deemed to have been duly passed if passed at a meeting of the holders of Class C Notes of that Class.
 - (b) A resolution which, in the opinion of the Note Trustee, affects the interests of the holders of Class C Notes of any two or more Classes but does not give rise to a conflict of interest between the holders of such two or more Classes of Class C Notes, shall be deemed to have been duly passed if passed at a single meeting of the holders of such two or more Classes of Class C Notes.
 - (c) A resolution which, in the opinion of the Note Trustee, affects the interests of the holders of Class C Notes of any two or more Classes and gives or may give rise to a conflict of interest between the holders of such two or more Classes of Class C Notes, shall be deemed to have been duly passed only if, in lieu of being passed at a single meeting of the holders of such two or more Classes of Class C Notes, it shall be duly passed at separate meetings of the holders of such two or more Classes of Class C Notes.
24. Subject to **paragraph 25 below**:
- (a) A resolution which, in the opinion of the Note Trustee, affects the interests of the holders of Class D Notes of one Class only shall be deemed to have been duly passed if passed at a meeting of the holders of Class D Notes of that Class.
 - (b) A resolution which, in the opinion of the Note Trustee, affects the interests of the holders of Class D Notes of any two or more Classes but does not give rise to a conflict of interest between the holders of such two or more Classes of Class D Notes, shall be deemed to have been duly passed if passed at a single meeting of the holders of such two or more Classes of Class D Notes.
 - (c) A resolution which, in the opinion of the Note Trustee, affects the interests of the holders of Class D Notes of any two or more Classes and gives or may give rise to a conflict of interest between the holders of such two or more Classes of Class D Notes, shall be deemed to have been duly passed only if, in lieu of being passed at a single meeting of the holders of such two or more Classes of Class D Notes, it shall be duly passed at separate meetings of the holders of such two or more Classes of Class D Notes.
25. An Extraordinary Resolution to direct the Note Trustee to give a Note Acceleration Notice or to take any proceedings or give any directions mentioned in **Clause 10.1** or any other action mentioned in **Clause 11.1** shall be deemed to have been duly passed only if passed at a single meeting of the holders of the Notes of all Series of the relevant Class.


26. In the case of any meeting of Noteholders where the relevant Notes (or any of them) are not denominated in Sterling, the Principal Amount Outstanding of any note not denominated in Sterling shall be converted into Sterling at the relevant Specified Currency Exchange Rate.
27. The expression **Extraordinary Resolution** when used in the Note Trust Deed means (a) a resolution passed at a meeting of the Noteholders of a relevant class or classes of Notes duly convened and held in accordance with the provisions of this **Schedule 4** by a majority consisting of not less than three-fourths of the persons voting thereat upon a show of hands or if a poll is duly demanded by a majority consisting of not less than three-fourths of the votes cast on such poll or (b) a resolution in writing signed by or on behalf of all the Noteholders of a relevant class or classes of Notes, which resolution in writing may be contained in one document or in several documents in like form each signed by or on behalf of one or more of the Noteholders of a relevant class or classes of Notes.
28. Minutes of all resolutions and proceedings at every meeting of the Noteholders shall be made and entered in books to be from time to time provided for that purpose by the Issuer and any such Minutes as aforesaid if purporting to be signed by the Chairman of the meeting at which such resolutions were passed or proceedings transacted shall be conclusive evidence of the matters therein contained and until the contrary is proved every such meeting in respect of the proceedings of which Minutes have been made shall be deemed to have been duly held and convened and all resolutions passed or proceedings transacted thereat to have been duly passed or transacted.
29. Subject to all other provisions of the Note Trust Deed the Note Trustee may without the consent of the Issuer or the Noteholders prescribe such further regulations regarding the requisitioning and/or the holding of meetings of Noteholders and attendance and voting thereat as the Note Trustee may in its sole discretion think fit.

SIGNATORIES

The Issuer

EXECUTED and DELIVERED as a DEED by)
FOSSE MASTER ISSUER PLC)
acting by two directors)

SFM Directors Limited, and) 

SFM Directors (No. 2) Limited) 

The Note Trustee

EXECUTED and DELIVERED as a DEED by)
LAW DEBENTURE TRUST COMPANY)
OF NEW YORK) 
acting by its authorised signatory)
)

Authorised Signatory:

CONFORMED COPY

SUPPLEMENTAL NOTE TRUST DEED

DATED 1 AUGUST 2007

FOSSE MASTER ISSUER PLC

LAW DEBENTURE TRUST COMPANY OF NEW YORK

relating to a

Residential Mortgage Backed Note Programme

ALLEN & OVERY

Allen & Overy LLP

16581-00382 ICM:4635647.7

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THIS SUPPLEMENTAL NOTE TRUST DEED (this **Deed**) is made on 1 August 2007

BETWEEN:

- (1) **FOSSE MASTER ISSUER PLC** (registered number 5925693) whose registered office is at 35 Great St. Helen's, London, EC3A 6AP (the **Issuer**); and
- (2) **LAW DEBENTURE TRUST COMPANY OF NEW YORK**, acting through its offices at 400 Madison Avenue – 4th Floor, New York, New York 10017 (acting in its capacity as **Note Trustee**, which expression shall include such company and all other persons and companies for the time being acting as note trustee under this Deed).

WHEREAS:

- (A) This Deed is supplemental to the Note Trust Deed made between the parties hereto dated 28 November 2006 (herein after referred to as the **Original Note Trust Deed**).
- (B) The Issuer and the Note Trustee have agreed to enter into this Deed to, among other things, permit certain technical changes to the Terms and Conditions of the Notes set out in Schedule 5 of the Original Note Trust Deed (the **Terms and Conditions**).

NOW THIS DEED WITNESSES as follows:

1. INTERPRETATION AND CONSTRUCTION

- 1.1 The master definitions and construction schedule signed by, amongst others, Alliance & Leicester plc and dated 28 November 2006 (as the same may be amended, varied or supplemented from time to time with the consent of the parties to this Deed, including without limitation on the date hereof) (the **Master Definitions and Construction Schedule**) and the issuer master definitions and construction schedule, signed by, amongst others, the parties to this Deed and dated 28 November 2006 (as the same may be amended, varied or supplemented from time to time with the consent of the parties to this Deed, including without limitation on the date hereof) (the **Issuer Master Definitions and Construction Schedule**) are expressly and specifically incorporated into this Deed and, accordingly, the expressions defined in the Master Definitions and Construction Schedule and the Issuer Master Definitions and Construction Schedule shall, except where the context otherwise requires and save where otherwise defined herein, have the same meanings in this Deed, including the recitals thereto.
- 1.2 This Deed will be construed in accordance with the rules of construction set out in the Issuer Master Definitions and Construction Schedule.

2. AMENDMENTS TO THE ORIGINAL NOTE TRUST DEED

The Issuer and the Note Trustee agree that the Original Note Trust Deed is hereby amended as follows:

- (a) in respect of Notes other than the Notes (the **2006-1 Notes**) issued during the period up to and including the day last preceding the date of this Supplemental Note Trust Deed and any Notes issued on or after the date of this Supplemental Note Trust Deed so as to be consolidated and form a single series with the 2006-1 Notes, by deleting the text that appears in Schedule 5 of the Original Note Trust Deed in its entirety and replacing it with the text that appears in Schedule 1 hereof; and

- (b) by inserting the text that appears in Schedule 2 hereof as Clause 14A in the Original Note Trust Deed.

3. SUPPLEMENTAL

Save as expressly amended by this Deed, the Original Note Trust Deed shall remain in full force and effect and all rights, powers, obligations and immunities comprised therein and arising pursuant thereto shall remain in full force and effect notwithstanding this Deed. The Original Note Trust Deed and this Deed shall henceforth (in relation to Notes issued on or after the date of this Deed only) be read and construed as one document and references in the Original Note Trust Deed to "this Deed" shall be read as references to the Original Note Trust Deed as amended by this Deed.

4. COUNTERPARTS

This Deed may be executed and delivered in any number of counterparts (including by facsimile), all of which, taken together, shall constitute one and the same deed and any party to this Deed or any trust deed supplemental hereto may enter into the same by executing and delivering a counterpart (including by facsimile).

5. RIGHTS OF THIRD PARTIES

A person who is not a party to this Deed has no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Deed except and to the extent (if any) that this Deed expressly provides for such Act to apply to any of its terms, but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

6. GOVERNING LAW

These presents are governed by, and shall be construed in accordance with, English law.

7. SUBMISSION TO JURISDICTION

The Issuer irrevocably agrees for the benefit of the Note Trustee and the Noteholders that the English courts have exclusive jurisdiction to settle any dispute which may arise out of or in connection with this Deed and accordingly submits to the exclusive jurisdiction of the English courts. The Issuer waives any objection to the courts of England on the grounds that they are an inconvenient or inappropriate forum. The Note Trustee and the Noteholders may take any suit, action or proceeding arising out of or in connection with this Deed (together referred to as **Proceedings**) against the Issuer in any other court of competent jurisdiction and concurrent Proceedings in any number of jurisdictions.

IN WITNESS WHEREOF this Deed has been executed as a deed by the Issuer and the Note Trustee and delivered on the date first stated on page 1.

SCHEDULE 1

AMENDED AND RESTATED TERMS AND CONDITIONS OF THE NOTES

SCHEDULE 5

TERMS AND CONDITIONS OF THE NOTES

The following are the terms and conditions (the **Conditions**, and any reference to a **Condition** shall be construed accordingly) of the Notes in the form (subject to amendment) which will be incorporated by reference into each Global Note and each Definitive Note, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer and the relevant Dealer(s) and/or Manager(s) at the time of issue but, if not so permitted and agreed, such Definitive Note will have endorsed thereon or attached thereto such Conditions. The Final Terms in relation to each Series and Class of Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Conditions, replace or modify these Conditions for the purpose of such Notes. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and each Definitive Note.

The Notes are constituted by the Note Trust Deed. The security for the Notes is created pursuant to, and on the terms set out in, the Issuer Deed of Charge. By the Paying Agent and Agent Bank Agreement, provision is made for, *inter alia*, the payment of principal and interest in respect of the Notes.

References herein to the **Notes** shall, unless the context otherwise requires, be references to all the Notes issued by the Issuer and constituted by the Note Trust Deed and shall mean:

- (a) in relation to any Notes of a Series and Class represented by a Global Note, units of the lowest Specified Denomination in the Specified Currency in each case of such Series and Class;
- (b) any Global Note; and
- (c) any Definitive Note issued in exchange for a Global Note.

Notes constituted by the Note Trust Deed are issued in series (each a **Series**) and each Series comprises one or more classes of Notes. Each Series of Notes is subject to the applicable Final Terms. The Final Terms in relation to each Series and Class of Notes (or the relevant provisions thereof) will be endorsed upon, or attached to, such Notes and will supplement these Conditions in respect of such Notes and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Conditions, replace or modify these Conditions for the purpose of such Notes. References to the **applicable Final Terms** are, in relation to a Series and Class of Notes, to the Final Terms (or the relevant provisions thereof) attached to or endorsed on such Notes.

The statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Note Trust Deed, the Issuer Deed of Charge and the Paying Agent and Agent Bank Agreement.

Copies of the Note Trust Deed, the Issuer Deed of Charge, the Paying Agent and Agent Bank Agreement and each of the other Transaction Documents are available for inspection during normal business hours at the registered office of the Note Trustee, being 400 Madison Avenue – 4th Floor, New York, New York 10017 and at the registered office of the Issuer, being at 35 Great St. Helen's, London EC3A 6AP and the specified office for the time being of (a) the Principal Paying Agent, being at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB and (b) the U.S. Paying Agent, being at 14th Floor, 388 Greenwich Street, New York, New York 10013. Copies of the Final Terms of each Series of Notes are obtainable by Noteholders during normal business hours at the registered office of the Issuer and the specified office for the time being of (i) the Principal Paying

Agent and (ii) the U.S. Paying Agent and any Noteholder must produce evidence satisfactory to the relevant Paying Agent as to its holding of Notes and identity.

The Holders of any Series and Class of Notes are entitled to the benefit of, are bound by, and are deemed to have notice of all the provisions of, and definitions contained or incorporated in, the Note Trust Deed, the Issuer Deed of Charge, the Paying Agent and Agent Bank Agreement, each of the other Transaction Documents and the applicable Final Terms and to have notice of each other Final Terms relating to each other Series and Class of Notes.

A glossary of definitions appears in **Condition 19**.

References herein to the Class A Noteholders, the Class B Noteholders, the Class M Noteholders, the Class C Noteholders and the Class D Noteholders shall, in each case and unless specified otherwise, be references to the Holders of the Notes of all Series of the applicable Class.

References herein to the Class A Notes, the Class B Notes, the Class M Notes, the Class C Notes or the Class D Notes shall, in each case and unless specified otherwise, be references to the Notes of all Series of the applicable Class.

1. FORM, DENOMINATION, REGISTER, TITLE AND TRANSFERS

1.1 Form and Denomination

Each Series and Class of Notes will be issued in the Specified Currency and in the Specified Denomination. Each Series and Class of Rule 144A Notes will be initially represented by one or more Rule 144A Global Notes, which, in the aggregate, will represent the Principal Amount Outstanding from time to time of such Series and Class of Rule 144A Notes. Each Series and Class of Reg S Notes will be initially represented by one or more Reg S Global Notes which, in the aggregate, will represent the Principal Amount Outstanding from time to time of such Series and Class of the Reg S Notes.

Each Reg S Global Note will be deposited with, and registered in the name of a nominee of, a common depository for Euroclear and Clearstream, Luxembourg. Each Rule 144A Global Note will be deposited with a custodian for, and registered in the name of Cede & Co. (or such other name as may be requested by an authorised representative of DTC) as nominee of, DTC. Each Global Note will be numbered serially with an identifying number which will be recorded on the relevant Global Note and in the Register.

Each Series and Class of Notes may be Fixed Rate Notes, Floating Rate Notes, Zero Coupon Notes or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms.

Each Series and Class of Notes may be Bullet Redemption Notes, Scheduled Redemption Notes, Pass-Through Notes or a combination of any of the foregoing, depending upon the Redemption/Payment Basis shown in the applicable Final Terms.

Global Notes will be exchanged for Notes in definitive registered form (**Definitive Notes**) only under certain limited circumstances as described in the relevant Global Note. If Definitive Notes are issued, they will be serially numbered and issued in an aggregate principal amount equal to the Principal Amount Outstanding of the relevant Global Note and in registered form only.

The Notes (in either global or definitive form) will be issued in such denominations as specified in the applicable Final Terms, save that the minimum denomination of each Note will be such as may be allowed or required from time to time by the relevant central bank or regulatory authority (or equivalent body) or any laws or regulations applicable to the relevant currency and save that the minimum denomination of each Rule 144A Note will be issued in minimum denominations of \$100,000 and in integral multiples of \$1,000 in excess thereof (or its equivalent in any other currency

as at the date of issue of such Notes), and each Reg S Note will be issued in minimum denominations of £50,000 (or, in the case of Notes denominated in sterling with a minimum maturity of less than 366 days, £100,000) and in integral multiples of £1,000 in excess thereof if denominated in sterling or €50,000 and in integral multiples of €1,000 in excess thereof (or its equivalent in any other currency as at the date of issue of such Notes) if denominated in a currency other than sterling.

In the case of a Series and Class of Notes with more than one Specified Denomination, Notes of one Specified Denomination may not be exchanged for Notes of such Series and Class of another Specified Denomination.

1.2 Register

The Registrar will maintain the Register in respect of the Notes in accordance with the provisions of the Paying Agent and Agent Bank Agreement. In these Conditions, the **Holder** of a Note means the person in whose name such Note is for the time being registered in the Register (or, in the case of a joint holding, the first named thereof). A Note will be issued to each Noteholder in respect of its registered holding. Each Note will be numbered serially with an identifying number which will be recorded in the Register.

1.3 Title

The Holder of each Note shall (to the fullest extent permitted by applicable law) be treated by the Issuer, the Note Trustee, the Issuer Security Trustee, the Agent Bank and any Agent as the absolute owner of such Note for all purposes (including the making of any payments) regardless of any notice of ownership, theft or loss or any trust or other interest therein or of any writing thereon (other than the endorsed form of transfer).

1.4 Transfers

Title to the Notes shall pass by and upon registration in the Register. Subject as provided otherwise in this **Condition 1.4**, a Note may be transferred upon surrender of the relevant Note, with the endorsed form of transfer duly completed, at the Specified Office of the Registrar or the Transfer Agent, together with such evidence as the Registrar or (as the case may be) such Transfer Agent may reasonably require to prove the title of the transferor and the authority of the individuals who have executed the form of transfer; provided, however, that a Note may only be transferred in the specified denominations. Where not all the Notes represented by the surrendered Note are the subject of the transfer, a new Note in respect of the balance of the Notes will be issued to the transferor.

Within five Business Days of such surrender of a Note, the Registrar will register the transfer in question and deliver a new Note of a like principal amount to the Notes transferred to each relevant Holder at its Specified Office or (as the case may be) the Specified Office of the Transfer Agent or (at the request and risk of any such relevant Holder) by uninsured first class mail (and by airmail if the Holder is overseas) to the address specified for such purpose by such relevant Holder.

The transfer of a Note will be effected without charge by the Registrar, but subject to payment of (or the giving of such indemnity as the Registrar may require for) any tax or other governmental charges which may be imposed in relation to it.

Noteholders may not require transfers of Notes to be registered during the period of 15 days ending on the due date for any payment of principal or interest in respect of the Notes.

All transfers of Notes and entries on the Register are subject to the detailed regulations concerning the transfer of Notes scheduled to the Paying Agent and Agent Bank Agreement. The regulations may be changed by the Issuer with the prior written approval of the Note Trustee and the Registrar. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Noteholder who requests in writing a copy of such regulations.

2. STATUS, PRIORITY AND SECURITY

2.1 Status

The Notes of each Series and Class are direct, secured and unconditional obligations of the Issuer.

Subject to the provisions of **Conditions 4** and **5** and subject to the other payment conditions set out in the applicable Final Terms and the other Transaction Documents:

- (a) the Class A Notes of each Series will rank *pari passu* without any preference or priority among themselves and with the Class A Notes of each other Series but in priority to the Class B Notes, the Class M Notes, the Class C Notes and the Class D Notes of any Series;
- (b) the Class B Notes of each Series will rank *pari passu* without any preference or priority among themselves and with the Class B Notes of each other Series but in priority to the Class M Notes, the Class C Notes and the Class D Notes of any Series;
- (c) the Class M Notes of each Series will rank *pari passu* without any preference or priority among themselves and with the Class M Notes of each other Series but in priority to the Class C Notes and the Class D Notes of any Series;
- (d) the Class C Notes of each Series will rank *pari passu* without any preference or priority among themselves and with the Class C Notes of each other Series but in priority to the Class D Notes of any Series; and
- (e) the Class D Notes of each Series will rank *pari passu* without any preference or priority among themselves and with the Class D Notes of each other Series.

2.2 Conflict between the classes of Notes

The Note Trust Deed contains provisions requiring the Note Trustee to have regard to the interests of the Class A Noteholders, the Class B Noteholders, the Class M Noteholders, the Class C Noteholders and the Class D Noteholders equally as regards all powers, trusts, authorities, duties and discretions of the Note Trustee under these Conditions or any of the Transaction Documents (except where expressly provided otherwise), but requiring the Note Trustee to have regard (except as expressly provided otherwise):

- (a) for so long as there are any Class A Notes outstanding (of any Series), only to the interests of the Class A Noteholders if, in the opinion of the Note Trustee, there is or may be a conflict between the interests of the Class A Noteholders and the interests of the Class B Noteholders and/or the interests of the Class M Noteholders and/or the interests of the Class C Noteholders and/or the interests of the Class D Noteholders (of that Series or of any other Series);
- (b) subject to (a) above and for so long as there are any Class B Notes outstanding (of any Series), only to the interests of the Class B Noteholders if, in the opinion of the Note Trustee, there is or may be a conflict between the interests of the Class B Noteholders and the interests of the Class M Noteholders and/or the interests of the Class C Noteholders and/or the interests of the Class D Noteholders (of that Series or of any other Series);
- (c) subject to (a) and (b) above and for so long as there are any Class M Notes outstanding (of any Series), only to the interests of the Class M Noteholders if, in the opinion of the Note Trustee, there is or may be a conflict between the interests of the Class M Noteholders and the interests of the Class C Noteholders and/or the interests of the Class D Noteholders (of that Series or of any other Series); and

- (d) subject to (a), (b) and (c) above and for so long as there are any Class C Notes outstanding (of any Series), only to the interests of the Class C Noteholders if, in the opinion of the Note Trustee, there is or may be a conflict between the interests of the Class C Noteholders and the Class D Noteholders (of that Series or of any other Series).

The Note Trust Deed also contains provisions:

- (i) limiting the powers of the Class B Noteholders, the Class M Noteholders, the Class C Noteholders and the Class D Noteholders (in each case, of any Series), *inter alia*, to request or direct the Note Trustee to take any action or to pass an effective Extraordinary Resolution according to the effect thereof on the interests of the Class A Noteholders (of that Series or of any other Series). Except in certain circumstances described in **Condition 11**, the Note Trust Deed contains no such limitation on the powers of the Class A Noteholders, the exercise of which will be binding on the Class B Noteholders, the Class M Noteholders, the Class C Noteholders and the Class D Noteholders respectively, irrespective of the effect thereof on their respective interests;
- (ii) limiting the powers of the Class M Noteholders, the Class C Noteholders and the Class D Noteholders (in each case, of any Series), *inter alia*, to request or direct the Note Trustee to take any action or to pass an effective Extraordinary Resolution according to the effect thereof on the interests of the Class B Noteholders (of that Series or of any other Series). Except in certain circumstances described above and in **Condition 11**, the Note Trust Deed contains no such limitation on the powers of the Class B Noteholders, the exercise of which will be binding on the Class M Noteholders, the Class C Noteholders and the Class D Noteholders, respectively, irrespective of the effect thereof on their respective interests;
- (iii) limiting the powers of the Class C Noteholders and the Class D Noteholders (in each case, of any Series), *inter alia*, to request or direct the Note Trustee to take any action or to pass an effective Extraordinary Resolution according to the effect thereof on the interests of the Class M Noteholders (of that Series or of any other Series). Except in certain circumstances described above and in **Condition 11**, the Note Trust Deed contains no such limitation on the powers of the Class M Noteholders, the exercise of which will be binding on the Class C Noteholders and the Class D Noteholders irrespective of the effect thereof on their respective interests; and
- (iv) limiting the powers of the Class D Noteholders (of any Series), *inter alia*, to request or direct the Note Trustee to take any action or to pass an effective Extraordinary Resolution according to the effect thereof on the interests of the Class C Noteholders (of that Series or of any other Series). Except in certain circumstances described above and in **Condition 11**, the Note Trust Deed contains no such limitation on the powers of the Class C Noteholders, the exercise of which will be binding on the Class D Noteholders irrespective of the effect thereof on their respective interests.

The Note Trustee and the Issuer Security Trustee shall be entitled to assume, for the purpose of exercising any right, power, trust, authority, duty or discretion under or in relation to these Conditions or any of the Transaction Documents, without further investigation or inquiry, that such exercise will not be materially prejudicial to the interests of the Noteholders (or any Series and Class thereof), if each of the Rating Agencies rating the relevant Series and Class has confirmed in writing that the then current ratings of the applicable Series and Class of Notes would not be reduced, withdrawn or qualified by such exercise.

2.3 Security

As security for, *inter alia*, the payment of all monies payable in respect of the Notes, the Issuer has entered into the Issuer Deed of Charge creating the Issuer Security in favour of the Issuer Security Trustee for itself and on trust for, *inter alios*, the Note Trustee and the Noteholders.

3. COVENANTS

Save with the prior written consent of the Note Trustee or unless provided in or contemplated under these Conditions or any of the Transaction Documents to which the Issuer is a party, the Issuer shall not, so long as any Note remains outstanding:

3.1 Negative Pledge

create or permit to subsist any mortgage, standard security, pledge, lien, charge or other security interest whatsoever (unless arising by operation of law), upon the whole or any part of its assets (including any uncalled capital) or its undertakings, present or future except where the same is given in connection with the issue of a Series;

3.2 Disposal of Assets

sell, assign, transfer, lend, lease or otherwise dispose of, or deal with, or grant any option or present or future right to acquire all or any of its properties, assets, or undertakings or any interest, estate, right, title or benefit therein or thereto or agree or attempt or purport to do any of the foregoing;

3.3 Equitable Interest

permit any person other than itself and the Issuer Security Trustee (as to itself and on behalf of the Issuer Secured Creditors) to have any equitable or beneficial interest in any of its assets or undertakings or any interest, estate, right, title or benefit therein;

3.4 Bank Accounts

have an interest in any bank account, other than the Issuer Bank Accounts, except in connection with the issue of a Series where such bank account is immediately charged in favour of the Issuer Security Trustee pursuant to the Issuer Deed of Charge;

3.5 Restrictions on Activities

carry on any business other than as described in the prospectus (as revised, supplemented and/or amended from time to time) relating to the issue of the Notes and the related activities described therein or as contemplated in the Transaction Documents relating to the issue of the Notes;

3.6 Borrowings

incur any indebtedness in respect of borrowed money whatsoever or give any guarantee or indemnity in respect of any indebtedness or obligation of any person, except where the same is incurred or given or the Issuer becomes so obligated in connection with the issue of a Series;

3.7 Merger

consolidate or merge with any other person or convey or transfer substantially all of its properties or assets to any other person;

3.8 Waiver or Consent

permit the validity or effectiveness of any of the Note Trust Deed or the Issuer Deed of Charge or the priority of the security interests created thereby to be amended, terminated, postponed, waived or discharged, or permit any other person whose obligations form part of the Issuer Security to be released from such obligations;

3.9 Employees or premises

have any employees or premises or subsidiaries;

3.10 Dividends and Distributions

pay any dividend or make any other distribution to its shareholders (other than as provided in the Transaction Documents) or issue any further shares or alter any rights attaching to its shares as at the date of the Issuer Deed of Charge;

3.11 Purchase Notes

purchase or otherwise acquire any Note or Notes; or

3.12 United States activities

engage in any activities in the United States (directly or through agents), or derive any income from United States sources as determined under United States income tax principles, or hold any property if doing so would cause it to be engaged in a trade or business within the United States as determined under United States income tax principles.

4. INTEREST

4.1 Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest on its Principal Amount Outstanding from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest payable, subject as provided in these Conditions, in arrear on the Interest Payment Date(s) in each year specified for such Note in the applicable Final Terms up to (and including) the Final Maturity Date.

Except as provided in the applicable Final Terms, the amount of interest payable in respect of any Fixed Rate Note on each Interest Payment Date for a Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified for such Note in the applicable Final Terms, amount to the Broken Amount so specified.

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

If interest is required to be calculated in respect of any Fixed Rate Note for a period other than a Fixed Interest Period, such interest shall be calculated by applying the Rate of Interest specified for such Note in the applicable Final Terms to the Principal Amount Outstanding on such Global Note, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention and then apportioning the resulting total between the Noteholders in respect of such Global Note, *pari passu* without preference or priority amongst themselves.

Day Count Fraction means, in respect of the calculation of an amount of interest for any Fixed Rate Note in accordance with this **Condition 4.1**:

- (a) if “Actual/Actual (ICMA)” is specified for such Note in the applicable Final Terms:
 - (i) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date for such Notes (or, if none, the Interest Commencement Date) to (but excluding) the relevant Interest Payment Date (the **Accrual Period**) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (A) the number of days in such Determination Period

and (B) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or

- (ii) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
 - (A) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
 - (B) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (I) the number of days in such Determination Period and (II) the number of Determination Dates that would occur in one calendar year; and
- (b) if “30/360” is specified for such Note in the applicable Final Terms, the number of days in the period from (and including) the most recent Interest Payment Date for such Note (or, if none, the Interest Commencement Date) to (but excluding) the relevant Interest Payment Date (such number of days being calculated on the basis of a year of 360 days with twelve 30-day months) divided by 360.

As used in these Conditions, **Determination Period** means each period from and including a Determination Date (as defined in the applicable Final Terms) to but excluding the next Determination Date (including where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date).

4.2 Interest on Floating Rate Notes

(a) Interest Payment Dates

Each Floating Rate Note bears interest on its Principal Amount Outstanding from (and including) the Interest Commencement Date and such interest will be payable in arrear on the Interest Payment Date(s) in each year specified for such Note in the applicable Final Terms. Such interest will be payable in respect of each Floating Interest Period.

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

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

- (i) the “Following Business Day Convention”, the Interest Payment Date for such Note shall be postponed to the next day which is a Business Day; or
- (ii) the “Modified Following Business Day Convention”, the Interest Payment Date for such Note shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (iii) the “Preceding Business Day Convention”, the Interest Payment Date for such Note shall be brought forward to the immediately preceding Business Day.

In these Conditions, **Business Day** means a day which is:

- (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London, New York and any Additional Business Centre specified in the applicable Final Terms;
- (ii) a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System (the **TARGET System**) is open; and
- (iii) in relation to any sum payable in a Specified Currency other than sterling, dollar or euro, 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 the principal financial centre of the country of the relevant Specified Currency (if other than London, New York and any Additional Business Centre) and which, if the Specified Currency is Australian or New Zealand dollars, shall be Sydney and Auckland, respectively.

(b) Rate of Interest

The Rate of Interest payable from time to time in respect of a Floating Rate Note will be determined in the manner specified for such Note in the applicable Final Terms.

(i) ISDA Determination for Floating Rate Notes

Where “ISDA Determination” is specified for such Note in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated for such Note in the applicable Final Terms) the Margin (if any). For the purposes of this subparagraph (i), **ISDA Rate** for an Interest Period means a rate equal to the Floating Rate that would be determined by the Agent Bank or other person specified in the applicable Final Terms under an interest rate swap transaction if the Agent Bank or that other person were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (A) the Floating Rate Option is as specified for such Note in the applicable Final Terms;
- (B) the Designated Maturity is the period specified for such Note in the applicable Final Terms; and
- (C) the relevant Reset Date is either (i) if the applicable Floating Rate Option is based on LIBOR, USD-LIBOR or EURIBOR for a currency, the first day of that Interest Period, or (ii) in any other case, as specified for such Note in the applicable Final Terms.

For the purposes of this subparagraph (i), **Floating Rate, Calculation Agent, Floating Rate Option, Designated Maturity** and **Reset Date** have the meanings given to those terms in the ISDA Definitions.

(ii) Screen Rate Determination for Floating Rate Notes

Where “Screen Rate Determination” is specified for a Floating Rate Note in the applicable Final Terms as the manner in which the Rate of Interest is to be determined for such Note, the Rate of Interest for each Interest Period will, subject as provided below, be either:

- (A) the offered quotation (if there is only one quotation on the Relevant Screen Page);
or

(B) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 a.m. (London time, in the case of LIBOR or USD-LIBOR, or Brussels time, in the case of EURIBOR) on the Interest Determination Date in question plus or minus the Margin (if any), all as determined by the Agent Bank. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Agent Bank for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

The Paying Agent and Agent Bank Agreement contains provisions for determining the Rate of Interest pursuant to this subparagraph (ii) in the event that the Relevant Screen Page is not available or if, in the case of (A) above, no such offered quotation appears or, in the case of (B) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph.

If the Reference Rate from time to time in respect of a Floating Rate Note is specified for such Note in the applicable Final Terms as being other than LIBOR, USD-LIBOR or EURIBOR, the Rate of Interest in respect of such Note will be determined as provided for such Note in the applicable Final Terms.

(c) *Minimum Rate of Interest and/or Maximum Rate of Interest*

If the applicable Final Terms specifies a Minimum Rate of Interest for a Floating Rate Note for any Interest Period, then, in the event that the Rate of Interest for such Note in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is less than such Minimum Rate of Interest, the Rate of Interest for such Note for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Final Terms specifies a Maximum Rate of Interest for such Note for any Interest Period, then, in the event that the Rate of Interest for such Note in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Note for such Interest Period shall be such Maximum Rate of Interest.

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

The Agent Bank will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period.

The Agent Bank will calculate the amount of interest payable on the Floating Rate Notes in respect of each Specified Denomination or in respect of each Global Note (each an **Interest Amount**) for the relevant Interest Period. Each Interest Amount shall be calculated by applying the Rate of Interest to the Principal Amount Outstanding of each Global Note, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub unit being rounded upwards or otherwise in accordance with applicable market convention and then apportioning the resulting total between the Noteholders in respect of such Global Note, *pari passu* without preference or priority amongst themselves.

Day Count Fraction means, in respect of the calculation of an amount of interest for a Floating Rate Note in accordance with this **Condition 4.2(d)** for any Interest Period:

- (i) if “Actual/365 or Actual/Actual (ISDA)” is specified for such Note in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (ii) if “Actual/365 (Fixed)” is specified for such Note in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;
- (iii) if “Actual/365 (Sterling)” is specified for such Note in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (iv) if “Actual/360” is specified for such Note in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;
- (v) if “30/360”, “360/360” or “Bond Basis” is specified for such Note in the applicable Final Terms, the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with twelve 30-day months (unless (a) the last day of the Interest Period is the 31st day of a month but the first day of the Interest Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (b) the last day of the Interest Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)); and
- (vi) if “30E/360” or “Eurobond Basis” is specified for such Note in the applicable Final Terms, the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with twelve 30-day months, without regard to the date of the first day or last day of the Interest Period unless, in the case of the final Interest Period, the Final Maturity Date is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month).

(e) Notification of Rate of Interest and Interest Amounts

The Agent Bank will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Note Trustee, the Issuer Security Trustee, the Issuer Cash Manager, the Paying Agents, the Registrar and to any stock exchange or other relevant competent authority or quotation system on which the relevant Floating Rate Notes are for the time being listed, quoted and/or traded or by which they have been admitted to listing and to be published in accordance with **Condition 14** as soon as possible after their determination but in no event later than the fourth Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. Any such amendment or alternative arrangements will be promptly notified to the Note Trustee and each stock exchange or other relevant authority on which the relevant Floating Rate Notes are for the time being listed or by which they have been admitted to listing and to Noteholders in accordance with **Condition 14**.

(f) Determination or Calculation by Note Trustee

If for any reason at any relevant time, the Agent Bank defaults in its obligation to determine the Rate of Interest for a Floating Rate Note or the Agent Bank defaults in its obligation to calculate any Interest Amount for such Note in accordance with subparagraph (b)(i) or (ii) above or as otherwise specified for such Note in the applicable Final Terms, as the case may be, and in each case in accordance with paragraph (d) above, the Note Trustee (or an agent on its behalf) shall determine the

Rate of Interest at such rate as, in its absolute discretion (having such regard as it shall think fit to the foregoing provisions of this Condition, but subject always to any Minimum Rate of Interest or Maximum Rate of Interest specified for such Note in the applicable Final Terms), it shall deem fair and reasonable in all the circumstances or, as the case may be, the Note Trustee (or an agent on its behalf) shall calculate the Interest Amount(s) in such manner as it shall deem fair and reasonable in all the circumstances and each such determination or calculation shall be deemed to have been made by the Agent Bank or the Calculation Agent, as the case may be.

(g) *Certificates to be final*

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this **Condition 4.2**, whether by the Agent Bank or the Calculation Agent or the Note Trustee (or an agent on its behalf) shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Issuer Cash Manager, the Principal Paying Agent, the Calculation Agent, the other Paying Agents, the Note Trustee and all Noteholders and (in the absence of wilful default or bad faith) no liability to the Issuer or the Noteholders shall attach to the Agent Bank or the Calculation Agent or the Note Trustee in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

4.3 Accrual of interest

Interest (if any) will cease to accrue on each Note (or in the case of the redemption of part only of a Note, that part only of such Note) on the due date for redemption thereof unless, upon due presentation thereof, payment of principal is improperly withheld or refused in which event, interest will continue to accrue until the earlier of:

- (a) the date on which all amounts due in respect of such Note have been paid; and
- (b) the seventh day after notice is duly given by the Principal Paying Agent or the U.S. Paying Agent (as the case may be) to the holder thereof that such payment will be made, provided that subsequently, payment is in fact made.

4.4 Deferred Interest

To the extent that, subject to and in accordance with the relevant Issuer Priority of Payments, the funds available to the Issuer to pay interest on any Series and Class of Notes (other than the most senior Class of Notes of any Series then outstanding) on an Interest Payment Date (after discharging the Issuer's liabilities of a higher priority) are insufficient to pay the full amount of such interest, payment of the shortfall attributable to such Series and Class of Notes (**Deferred Interest**) will not then fall due but will instead be deferred until the first Interest Payment Date for such Notes thereafter on which sufficient funds are available (after allowing for the Issuer's liabilities of a higher priority and subject to and in accordance with the relevant Issuer Priority of Payments) to fund the payment of such Deferred Interest to the extent of such available funds.

Such Deferred Interest will accrue interest (**Additional Interest**) at the rate of interest applicable from time to time to the applicable Series and Class of Notes and payment of any Additional Interest will also be deferred until the first Interest Payment Date for such Notes thereafter on which funds are available (after allowing for the Issuer's liabilities of a higher priority subject to and in accordance with the relevant Issuer Priority of Payments) to the Issuer to pay such Additional Interest to the extent of such available funds.

Amounts of Deferred Interest and Additional Interest shall not be deferred beyond the Final Maturity Date of the applicable Series and Class of Notes, when such amounts will become due and payable.

Payments of interest due on an Interest Payment Date in respect of the most senior Class of Notes of any Series then outstanding will not be deferred. In the event of the delivery of a Note Acceleration Notice (as described in **Condition 9**), the amount of interest in respect of such Notes that was due but not paid on such Interest Payment Date will itself bear interest at the applicable rate until both the unpaid interest and the interest on that interest are paid as provided in the Note Trust Deed.

5. REDEMPTION AND MANDATORY TRANSFER

5.1 Final Redemption

Unless previously redeemed in full as provided in this **Condition 5**, the Issuer shall redeem a Series and Class of Notes at their Redemption Amount together with all accrued interest on the Final Maturity Date in respect of such Notes.

The Issuer may not redeem such Notes in whole or in part prior to their Final Maturity Date except as provided in **Conditions 5.2, 5.4 or 5.5** below, but without prejudice to **Condition 9**.

5.2 Mandatory Redemption of the Notes in Part

On each Interest Payment Date, other than an Interest Payment Date on which a Series and Class of Notes are to be redeemed under **Conditions 5.1, 5.4 or 5.5**, the Issuer shall repay principal in respect of such Notes in an amount equal to the amount (if any) repaid on the corresponding Loan Tranche Payment Date in respect of the related Loan Tranche and pursuant to the Intercompany Loan Agreement converted, where the Specified Currency for such Notes is not Sterling, into the Specified Currency at the Specified Currency Exchange Rate for such Notes.

To the extent that there are insufficient funds available to the Issuer to repay the amount due to be paid on such Interest Payment Date, the Issuer will be required to repay the shortfall, to the extent that it receives funds therefor (and subject to the terms of the Issuer Deed of Charge and the Issuer Cash Management Agreement) on subsequent Interest Payment Dates in respect of such Notes.

5.3 Note Principal Payments and Principal Amount Outstanding

The principal amount redeemable (the **Note Principal Payment**) in respect of each Note of a particular Series and Class on any Interest Payment Date under **Condition 5.2** above shall be a proportion of the amount required as at that Interest Payment Date to be applied in redemption of such Series and Class of Notes on such date equal to the proportion that the Principal Amount Outstanding of the relevant Note bears to the aggregate Principal Amount Outstanding of such Series and Class of Notes rounded down to the nearest sub-unit of the Specified Currency; provided always that no such Note Principal Payment may exceed the Principal Amount Outstanding of the relevant Note.

On each Interest Determination Date the Issuer shall determine (or cause the Agent Bank to determine) (a) the amount of any Note Principal Payment payable in respect of each Note of the relevant Series and Class on the immediately following Interest Payment Date and (b) the Principal Amount Outstanding of each such Note which shall be the Specified Denomination less (in each case) the aggregate amount of all Note Principal Payments in respect of such Note that has been paid since the relevant Closing Date and on or prior to that Interest Determination Date (the **Principal Amount Outstanding**) and (c) the fraction expressed as a decimal to the fifth decimal point (the **Pool Factor**), of which the numerator is the Principal Amount Outstanding of that Note (as referred to in (b) above) and the denominator is the Specified Denomination. Each determination by or on behalf of the Issuer of any Note Principal Payment of a Note, the Principal Amount Outstanding of a Note and the Pool Factor shall in each case (in the absence of wilful default, bad faith or manifest error) be final and binding on all persons.

The Issuer will cause each determination of the Note Principal Payment and the Principal Amount Outstanding and the Pool Factor in respect of a Series and Class of Notes to be notified

forthwith, and in any event not later than 1.00 p.m. (London time) on the Business Day immediately succeeding the Interest Determination Date, to the Note Trustee, the Issuer Security Trustee, the Paying Agents, the Registrar, the Agent Bank and (for so long as such Notes are listed on one or more stock exchanges) the relevant stock exchanges, and will cause notice of each determination of the Note Principal Payment and the Principal Amount Outstanding to be given to Noteholders in accordance with **Condition 14** by no later than the Business Day after the relevant Interest Payment Date.

If the Issuer does not at any time for any reason determine (or cause the Agent Bank to determine) or if the Agent Bank does not at any time for any reason determine a Note Principal Payment, the Principal Amount Outstanding or the Pool Factor in accordance with the preceding provisions of this **Condition 5.3**, such Note Principal Payment and/or Principal Amount Outstanding and/or Pool Factor may be determined by the Note Trustee in accordance with this **Condition 5.3** in the manner the Note Trustee in its discretion considers fair and reasonable in the circumstances, having regard to this **Condition 5.3**, and each such determination or calculation shall be deemed to have been made by the Issuer. Any such determination shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Agent Bank and the Noteholders.

5.4 Optional Redemption in Full

Provided a Note Acceleration Notice has not been served and subject to the provisos below, upon giving not more than 60 nor less than 30 days' prior notice to the Note Trustee and the Noteholders in accordance with **Condition 14**, the Issuer may redeem a Series and Class of Notes at their aggregate Redemption Amount together with any accrued and unpaid interest in respect thereof on the following dates:

- (a) the date specified as the Step-Up Date for such Notes in the applicable Final Terms and on any Interest Payment Date for such Notes thereafter; or
- (b) on such Interest Payment Date on which the aggregate Principal Amount Outstanding of such Notes and all other Classes of Notes of the same Series is less than 10 per cent. of the aggregate Principal Amount Outstanding of such Series of Notes as at the Closing Date on which such Series of Notes were issued,

PROVIDED THAT (in either of the cases above), on or prior to giving any such notice, the Issuer shall have provided to the Note Trustee a certificate signed by two directors of the Issuer to the effect that (i) it will have the funds, not subject to any interest of any other person, required to redeem such Notes as aforesaid and any amounts required to be paid in priority to or *pari passu* with such Notes outstanding in accordance with the terms and conditions of the Issuer Deed of Charge and the Issuer Cash Management Agreement, and (ii) the Repayment Tests will be satisfied following the making of such redemptions.

5.5 Optional Redemption for Tax and other Reasons

Provided a Note Acceleration Notice has not been served, if the Issuer at any time satisfies the Note Trustee immediately prior to the giving of the notice referred to below that on the next Interest Payment Date either:

- (a) the Issuer would by virtue of a change in the law or regulations of the United Kingdom or any other jurisdiction (or the application or interpretation thereof) be required to deduct or withhold from any payment of principal or interest or any other amount under a Series and Class of Notes any amount for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature (other than where the relevant Holder or beneficial owner has some connection with the relevant jurisdiction other than the holding of the Notes); or
- (b) Funding 1 would be required to deduct or withhold from amounts due in respect of the Loan Tranche under the Intercompany Loan Agreement which was funded by such Notes

any amount for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature; and

- (c) in relation to either the events described in (a) and (b) above, such obligation of the Issuer or Funding 1 (as the case may be) cannot be avoided by the Issuer or Funding 1 (as the case may be) taking reasonable measures available to the Issuer or Funding 1 (as the case may be),

then the Issuer shall use its reasonable endeavours to arrange the substitution of a company incorporated in another jurisdiction approved by the Note Trustee as principal debtor under such Notes and/or as lender of such Loan Tranche as the case may be, upon the Note Trustee (1) being satisfied that such substitution will not be materially prejudicial to the interests of Noteholders and (2) receiving a certificate signed by two directors of the Issuer or Funding 1, as the case may be, certifying that such substitution would enable the Issuer or Funding 1, as the case may be, to make payments of principal and interest under the relevant Series or Class of Notes or under the Intercompany Loan, as the case may be, without such deduction or withholding, and upon the Issuer Security Trustee being satisfied that (A) the position of the Issuer Secured Creditors (other than the Noteholders) will not thereby be adversely affected as confirmed in writing by such Issuer Secured Creditors to the Issuer Security Trustee, and (B) such substitution would not require registration of any new security under United States securities laws or materially increase the disclosure requirements under United States law or the costs of issuance as certified by the Issuer to the Issuer Security Trustee in writing. Only if the Issuer is unable to arrange a substitution will the Issuer be entitled to redeem the Notes as described in this **Condition 5.5**.

Subject to the proviso below, if the Issuer is unable to arrange a substitution as described above and, as a result, one or more of the events described in (a) or (b) above (as the case may be) is continuing, then the Issuer may, having given not more than 60 nor less than 30 days' notice to the Note Trustee and the Noteholders in accordance with **Condition 14**, redeem all (but not some only) of such Notes on the immediately succeeding Interest Payment Date for such Notes at their aggregate Redemption Amount together with any accrued and unpaid interest in respect thereof provided that (in either case), prior to giving any such notice, the Issuer shall have provided to the Note Trustee:

- (i) a certificate signed by two directors of the Issuer stating the circumstances referred to in (a) or (b) and (c) above prevail and setting out details of such circumstances; and
- (ii) an opinion in form and substance satisfactory to the Note Trustee of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to deduct or withhold such amounts as a result of such change or amendment.

The Note Trustee shall be entitled to accept such certificate and opinion as sufficient evidence of the satisfaction of the circumstance set out in (a) or (b) and (c) above, in which event they shall be conclusive and binding on the Noteholders. The Issuer may only redeem such Notes as aforesaid, if on or prior to giving such notice, the Issuer shall have provided to the Note Trustee a certificate signed by two directors of the Issuer to the effect that (A) it will have the funds, not subject to any interest of any other person, required to redeem such Notes as aforesaid and any amounts required to be paid in priority to or *pari passu* with such Notes outstanding in accordance with the terms and conditions of the Issuer Deed of Charge and the Issuer Cash Management Agreement, and (B) the Repayment Tests will be satisfied following the making of such redemptions.

In addition to the foregoing, if at any time the Issuer delivers a certificate to Funding 1, the Note Trustee and the Issuer Security Trustee to the effect that it would be unlawful for the Issuer to make, fund or allow to remain outstanding a Loan Tranche under the Intercompany Loan Agreement, then the Issuer may require Funding 1 to prepay the relevant Loan Tranche on a Loan Tranche Payment Date subject to and in accordance with the provisions of the Intercompany Loan Agreement to the extent necessary to cure such illegality and the Issuer may redeem all (but not some only) of the relevant Notes at their Redemption Amount together with any accrued interest upon giving not more

than 60 nor less than 30 days' (or such shorter period as may be required under any relevant law) prior written notice to the Issuer Security Trustee, the Funding 1 Security Trustee, the Note Trustee, the relevant Issuer Swap Provider(s) and the Noteholders in accordance with **Condition 14**, provided that, prior to giving any notice, the Issuer shall have provided to the Note Trustee a certificate signed by two directors of the Issuer to the effect that it will have the funds, not subject to the interest of any other person, required to redeem the relevant Notes as provided above and any amount to be paid in priority to or *pari passu* with the relevant Notes. Such monies received by the Issuer shall be used to redeem the relevant Notes in full, together with any accrued and unpaid interest, on the equivalent Interest Payment Date.

5.6 Reserved.

5.7 Redemption Amounts

For the purposes of this **Condition 5**, **Redemption Amount** means, in respect of any Series and Class of Notes, the amount specified in relation to such Notes in the applicable Final Terms or, if not so specified:

- (a) in respect of each Note (other than a Zero Coupon Note), the Principal Amount Outstanding of such Note; and
- (b) in respect of each Zero Coupon Note, an amount (the **Amortised Face Amount**) calculated in accordance with the following formula:

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

where:

RP = the Reference Price;

AY = the Accrual Yield expressed as a decimal; and

y = a fraction, the numerator of which is equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the first Closing Date of the applicable Series and Class of Notes to (but excluding) the date fixed for redemption or, as the case may be, the date upon which such Note becomes due and payable and the denominator of which is 360.

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to **Condition 5.1**, **5.2**, **5.4**, or **5.5** above or upon its becoming due and repayable as provided in **Condition 9** is improperly withheld or refused, the amount due and repayable in respect of such Note shall be the amount calculated as provided in paragraph (b) above as though the reference therein to the date fixed for the redemption or, as the case may be, the date upon which such Note becomes due and payable were replaced by reference to the date which is the earlier of:

- (i) the date on which all amounts due in respect of such Note have been paid; and
- (ii) the date on which the full amount of the monies payable in respect of such Note has been received by the Principal Paying Agent or the Note Trustee or the Registrar and notice to that effect has been given to the Noteholders in accordance with **Condition 14**.

5.8 Mandatory Transfer of Remarketable Notes

- (a) The Remarketable Notes shall be transferred in accordance with paragraph (ii) below on each relevant Mandatory Transfer Date prior to the occurrence of a Mandatory Transfer Termination Event (as confirmed by the Remarketing Agent or Tender Agent by the provision of a Conditional Purchaser Confirmation to the Issuer and the Principal Paying Agent) in exchange for payment of the Mandatory Transfer Price, and the Issuer will procure payment of the Mandatory Transfer Price to the Holders of the Remarketable Notes on the relevant Mandatory Transfer Date, provided that the Issuer shall not be

liable for the failure to make payment of the Mandatory Transfer Price to the extent that such failure is a result of the failure of the Remarketing Agent or the Conditional Purchaser to perform its obligations under the relevant agreements.

- (ii) Subject to paragraph (i) above, all the Noteholders' interests in the Remarketable Notes shall be transferred on the relevant Mandatory Transfer Date to the account of the Remarketing Agent on behalf of the relevant purchasers or as otherwise notified by or on behalf of the Remarketing Agent prior to such date or, if Definitive Notes are then issued with respect to the Remarketable Notes, the Remarketable Notes will be registered in the name of the Remarketing Agent or as otherwise notified by or on behalf of the Remarketing Agent by the Registrar and the Register will be amended accordingly with effect from the relevant Mandatory Transfer Date.

6. PAYMENTS

6.1 Payment of Interest and Principal

Payments of principal shall be made by cheque in the Specified Currency, drawn on a Designated Bank, or upon application by a Holder of the relevant Note to the Specified Office of the Principal Paying Agent not later than the fifth Business Day before the Record Date (as defined in **Condition 6.7**), by transfer to a Designated Account maintained by the payee with a Designated Bank and (in the case of final redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note at the Specified Office of any Paying Agent.

Payments of interest shall be made by cheque in the Specified Currency drawn on a Designated Bank, or upon application by a Holder of the relevant Note to the Specified Office of the Principal Paying Agent not later than the fifth Business Day before the Record Date, by transfer to a Designated Account maintained by the payee with a Designated Bank and (in the case of interest payable on final redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note at the Specified Office of any Paying Agent.

6.2 Laws and Regulations

Payments of principal and interest in respect of the Notes are subject in all cases to any fiscal or other laws and regulations applicable thereto. Noteholders will not be charged commissions or expenses on payments.

6.3 Payment of Interest following a failure to pay Principal

If payment of principal is improperly withheld or refused on or in respect of any Note or part thereof, the interest which continues to accrue in respect of such Note in accordance with **Condition 4** will be paid in accordance with this **Condition 6**.

6.4 Change of Agents

The initial Principal Paying Agent, the Registrar, the Transfer Agent and the US Paying Agents are listed in these Conditions. The Issuer reserves the right, subject to the prior written approval of the Note Trustee, at any time to vary or terminate the appointment of the Principal Paying Agent, the Registrar, the Transfer Agent and the U.S. Paying Agent and to appoint additional or other Paying Agents. The Issuer will at all times maintain a Paying Agent with a Specified Office in London and a U.S. Paying Agent with a Specified Office in New York and a Registrar. Except where otherwise provided in the Note Trust Deed, the Issuer will cause at least 30 days' notice of any change in or addition to the Paying Agents, the Transfer Agent or the Registrar or their Specified Offices to be given in accordance with **Condition 14** and will notify the Rating Agencies of such change or addition. For as long as any Note is outstanding, the Issuer will endeavour to maintain a Paying Agent in a member state of the European Union that will not be obliged to withhold or deduct tax pursuant to

European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to such Directive.

6.5 No payment on non-Business Day

Where payment is to be made by transfer to a Designated Account, payment instructions (for value the due date or, if the due date is not a Business Day, for value the next succeeding Business Day) will be initiated and, where payment is to be made by cheque, the cheque will be mailed (a) (in the case of payments of principal and interest payable on redemption) on the later of the due date for payment and the day on which the relevant Note is surrendered (or, in the case of part payment only, endorsed) at the Specified Office of a Paying Agent and (b) (in the case of payments of interest payable other than on redemption) on the due date for payment. A Holder of a Note shall not be entitled to any interest or other payment in respect of any delay in payment resulting from (i) the due date for a payment not being a Business Day or (ii) a cheque mailed in accordance with this **Condition 6.5** arriving after the due date for payment or being lost in the mail.

6.6 Partial Payment

If a Paying Agent makes a partial payment in respect of any Note, the Issuer shall procure and the Registrar will ensure that the amount and date of such payment are noted on the Register and, in the case of partial payment upon presentation of a Note, that a statement indicating the amount and date of such payment is endorsed on the relevant Note.

6.7 Record Date

Each payment in respect of a Note will be made to the persons shown as the Holder in the Register at the opening of business in the place of the Registrar's Specified Office on the fifteenth day before the due date for such payment (the **Record Date**). Where payment in respect of a Note is to be made by cheque, the cheque will be mailed to the address shown as the address of the Holder in the Register at the opening of business on the relevant Record Date.

6.8 Payment of Interest

Subject as provided otherwise in these Conditions, if interest is not paid in respect of a Note of any Class on the date when due and payable (other than because the due date is not a Business Day) or by reason of non-compliance with **Condition 6.1**, then such unpaid interest shall itself bear interest at the Rate of Interest applicable from time to time to such Note until such interest and interest thereon are available for payment and notice thereof has been duly given in accordance with **Condition 14**.

7. PRESCRIPTION

Claims against the Issuer for payment of interest and principal on redemption shall be prescribed and become void if the relevant Notes are not surrendered for payment within a period of 10 years from the relevant date in respect thereof. After the date on which a payment under a Note becomes void in its entirety, no claim may be made in respect thereof. In this **Condition 7**, the **relevant date**, in respect of a payment under a Note, is the date on which the payment in respect thereof first becomes due or (if the full amount of the monies payable in respect of those payments under all the Notes due on or before that date has not been duly received by the Principal Paying Agent, the U.S. Paying Agent or the Note Trustee (as the case may be) on or prior to such date) the date on which the full amount of such monies having been so received or notice to that effect is duly given to Noteholders in accordance with **Condition 14**.

8. TAXATION

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

9. EVENTS OF DEFAULT

9.1 Class A Noteholders

The Note Trustee in its absolute discretion may (and if so requested in writing by the Holders of not less than 25 per cent. in aggregate Principal Amount Outstanding of the Class A Notes (which for this purpose and the purpose of any Extraordinary Resolution referred to in this **Condition 9.1** means the Class A Notes of all Series constituted by the Note Trust Deed) or if so directed by or pursuant to an Extraordinary Resolution passed at a meeting of the Holders of the Class A Notes shall), subject in each case to being indemnified and/or secured to its satisfaction, give notice (a **Class A Note Acceleration Notice**) to the Issuer, the Issuer Security Trustee and the Funding 1 Security Trustee of a Note Event of Default (as defined below) declaring (in writing) the Class A Notes and all other Notes to be due and repayable (and they shall forthwith become due and repayable) at any time after the happening of any of the following events which is continuing or unwaived:

- (a) default being made for a period of three Business Days in the payment of any amount of principal of the Class A Notes of any Series when and as the same ought to be paid in accordance with these Conditions or default being made for a period of three Business Days in the payment of any amount of interest on the Class A Notes of any Series when and as the same ought to be paid in accordance with these Conditions; or
- (b) the Issuer failing duly to perform or observe any other obligation binding upon it under the Class A Notes of any Series, the Note Trust Deed, the Issuer Deed of Charge or any other Transaction Document and, in any such case (except where the Note Trustee certifies that, in its opinion, such failure is incapable of remedy, in which case no notice will be required), such failure is continuing unremedied for a period of 20 days following the service by the Note Trustee on the Issuer of notice requiring the same to be remedied and the Note Trustee has certified that the failure to perform or observe is materially prejudicial to the interests of the Holders of the Class A Notes of such Series; or
- (c) the Issuer, otherwise than for the purposes of such amalgamation or reconstruction as is referred to in subparagraph (d) below, ceases or threatens to cease to carry on its business or a substantial part of its business or the Issuer is deemed unable to pay its debts within the meaning of Section 123(1)(a), (b), (c) or (d) of the Insolvency Act 1986 (as amended, modified or re-enacted) or becomes unable to pay its debts as they fall due or the value of its assets falls to less than the amount of its liabilities (taking into account for both these purposes its contingent and prospective liabilities) or otherwise becomes insolvent; or
- (d) an order being made or an effective resolution being passed for the winding-up of the Issuer except a winding-up for the purposes of or pursuant to an amalgamation, restructuring or merger the terms of which have previously been approved by the Note Trustee in writing or by an Extraordinary Resolution of the Holders of the Class A Notes; or
- (e) proceedings being otherwise initiated against the Issuer under any applicable liquidation, insolvency, composition, reorganisation or other similar laws (including, but not limited to, presentation of a petition for an administration order, the filing of documents with the

court for an administration or the service of a notice of intention to appoint an administrator) and (except in the case of presentation of a petition for an administration order) such proceedings are not, in the sole opinion of the Note Trustee, being disputed in good faith with a reasonable prospect of success, or an administration order being granted or the appointment of an administrator takes effect or an administrative receiver or other receiver, liquidator or other similar official being appointed in relation to the Issuer or in relation to the whole or any substantial part of the undertaking or assets of the Issuer, or an encumbrancer taking possession of the whole or any substantial part of the undertaking or assets of the Issuer, or a distress, execution, diligence or other process being levied or enforced upon or sued out against the whole or any substantial part of the undertaking or assets of the Issuer and such possession or process (as the case may be) not being discharged or not otherwise ceasing to apply within 30 days, or the Issuer initiating or consenting to the foregoing proceedings relating to itself under applicable liquidation, insolvency, composition, reorganisation or other similar laws or making a conveyance or assignment for the benefit of its creditors generally or a composition or similar arrangement with the creditors or takes steps with a view to obtaining a moratorium in respect of its indebtedness, including without limitation, the filing of documents with the court; or

- (f) if an Intercompany Loan Acceleration Notice is served under the Intercompany Loan Agreement while the Class A Notes of any Series are outstanding.

9.2 Class B Noteholders

This **Condition 9.2** shall have no effect if, and for as long as, any Class A Notes of any Series are outstanding. Subject thereto, for so long as any Class B Notes are outstanding, the Note Trustee in its absolute discretion may (and if so requested in writing by the Holders of not less than 25 per cent. in aggregate Principal Amount Outstanding of the Class B Notes (which for this purpose and the purpose of any Extraordinary Resolution referred to in this **Condition 9.2**, means the Class B Notes of all Series constituted by the Note Trust Deed) or if so directed by or pursuant to an Extraordinary Resolution passed at a meeting of the Holders of the Class B Notes shall), subject in each case to it being indemnified and/or secured to its satisfaction, give notice (a **Class B Note Acceleration Notice**) to the Issuer, the Issuer Security Trustee and the Funding 1 Security Trustee of a Note Event of Default (as defined below) and declaring (in writing) the Class B Notes and all other Notes to be due and repayable (and they shall forthwith become due and repayable) at any time after the happening of any of the following events:

- (a) default being made for a period of three Business Days in the payment of any amount of principal of the Class B Notes of any Series when and as the same ought to be paid in accordance with these Conditions or default being made for a period of three Business Days in the payment of any amount of interest on the Class B Notes of any Series when and as the same ought to be paid in accordance with these Conditions; or
- (b) the occurrence of any of the events in **Condition 9.1(b)**, **(c)**, **(d)**, **(e)** or **(f)** above provided that the references in **Condition 9.1(b)**, **Condition 9.1(d)** and **Condition 9.1(f)** to Class A Notes shall be read as references to Class B Notes.

9.3 Class M Noteholders

This **Condition 9.3** shall have no effect if, and for as long as, any Class A Notes or Class B Notes of any Series are outstanding. Subject thereto, for so long as any Class M Notes are outstanding, the Note Trustee in its absolute discretion may (and if so requested in writing by the Holders of not less than 25 per cent. in aggregate Principal Amount Outstanding of the Class M Notes (which for this purpose and the purpose of any Extraordinary Resolution referred to in this **Condition 9.3**, means the Class M Notes of all Series constituted by the Note Trust Deed) or if so directed by or pursuant to an Extraordinary Resolution passed at a meeting of the Holders of the Class M Notes

shall), subject in each case to it being indemnified and/or secured to its satisfaction, give notice (a **Class M Note Acceleration Notice**) to the Issuer, the Issuer Security Trustee and the Funding 1 Security Trustee of a Note Event of Default (as defined below) and declaring (in writing) the Class M Notes and all other Notes to be due and repayable (and they shall forthwith become due and repayable) at any time after the happening of any of the following events:

- (a) default being made for a period of three Business Days in the payment of any amount of principal of the Class M Notes of any Series when and as the same ought to be paid in accordance with these Conditions or default being made for a period of three Business Days in the payment of any amount of interest on the Class M Notes of any Series when and as the same ought to be paid in accordance with these Conditions; or
- (b) the occurrence of any of the events in **Condition 9.1(b), (c), (d), (e) or (f)** above provided that the references in **Condition 9.1(b), Condition 9.1(d) and Condition 9.1(f)** to Class A Notes shall be read as references to Class M Notes.

9.4 Class C Noteholders

This **Condition 9.4** shall have no effect if, and for as long as, any Class A Notes, Class B Notes or Class M Notes of any Series are outstanding. Subject thereto, for so long as any Class C Notes are outstanding, the Note Trustee in its absolute discretion may (and if so requested in writing by the Holders of not less than 25 per cent. in aggregate Principal Amount Outstanding of the Class C Notes (which for this purpose and the purpose of any Extraordinary Resolution referred to in this **Condition 9.4**, means the Class C Notes of all Series constituted by the Note Trust Deed) or if so directed by or pursuant to an Extraordinary Resolution passed at a meeting of the Holders of the Class C Notes shall), subject in each case to it being indemnified and/or secured to its satisfaction, give notice (a **Class C Note Acceleration Notice**) to the Issuer, the Issuer Security Trustee and the Funding 1 Security Trustee of a Note Event of Default (as defined below) and declaring (in writing) the Class C Notes and all other Notes to be due and repayable (and they shall forthwith become due and repayable) at any time after the happening of any of the following events:

- (a) default being made for a period of three Business Days in the payment of any amount of principal of the Class C Notes of any Series when and as the same ought to be paid in accordance with these Conditions or default being made for a period of three Business Days in the payment of any amount of interest on the Class C Notes of any Series when and as the same ought to be paid in accordance with these Conditions; or
- (b) the occurrence of any of the events in **Condition 9.1(b), (c), (d), (e) or (f)** above provided that the references in **Condition 9.1(b), Condition 9.1(d) and Condition 9.1(f)** to Class A Notes shall be read as references to Class C Notes.

9.5 Class D Noteholders

This **Condition 9.5** shall have no effect if, and for as long as, any Class A Notes, Class B Notes, Class M Notes or Class C Notes of any Series are outstanding. Subject thereto, for so long as any Class D Notes are outstanding, the Note Trustee in its absolute discretion may (and if so requested in writing by the Holders of not less than 25 per cent. in aggregate Principal Amount Outstanding of the Class D Notes (which for this purpose and the purpose of any Extraordinary Resolution referred to in this **Condition 9.5**, means the Class D Notes of all Series constituted by the Note Trust Deed) or if so directed by or pursuant to an Extraordinary Resolution passed at a meeting of the Holders of the Class D Notes shall), subject in each case to it being indemnified and/or secured to its satisfaction, give notice (a **Class D Note Acceleration Notice**) to the Issuer, the Issuer Security Trustee and the Funding 1 Security Trustee of a Note Event of Default (as defined below) and declaring (in writing) the Class D Notes to be due and repayable (and they shall forthwith become due and repayable) at any time after the happening of any of the following events:

- (a) default being made for a period of three Business Days in the payment of any amount of principal of the Class D Notes of any Series when and as the same ought to be paid in

accordance with these Conditions or default being made for a period of three Business Days in the payment of any amount of interest on the Class D Notes of any Series when and as the same ought to be paid in accordance with these Conditions; or

- (b) the occurrence of any of the events in **Condition 9.1(b), (c), (d), (e) or (f)** above provided that the references in **Condition 9.1(b), Condition 9.1(d) and Condition 9.1(f)** to Class A Notes shall be read as references to Class D Notes.

9.6 Following Service of a Note Acceleration Notice

In these Conditions, a **Note Acceleration Notice** means any of the Class A Note Acceleration Notice, the Class B Note Acceleration Notice, the Class M Note Acceleration Notice, the Class C Note Acceleration Notice and the Class D Note Acceleration Notice. For the avoidance of doubt, upon any Note Acceleration Notice being given by the Note Trustee in accordance with **Condition 9.1, 9.2, 9.3, 9.4 or 9.5** all Notes shall immediately become due, without further action, notice or formality at their Principal Amount Outstanding together with accrued interest (or, in the case of a Zero Coupon Note, at its Redemption Amount, calculated in accordance with **Condition 5.7**).

10. ENFORCEMENT OF NOTES

10.1 Enforcement

The Note Trustee may, at its discretion and without notice at any time and from time to time, take such steps and institute such proceedings against the Issuer or any other person as it may think fit to enforce the provisions of the Notes, the Note Trust Deed (including these Conditions) or any of the other Transaction Documents to which it is a party and the Note Trustee may, at its discretion at any time after the Issuer Security has become enforceable (including after the service of a Note Acceleration Notice in accordance with **Condition 9**), instruct the Issuer Security Trustee to take such steps as it may think fit to enforce the Issuer Security. The Note Trustee shall not be bound to take such steps or institute such proceedings or give such instructions unless:

- (a) (subject in all cases to restrictions contained in the Note Trust Deed to protect the interests of any higher ranking Class of Noteholders) it shall have been so directed by an Extraordinary Resolution of the Class A Noteholders, the Class B Noteholders, the Class M Noteholders, the Class C Noteholders or the Class D Noteholders (which for this purpose means the Holders of all Series of the Class A Notes, the Class B Notes, the Class M Notes, the Class C Notes or the Class D Notes (as applicable)) or so requested in writing by the Holders of at least one quarter in aggregate Principal Amount Outstanding of the Class A Notes, Class B Notes, Class M Notes, Class C Notes or Class D Notes (as applicable) of all Series; and
- (b) it shall have been indemnified and/or secured to its satisfaction.

The Issuer Security Trustee shall not be bound to and shall not take such steps or take any such other action unless it is so directed by the Note Trustee and indemnified and/or secured to its satisfaction.

Amounts available for distribution after enforcement of the Issuer Security shall be distributed in accordance with the terms of the Issuer Deed of Charge.

No Noteholder may institute any proceedings against the Issuer to enforce its rights under or in respect of the Notes, the Note Trust Deed or the Issuer Deed of Charge unless (i) the Note Trustee or the Issuer Security Trustee, as applicable, has become bound to institute proceedings and has failed to do so within 30 days of becoming so bound and (ii) such failure is continuing; provided that, no Class B Noteholder, Class M Noteholder, Class C Noteholder or Class D Noteholder will be entitled to commence proceedings for the winding up or administration of the Issuer unless there are no outstanding Notes of a Class with higher priority, or if Notes of a class with higher priority are

outstanding, there is consent of Noteholders of not less than one quarter of the aggregate principal amount of the Notes outstanding (as defined in the Note Trust Deed) of the Class or Classes of Notes with higher priority or pursuant to an Extraordinary Resolution of the Holders of such Class of Notes. Notwithstanding the foregoing and notwithstanding any other provision of the Note Trust Deed, the right of any Noteholder to receive payment of principal and interest on its Notes on or after the due date for such principal or interest, or to institute suit for the enforcement of payment of that principal or interest, may not be impaired or affected without the consent of that Noteholder.

10.2 Post-Enforcement Call Option

In the event that:

- (a) the Issuer Security is enforced and the Issuer Security Trustee determines that (i) the proceeds of such enforcement, after distribution of such proceeds to the persons entitled thereto ranking in priority to the Notes under the Issuer Deed of Charge and to the Noteholders (to the extent entitled thereto), are insufficient to pay in full all principal and interest and other amounts whatsoever due in respect of the Notes and all other claims ranking *pari passu* therewith (ii) such proceeds of enforcement have been so distributed in accordance with the terms of the Issuer Deed of Charge and (iii) there are no further assets available to pay principal and interest and other amounts whatsoever due in respect of the Notes; or
- (b) within 20 days following the Final Maturity Date of the latest maturing Note, the Issuer Security Trustee certifies that there is no further amount outstanding under the Intercompany Loan Agreement,

then the Note Trustee is required (without any liability on its part to any person or any warranty as to due authority), at the request of the Post-Enforcement Call Option Holder, for a nominal amount, to transfer or (as the case may be) procure transfer of all (but not some only) of the Notes to the Post-Enforcement Call Option Holder pursuant to the option granted to it by the Note Trustee (as agent for the Noteholders) under the terms of the Post-Enforcement Call Option Agreement. Immediately upon such transfer, no such former Noteholder shall have any further interest in the Notes. Each of the Noteholders acknowledges that the Note Trustee has the authority and the power to bind the Noteholders in accordance with the terms and conditions set out in the Post-Enforcement Call Option Agreement and each Noteholder, by subscribing for or purchasing Notes, agrees to be so bound. The Note Trustee shall give notice of the exercise of such option to the Noteholders in accordance with **Condition 14**.

11. MEETINGS OF NOTEHOLDERS, MODIFICATIONS AND WAIVER

11.1 Meetings of Noteholders

The Note Trust Deed contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any provision of these Conditions or the provisions of any of the Transaction Documents.

(a) *Class A Notes*

In respect of the Class A Notes, the Note Trust Deed provides that, subject to **Condition 11.2**:

- (i) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class A Notes of one Class only shall be deemed to have been duly passed if passed at a meeting of the Holders of the Class A Notes of that Class;
- (ii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class A Notes of any two or more Classes but does not give rise to a

conflict of interest between the Holders of any such two or more Classes of Class A Notes, shall be deemed to have been duly passed if passed at a single meeting of the Holders of such two or more Classes of Class A Notes; and

- (iii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class A Notes of any two or more Classes and gives or may give rise to a conflict of interest between the Holders of any such Classes of Class A Notes, shall be deemed to have been duly passed only if, in lieu of being passed at a single meeting of the Holders of such two or more Classes of Class A Notes, it shall be passed at separate meetings of the Holders of each such Class of Class A Notes.

(b) Class B Notes

In respect of the Class B Notes, the Note Trust Deed provides that, subject to **Condition 11.2**:

- (i) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class B Notes of one Class only shall be deemed to have been duly passed if passed at a meeting of the Holders of the Class B Notes of that Class;
- (ii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class B Notes of any two or more Classes but does not give rise to a conflict of interest between the Holders of any such two or more Classes of Class B Notes, shall be deemed to have been duly passed if passed at a single meeting of the Holders of such two or more Classes of Class B Notes; and
- (iii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class B Notes of any two or more Classes and gives or may give rise to a conflict of interest between the Holders of any such Classes of Class B Notes, shall be deemed to have been duly passed only if, in lieu of being passed at a single meeting of the Holders of such two or more Classes of Class B Notes, it shall be passed at separate meetings of the Holders of each such Class of Class B Notes.

(c) Class M Notes

In respect of the Class M Notes, the Note Trust Deed provides that, subject to **Condition 11.2**:

- (i) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class M Notes of one Class only shall be deemed to have been duly passed if passed at a meeting of the Holders of the Class M Notes of that Class;
- (ii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class M Notes of any two or more Classes but does not give rise to a conflict of interest between the Holders of any such two or more Classes of Class M Notes, shall be deemed to have been duly passed if passed at a single meeting of the Holders of such two or more Classes of Class M Notes; and
- (iii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class M Notes of any two or more Classes and gives or may give rise to a conflict of interest between the Holders of any such Classes of Class M Notes, shall be deemed to have been duly passed only if, in lieu of being passed at a single meeting of the Holders of such two or more Classes of Class M Notes, it shall be passed at separate meetings of the Holders of each such Class of Class M Notes.

(d) Class C Notes

In respect of the Class C Notes, the Note Trust Deed provides that, subject to **Condition 11.2**:

- (i) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class C Notes of one Class only shall be deemed to have been duly passed if passed at a meeting of the Holders of the Class C Notes of that Class;
- (ii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class C Notes of any two or more Classes but does not give rise to a conflict of interest between the Holders of any such two or more Classes of Class C Notes, shall be deemed to have been duly passed if passed at a single meeting of the Holders of such two or more Classes of Class C Notes; and
- (iii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class C Notes of any two or more Classes and gives or may give rise to a conflict of interest between the Holders of any such Classes of Class C Notes, shall be deemed to have been duly passed only if, in lieu of being passed at a single meeting of the Holders of such two or more Classes of Class C Notes, it shall be passed at separate meetings of the Holders of each such Class of Class C Notes.

(e) Class D Notes

In respect of the Class D Notes, the Note Trust Deed provides that, subject to **Condition 11.2**:

- (i) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class D Notes of one Class only shall be deemed to have been duly passed if passed at a meeting of the Holders of the Class D Notes of that Class;
- (ii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class D Notes of any two or more Classes but does not give rise to a conflict of interest between the Holders of any such two or more Classes of Class D Notes, shall be deemed to have been duly passed if passed at a single meeting of the Holders of such two or more Classes of Class D Notes; and
- (iii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class D Notes of any two or more Classes and gives or may give rise to a conflict of interest between the Holders of any such Classes of Class D Notes, shall be deemed to have been duly passed only if, in lieu of being passed at a single meeting of the Holders of such two or more Classes of Class D Notes, it shall be passed at separate meetings of the Holders of each such Class of Class D Notes.

The quorum for any meeting of the Holders of any Series and Class of Notes or of any Class of Notes of more than one Series convened to consider a resolution (except for the purpose of passing an Extraordinary Resolution or a Programme Resolution) will be one or more persons holding or representing not less than one-twentieth of the aggregate Principal Amount Outstanding of such Series and Class of Notes or such Class of Notes of more than one Series or, at any adjourned meeting, one or more persons being or representing Noteholders of such Series and Class of Notes or such Class of Notes for the time being outstanding of more than one Series, whatever the aggregate Principal Amount Outstanding of the relevant Notes for the time being outstanding so held or represented. A **resolution** means a resolution (excluding an Extraordinary Resolution or a Programme Resolution) passed at a meeting of Noteholders duly convened and held in accordance with the provisions of the Note Trust Deed by a simple majority of the persons voting thereat upon a show of hands or if a poll is duly demanded by a simple majority of the votes cast on such poll.

Subject as provided in the following paragraph, the quorum at any meeting of the Holders of any Series and Class of Notes or of any Class of Notes of more than one Series of Notes convened to consider an Extraordinary Resolution will be one or more persons holding or representing not less than 50 per cent. of the aggregate Principal Amount Outstanding of such Series and Class of Notes or such Class of Notes of more than one Series or, at any adjourned meeting, one or more persons being or representing Noteholders of such Series and Class of Notes or such Class of Notes of more than

one Series of Notes, whatever the aggregate Principal Amount Outstanding of the relevant Notes so held or represented.

The quorum at any meeting of the Noteholders for passing an Extraordinary Resolution which includes the sanctioning of a modification which would have the effect of altering the amount or timing of payments of principal on the Notes of such Series and Class or of such Class or the rate, the day or the timing of payments of interest thereon or of the currency of payment of the Notes of such Series and Class or of such Class or altering the priority of payments or altering the quorum or majority required in relation to any resolution (each a **Basic Terms Modification**, as more fully defined in the Note Trust Deed) shall be one or more persons holding or representing not less than 75 per cent. of the aggregate Principal Amount Outstanding of the Notes of the relevant Series and Class or of the Class of Notes of more than one Series of Notes or, at any adjourned and reconvened meeting, not less than 25 per cent. of the aggregate Principal Amount Outstanding of the Notes of the relevant Series and Class or of the Class of Notes of more than one Series of Notes.

An Extraordinary Resolution passed at any meeting of Noteholders shall be binding on all of the Noteholders of the relevant Series and Class or of the Class of Notes of more than one Series of Notes whether or not they are present or represented at the meeting.

In connection with any meeting of Noteholders where the relevant Notes (or any of them) are not denominated in Sterling, the Principal Amount Outstanding of any Note not denominated in Sterling shall be converted into Sterling at the relevant Specified Currency Exchange Rate.

A resolution signed by or on behalf of all the Noteholders of the relevant Series and Class or of the relevant Class of more than one Series of Notes who for the time being are entitled to receive notice of a meeting under the Note Trust Deed shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Holders of such Series and Class or of the relevant Class of more than one Series of Notes.

11.2 Programme Resolution

Notwithstanding the provisions of **Condition 11.1**, any Extraordinary Resolution of the Noteholders of any Class to direct the Note Trustee to give a Note Acceleration Notice pursuant to **Condition 9** or take any enforcement action or instruct the Issuer Security Trustee to enforce the Issuer Security pursuant to **Condition 10** (a **Programme Resolution**) shall only be capable of being passed at a single meeting of the Noteholders of all Series of such Class of Notes. The quorum at any such meeting for passing a Programme Resolution shall be one or more persons holding or representing not less than 50 per cent. of the aggregate Principal Amount Outstanding of the Notes of such Class or, at any adjourned and reconvened meeting, one or more persons being or representing Noteholders of such Class of Notes, whatever the aggregate Principal Amount Outstanding of such Class of Notes so held or represented by them.

A Programme Resolution passed at any meeting of all Series of any Class of Notes shall be binding on all Noteholders of all Series of that Class of Notes, whether or not they are present or represented at the meeting.

11.3 Limitations on Noteholders

Subject as provided in **Condition 11.4**:

- (a) an Extraordinary Resolution of the Class A Noteholders of any Series shall be binding on all Class B Noteholders, all Class M Noteholders, all Class C Noteholders and all Class D Noteholders (in each case, of that Series or of any other Series);
- (b) no Extraordinary Resolution of the Class B Noteholders of any Series shall take effect for any purpose while any Class A Notes (of that Series or of any other Series) remain outstanding unless it shall have been sanctioned by an Extraordinary Resolution of the

Class A Noteholders of each Series or the Note Trustee is of the opinion that it would not be materially prejudicial to the interests of the Class A Noteholders of any Series (as applicable) and subject hereto and to **Condition 11.4**, an Extraordinary Resolution of the Class B Noteholders of any Series will be binding on the Class M Noteholders, the Class C Noteholders and the Class D Noteholders in each case, of that or of any other Series irrespective of the effect upon them;

- (c) no Extraordinary Resolution of the Class M Noteholders of any Series shall take effect for any purpose while any Class A Notes or Class B Notes (in each case, of that Series or of any other Series) remain outstanding unless it shall have been sanctioned by an Extraordinary Resolution of the Class A Noteholders and an Extraordinary Resolution of the Class B Noteholders, in each case of each Series or the Note Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class A Noteholders and/or the Class B Noteholders of any Series (as applicable) and subject hereto and to **Condition 11.4**, an Extraordinary Resolution of the Class M Noteholders of any Series will be binding on the Class C Noteholders and the Class D Noteholders in each case, of that or of any other Series irrespective of the effect upon them;
- (d) no Extraordinary Resolution of the Class C Noteholders of any Series shall take effect for any purpose while any Class A Notes, Class B Notes or Class M Notes (in each case, of that Series or of any other Series) remain outstanding unless it shall have been sanctioned by an Extraordinary Resolution of the Class A Noteholders, an Extraordinary Resolution of the Class B Noteholders and an Extraordinary Resolution of the Class M Noteholders, in each case of each Series or the Note Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class A Noteholders, the Class B Noteholders and/or the Class M Noteholders of any Series (as applicable) and subject hereto and to **Condition 11.4**, an Extraordinary Resolution of the Class C Noteholders of any Series will be binding on the Class D Noteholders of that or of any other Series irrespective of the effect upon them; and
- (e) no Extraordinary Resolution of Class D Noteholders of any Series shall take effect for any purpose while any Class A Notes, Class B Notes, Class M Notes or Class C Notes (in each case, of that Series or of any other Series) remain outstanding unless it shall have been sanctioned by an Extraordinary Resolution of the Class A Noteholders, an Extraordinary Resolution of the Class B Noteholders, an Extraordinary Resolution of the Class M Noteholders and an Extraordinary Resolution of the Class C Noteholders, in each case of each Series or the Note Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class A Noteholders, the Class B Noteholders, the Class M Noteholders and/or the Class C Noteholders of any Series (as applicable).

11.4 Approval of Modifications and Waivers by Noteholders

No Extraordinary Resolution of the Noteholders of any one or more Series of Class A Notes to sanction a modification of, or any waiver or authorisation of any breach or proposed breach of, any of the provisions of the Transaction Documents or the Conditions of the Notes shall take effect unless it has been sanctioned by an Extraordinary Resolution of the Class B Noteholders, an Extraordinary Resolution of the Class M Noteholders, an Extraordinary Resolution of the Class C Noteholders and an Extraordinary Resolution of the Class D Noteholders, in each case of each Series, or the Note Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class B Noteholders, the Class M Noteholders, the Class C Noteholders and the Class D Noteholders of any Series.

No Extraordinary Resolution of the Noteholders of any one or more Series of Class B Notes to sanction a modification of, or any waiver or authorisation of any breach or proposed breach of, any of the provisions of the Transaction Documents or the Conditions of the Notes shall take effect unless it has been sanctioned by an Extraordinary Resolution of the Class M Noteholders, an Extraordinary

Resolution of the Class C Noteholders and an Extraordinary Resolution of the Class D Noteholders, in each case of each Series, or the Note Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class M Noteholders, the Class C Noteholders and the Class D Noteholders of any Series.

No Extraordinary Resolution of the Noteholders of any one or more Series of Class M Notes to sanction a modification of, or any waiver or authorisation of any breach or proposed breach of, any of the provisions of the Transaction Documents or the Conditions of the Notes shall take effect unless it has been sanctioned by an Extraordinary Resolution of the Class C Noteholders and an Extraordinary Resolution of the Class D Noteholders, in each case of each Series, or the Note Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class C Noteholders and the Class D Noteholders of any Series.

No Extraordinary Resolution of the Noteholders of any one or more Series of Class C Notes to sanction a modification of, or any waiver or authorisation of any breach or proposed breach of, any of the provisions of the Transaction Documents or the Conditions of the Notes shall take effect unless it has been sanctioned by an Extraordinary Resolution of the Class D Noteholders of each Series, or the Note Trustee is of the opinion that it would not be materially prejudicial to the interests of the Class D Noteholders of any Series.

11.5 Modifications and Determinations by Note Trustee

The Note Trustee, may, without the consent of the Noteholders:

- (a) agree to any modification (other than a Basic Terms Modification) of, or to the waiver or authorisation of any breach or proposed breach of, the Conditions of any Series and Class of Notes or any of the Transaction Documents which is not in the opinion of the Note Trustee, materially prejudicial to the interests of the Noteholders of any Series and Class of Notes; or
- (b) determine that any Note Event of Default shall not be treated as such provided that it is not in the opinion of the Note Trustee materially prejudicial to the interests of the Holders of the most senior Class of Notes then outstanding; or
- (c) agree to any modification (including a Basic Terms Modification) of these Conditions or any of the Transaction Documents which, in the opinion of the Note Trustee, is of a formal, minor or technical nature or is to correct a manifest error or proven error established as such to the satisfaction of the Note Trustee or is to comply with the mandatory provisions of law; or
- (d) agree to any modification of any of these Conditions or any Transaction Documents as expressly provided for in the Transaction Documents.

For the avoidance of doubt, the Note Trustee shall be entitled to assume, without further investigation or inquiry, that such modification, waiver, determination or authorisation will not be materially prejudicial to the interests of the Noteholders or any Class or Series thereof if each of the Rating Agencies rating the relevant Series and/or Class of Notes has confirmed in writing that the then current ratings of the applicable Series and/or Class of Notes would not be reduced, withdrawn or qualified by such modification, waiver, determination or authorisation. Any such modification, waiver, authorisation or determination shall be binding on the Noteholders and, unless the Note Trustee agrees otherwise, any such modification shall be notified to the Noteholders and the Rating Agencies in accordance with **Condition 14** as soon as practicable thereafter.

11.6 Redenomination

The Note Trustee may agree, without the consent of the Holders of the Sterling Notes on or after the Specified Date (as defined below), to such modifications to the Sterling Notes and the Note Trust Deed in respect of redenomination of such Notes in euro and associated reconventioning,

renominalisation and related matters in respect of such Notes as may be proposed by the Issuer (and confirmed by an independent financial institution approved by the Note Trustee to be in conformity with then applicable market conventions) and to provide for redemption at the euro equivalent of the Sterling principal amount of the Sterling Notes. For these purposes, **Specified Date** means the date on which the United Kingdom participates in the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended by the Treaty on European Union, or otherwise participates in European economic and monetary union in a manner with an effect similar to such third stage.

Any such modification shall be binding on the Holders of the Sterling Notes and, unless the Note Trustee agrees otherwise, any such modification shall be notified to such Noteholders in accordance with **Condition 14** as soon as practicable thereafter.

11.7 Exercise of Note Trustee's Functions

Where the Note Trustee is required, in connection with the exercise of its powers, trusts, authorities, duties and discretions under these Conditions or any Transaction Document, to have regard to the interests of the Noteholders of any Class, it shall have regard to the interests of such Noteholders as a class and, in particular but without prejudice to the generality of the foregoing, the Note Trustee shall not have regard to, or be in any way liable for, the consequences of such exercise for individual Noteholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory. In connection with any such exercise, the Note Trustee shall not be entitled to require, and no Noteholder shall be entitled to claim, from the Issuer or any other person, any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders.

12. INDEMNIFICATION OF THE NOTE TRUSTEE AND THE ISSUER SECURITY TRUSTEE

The Note Trust Deed, the Issuer Deed of Charge and the Funding 1 Deed of Charge set out certain provisions for the benefit of the Note Trustee, the Issuer Security Trustee and the Funding 1 Security Trustee. The following is a summary of such provisions and is subject to the more detailed provisions of the Note Trust Deed, the Issuer Deed of Charge and the Funding 1 Deed of Charge.

The Transaction Documents contain provisions governing the responsibility (and relief from responsibility) of the Note Trustee, the Issuer Security Trustee and the Funding 1 Security Trustee and providing for their indemnification in certain circumstances, including, among others, provisions relieving the Issuer Security Trustee, the Note Trustee and the Funding 1 Security Trustee from taking enforcement proceedings or enforcing the Issuer Security and/or the Funding 1 Security, as the case may be, unless indemnified to its satisfaction.

The Note Trustee, the Issuer Security Trustee and the Funding 1 Security Trustee and their related companies are entitled to enter into business transactions with the Issuer, any member of the Alliance & Leicester's group of companies, the Issuer Cash Manager and/or the related companies of any of them and to act as note trustee or security trustee for the holders of any new notes and/or any other person who is a party to any Transaction Document or whose obligations are comprised in the Issuer Security or the Funding 1 Security and/or any of its subsidiary or associated companies without accounting for any profit resulting therefrom.

Neither the Note Trustee, the Issuer Security Trustee nor the Funding 1 Security Trustee will be responsible for any loss, expense or liability which may be suffered as a result of any assets comprised in the Issuer Security or the Funding 1 Security, or any deeds or documents of title thereto, being uninsured or inadequately insured or being held by clearing organisations or their operators or by intermediaries such as banks, brokers or other similar persons on behalf of the Note Trustee or the Issuer Security Trustee or the Funding 1 Security Trustee, as applicable.

Furthermore, the Note Trustee, the Issuer Security Trustee and the Funding 1 Security Trustee will be relieved of liability for making searches or other inquiries in relation to the assets comprising the Issuer Security and Funding 1 Security. The Note Trustee, the Issuer Security Trustee and the Funding 1 Security Trustee do not have any responsibility in relation to the legality and the enforceability of the trust arrangements and the related Issuer Security and Funding 1 Security. Neither the Note Trustee, the Issuer Security Trustee nor the Funding 1 Security Trustee will be obliged to take any action that might result in its incurring personal liabilities. Neither the Note Trustee, the Issuer Security Trustee nor the Funding 1 Security Trustee is obliged to monitor or investigate the performance of any other person under the Transaction Documents and is entitled to assume, until it has actual knowledge to the contrary, that all such persons are properly performing their duties, unless it receives express notice to the contrary.

Neither the Note Trustee, the Issuer Security Trustee nor the Funding 1 Security Trustee will be responsible for any deficiency that may arise because it is liable to tax in respect of the proceeds of any Issuer Security or any Funding 1 Security.

Law Debenture Trust Company of New York (the **Initial Trustee**) is acting as Note Trustee under the Note Trust Deed and as Issuer Security Trustee under the Issuer Deed of Charge and as Funding 1 Security Trustee under the Funding 1 Deed of Charge (and while doing so the Initial Trustee and any successor which acts in all such capacities are referred to in this Condition as the **Trustee**). No entity may act as a trustee in any such capacity unless it is also the Trustee or unless the Trustee agrees otherwise or unless the Trustee resigns its office as trustee in one or more of such capacities. In its capacity as Trustee, the Trustee will not be liable to any Noteholder for any loss which he may suffer by reason of any conflict which may arise between the interests of the Noteholders and any other person to whom the Trustee owes duties as a result of the Trustee acting in all such capacities.

Neither the Initial Trustee nor any of its successors has any responsibility to Noteholders, the Issuer Secured Creditors or the Funding 1 Secured Creditors for the validity, sufficiency or enforceability of the Issuer Security and the Funding 1 Security (which the Initial Trustee has not investigated) and shall accept such title and interest as any chargor or mortgagor has without responsibility for investing the same or any defect there may be therein. Neither the Initial Trustee nor any of its successors are responsible for monitoring the performance by any person of its obligations to the Issuer, Funding 1, any Further Funding Companies or any obligor and each may assume until it has actual knowledge to the contrary that such obligations are being duly performed.

13. REPLACEMENT OF NOTES

If Definitive Notes are lost, stolen, mutilated, defaced or destroyed, the Noteholder can replace them at the Specified Office of any Paying Agent subject to all applicable laws and stock exchange requirements. The Noteholder will be required both to pay the expenses of producing a replacement and to comply with the Issuer's, the Registrar's and the Paying Agents' reasonable requests for evidence and indemnity.

If a Global Note is lost, stolen, mutilated, defaced or destroyed, the Issuer will deliver a replacement Global Note to the registered holder upon receipt of satisfactory evidence and surrender of any defaced or mutilated Global Note. A replacement will only be made upon payment of the expenses for a replacement and compliance with the Issuer's, Registrar's and Paying Agents' reasonable requests as to evidence and indemnity.

Defaced or mutilated Notes must be surrendered before replacements will be issued.

14. NOTICE TO NOTEHOLDERS

14.1 Publication of Notice

Any notice to Noteholders shall be validly given if such notice is:

- (a) sent to them by first class mail (or its equivalent) or (if posted to a non-UK address) by airmail at the respective addresses on the Register; and
- (b) published in *The Financial Times*;

or, if any of such newspaper set out above shall cease to be published or timely publication therein shall not be practicable, in a leading English language daily newspaper having general circulation in the United Kingdom provided that if, at any time, the Issuer procures that the information concerned in such notice shall be published on the Relevant Screen, publication in the newspaper set out above or such other newspaper or newspapers shall not be required with respect to such information.

14.2 Date of Publication

Any notices so published shall be deemed to have been given on the fourth day after the date of posting, or as the case may be, on the date of such publication or, if published more than once on different dates, on the first date on which publication shall have been made in the newspaper or newspapers in which (or on the Relevant Screen on which) publication is required.

14.3 Global Notes

While the Notes are represented by Global Notes, any notice to Noteholders will be validly given if such notice is provided in accordance with **Condition 14.1** or (at the option of the Issuer) if delivered to DTC (in the case of the Rule 144A Notes) or Euroclear and/or Clearstream, Luxembourg (in the case of the Reg S Notes) or (if specified in the applicable Final Terms) if delivered through any **Alternative Clearing System** specified therein. Any notice delivered to the DTC and/or Euroclear and/or Clearstream, Luxembourg and/or such Alternative Clearing System will be deemed to be given on the day of such delivery.

14.4 Note Trustee's Discretion to Select Alternative Method

The Note Trustee shall be at liberty to sanction some other method of giving notice to the Noteholders or any Series or Class or category of them if, in its opinion, such other method is reasonable having regard to market practice then prevailing and to the requirements of the stock exchanges on which the Notes are then admitted for trading and provided that notice of such other method is given to the Noteholders in such manner as the Note Trustee shall require.

15. NOTES ISSUES

The Issuer shall (subject to satisfaction of the Issuance Tests) be at liberty, without the consent of the Noteholders, to create and issue Notes from time to time.

16. RATING AGENCIES

If:

- (a) a confirmation of rating or other response by a Rating Agency is a condition to any action or step under any Transaction Document; and
- (b) a written request for such confirmation or response is delivered to each Rating Agency by the Issuer (copied to the Note Trustee and/or the Issuer Security Trustee and/or the Funding 1 Security Trustee, as applicable) and either one or more Rating Agency (each a **Non-Responsive Rating Agency**) indicates that it does not consider such confirmation

or response necessary in the circumstances or within 30 days of delivery of such request elicits no confirmation or response and/or such request elicits no statement by such Rating Agency that such confirmation or response could not be given; and

- (c) at least one Rating Agency gives such a confirmation or response based on the same facts,

then such condition shall be deemed to be modified with respect to the facts set out in the request referred to in (b) so that there shall be no requirement for the confirmation or response from the Non-Responsive Rating Agency.

The Note Trustee and/or the Issuer Security Trustee and/or the Funding 1 Security Trustee, as applicable, shall be entitled to treat as conclusive a certificate by any director, officer or employee of the Issuer, Funding 1, the Seller, any investment bank or financial adviser acting in relation to the Notes as to any matter referred to in (b) in the absence of manifest error or the Note Trustee and/or the Issuer Security Trustee and/or the Funding 1 Security Trustee, as applicable, having facts contradicting such certificates specifically drawn to his attention and the Note Trustee and/or the Issuer Security Trustee and/or the Funding 1 Security Trustee, as applicable, shall not be responsible for any loss, liability, costs, damages, expenses or inconvenience that may be caused as a result.

17. GOVERNING LAW AND JURISDICTION

The Transaction Documents and the Notes are governed by English law unless specifically stated to the contrary. Certain provisions in the Transaction Documents relating to property situated in Scotland are governed by Scots law. Certain provisions in the Transaction Documents relating to property situated in Northern Ireland are governed by Northern Irish law. Unless specifically stated to the contrary:

- (a) the courts of England are to have non-exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Notes and the Transaction Documents; and
- (b) the Issuer and the other parties to the Transaction Documents irrevocably submit to the non-exclusive jurisdiction of the courts of England.

18. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

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

19. DEFINITIONS

Unless otherwise defined in these Conditions or unless the context otherwise requires, in these Conditions the following words shall have the following meanings and any other capitalised terms used in these Conditions shall have the meanings ascribed to them or incorporated in the Note Trust Deed or the Master Definitions and Construction Schedule. The provisions of **Clause 2** (Interpretation and Construction) of the Master Definitions and Construction Schedule are incorporated into and shall apply to these Conditions.

Additional Business Centre means, in respect of any Series and Class of Notes, each place specified as such for such Notes in the applicable Final Terms;

Agents means the Paying Agents, the Transfer Agent, the Registrar and the Agent Bank;

Agent Bank means Citibank, N.A., in its capacity as agent bank at its Specified Office or such other person for the time being acting as agent bank under the Paying Agent and Agent Bank Agreement;

Alliance & Leicester means Alliance & Leicester plc (registered number 03263713), a public limited company incorporated under the laws of England and Wales, whose registered office is at Carlton Park, Narborough, Leicester LE19 0AL;

Basel II Framework means the regulatory capital framework described in the Basel Committee on Banking Supervision's publication, Basel II: The International Convergence of Capital Measurement and Capital Standards: a Revised Framework;

Broken Amount means, in respect of any Series and Class of Notes, the amount specified as such (if any) for such Notes in the applicable Final Terms;

Business Day means a day that is a London Business Day, a New York Business Day and a TARGET Business Day;

Cash Management Agreement means the cash management agreement entered into on the Initial Closing Date between the Cash Manager, the Mortgages Trustee, Funding 1 and the Funding 1 Security Trustee (as the same may be amended and/or supplemented from time to time);

Cash Manager means Alliance & Leicester acting, pursuant to the Cash Management Agreement, as agent for the Mortgages Trustee, Funding 1 and the Funding 1 Security Trustee (amongst others) to, *inter alia*, manage all cash transactions and maintain certain ledgers on behalf of the Mortgages Trustee, Funding 1 and the Funding 1 Security Trustee (which expression shall include such other person as may be appointed from time to time as Cash Manager pursuant to the Cash Management Agreement);

Class or **class** means, in relation to the Notes of any Series and the Noteholders, the Class A Notes, the Class B Notes, the Class M Notes, the Class C Notes or the Class D Notes, as the context requires, and the respective holders thereof;

Class A Noteholders means the Holders of the Class A Notes;

Class A Notes means Notes of any Series designated as such (or a sub-class of such) in the applicable Final Terms;

Class B Noteholders means the Holders of the Class B Notes;

Class B Notes means Notes of any Series designated as such (or a sub-class of such) in the applicable Final Terms;

Class C Noteholders means the Holders of the Class C Notes;

Class C Notes means Notes of any Series designated as such (or a sub-class of such) in the applicable Final Terms;

Class D Noteholders means the Holders of the Class D Notes;

Class D Notes means Notes of any Series designated as such (or a sub-class of such) in the applicable Final Terms;

Class M Noteholders means the Holders of the Class M Notes;

Class M Notes means Notes of any Series designated as such (or a sub-class of such) in the applicable Final Terms;

Clearstream, Luxembourg means Clearstream Banking, société anonyme;

Closing Date has the meaning given to it in the applicable Final Terms;

Conditional Purchaser means, in respect of any Series and Class of Remarketable Notes, the Conditional Purchaser specified in the applicable Final Terms;

Conditional Purchaser Confirmation means, in respect of any Series and Class of Remarketable Notes, the confirmation given by the Remarketing Agent or the Tender Agent to the Issuer and the Principal Paying Agent that the Conditional Purchaser has purchased an interest in or has had transferred to it or on its behalf an interest in all such Remarketable Notes;

Corporate Services Agreement means the agreement dated the Initial Closing Date between (amongst others) the Corporate Services Provider, Funding 1, Holdings, Alliance & Leicester and the Funding 1 Security Trustee for the provision by the Corporate Services Provider of certain corporate services and personnel to Funding 1 and Holdings (as the same may be amended and/or supplemented from time to time);

Corporate Services Provider means Structured Finance Management Limited or such other person or persons for the time being acting as corporate services provider to Funding 1 and Holdings under the Corporate Services Agreement;

Dealers means the institutions specified as such in the applicable Final Terms;

Definitive Notes means the note certificates representing the Notes while in definitive form;

Designated Account means the account maintained by a Holder with a Designated Bank and identified as such in the Register;

Designated Bank means (in the case of payment in a Specified Currency other than euro) a bank in the principal financial centre of the country of such Specified Currency and (in the case of a payment in euro) any bank which processes payments in euro;

Determination Date means, in respect of any Series and Class of Notes, the date(s) specified as such (if any) for such Notes in the applicable Final Terms;

Dollars, U.S.\$, U.S. Dollars or \$ means the lawful currency for the time being of the United States of America;

DTC means The Depository Trust Company;

EURIBOR means the Euro-zone inter-bank offered rate;

Euro, euro or € means the currency of the member states of the European Union that adopt the single currency in accordance with the Treaty of Rome of 25 March 1957, establishing the European Community, as amended from time to time;

Euroclear means Euroclear Bank S.A./N.V.;

Extraordinary Resolution means a resolution passed at a meeting of the Noteholders of a particular Class, Series or Series and Class duly convened and held in accordance with the provisions of the Note Trust Deed by a majority consisting of not less than three-fourths of the persons voting thereat upon a show of hands or if a poll is duly demanded by a majority consisting of not less than three-fourths of the votes cast on such poll;

FSA means the Financial Services Authority;

Final Maturity Date means, in respect of any Series and Class of Notes, the date specified as such for such Notes in the applicable Final Terms;

Final Terms means, in relation to any Series of Notes, the final terms issued in relation to such Series of Notes as a supplement to these Conditions and giving details of, *inter alia*, the amount and price of such Series of Notes and which forms a part of the prospectus in relation to such Series of Notes;

Fixed Coupon Amount means, in respect of any Series and Class of Notes, the amount specified as such (if any) for such Notes in the applicable Final Terms;

Funding 1 means Fosse Funding (No. 1) Limited;

Funding 1 Account Bank means the bank at which the Funding 1 Bank Accounts are maintained from time to time (being, as at the Initial Closing Date, Alliance & Leicester acting through its offices at Carlton Park, Narborough, Leicester LE19 0AL and, thereafter, such other replacement account banks as Funding 1 may choose with the prior written approval of the Funding 1 Security Trustee in accordance with the Funding 1 Bank Account Agreement);

Funding 1 Bank Account Agreement means the agreement entered into on the Initial Closing Date between (amongst others) the Funding 1 Account Bank and Funding 1, which governs the operation of the Funding 1 Bank Accounts (as the same may be amended and/or supplemented from time to time);

Funding 1 Bank Accounts means the Funding 1 GIC Account and the Funding 1 Transaction Account and such other bank account(s) held in the name of Funding 1 with the approval of the Funding 1 Security Trustee from time to time;

Funding 1 Deed of Charge means the deed of charge entered into on the Initial Closing Date, as amended and restated from time to time, between, among others, Funding 1, the Funding 1 Security Trustee, the Issuer and the Note Trustee and each deed of accession or supplement entered into in connection therewith;

Funding 1 GIC Account means the account in the name of Funding 1 held at the Funding 1 Account Bank and maintained subject to the terms of the Funding 1 Bank Account Agreement and the Funding 1 Deed of Charge or such additional or replacement account as may for the time being be in place;

Funding 1 Interest Payment Date means, in relation to a Loan Tranche, the Quarter Dates specified in the Final Terms in each year (or, if such day is not a Business Day, the next succeeding Business Day) for so long as the Notes (other than the Monthly Payment Notes) issued by the Issuer have Quarterly Interest Payment Dates which correspond to the Quarterly Interest Payment Dates of the Notes (other than the Monthly Payment Notes) issued by the Issuer on the Initial Closing Date and, thereafter, or following the occurrence of a Pass-Through Trigger Event, the 18th day of each calendar month in each year (or, if such day is not a Business Day, the next succeeding Business Day);

Funding 1 Secured Creditors means the Funding 1 Security Trustee, the Funding 1 Swap Provider, the Cash Manager, the Funding 1 Account Bank, the Seller, the Corporate Services Provider, each Start Up Loan Provider, the Issuer and any other entity that accedes to the terms of the Funding 1 Deed of Charge from time to time;

Funding 1 Security means the security created under the Funding 1 Deed of Charge;

Funding 1 Security Trustee means Law Debenture Trust Company of New York and its successors or any other security trustee under the Funding 1 Deed of Charge;

Funding 1 Start-Up Loan Agreements means the Funding 1 start-up loan agreement entered into on or about the Initial Closing Date between Funding 1, the Funding 1 Start-Up Loan Provider and the Funding 1 Security Trustee (as the same may be amended and/or supplemented from time to time) and each other start-up loan agreement entered into in connection with the issuance of a Series of Notes;

Funding 1 Swap Agreement means the ISDA Master Agreement and Schedule entered into on the Initial Closing Date between Funding 1, the Funding 1 Swap Provider and the Funding 1 Security Trustee and any confirmation documented thereunder from time to time between Funding 1, the Funding 1 Swap Provider and the Funding 1 Security Trustee (as each of the same may be amended, restated, novated or supplemented from time to time);

Funding 1 Swap Provider means Alliance & Leicester acting in its capacity as the Funding 1 Swap Provider pursuant to the Funding 1 Swap Agreement;

Funding 1 Transaction Account means the account in the name of Funding 1 held with the Funding 1 Account Bank and maintained subject to the terms of the Funding 1 Bank Account Agreement and the Funding 1 Deed of Charge or such additional or replacement account as may for the time being be in place;

Funding Companies means Funding 1 and each Further Funding Company (if any);

Further Funding Company means any funding entity (other than Funding 1) established in the future by Holdings;

Global Notes means the Rule 144A Global Notes and the Reg S Global Notes;

Holdings means Fosse (Master Issuer) Holdings Limited (registered number 5925689), a limited company incorporated under the laws of England and Wales, whose registered office is at 35 Great St. Helen's, London EC3A 6AP;

Initial Closing Date means 28 November 2006;

Intercompany Loan means, at any time, the aggregate of all Loan Tranches advanced under the Intercompany Loan Agreement;

Intercompany Loan Agreement means the loan agreement entered into on the Initial Closing Date between, amongst others, Funding 1, the Issuer and the Funding 1 Security Trustee;

Interest Commencement Date means, in respect of any Series and Class of Notes, the Closing Date of such Notes or such other date as may be specified as such for such Notes in the applicable Final Terms;

Interest Determination Date means the date two Business Days prior to each Interest Payment Date;

Interest Payment Date means, in respect of a Series and Class of Notes (other than Monthly Payment Notes), the Quarterly Interest Payment Dates and (in the case of Monthly Payment Notes) the Monthly Interest Payment Dates, subject, in each case, to the applicable Final Terms;

ISDA Definitions means the 2000 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Closing Date of the first Series of Notes;

Issuer means Fosse Master Issuer plc;

Issuer Account Bank means Alliance & Leicester or such other person for the time being acting as account bank to the Issuer under the Issuer Bank Account Agreement;

Issuer Bank Accounts means the Issuer Transaction Account, the Issuer Share Capital Account and any other account opened and maintained by the Issuer with the Issuer Account Bank pursuant to the Transaction Documents (including without limitation the Issuer GIC Account);

Issuer Bank Account Agreement means the bank account agreement entered into on the Initial Closing Date between the Issuer, the Issuer Cash Manager, the Issuer Account Bank and the Issuer Security Trustee;

Issuer Cash Management Agreement means the cash management agreement dated the Initial Closing Date between, amongst others, the Issuer Cash Manager, the Issuer and the Issuer Security Trustee;

Issuer Cash Manager means Alliance & Leicester or such other person or persons for the time being acting, under the Issuer Cash Management Agreement, as agent, *inter alia*, for the Issuer;

Issuer Corporate Services Agreement means the agreement entered into on or about the Initial Closing Date and made between (amongst others) the Issuer Corporate Services Provider and the Issuer for the provision by the Issuer Corporate Services Provider of certain corporate services and personnel to the Issuer (as the same may be amended, restated, supplemented, replaced and/or novated from time to time);

Issuer Corporate Services Provider means Structured Finance Management Limited or such other person or persons for the time being acting as corporate services provider to the Issuer under the Issuer Corporate Services Agreement;

Issuer Deed of Charge means the deed of charge entered into on the Initial Closing Date, as amended and restated from time to time, between, among others, the Issuer and the Issuer Security Trustee and each deed of accession or supplement entered into in connection therewith;

Issuer Priority of Payments means the Issuer Pre-acceleration Revenue Priority of Payments, the Issuer Pre-acceleration Principal Priority of Payments, the Issuer Post-acceleration Principal Priority of Payments or the Issuer Priority of Payments following an intercompany loan acceleration notice, as the case may be, each as set out in the Issuer Cash Management Agreement or the Issuer Deed of Charge (as the case may be);

Issuer Secured Creditors means the Issuer Security Trustee, the Note Trustee, the Issuer Swap Providers, the Issuer Corporate Services Provider, the Issuer Account Bank, the Issuer Cash Manager, the Paying Agents, the Agent Bank, the Exchange Rate Agent, the Transfer Agent, the Registrar and the Noteholders and any new Issuer Secured Creditor who accedes to the Issuer Deed of Charge from time to time under a deed of accession or a supplemental deed;

Issuer Security means the security created by the Issuer pursuant to the Issuer Deed of Charge;

Issuer Security Trustee means Law Debenture Trust Company of New York and its successors or any other security trustee under the Issuer Deed of Charge;

Issuer Swap Agreement means the ISDA master agreements, schedules and confirmations relating to the currency and/or interest rate swaps to be entered into on or prior to each Closing Date, as amended, restated, supplemented, replaced and/or novated from time to time, between the Issuer, the applicable Issuer Swap Provider and the Issuer Security Trustee in connection with the Notes;

Issuer Swap Providers means in respect of a Series and Class of Notes, the institutions identified in the applicable Final Terms;

LIBOR means the London inter-bank offered rate;

Loan means each loan referenced by its loan identifier number and comprising the aggregate of all principal sums, interest, costs, charges, expenses and other monies (including all Further Advances) due or owing with respect to that loan under the relevant Mortgage Conditions by a Borrower on the security of a Mortgage from time to time outstanding or, as the context may require, the Borrower's obligations in respect of the same;

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

Mandatory Transfer Date means, in respect of any Series and Class of Remarketable Notes, the Interest Payment Date specified as such for such Remarketable Notes in the applicable Final Terms;

Mandatory Transfer Price means, in respect of any Series and Class of Remarketable Notes, the Principal Amount Outstanding of such Remarketable Notes on the relevant Mandatory Transfer Date following the application of Note Principal Payments on such date;

Mandatory Transfer Termination Event shall occur in respect of any Series and Class of Remarketable Notes if the Conditional Purchaser has purchased an interest in all such Remarketable Notes;

Managers means the entities specified as such in the applicable Final Terms;

Margin means, in respect of any Series and Class of Notes, the amount specified as such for such Notes in the applicable Final Terms and, in the case of Remarketable Notes, shall include the Reset Margin;

Maximum Reset Margin means, in respect of any Series and Class of Remarketable Notes, the amount specified as such for such Remarketable Notes in the applicable Final Terms;

Maximum Rate of Interest means, in respect of any Series and Class of Notes, the rate of interest specified as such for such Notes in the applicable Final Terms;

Minimum Rate of Interest means, in respect of any Series and Class of Notes, the rate of interest specified as such for such Notes in the applicable Final Terms;

Money Market Notes means Notes which will be “Eligible Securities” within the meaning of Rule 2a-7 under the United States Investment Company Act of 1940, as amended;

Monthly Dates means the 18th day of each calendar month in each year (or, if such day is not a Business Day, the next succeeding Business Day);

Monthly Interest Payment Dates means, in respect of any Monthly Payment Notes, the Monthly Dates specified in the applicable Final Terms for the payment of interest and/or principal subject, in each case, to the appropriate Business Day Convention, if any, specified in the applicable Final Terms;

Monthly Payment Notes means either Money Market Notes or any other Notes in respect of which Monthly Interest Payment Dates are specified in the applicable Final Terms;

Mortgage Sale Agreement means the mortgage sale agreement entered into on the Initial Closing Date and made between the Seller, Funding 1, the Mortgages Trustee and the Funding 1 Security Trustee in relation to the sale of Loans to the Mortgages Trustee from time to time, as amended and restated from time to time;

Mortgages Trust Deed means the mortgages trust deed entered into between (amongst others) the Mortgages Trustee, Funding 1 and the Seller on or about the Initial Closing Date, as amended and restated from time to time;

Mortgages Trustee means Fosse Trustee Limited (registered number 94410), a private company with limited liability incorporated in Jersey, Channel Islands, whose registered office is at 22 Grenville Street, St. Helier, Jersey JE4 8PX, Channel Islands;

Mortgages Trustee Account Bank means the bank at which the Mortgages Trustee GIC Account is maintained from time to time (being, as at the Initial Closing Date, Alliance & Leicester acting through its offices at Carlton Park, Narborough, Leicester LE19 0AL and, thereafter, such other replacement account bank as the Mortgages Trustee may appoint in accordance with the Transaction Documents);

Mortgages Trustee Bank Account Agreement means the agreement entered into on or about the Initial Closing Date between (amongst others) the Mortgages Trustee Account Bank; and the

Mortgages Trustee which governs the operation of the Mortgages Trustee GIC Account (as the same may be amended and/or supplemented from time to time);

Mortgages Trustee Corporate Services Agreement means the agreement entered into on or about the Initial Closing Date between the Mortgages Trustee Corporate Services Provider, Alliance & Leicester and the Mortgages Trustee for the provision by the Mortgages Trustee Corporate Services Provider of certain corporate services to the Mortgages Trustee;

Mortgages Trustee Corporate Services Provider means Mourant & Co. Limited or such other person or persons for the time being acting as corporate services provider to the Mortgages Trustee under the Mortgages Trustee Corporate Services Agreement;

Mortgages Trustee GIC Account means the account in the name of the Mortgages Trustee maintained with the Mortgages Trustee Account Bank pursuant to the Mortgages Trustee Bank Account Agreement or such additional or replacement bank account of the Mortgages Trustee as may for the time being be in place;

New York Business Day means a day (other than a Saturday or a Sunday) on which banks are open for general business (including dealings in foreign currency) in the city of New York;

Note Event of Default means the occurrence of an event of default by the Issuer as specified in **Condition 9**;

Note Trust Deed means the trust deed entered into on the Initial Closing Date as amended and restated from time to time between the Issuer and the Note Trustee, and each supplemental deed entered into in connection therewith;

Note Trustee means Law Debenture Trust Company of New York and its successors or any further or other note trustee under the Note Trust Deed, as trustee for the Noteholders;

Noteholders means the Holders for the time being of the Notes;

Notes means any Global Notes or Definitive Notes;

Pass-Through Trigger Event means any of the following events:

- (a) a Trigger Event;
- (b) the service of a Note Acceleration Notice by the Note Trustee on the Issuer; or
- (c) the service of an Intercompany Loan Acceleration Notice by the Funding 1 Security Trustee on Funding 1;

Paying Agent and Agent Bank Agreement means the paying agent and agent bank agreement entered into on the Initial Closing Date between, among others, the Issuer, the Paying Agents, the Transfer Agent, the Registrar, the Agent Bank and the Issuer Security Trustee (as amended, restated, supplemented, replaced and/or novated from time to time);

Paying Agents means the Principal Paying Agent and the U.S. Paying Agent, together with any further or other paying agents for the time being appointed under the Paying Agent and Agent Bank Agreement;

PECOH Corporate Services Provider means Structured Finance Management Limited or such other person or persons for the time being acting as corporate services provider to the Post Enforcement Call Option Holder under the PECO Corporate Services Agreement;

Post-Enforcement Call Option Agreement means the post-enforcement call option agreement entered into on the Initial Closing Date between the Issuer, the Post-Enforcement Call Option Holder and the Note Trustee;

Post-Enforcement Call Option Holder or PECO means Fosse PECO Limited;

Post-Enforcement Call Option Holder Corporate Services Agreement or PECO Corporate Services Agreement means the agreement entered into on the Initial Closing Date between (amongst others) the PECO Corporate Services Provider, PECO and the Note Trustee for the provision by the PECO Corporate Services Provider of certain corporate services and personnel to PECO (as the same may be amended and/or supplemented from time to time);

Principal Amount Outstanding has the meaning indicated in **Condition 5.3**;

Principal Paying Agent means Citibank, N.A., in its capacity as principal paying agent at its Specified Office or such other person for the time being acting as principal paying agent under the Paying Agent and Agent Bank Agreement;

Programme Agreement means the agreement entered into on or around the Initial Closing Date, as amended from time to time, between (amongst others) the Issuer, and the Dealers named therein (or deemed named therein);

Quarter Dates means the 18th day of any of the following dates as specified in the Final Terms for the payment of interest and/or principal on the Notes and any corresponding Loan Tranche:

- (a) January, April, July and October; or
- (b) February, May, August and November; or
- (c) March, June, September and December;

Quarterly Interest Payment Dates means, in respect of a Series and Class of Notes (other than Monthly Payment Notes), the Quarter Dates specified in the Final Terms for the payment of interest and/or principal until the occurrence of a Pass-Through Trigger Event and, following such occurrence, the Monthly Dates, subject, in each case, to the appropriate Business Day Convention, if any, specified in the applicable Final Terms;

Rate of Interest and Rates of Interest means, in respect of any Series and Class of Notes, the rate or rates (expressed as a percentage per annum) of interest payable in respect of such Notes specified in the applicable Final Terms or calculated and determined in accordance with the applicable Final Terms;

Rating Agencies means Standard & Poor's Rating Services, a division of The McGraw-Hill Companies Inc., Moody's Investors Service Limited and Fitch Ratings Ltd.;

Reference Price means, in respect of any Series and Class of Notes, the price specified as such for such Notes in the applicable Final Terms;

Reference Rate means, in respect of any Series and Class of Notes, the rate specified as such for such Notes in the applicable Final Terms;

Reg S means Regulation S under the United States Securities Act of 1933, as amended;

Reg S Notes means each Series and Class of Notes that are sold outside the United States to non-U.S. persons in reliance on Reg S;

Reg S Global Notes means the note certificates representing the Reg S Notes while in global form;

Register means the register of Noteholders kept by the Registrar and which records the identity of each Noteholder and the number of Notes that each Noteholder owns;

Registrar means Citibank, N.A., in its capacity as registrar at its Specified Office or such other person for the time being acting as registrar under the Paying Agent and Agent Bank Agreement;

Relevant Screen means a page of the Reuters service or Bloomberg service, or any other medium for electronic display of data as may be previously approved in writing by the Note Trustee and has been notified to Noteholders in the manner set out in **Condition 14**;

Relevant Screen Page means, in respect of any Series and Class of Notes, the screen page specified as such for such Notes in the applicable Final Terms;

Remarketing Agent means, in respect of any Series and Class of Remarketable Notes, the Remarketing Agent specified in the applicable Final Terms, or such other agent appointed to act as remarketing agent under the terms of the relevant Remarketing Agreement;

Remarketing Agreement means, in respect of any Series and Class of Remarketable Notes, the agreement between the Issuer and the Remarketing Agent pursuant to which the Remarketing Agent agrees to use reasonable efforts to identify third party purchasers for such Remarketable Notes on each Mandatory Transfer Date prior to the occurrence of a Mandatory Transfer Termination Event;

Remarketable Notes means any Series and Class of Notes identified as such in the applicable Final Terms;

Repayment Tests means Rules 1 and 2 under the Funding 1 Pre-acceleration principal priority of payments as set out in the Funding 1 Deed of Charge;

Reset Margin means, in respect of any Series and Class of Remarketable Notes, (i) for each Reset Period a percentage not exceeding the Maximum Reset Margin determined by the Remarketing Agent in accordance with the Remarketing Agreement or (ii) if the Remarketing Agreement has been terminated, the Maximum Reset Margin;

Reset Period means, in respect of any Series and Class of Remarketable Notes, the period commencing on the first Mandatory Transfer Date specified in the applicable Final Terms up to but excluding the next Mandatory Transfer Date and thereafter the period from each Mandatory Transfer Date up to but excluding the next Mandatory Transfer Date;

Rule 144A Global Notes means the note certificates representing the Rule 144A Notes while in global form;

Rule 144A Notes means each Series and Class of Notes which are sold in the United States only to qualified institutional buyers within the meaning of Rule 144A under the United States Securities Act of 1933, as amended;

Scottish Declaration of Trust means each declaration of trust in relation to Scottish Loans and their Related Security granted by the Seller in favour of the Mortgages Trustee pursuant to the Mortgage Sale Agreement;

Scottish Loan means a Loan secured by a standard security over a Property located in Scotland;

Seller means Alliance & Leicester;

Series means, in relation to the Notes, all Notes (of any Class) issued on a given day and designated as such;

Series and Class means a particular Class of Notes of a given Series or, where such Class of such Series comprises more than one sub-class, **Series and Class** means any sub-class of such Class;

Servicer means Alliance & Leicester, or such other person as may from time to time be appointed as servicer of the Portfolio pursuant to the Servicing Agreement;

Servicing Agreement means the agreement entered into on the Initial Closing Date between the Servicer, the Mortgages Trustee, the Funding 1 Security Trustee, Funding 1, and the Seller

pursuant to which the Servicer agrees to administer the Loans and their Related Security comprised in the Portfolio (as the same may be amended, supplemented, replaced and/or novated from time to time);

Specified Currency means, in respect of any Series and Class of Notes, the currency or currencies specified as such for such Notes in the applicable Final Terms;

Specified Currency Exchange Rate means, in relation to a Series and Class of Notes, the exchange rate specified in the Issuer Swap Agreement relating to such Series and Class of Notes or, if the Issuer Swap Agreement has been terminated, the applicable spot rate;

Specified Denomination means, in respect of any Series and Class of Notes, the denomination specified as such for such Notes in the applicable Final Terms which shall be in the case of Rule 144A Notes a minimum of \$100,000 (or its equivalent in any other currency as at the date of issue of such Notes) and in the case of Reg S Notes a minimum of £50,000 if denominated in sterling (or, in the case of notes denominated in sterling with a minimum maturity of less than 366 days, £100,000) or €50,000 or more (or its equivalent in any other currency as at the date of issue of such Notes) if denominated in a currency other than sterling;

Specified Office means, as the context may require, in relation to any of the Agents, the office specified against the name of such Agent in the Paying Agent and Agent Bank Agreement or such other specified office as may be notified to the Issuer and the Note Trustee pursuant to the Paying Agent and Agent Bank Agreement;

Step-Up Date means:

- (a) in respect of any Loan Tranche, the Funding 1 Interest Payment Date on which the interest rate payable in respect of the relevant Loan Tranche made under the Intercompany Loan increases by a pre-determined amount; and
- (b) in respect of any Notes, the date on which the interest rate payable by the Issuer in respect of those Notes increases by a pre-determined amount;

Sterling, Pounds Sterling or **£** means the lawful currency for the time being of the United Kingdom of Great Britain and Northern Ireland;

Sterling Notes means each Series and Class of Notes denominated in Sterling;

Subscription Agreement means an agreement supplemental to the Programme Agreement in or substantially in the form set out in the Programme Agreement or such other form as may be agreed between the Issuer, Managers and the Dealers;

sub-Unit means, with respect to any currency other than Sterling, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to Sterling, one pence;

TARGET Business Day means a day on which the Trans-European Automated Real-time Gross settlement Express (TARGET) system is open;

Tender Agent means, in respect of any Series and Class of Remarketable Notes, the Tender Agent specified in the applicable Final Terms;

Transaction Documents means the Cash Management Agreement, the Funding 1 Bank Account Agreement, the Corporate Services Agreement, the Controlling Beneficiary Deed, the Funding 1 Deed of Charge, each Funding 1 Deed of Charge Deed of Accession, the Funding 1 Swap Agreement, the Intercompany Loan Agreement, the Issuer Deed of Charge, each Issuer Deed of Charge Deed of Accession, the Master Definitions and Construction Schedule, the Issuer Bank Account Agreement, the Issuer Cash Management Agreement, the Issuer Corporate Services Agreement, the Issuer Master Definitions and Construction Schedule, each Issuer Swap Agreement

and any related Issuer Swap Guarantees, the Mortgage Sale Agreement, the Mortgages Trust Deed, the Mortgages Trustee Bank Account Agreement, the Mortgages Trustee Corporate Services Agreement, the Post-Enforcement Call Option Holder Corporate Services Agreement, the Paying Agent and Agent Bank Agreement, the Post-Enforcement Call Option Agreement, the Programme Agreement, each Scottish Declaration of Trust, the Servicing Agreement, each Funding 1 Start-Up Loan Agreement, each Subscription Agreement, the Note Trust Deed, each Loan Tranche Supplement, each Conditional Purchase Agreement, each Remarketing Agreement, any other deeds of accession or supplemental deeds relating to any such documents and any other agreement or document from time to time designated as such by the Issuer and Note Trustee and/or the Issuer Security Trustee and/or the Funding 1 Security Trustee.

Transfer Agent means Citibank, N.A., in its capacity as transfer agent at its Specified Office or such other person for the time being acting as transfer agent under the Paying Agent and Agent Bank Agreement;

USD-LIBOR means the London inter-bank offered rate for deposits in U.S. dollars; and

U.S. Paying Agent means Citibank, N.A., acting in its capacity as U.S. paying agent through its New York office or such other person for the time being acting as U.S. paying agent under the Paying Agent and Agent Bank Agreement.

SCHEDULE 2

ADDITIONAL CLAUSE

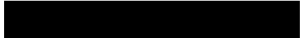
14A. REPRESENTATIONS BY THE ISSUER

The Issuer represents to the Note Trustee that:

- (a) it shall not carry on any business or engage in any activity whatsoever which is not incidental to or necessary in connection with any of the activities in which the Issuer Transaction Documents provide or envisage that it will be engaged;
- (b) its assets constitute "financial assets" as defined in the Taxation of Securitisation Companies Regulations 2006;
- (c) in respect of each accounting period of the Issuer, the only amounts retained by the Issuer have been and will be either (i) amounts reasonably required to provide for losses or expenses arising from its business or to maintain or enhance its creditworthiness or (ii) its profit; and
- (d) to the extent that amounts are received by the Issuer pursuant to any Issuer Transaction Document, the Issuer has a corresponding obligation to pay out an equal amount by way of cost or expense owing to a third party less an amount equal to the Issuer's profit.

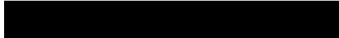
SIGNATORIES

The Issuer

EXECUTED and DELIVERED as a DEED by)
FOSSE MASTER ISSUER PLC)
acting by two directors) 

SFM Directors Limited, and)
SFM Directors (No. 2) Limited) 

The Note Trustee

EXECUTED and DELIVERED as a DEED by)
LAW DEBENTURE TRUST COMPANY)
OF NEW YORK) 
acting by its authorised signatory)
)

Authorised Signatory:

EXECUTION VERSION

SUPPLEMENTAL NOTE TRUST DEED

DATED 21 AUGUST 2008

FOSSE MASTER ISSUER PLC

LAW DEBENTURE TRUST COMPANY OF NEW YORK

relating to a

Residential Mortgage Backed Note Programme

ALLEN & OVERY

Allen & Overy LLP

16581-00415 ICM:7029280.4

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THIS SECOND SUPPLEMENTAL NOTE TRUST DEED (this **Deed**) is made on 21 August 2008

BETWEEN:

- (1) **FOSSE MASTER ISSUER PLC** (registered number 5925693) whose registered office is at 35 Great St. Helen's, London, EC3A 6AP (the **Issuer**); and
- (2) **LAW DEBENTURE TRUST COMPANY OF NEW YORK**, acting through its offices at 400 Madison Avenue – 4th Floor, New York, New York 10017 (acting in its capacity as **Note Trustee**, which expression shall include such company and all other persons and companies for the time being acting as note trustee under this Deed).

WHEREAS:

- (A) This Deed is supplemental to:
 - (i) the Note Trust Deed dated 28 November 2006 (herein after referred to as the **Original Note Trust Deed**) made between the parties hereto; and
 - (ii) the Supplemental Trust Deed dated 1 August 2007 (herein after referred to as the **First Supplemental Note Trust Deed** and, together with the Original Note Trust Deed, the **Subsisting Note Trust Deeds**) made between the parties hereto and modifying the Original Note Trust Deed.
- (B) The Issuer and the Note Trustee have agreed to enter into this Deed to permit certain changes to the Terms and Conditions of the Notes set out in Schedule 5 of the Subsisting Note Trust Deeds (the **Terms and Conditions**).

NOW THIS DEED WITNESSES as follows:

1. INTERPRETATION AND CONSTRUCTION

- 1.1 The master definitions and construction schedule signed by, amongst others, Alliance & Leicester plc and dated 28 November 2006 as amended and restated on 20 December 2007 (as the same may be further amended, varied or supplemented from time to time with the consent of the parties to this Deed) (the **Master Definitions and Construction Schedule**) and the issuer master definitions and construction schedule, signed by, amongst others, the parties to this Deed and dated 28 November 2006 as amended and restated on 20 December 2007 (as the same may be further amended, varied or supplemented from time to time with the consent of the parties to this Deed) (the **Issuer Master Definitions and Construction Schedule**) are expressly and specifically incorporated into this Deed and, accordingly, the expressions defined in the Master Definitions and Construction Schedule and the Issuer Master Definitions and Construction Schedule shall, except where the context otherwise requires and save where otherwise defined herein, have the same meanings in this Deed, including the recitals thereto.
- 1.2 This Deed will be construed in accordance with the rules of construction set out in the Issuer Master Definitions and Construction Schedule.

2. AMENDMENTS TO THE ORIGINAL NOTE TRUST DEED

The Issuer and the Note Trustee agree that the Subsisting Note Trust Deeds are hereby amended in respect of Notes other than the Notes (the **Previous Notes**) issued during the

period up to and including the day last preceding the date of this Supplemental Note Trust Deed and any Notes issued on or after the date of this Supplemental Note Trust Deed so as to be consolidated and form a single series with any Previous Notes, by deleting the text that appears in Schedule 5 of the Subsisting Note Trust Deeds in its entirety and replacing it with the text that appears in Schedule 1 hereof.

3. SUPPLEMENTAL

Save as expressly amended by this Deed, the Subsisting Note Trust Deeds shall remain in full force and effect and all rights, powers, obligations and immunities comprised therein and arising pursuant thereto shall remain in full force and effect notwithstanding this Deed. The Subsisting Note Trust Deeds and this Deed shall henceforth (in relation to Notes issued on or after the date of this Deed only) be read and construed as one document and references in the Subsisting Note Trust Deeds to "this Deed" shall be read as references to the Subsisting Note Trust Deeds as amended by this Deed.

4. COUNTERPARTS

This Deed may be executed and delivered in any number of counterparts (including by facsimile), all of which, taken together, shall constitute one and the same deed and any party to this Deed or any trust deed supplemental hereto may enter into the same by executing and delivering a counterpart (including by facsimile).

5. RIGHTS OF THIRD PARTIES

A person who is not a party to this Deed has no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Deed except and to the extent (if any) that this Deed expressly provides for such Act to apply to any of its terms, but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

6. GOVERNING LAW

These presents (and any non-contractual disputes or claims arising from or in connection with these presents) are governed by, and shall be construed in accordance with, English law.

7. SUBMISSION TO JURISDICTION

The Issuer irrevocably agrees for the benefit of the Note Trustee and the Noteholders that the English courts have exclusive jurisdiction to settle any dispute which may arise out of or in connection with this Deed and accordingly submits to the exclusive jurisdiction of the English courts. The Issuer waives any objection to the courts of England on the grounds that they are an inconvenient or inappropriate forum. The Note Trustee and the Noteholders may take any suit, action or proceeding arising out of or in connection with this Deed (together referred to as **Proceedings**) against the Issuer in any other court of competent jurisdiction and concurrent Proceedings in any number of jurisdictions.

IN WITNESS WHEREOF this Deed has been executed as a deed by the Issuer and the Note Trustee and delivered on the date first stated on page 1.

SCHEDULE 1

TERMS AND CONDITIONS OF THE NOTES

The following are the terms and conditions (the **Conditions**, and any reference to a **Condition** shall be construed accordingly) of the Notes in the form (subject to amendment) which will be incorporated by reference into each Global Note and each Definitive Note, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer and the relevant Dealer(s) and/or Manager(s) at the time of issue but, if not so permitted and agreed, such Definitive Note will have endorsed thereon or attached thereto such Conditions. The Final Terms in relation to each Series and Class of Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Conditions, replace or modify these Conditions for the purpose of such Notes. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and each Definitive Note.

The Notes are constituted by the Note Trust Deed. The security for the Notes is created pursuant to, and on the terms set out in, the Issuer Deed of Charge. By the Paying Agent and Agent Bank Agreement, provision is made for, *inter alia*, the payment of principal and interest in respect of the Notes.

References herein to the **Notes** shall, unless the context otherwise requires, be references to all the Notes issued by the Issuer and constituted by the Note Trust Deed and shall mean:

- (a) in relation to any Notes of a Series and Class represented by a Global Note, units of the lowest Specified Denomination in the Specified Currency in each case of such Series and Class;
- (b) any Global Note; and
- (c) any Definitive Note issued in exchange for a Global Note.

Notes constituted by the Note Trust Deed are issued in series (each a **Series**) and each Series comprises one or more classes of Notes. Each Series of Notes is subject to the applicable Final Terms. The Final Terms in relation to each Series and Class of Notes (or the relevant provisions thereof) will be endorsed upon, or attached to, such Notes and will supplement these Conditions in respect of such Notes and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Conditions, replace or modify these Conditions for the purpose of such Notes. References to the **applicable Final Terms** are, in relation to a Series and Class of Notes, to the Final Terms (or the relevant provisions thereof) attached to or endorsed on such Notes.

The statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Note Trust Deed, the Issuer Deed of Charge and the Paying Agent and Agent Bank Agreement.

Copies of the Note Trust Deed, the Issuer Deed of Charge, the Paying Agent and Agent Bank Agreement and each of the other Transaction Documents are available for inspection during normal business hours at the registered office of the Note Trustee, being 400 Madison Avenue – 4th Floor, New York, New York 10017 and at the registered office of the Issuer, being at 35 Great St. Helen's, London EC3A 6AP and the specified office for the time being of (a) the Principal Paying Agent, being at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB and (b) the U.S. Paying Agent, being at 14th Floor, 388 Greenwich Street, New York, New York 10013. Copies of the Final Terms of each Series of Notes are obtainable by Noteholders during normal business hours at the registered office of the Issuer and the specified office for the time being of (i) the Principal Paying Agent and (ii) the U.S. Paying Agent and any Noteholder must produce evidence satisfactory to the relevant Paying Agent as to its holding of Notes and identity.

The Holders of any Series and Class of Notes are entitled to the benefit of, are bound by, and are deemed to have notice of all the provisions of, and definitions contained or incorporated in, the Note Trust Deed, the Issuer Deed of Charge, the Paying Agent and Agent Bank Agreement, each of the other Transaction Documents and the applicable Final Terms and to have notice of each other Final Terms relating to each other Series and Class of Notes.

A glossary of definitions appears in **Condition 19**.

References herein to the Class A Noteholders, the Class B Noteholders, the Class M Noteholders, the Class C Noteholders and the Class D Noteholders shall, in each case and unless specified otherwise, be references to the Holders of the Notes of all Series of the applicable Class.

References herein to the Class A Notes, the Class B Notes, the Class M Notes, the Class C Notes or the Class D Notes shall, in each case and unless specified otherwise, be references to the Notes of all Series of the applicable Class.

1. FORM, DENOMINATION, REGISTER, TITLE AND TRANSFERS

1.1 Form and Denomination

Each Series and Class of Notes will be issued in the Specified Currency and in the Specified Denomination. Each Series and Class of Rule 144A Notes will be initially represented by one or more Rule 144A Global Notes, which, in the aggregate, will represent the Principal Amount Outstanding from time to time of such Series and Class of Rule 144A Notes. Each Series and Class of Reg S Notes will be initially represented by one or more Reg S Global Notes which, in the aggregate, will represent the Principal Amount Outstanding from time to time of such Series and Class of the Reg S Notes.

Each Reg S Global Note will be deposited with, and registered in the name of a nominee of, a common depositary for Euroclear and Clearstream, Luxembourg. Each Rule 144A Global Note will be deposited with a custodian for, and registered in the name of Cede & Co. (or such other name as may be requested by an authorised representative of DTC) as nominee of, DTC. Each Global Note will be numbered serially with an identifying number which will be recorded on the relevant Global Note and in the Register.

Each Series and Class of Notes may be Fixed Rate Notes, Floating Rate Notes, Zero Coupon Notes or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms.

Each Series and Class of Notes may be Bullet Redemption Notes, Scheduled Redemption Notes, Pass-Through Notes or a combination of any of the foregoing, depending upon the Redemption/Payment Basis shown in the applicable Final Terms.

Global Notes will be exchanged for Notes in definitive registered form (**Definitive Notes**) only under certain limited circumstances as described in the relevant Global Note. If Definitive Notes are issued, they will be serially numbered and issued in an aggregate principal amount equal to the Principal Amount Outstanding of the relevant Global Note and in registered form only.

The Notes (in either global or definitive form) will be issued in such denominations as specified in the applicable Final Terms, save that the minimum denomination of each Note will be such as may be allowed or required from time to time by the relevant central bank or regulatory authority (or equivalent body) or any laws or regulations applicable to the relevant currency and save that the minimum denomination of each Rule 144A Note will be issued in minimum denominations of \$100,000 and in integral multiples of \$1,000 in excess thereof (or its equivalent in any other currency as at the date of issue of such Notes), and each Reg S Note will be issued in minimum denominations of £50,000 (or, in the case of Notes denominated in sterling with a minimum maturity of less than 366 days, £100,000) and in integral multiples of £1,000 in excess thereof if denominated in sterling or

€50,000 and in integral multiples of €1,000 in excess thereof if denominated in euro (or its equivalent in any other currency as at the date of issue of such Notes).

In the case of a Series and Class of Notes with more than one Specified Denomination, Notes of one Specified Denomination may not be exchanged for Notes of such Series and Class of another Specified Denomination.

1.2 Register

The Registrar will maintain the Register in respect of the Notes in accordance with the provisions of the Paying Agent and Agent Bank Agreement. In these Conditions, the **Holder** of a Note means the person in whose name such Note is for the time being registered in the Register (or, in the case of a joint holding, the first named thereof). A Note will be issued to each Noteholder in respect of its registered holding. Each Note will be numbered serially with an identifying number which will be recorded in the Register.

1.3 Title

The Holder of each Note shall (to the fullest extent permitted by applicable law) be treated by the Issuer, the Note Trustee, the Issuer Security Trustee, the Agent Bank and any Agent as the absolute owner of such Note for all purposes (including the making of any payments) regardless of any notice of ownership, theft or loss or any trust or other interest therein or of any writing thereon (other than the endorsed form of transfer).

1.4 Transfers

Title to the Notes shall pass by and upon registration in the Register. Subject as provided otherwise in this **Condition 1.4**, a Note may be transferred upon surrender of the relevant Note, with the endorsed form of transfer duly completed, at the Specified Office of the Registrar or the Transfer Agent, together with such evidence as the Registrar or (as the case may be) such Transfer Agent may reasonably require to prove the title of the transferor and the authority of the individuals who have executed the form of transfer; provided, however, that a Note may only be transferred in the specified denominations. Where not all the Notes represented by the surrendered Note are the subject of the transfer, a new Note in respect of the balance of the Notes will be issued to the transferor.

Within five Business Days of such surrender of a Note, the Registrar will register the transfer in question and deliver a new Note of a like principal amount to the Notes transferred to each relevant Holder at its Specified Office or (as the case may be) the Specified Office of the Transfer Agent or (at the request and risk of any such relevant Holder) by uninsured first class mail (and by airmail if the Holder is overseas) to the address specified for such purpose by such relevant Holder.

The transfer of a Note will be effected without charge by the Registrar, but subject to payment of (or the giving of such indemnity as the Registrar may require for) any tax or other governmental charges which may be imposed in relation to it.

Noteholders may not require transfers of Notes to be registered during the period of 15 days ending on the due date for any payment of principal or interest in respect of the Notes.

All transfers of Notes and entries on the Register are subject to the detailed regulations concerning the transfer of Notes scheduled to the Paying Agent and Agent Bank Agreement. The regulations may be changed by the Issuer with the prior written approval of the Note Trustee and the Registrar. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Noteholder who requests in writing a copy of such regulations.

2. STATUS, PRIORITY AND SECURITY

2.1 Status

The Notes of each Series and Class are direct, secured and unconditional obligations of the Issuer.

Subject to the provisions of **Conditions 4** and **5** and subject to the other payment conditions set out in the applicable Final Terms and the other Transaction Documents:

- (a) the Class A Notes of each Series will rank *pari passu* without any preference or priority among themselves and with the Class A Notes of each other Series but in priority to the Class B Notes, the Class M Notes, the Class C Notes and the Class D Notes of any Series;
- (b) the Class B Notes of each Series will rank *pari passu* without any preference or priority among themselves and with the Class B Notes of each other Series but in priority to the Class M Notes, the Class C Notes and the Class D Notes of any Series;
- (c) the Class M Notes of each Series will rank *pari passu* without any preference or priority among themselves and with the Class M Notes of each other Series but in priority to the Class C Notes and the Class D Notes of any Series;
- (d) the Class C Notes of each Series will rank *pari passu* without any preference or priority among themselves and with the Class C Notes of each other Series but in priority to the Class D Notes of any Series; and
- (e) the Class D Notes of each Series will rank *pari passu* without any preference or priority among themselves and with the Class D Notes of each other Series.

2.2 Conflict between the classes of Notes

The Note Trust Deed contains provisions requiring the Note Trustee to have regard to the interests of the Class A Noteholders, the Class B Noteholders, the Class M Noteholders, the Class C Noteholders and the Class D Noteholders equally as regards all powers, trusts, authorities, duties and discretions of the Note Trustee under these Conditions or any of the Transaction Documents (except where expressly provided otherwise), but requiring the Note Trustee to have regard (except as expressly provided otherwise):

- (a) for so long as there are any Class A Notes outstanding (of any Series), only to the interests of the Class A Noteholders if, in the opinion of the Note Trustee, there is or may be a conflict between the interests of the Class A Noteholders and the interests of the Class B Noteholders and/or the interests of the Class M Noteholders and/or the interests of the Class C Noteholders and/or the interests of the Class D Noteholders (of that Series or of any other Series);
- (b) subject to (a) above and for so long as there are any Class B Notes outstanding (of any Series), only to the interests of the Class B Noteholders if, in the opinion of the Note Trustee, there is or may be a conflict between the interests of the Class B Noteholders and the interests of the Class M Noteholders and/or the interests of the Class C Noteholders and/or the interests of the Class D Noteholders (of that Series or of any other Series);
- (c) subject to (a) and (b) above and for so long as there are any Class M Notes outstanding (of any Series), only to the interests of the Class M Noteholders if, in the opinion of the Note Trustee, there is or may be a conflict between the interests of the Class M Noteholders and the interests of the Class C Noteholders and/or the interests of the Class D Noteholders (of that Series or of any other Series); and

- (d) subject to (a), (b) and (c) above and for so long as there are any Class C Notes outstanding (of any Series), only to the interests of the Class C Noteholders if, in the opinion of the Note Trustee, there is or may be a conflict between the interests of the Class C Noteholders and the Class D Noteholders (of that Series or of any other Series).

The Note Trust Deed also contains provisions:

- (i) limiting the powers of the Class B Noteholders, the Class M Noteholders, the Class C Noteholders and the Class D Noteholders (in each case, of any Series), *inter alia*, to request or direct the Note Trustee to take any action or to pass an effective Extraordinary Resolution according to the effect thereof on the interests of the Class A Noteholders (of that Series or of any other Series). Except in certain circumstances described in **Condition 11**, the Note Trust Deed contains no such limitation on the powers of the Class A Noteholders, the exercise of which will be binding on the Class B Noteholders, the Class M Noteholders, the Class C Noteholders and the Class D Noteholders respectively, irrespective of the effect thereof on their respective interests;
- (ii) limiting the powers of the Class M Noteholders, the Class C Noteholders and the Class D Noteholders (in each case, of any Series), *inter alia*, to request or direct the Note Trustee to take any action or to pass an effective Extraordinary Resolution according to the effect thereof on the interests of the Class B Noteholders (of that Series or of any other Series). Except in certain circumstances described above and in **Condition 11**, the Note Trust Deed contains no such limitation on the powers of the Class B Noteholders, the exercise of which will be binding on the Class M Noteholders, the Class C Noteholders and the Class D Noteholders, respectively, irrespective of the effect thereof on their respective interests;
- (iii) limiting the powers of the Class C Noteholders and the Class D Noteholders (in each case, of any Series), *inter alia*, to request or direct the Note Trustee to take any action or to pass an effective Extraordinary Resolution according to the effect thereof on the interests of the Class M Noteholders (of that Series or of any other Series). Except in certain circumstances described above and in **Condition 11**, the Note Trust Deed contains no such limitation on the powers of the Class M Noteholders, the exercise of which will be binding on the Class C Noteholders and the Class D Noteholders irrespective of the effect thereof on their respective interests; and
- (iv) limiting the powers of the Class D Noteholders (of any Series), *inter alia*, to request or direct the Note Trustee to take any action or to pass an effective Extraordinary Resolution according to the effect thereof on the interests of the Class C Noteholders (of that Series or of any other Series). Except in certain circumstances described above and in **Condition 11**, the Note Trust Deed contains no such limitation on the powers of the Class C Noteholders, the exercise of which will be binding on the Class D Noteholders irrespective of the effect thereof on their respective interests.

The Note Trustee and the Issuer Security Trustee shall be entitled to assume, for the purpose of exercising any right, power, trust, authority, duty or discretion under or in relation to these Conditions or any of the Transaction Documents, without further investigation or inquiry, that such exercise will not be materially prejudicial to the interests of the Noteholders (or any Series and Class thereof), if each of the Rating Agencies rating the relevant Series and Class has confirmed in writing that the then current ratings of the applicable Series and Class of Notes would not be reduced, withdrawn or qualified by such exercise.

2.3 Security

As security for, *inter alia*, the payment of all monies payable in respect of the Notes, the Issuer has entered into the Issuer Deed of Charge creating the Issuer Security in favour of the Issuer Security Trustee for itself and on trust for, *inter alios*, the Note Trustee and the Noteholders.

3. COVENANTS

Save with the prior written consent of the Note Trustee or unless provided in or contemplated under these Conditions or any of the Transaction Documents to which the Issuer is a party, the Issuer shall not, so long as any Note remains outstanding:

3.1 Negative Pledge

create or permit to subsist any mortgage, standard security, pledge, lien, charge or other security interest whatsoever (unless arising by operation of law), upon the whole or any part of its assets (including any uncalled capital) or its undertakings, present or future except where the same is given in connection with the issue of a Series;

3.2 Disposal of Assets

sell, assign, transfer, lend, lease or otherwise dispose of, or deal with, or grant any option or present or future right to acquire all or any of its properties, assets, or undertakings or any interest, estate, right, title or benefit therein or thereto or agree or attempt or purport to do any of the foregoing;

3.3 Equitable Interest

permit any person other than itself and the Issuer Security Trustee (as to itself and on behalf of the Issuer Secured Creditors) to have any equitable or beneficial interest in any of its assets or undertakings or any interest, estate, right, title or benefit therein;

3.4 Bank Accounts

have an interest in any bank account, other than the Issuer Bank Accounts, except in connection with the issue of a Series where such bank account is immediately charged in favour of the Issuer Security Trustee pursuant to the Issuer Deed of Charge;

3.5 Restrictions on Activities

carry on any business other than as described in the prospectus (as revised, supplemented and/or amended from time to time) relating to the issue of the Notes and the related activities described therein or as contemplated in the Transaction Documents relating to the issue of the Notes;

3.6 Borrowings

incur any indebtedness in respect of borrowed money whatsoever or give any guarantee or indemnity in respect of any indebtedness or obligation of any person, except where the same is incurred or given or the Issuer becomes so obligated in connection with the issue of a Series;

3.7 Merger

consolidate or merge with any other person or convey or transfer substantially all of its properties or assets to any other person;

3.8 Waiver or Consent

permit the validity or effectiveness of any of the Note Trust Deed or the Issuer Deed of Charge or the priority of the security interests created thereby to be amended, terminated, postponed, waived or discharged, or permit any other person whose obligations form part of the Issuer Security to be released from such obligations;

3.9 Employees or premises

have any employees or premises or subsidiaries;

3.10 Dividends and Distributions

pay any dividend or make any other distribution to its shareholders (other than as provided in the Transaction Documents) or issue any further shares or alter any rights attaching to its shares as at the date of the Issuer Deed of Charge;

3.11 Purchase Notes

purchase or otherwise acquire any Note or Notes; or

3.12 United States activities

engage in any activities in the United States (directly or through agents), or derive any income from United States sources as determined under United States income tax principles, or hold any property if doing so would cause it to be engaged in a trade or business within the United States as determined under United States income tax principles.

4. INTEREST

4.1 Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest on its Principal Amount Outstanding from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest payable, subject as provided in these Conditions, in arrear on the Interest Payment Date(s) in each year specified for such Note in the applicable Final Terms up to (and including) the Final Maturity Date.

Except as provided in the applicable Final Terms, the amount of interest payable in respect of any Fixed Rate Note on each Interest Payment Date for a Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified for such Note in the applicable Final Terms, amount to the Broken Amount so specified.

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

If interest is required to be calculated in respect of any Fixed Rate Note for a period other than a Fixed Interest Period, such interest shall be calculated by applying the Rate of Interest specified for such Note in the applicable Final Terms to the Principal Amount Outstanding on such Global Note, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention and then apportioning the resulting total between the Noteholders in respect of such Global Note, *pari passu* without preference or priority amongst themselves.

Day Count Fraction means, in respect of the calculation of an amount of interest for any Fixed Rate Note in accordance with this **Condition 4.1**:

- (a) if “Actual/Actual (ICMA)” is specified for such Note in the applicable Final Terms:
 - (i) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date for such Notes (or, if none, the Interest Commencement Date) to (but excluding) the relevant Interest Payment Date (the **Accrual Period**) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (A) the number of days in such Determination Period

- and (B) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or
- (ii) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
- (A) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
- (B) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (I) the number of days in such Determination Period and (II) the number of Determination Dates that would occur in one calendar year; and
- (b) if “30/360” is specified for such Note in the applicable Final Terms, the number of days in the period from (and including) the most recent Interest Payment Date for such Note (or, if none, the Interest Commencement Date) to (but excluding) the relevant Interest Payment Date (such number of days being calculated on the basis of a year of 360 days with twelve 30-day months) divided by 360.

As used in these Conditions, **Determination Period** means each period from and including a Determination Date (as defined in the applicable Final Terms) to but excluding the next Determination Date (including where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date).

4.2 Interest on Floating Rate Notes

(a) Interest Payment Dates

Each Floating Rate Note bears interest on its Principal Amount Outstanding from (and including) the Interest Commencement Date and such interest will be payable in arrear on the Interest Payment Date(s) in each year specified for such Note in the applicable Final Terms. Such interest will be payable in respect of each Floating Interest Period.

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

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

- (i) the “Following Business Day Convention”, the Interest Payment Date for such Note shall be postponed to the next day which is a Business Day; or
- (ii) the “Modified Following Business Day Convention”, the Interest Payment Date for such Note shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (iii) the “Preceding Business Day Convention”, the Interest Payment Date for such Note shall be brought forward to the immediately preceding Business Day.

In these Conditions, **Business Day** means a day which is both:

- (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London, New York and any Additional Business Centre specified in the applicable Final Terms; and
- (ii) a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System (the **TARGET System**) is open; and
- (iii) in relation to any sum payable in a Specified Currency other than sterling, dollar or euro, 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 the principal financial centre of the country of the relevant Specified Currency (if other than London, New York and any Additional Business Centre) and which, if the Specified Currency is Australian or New Zealand dollars, shall be Sydney and Auckland, respectively.

(b) Rate of Interest

The Rate of Interest payable from time to time in respect of a Floating Rate Note will be determined in the manner specified for such Note in the applicable Final Terms.

(i) ISDA Determination for Floating Rate Notes

Where “ISDA Determination” is specified for such Note in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated for such Note in the applicable Final Terms) the Margin (if any). For the purposes of this subparagraph (i), **ISDA Rate** for an Interest Period means a rate equal to the Floating Rate that would be determined by the Agent Bank or other person specified in the applicable Final Terms under an interest rate swap transaction if the Agent Bank or that other person were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (A) the Floating Rate Option is as specified for such Note in the applicable Final Terms;
- (B) the Designated Maturity is the period specified for such Note in the applicable Final Terms; and
- (C) the relevant Reset Date is either (i) if the applicable Floating Rate Option is based on LIBOR, USD-LIBOR or EURIBOR for a currency, the first day of that Interest Period, or (ii) in any other case, as specified for such Note in the applicable Final Terms.

For the purposes of this subparagraph (i), **Floating Rate, Calculation Agent, Floating Rate Option, Designated Maturity** and **Reset Date** have the meanings given to those terms in the ISDA Definitions.

(ii) Screen Rate Determination for Floating Rate Notes

Where “Screen Rate Determination” is specified for a Floating Rate Note in the applicable Final Terms as the manner in which the Rate of Interest is to be determined for such Note, the Rate of Interest for each Interest Period will, subject as provided below, be either:

- (A) the offered quotation (if there is only one quotation on the Relevant Screen Page);
or

(B) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 a.m. (London time, in the case of LIBOR or USD-LIBOR, or Brussels time, in the case of EURIBOR) on the Interest Determination Date in question plus or minus the Margin (if any), all as determined by the Agent Bank. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Agent Bank for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

The Paying Agent and Agent Bank Agreement contains provisions for determining the Rate of Interest pursuant to this subparagraph (ii) in the event that the Relevant Screen Page is not available or if, in the case of (A) above, no such offered quotation appears or, in the case of (B) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph.

If the Reference Rate from time to time in respect of a Floating Rate Note is specified for such Note in the applicable Final Terms as being other than LIBOR, USD-LIBOR or EURIBOR, the Rate of Interest in respect of such Note will be determined as provided for such Note in the applicable Final Terms.

(c) Minimum Rate of Interest and/or Maximum Rate of Interest

If the applicable Final Terms specifies a Minimum Rate of Interest for a Floating Rate Note for any Interest Period, then, in the event that the Rate of Interest for such Note in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is less than such Minimum Rate of Interest, the Rate of Interest for such Note for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Final Terms specifies a Maximum Rate of Interest for such Note for any Interest Period, then, in the event that the Rate of Interest for such Note in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Note for such Interest Period shall be such Maximum Rate of Interest.

(d) Determination of Rate of Interest and calculation of Interest Amounts

The Agent Bank will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period.

The Agent Bank will calculate the amount of interest payable on the Floating Rate Notes in respect of each Specified Denomination or in respect of each Global Note (each an **Interest Amount**) for the relevant Interest Period. Each Interest Amount shall be calculated by applying the Rate of Interest to the Principal Amount Outstanding of each Global Note, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub unit being rounded upwards or otherwise in accordance with applicable market convention and then apportioning the resulting total between the Noteholders in respect of such Global Note, *pari passu* without preference or priority amongst themselves.

Day Count Fraction means, in respect of the calculation of an amount of interest for a Floating Rate Note in accordance with this **Condition 4.2(d)** for any Interest Period:

- (i) if “Actual/365 or Actual/Actual (ISDA)” is specified for such Note in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (ii) if “Actual/365 (Fixed)” is specified for such Note in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;
- (iii) if “Actual/365 (Sterling)” is specified for such Note in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (iv) if “Actual/360” is specified for such Note in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;
- (v) if “30/360”, “360/360” or “Bond Basis” is specified for such Note in the applicable Final Terms, the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with twelve 30-day months (unless (a) the last day of the Interest Period is the 31st day of a month but the first day of the Interest Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (b) the last day of the Interest Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)); and
- (vi) if “30E/360” or “Eurobond Basis” is specified for such Note in the applicable Final Terms, the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with twelve 30-day months, without regard to the date of the first day or last day of the Interest Period unless, in the case of the final Interest Period, the Final Maturity Date is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month).

(e) Notification of Rate of Interest and Interest Amounts

The Agent Bank will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Note Trustee, the Issuer Security Trustee, the Issuer Cash Manager, the Paying Agents, the Registrar and to any stock exchange or other relevant competent authority or quotation system on which the relevant Floating Rate Notes are for the time being listed, quoted and/or traded or by which they have been admitted to listing and to be published in accordance with **Condition 14** as soon as possible after their determination but in no event later than the fourth Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. Any such amendment or alternative arrangements will be promptly notified to the Note Trustee and each stock exchange or other relevant authority on which the relevant Floating Rate Notes are for the time being listed or by which they have been admitted to listing and to Noteholders in accordance with **Condition 14**.

(f) Determination or Calculation by Note Trustee

If for any reason at any relevant time, the Agent Bank defaults in its obligation to determine the Rate of Interest for a Floating Rate Note or the Agent Bank defaults in its obligation to calculate any Interest Amount for such Note in accordance with subparagraph (b)(i) or (ii) above or as otherwise specified for such Note in the applicable Final Terms, as the case may be, and in each case in accordance with paragraph (d) above, the Note Trustee (or an agent on its behalf) shall determine the

Rate of Interest at such rate as, in its absolute discretion (having such regard as it shall think fit to the foregoing provisions of this Condition, but subject always to any Minimum Rate of Interest or Maximum Rate of Interest specified for such Note in the applicable Final Terms), it shall deem fair and reasonable in all the circumstances or, as the case may be, the Note Trustee (or an agent on its behalf) shall calculate the Interest Amount(s) in such manner as it shall deem fair and reasonable in all the circumstances and each such determination or calculation shall be deemed to have been made by the Agent Bank or the Calculation Agent, as the case may be.

(g) Certificates to be final

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this **Condition 4.2**, whether by the Agent Bank or the Calculation Agent or the Note Trustee (or an agent on its behalf) shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Issuer Cash Manager, the Principal Paying Agent, the Calculation Agent, the other Paying Agents, the Note Trustee and all Noteholders and (in the absence of wilful default or bad faith) no liability to the Issuer or the Noteholders shall attach to the Agent Bank or the Calculation Agent or the Note Trustee in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

4.3 Accrual of interest

Interest (if any) will cease to accrue on each Note (or in the case of the redemption of part only of a Note, that part only of such Note) on the due date for redemption thereof unless, upon due presentation thereof, payment of principal is improperly withheld or refused in which event, interest will continue to accrue until the earlier of:

- (a) the date on which all amounts due in respect of such Note have been paid; and
- (b) the seventh day after notice is duly given by the Principal Paying Agent or the U.S. Paying Agent (as the case may be) to the holder thereof that such payment will be made, provided that subsequently, payment is in fact made.

4.4 Deferred Interest

To the extent that, subject to and in accordance with the relevant Issuer Priority of Payments, the funds available to the Issuer to pay interest on any Series and Class of Notes (other than the most senior Class of Notes of any Series then outstanding) on an Interest Payment Date (after discharging the Issuer's liabilities of a higher priority) are insufficient to pay the full amount of such interest, payment of the shortfall attributable to such Series and Class of Notes (**Deferred Interest**) will not then fall due but will instead be deferred until the first Interest Payment Date for such Notes thereafter on which sufficient funds are available (after allowing for the Issuer's liabilities of a higher priority and subject to and in accordance with the relevant Issuer Priority of Payments) to fund the payment of such Deferred Interest to the extent of such available funds.

Such Deferred Interest will accrue interest (**Additional Interest**) at the rate of interest applicable from time to time to the applicable Series and Class of Notes and payment of any Additional Interest will also be deferred until the first Interest Payment Date for such Notes thereafter on which funds are available (after allowing for the Issuer's liabilities of a higher priority subject to and in accordance with the relevant Issuer Priority of Payments) to the Issuer to pay such Additional Interest to the extent of such available funds.

Amounts of Deferred Interest and Additional Interest shall not be deferred beyond the Final Maturity Date of the applicable Series and Class of Notes, when such amounts will become due and payable.

Payments of interest due on an Interest Payment Date in respect of the most senior Class of Notes of any Series then outstanding will not be deferred. In the event of the delivery of a Note Acceleration Notice (as described in **Condition 9**), the amount of interest in respect of such Notes that was due but not paid on such Interest Payment Date will itself bear interest at the applicable rate until both the unpaid interest and the interest on that interest are paid as provided in the Note Trust Deed.

5. REDEMPTION AND MANDATORY TRANSFER

5.1 Final Redemption

Unless previously redeemed in full as provided in this **Condition 5**, the Issuer shall redeem a Series and Class of Notes at their Redemption Amount together with all accrued interest on the Final Maturity Date in respect of such Notes.

The Issuer may not redeem such Notes in whole or in part prior to their Final Maturity Date except as provided in **Conditions 5.2, 5.4 or 5.5** below, but without prejudice to **Condition 9**.

5.2 Mandatory Redemption of the Notes in Part

On each Interest Payment Date, other than an Interest Payment Date on which a Series and Class of Notes are to be redeemed under **Conditions 5.1, 5.4 or 5.5**, the Issuer shall repay principal in respect of such Notes in an amount equal to the amount (if any) repaid on the corresponding Loan Tranche Payment Date in respect of the related Loan Tranche and pursuant to the Intercompany Loan Agreement converted, where the Specified Currency for such Notes is not Sterling, into the Specified Currency at the Specified Currency Exchange Rate for such Notes.

To the extent that there are insufficient funds available to the Issuer to repay the amount due to be paid on such Interest Payment Date, the Issuer will be required to repay the shortfall, to the extent that it receives funds therefor (and subject to the terms of the Issuer Deed of Charge and the Issuer Cash Management Agreement) on subsequent Interest Payment Dates in respect of such Notes.

5.3 Note Principal Payments and Principal Amount Outstanding

The principal amount redeemable (the **Note Principal Payment**) in respect of each Note of a particular Series and Class on any Interest Payment Date under **Condition 5.2** above shall be a proportion of the amount required as at that Interest Payment Date to be applied in redemption of such Series and Class of Notes on such date equal to the proportion that the Principal Amount Outstanding of the relevant Note bears to the aggregate Principal Amount Outstanding of such Series and Class of Notes rounded down to the nearest sub-unit of the Specified Currency; provided always that no such Note Principal Payment may exceed the Principal Amount Outstanding of the relevant Note.

On each Interest Determination Date the Issuer shall determine (or cause the Agent Bank to determine) (a) the amount of any Note Principal Payment payable in respect of each Note of the relevant Series and Class on the immediately following Interest Payment Date and (b) the Principal Amount Outstanding of each such Note which shall be the Specified Denomination less (in each case) the aggregate amount of all Note Principal Payments in respect of such Note that has been paid since the relevant Closing Date and on or prior to that Interest Determination Date (the **Principal Amount Outstanding**) and (c) the fraction expressed as a decimal to the fifth decimal point (the **Pool Factor**), of which the numerator is the Principal Amount Outstanding of that Note (as referred to in (b) above) and the denominator is the Specified Denomination. Each determination by or on behalf of the Issuer of any Note Principal Payment of a Note, the Principal Amount Outstanding of a Note and the Pool Factor shall in each case (in the absence of wilful default, bad faith or manifest error) be final and binding on all persons.

The Issuer will cause each determination of the Note Principal Payment and the Principal Amount Outstanding and the Pool Factor in respect of a Series and Class of Notes to be notified

forthwith, and in any event not later than 1.00 p.m. (London time) on the Business Day immediately succeeding the Interest Determination Date, to the Note Trustee, the Issuer Security Trustee, the Paying Agents, the Registrar, the Agent Bank and (for so long as such Notes are listed on one or more stock exchanges) the relevant stock exchanges, and will cause notice of each determination of the Note Principal Payment and the Principal Amount Outstanding to be given to Noteholders in accordance with **Condition 14** by no later than the Business Day after the relevant Interest Payment Date.

If the Issuer does not at any time for any reason determine (or cause the Agent Bank to determine) or if the Agent Bank does not at any time for any reason determine a Note Principal Payment, the Principal Amount Outstanding or the Pool Factor in accordance with the preceding provisions of this **Condition 5.3**, such Note Principal Payment and/or Principal Amount Outstanding and/or Pool Factor may be determined by the Note Trustee in accordance with this **Condition 5.3** in the manner the Note Trustee in its discretion considers fair and reasonable in the circumstances, having regard to this **Condition 5.3**, and each such determination or calculation shall be deemed to have been made by the Issuer. Any such determination shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Agent Bank and the Noteholders.

5.4 Optional Redemption in Full

Provided a Note Acceleration Notice has not been served and subject to the provisos below, upon giving not more than 60 nor less than 30 days' prior notice (or in the case of (c) below, not more than 30 days nor less than 5 days' prior notice) to the Note Trustee and the Noteholders in accordance with **Condition 14**, the Issuer may redeem a Series and Class of Notes at their aggregate Redemption Amount together with any accrued and unpaid interest in respect thereof on the following dates:

- (a) the date specified as the Step-Up Date for such Notes in the applicable Final Terms and on any Interest Payment Date for such Notes thereafter;
- (b) on such Interest Payment Date on which the aggregate Principal Amount Outstanding of such Notes and all other Classes of Notes of the same Series is less than 10 per cent. of the aggregate Principal Amount Outstanding of such Series of Notes as at the Closing Date on which such Series of Notes were issued; or
- (c) the date specified as the Optional Redemption Date for such Notes in the applicable Final Terms and on each Interest Payment Date for such Notes thereafter,

PROVIDED THAT (in either of the cases above), on or prior to giving any such notice, the Issuer shall have provided to the Note Trustee a certificate signed by two directors of the Issuer to the effect that (i) it will have the funds, not subject to any interest of any other person, required to redeem such Notes as aforesaid and any amounts required to be paid in priority to or *pari passu* with such Notes outstanding in accordance with the terms and conditions of the Issuer Deed of Charge and the Issuer Cash Management Agreement, and (ii) the Repayment Tests will be satisfied following the making of such redemptions and further provided that (in the case of (c) above only) prior written notice of such redemption is given to Moody's and each of Standard & Poor's and Fitch has confirmed that the then current ratings of each Series and Class of Notes then outstanding would not be reduced, withdrawn or qualified by such redemption.

5.5 Optional Redemption for Tax and other Reasons

Provided a Note Acceleration Notice has not been served, if the Issuer at any time satisfies the Note Trustee immediately prior to the giving of the notice referred to below that on the next Interest Payment Date either:

- (a) the Issuer would by virtue of a change in the law or regulations of the United Kingdom or any other jurisdiction (or the application or interpretation thereof) be required to deduct or withhold from any payment of principal or interest or any other amount under a Series and Class of Notes any amount for or on account of any present or future taxes,

duties, assessments or governmental charges of whatever nature (other than where the relevant Holder or beneficial owner has some connection with the relevant jurisdiction other than the holding of the Notes); or

- (b) Funding 1 would be required to deduct or withhold from amounts due in respect of the Loan Tranche under the Intercompany Loan Agreement which was funded by such Notes any amount for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature; and
- (c) in relation to either the events described in (a) and (b) above, such obligation of the Issuer or Funding 1 (as the case may be) cannot be avoided by the Issuer or Funding 1 (as the case may be) taking reasonable measures available to the Issuer or Funding 1 (as the case may be),

then the Issuer shall use its reasonable endeavours to arrange the substitution of a company incorporated in another jurisdiction approved by the Note Trustee as principal debtor under such Notes and/or as lender of such Loan Tranche as the case may be, upon the Note Trustee (1) being satisfied that such substitution will not be materially prejudicial to the interests of Noteholders and (2) receiving a certificate signed by two directors of the Issuer or Funding 1, as the case may be, certifying that such substitution would enable the Issuer or Funding 1, as the case may be, to make payments of principal and interest under the relevant Series or Class of Notes or under the Intercompany Loan, as the case may be, without such deduction or withholding, and upon the Issuer Security Trustee being satisfied that (A) the position of the Issuer Secured Creditors (other than the Noteholders) will not thereby be adversely affected as confirmed in writing by such Issuer Secured Creditors to the Issuer Security Trustee, and (B) such substitution would not require registration of any new security under United States securities laws or materially increase the disclosure requirements under United States law or the costs of issuance as certified by the Issuer to the Issuer Security Trustee in writing. Only if the Issuer is unable to arrange a substitution will the Issuer be entitled to redeem the Notes as described in this **Condition 5.5**.

Subject to the proviso below, if the Issuer is unable to arrange a substitution as described above and, as a result, one or more of the events described in (a) or (b) above (as the case may be) is continuing, then the Issuer may, having given not more than 60 nor less than 30 days' notice to the Note Trustee and the Noteholders in accordance with **Condition 14**, redeem all (but not some only) of such Notes on the immediately succeeding Interest Payment Date for such Notes at their aggregate Redemption Amount together with any accrued and unpaid interest in respect thereof provided that (in either case), prior to giving any such notice, the Issuer shall have provided to the Note Trustee:

- (i) a certificate signed by two directors of the Issuer stating the circumstances referred to in (a) or (b) and (c) above prevail and setting out details of such circumstances; and
- (ii) an opinion in form and substance satisfactory to the Note Trustee of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to deduct or withhold such amounts as a result of such change or amendment.

The Note Trustee shall be entitled to accept such certificate and opinion as sufficient evidence of the satisfaction of the circumstance set out in (a) or (b) and (c) above, in which event they shall be conclusive and binding on the Noteholders. The Issuer may only redeem such Notes as aforesaid, if on or prior to giving such notice, the Issuer shall have provided to the Note Trustee a certificate signed by two directors of the Issuer to the effect that (A) it will have the funds, not subject to any interest of any other person, required to redeem such Notes as aforesaid and any amounts required to be paid in priority to or *pari passu* with such Notes outstanding in accordance with the terms and conditions of the Issuer Deed of Charge and the Issuer Cash Management Agreement, and (B) the Repayment Tests will be satisfied following the making of such redemptions.

In addition to the foregoing, if at any time the Issuer delivers a certificate to Funding 1, the Note Trustee and the Issuer Security Trustee to the effect that it would be unlawful for the Issuer to make,

fund or allow to remain outstanding a Loan Tranche under the Intercompany Loan Agreement, then the Issuer may require Funding 1 to prepay the relevant Loan Tranche on a Loan Tranche Payment Date subject to and in accordance with the provisions of the Intercompany Loan Agreement to the extent necessary to cure such illegality and the Issuer may redeem all (but not some only) of the relevant Notes at their Redemption Amount together with any accrued interest upon giving not more than 60 nor less than 30 days' (or such shorter period as may be required under any relevant law) prior written notice to the Issuer Security Trustee, the Funding 1 Security Trustee, the Note Trustee, the relevant Issuer Swap Provider(s) and the Noteholders in accordance with **Condition 14**, provided that, prior to giving any notice, the Issuer shall have provided to the Note Trustee a certificate signed by two directors of the Issuer to the effect that it will have the funds, not subject to the interest of any other person, required to redeem the relevant Notes as provided above and any amount to be paid in priority to or *pari passu* with the relevant Notes. Such monies received by the Issuer shall be used to redeem the relevant Notes in full, together with any accrued and unpaid interest, on the equivalent Interest Payment Date.

5.6 Redemption Amounts

For the purposes of this **Condition 5**, **Redemption Amount** means, in respect of any Series and Class of Notes, the amount specified in relation to such Notes in the applicable Final Terms or, if not so specified:

- (a) in respect of each Note (other than a Zero Coupon Note), the Principal Amount Outstanding of such Note; and
- (b) in respect of each Zero Coupon Note, an amount (the **Amortised Face Amount**) calculated in accordance with the following formula:

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

where:

- RP = the Reference Price;
- AY = the Accrual Yield expressed as a decimal; and
- y = a fraction, the numerator of which is equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the first Closing Date of the applicable Series and Class of Notes to (but excluding) the date fixed for redemption or, as the case may be, the date upon which such Note becomes due and payable and the denominator of which is 360.

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to **Condition 5.1**, **5.2**, **5.4**, **5.5** or **5.6** above or upon its becoming due and repayable as provided in **Condition 9** is improperly withheld or refused, the amount due and repayable in respect of such Note shall be the amount calculated as provided in paragraph (b) above as though the reference therein to the date fixed for the redemption or, as the case may be, the date upon which such Note becomes due and payable were replaced by reference to the date which is the earlier of:

- (i) the date on which all amounts due in respect of such Note have been paid; and
- (ii) the date on which the full amount of the monies payable in respect of such Note has been received by the Principal Paying Agent or the Note Trustee or the Registrar and notice to that effect has been given to the Noteholders in accordance with **Condition 14**.

5.7 Mandatory Transfer of Remarketable Notes

- (a) The Remarketable Notes shall be transferred in accordance with paragraph (ii) below on each relevant Mandatory Transfer Date prior to the occurrence of a Mandatory Transfer Termination Event (as confirmed by the Remarketing Agent or Tender Agent by the

provision of a Conditional Purchaser Confirmation to the Issuer and the Principal Paying Agent) in exchange for payment of the Mandatory Transfer Price, and the Issuer will procure payment of the Mandatory Transfer Price to the Holders of the Remarketable Notes on the relevant Mandatory Transfer Date, provided that the Issuer shall not be liable for the failure to make payment of the Mandatory Transfer Price to the extent that such failure is a result of the failure of the Remarketing Agent or the Conditional Purchaser to perform its obligations under the relevant agreements.

- (ii) Subject to paragraph (i) above, all the Noteholders' interests in the Remarketable Notes shall be transferred on the relevant Mandatory Transfer Date to the account of the Remarketing Agent on behalf of the relevant purchasers or as otherwise notified by or on behalf of the Remarketing Agent prior to such date or, if Definitive Notes are then issued with respect to the Remarketable Notes, the Remarketable Notes will be registered in the name of the Remarketing Agent or as otherwise notified by or on behalf of the Remarketing Agent by the Registrar and the Register will be amended accordingly with effect from the relevant Mandatory Transfer Date.

6. PAYMENTS

6.1 Payment of Interest and Principal

Payments of principal shall be made by cheque in the Specified Currency, drawn on a Designated Bank, or upon application by a Holder of the relevant Note to the Specified Office of the Principal Paying Agent not later than the fifth Business Day before the Record Date (as defined in **Condition 6.7**), by transfer to a Designated Account maintained by the payee with a Designated Bank and (in the case of final redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note at the Specified Office of any Paying Agent.

Payments of interest shall be made by cheque in the Specified Currency drawn on a Designated Bank, or upon application by a Holder of the relevant Note to the Specified Office of the Principal Paying Agent not later than the fifth Business Day before the Record Date, by transfer to a Designated Account maintained by the payee with a Designated Bank and (in the case of interest payable on final redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note at the Specified Office of any Paying Agent.

6.2 Laws and Regulations

Payments of principal and interest in respect of the Notes are subject in all cases to any fiscal or other laws and regulations applicable thereto. Noteholders will not be charged commissions or expenses on payments.

6.3 Payment of Interest following a failure to pay Principal

If payment of principal is improperly withheld or refused on or in respect of any Note or part thereof, the interest which continues to accrue in respect of such Note in accordance with **Condition 4** will be paid in accordance with this **Condition 6**.

6.4 Change of Agents

The initial Principal Paying Agent, the Registrar, the Transfer Agent and the US Paying Agents are listed in these Conditions. The Issuer reserves the right, subject to the prior written approval of the Note Trustee, at any time to vary or terminate the appointment of the Principal Paying Agent, the Registrar, the Transfer Agent and the U.S. Paying Agent and to appoint additional or other Paying Agents. The Issuer will at all times maintain a Paying Agent with a Specified Office in London and a U.S. Paying Agent with a Specified Office in New York and a Registrar. Except where otherwise provided in the Note Trust Deed, the Issuer will cause at least 30 days' notice of any change in or

addition to the Paying Agents, the Transfer Agent or the Registrar or their Specified Offices to be given in accordance with **Condition 14** and will notify the Rating Agencies of such change or addition. For as long as any Note is outstanding, the Issuer will endeavour to maintain a Paying Agent in a member state of the European Union that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to such Directive.

6.5 No payment on non-Business Day

Where payment is to be made by transfer to a Designated Account, payment instructions (for value the due date or, if the due date is not a Business Day, for value the next succeeding Business Day) will be initiated and, where payment is to be made by cheque, the cheque will be mailed (a) (in the case of payments of principal and interest payable on redemption) on the later of the due date for payment and the day on which the relevant Note is surrendered (or, in the case of part payment only, endorsed) at the Specified Office of a Paying Agent and (b) (in the case of payments of interest payable other than on redemption) on the due date for payment. A Holder of a Note shall not be entitled to any interest or other payment in respect of any delay in payment resulting from (i) the due date for a payment not being a Business Day or (ii) a cheque mailed in accordance with this **Condition 6.5** arriving after the due date for payment or being lost in the mail.

6.6 Partial Payment

If a Paying Agent makes a partial payment in respect of any Note, the Issuer shall procure and the Registrar will ensure that the amount and date of such payment are noted on the Register and, in the case of partial payment upon presentation of a Note, that a statement indicating the amount and date of such payment is endorsed on the relevant Note.

6.7 Record Date

Each payment in respect of a Note will be made to the persons shown as the Holder in the Register at the opening of business in the place of the Registrar's Specified Office on the fifteenth day before the due date for such payment (the **Record Date**). Where payment in respect of a Note is to be made by cheque, the cheque will be mailed to the address shown as the address of the Holder in the Register at the opening of business on the relevant Record Date.

6.8 Payment of Interest

Subject as provided otherwise in these Conditions, if interest is not paid in respect of a Note of any Class on the date when due and payable (other than because the due date is not a Business Day) or by reason of non-compliance with **Condition 6.1**, then such unpaid interest shall itself bear interest at the Rate of Interest applicable from time to time to such Note until such interest and interest thereon are available for payment and notice thereof has been duly given in accordance with **Condition 14**.

7. PRESCRIPTION

Claims against the Issuer for payment of interest and principal on redemption shall be prescribed and become void if the relevant Notes are not surrendered for payment within a period of 10 years from the relevant date in respect thereof. After the date on which a payment under a Note becomes void in its entirety, no claim may be made in respect thereof. In this **Condition 7**, the **relevant date**, in respect of a payment under a Note, is the date on which the payment in respect thereof first becomes due or (if the full amount of the monies payable in respect of those payments under all the Notes due on or before that date has not been duly received by the Principal Paying Agent, the U.S. Paying Agent or the Note Trustee (as the case may be) on or prior to such date) the

date on which the full amount of such monies having been so received or notice to that effect is duly given to Noteholders in accordance with **Condition 14**.

8. TAXATION

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

9. EVENTS OF DEFAULT

9.1 Class A Noteholders

The Note Trustee in its absolute discretion may (and if so requested in writing by the Holders of not less than 25 per cent. in aggregate Principal Amount Outstanding of the Class A Notes (which for this purpose and the purpose of any Extraordinary Resolution referred to in this **Condition 9.1** means the Class A Notes of all Series constituted by the Note Trust Deed) or if so directed by or pursuant to an Extraordinary Resolution passed at a meeting of the Holders of the Class A Notes shall), subject in each case to being indemnified and/or secured to its satisfaction, give notice (a **Class A Note Acceleration Notice**) to the Issuer, the Issuer Security Trustee and the Funding 1 Security Trustee of a Note Event of Default (as defined below) declaring (in writing) the Class A Notes and all other Notes to be due and repayable (and they shall forthwith become due and repayable) at any time after the happening of any of the following events which is continuing or unwaived:

- (a) default being made for a period of three Business Days in the payment of any amount of principal of the Class A Notes of any Series when and as the same ought to be paid in accordance with these Conditions or default being made for a period of three Business Days in the payment of any amount of interest on the Class A Notes of any Series when and as the same ought to be paid in accordance with these Conditions; or
- (b) the Issuer failing duly to perform or observe any other obligation binding upon it under the Class A Notes of any Series, the Note Trust Deed, the Issuer Deed of Charge or any other Transaction Document and, in any such case (except where the Note Trustee certifies that, in its opinion, such failure is incapable of remedy, in which case no notice will be required), such failure is continuing unremedied for a period of 20 days following the service by the Note Trustee on the Issuer of notice requiring the same to be remedied and the Note Trustee has certified that the failure to perform or observe is materially prejudicial to the interests of the Holders of the Class A Notes of such Series; or
- (c) the Issuer, otherwise than for the purposes of such amalgamation or reconstruction as is referred to in subparagraph (d) below, ceases or threatens to cease to carry on its business or a substantial part of its business or the Issuer is deemed unable to pay its debts within the meaning of Section 123(1)(a), (b), (c) or (d) of the Insolvency Act 1986 (as amended, modified or re-enacted) or becomes unable to pay its debts as they fall due or the value of its assets falls to less than the amount of its liabilities (taking into account for both these purposes its contingent and prospective liabilities) or otherwise becomes insolvent; or
- (d) an order being made or an effective resolution being passed for the winding-up of the Issuer except a winding-up for the purposes of or pursuant to an amalgamation, restructuring or merger the terms of which have previously been approved by the Note Trustee in writing or by an Extraordinary Resolution of the Holders of the Class A Notes; or

- (e) proceedings being otherwise initiated against the Issuer under any applicable liquidation, insolvency, composition, reorganisation or other similar laws (including, but not limited to, presentation of a petition for an administration order, the filing of documents with the court for an administration or the service of a notice of intention to appoint an administrator) and (except in the case of presentation of a petition for an administration order) such proceedings are not, in the sole opinion of the Note Trustee, being disputed in good faith with a reasonable prospect of success, or an administration order being granted or the appointment of an administrator takes effect or an administrative receiver or other receiver, liquidator or other similar official being appointed in relation to the Issuer or in relation to the whole or any substantial part of the undertaking or assets of the Issuer, or an encumbrancer taking possession of the whole or any substantial part of the undertaking or assets of the Issuer, or a distress, execution, diligence or other process being levied or enforced upon or sued out against the whole or any substantial part of the undertaking or assets of the Issuer and such possession or process (as the case may be) not being discharged or not otherwise ceasing to apply within 30 days, or the Issuer initiating or consenting to the foregoing proceedings relating to itself under applicable liquidation, insolvency, composition, reorganisation or other similar laws or making a conveyance or assignment for the benefit of its creditors generally or a composition or similar arrangement with the creditors or takes steps with a view to obtaining a moratorium in respect of its indebtedness, including without limitation, the filing of documents with the court; or
- (f) if an Intercompany Loan Acceleration Notice is served under the Intercompany Loan Agreement while the Class A Notes of any Series are outstanding.

9.2 Class B Noteholders

This **Condition 9.2** shall have no effect if, and for as long as, any Class A Notes of any Series are outstanding. Subject thereto, for so long as any Class B Notes are outstanding, the Note Trustee in its absolute discretion may (and if so requested in writing by the Holders of not less than 25 per cent. in aggregate Principal Amount Outstanding of the Class B Notes (which for this purpose and the purpose of any Extraordinary Resolution referred to in this **Condition 9.2**, means the Class B Notes of all Series constituted by the Note Trust Deed) or if so directed by or pursuant to an Extraordinary Resolution passed at a meeting of the Holders of the Class B Notes shall), subject in each case to it being indemnified and/or secured to its satisfaction, give notice (a **Class B Note Acceleration Notice**) to the Issuer, the Issuer Security Trustee and the Funding 1 Security Trustee of a Note Event of Default (as defined below) and declaring (in writing) the Class B Notes and all other Notes to be due and repayable (and they shall forthwith become due and repayable) at any time after the happening of any of the following events:

- (a) default being made for a period of three Business Days in the payment of any amount of principal of the Class B Notes of any Series when and as the same ought to be paid in accordance with these Conditions or default being made for a period of three Business Days in the payment of any amount of interest on the Class B Notes of any Series when and as the same ought to be paid in accordance with these Conditions; or
- (b) the occurrence of any of the events in **Condition 9.1(b)**, **(c)**, **(d)**, **(e)** or **(f)** above provided that the references in **Condition 9.1(b)**, **Condition 9.1(d)** and **Condition 9.1(f)** to Class A Notes shall be read as references to Class B Notes.

9.3 Class M Noteholders

This **Condition 9.3** shall have no effect if, and for as long as, any Class A Notes or Class B Notes of any Series are outstanding. Subject thereto, for so long as any Class M Notes are outstanding, the Note Trustee in its absolute discretion may (and if so requested in writing by the Holders of not less than 25 per cent. in aggregate Principal Amount Outstanding of the Class M Notes

(which for this purpose and the purpose of any Extraordinary Resolution referred to in this **Condition 9.3**, means the Class M Notes of all Series constituted by the Note Trust Deed) or if so directed by or pursuant to an Extraordinary Resolution passed at a meeting of the Holders of the Class M Notes shall), subject in each case to it being indemnified and/or secured to its satisfaction, give notice (a **Class M Note Acceleration Notice**) to the Issuer, the Issuer Security Trustee and the Funding 1 Security Trustee of a Note Event of Default (as defined below) and declaring (in writing) the Class M Notes and all other Notes to be due and repayable (and they shall forthwith become due and repayable) at any time after the happening of any of the following events:

- (a) default being made for a period of three Business Days in the payment of any amount of principal of the Class M Notes of any Series when and as the same ought to be paid in accordance with these Conditions or default being made for a period of three Business Days in the payment of any amount of interest on the Class M Notes of any Series when and as the same ought to be paid in accordance with these Conditions; or
- (b) the occurrence of any of the events in **Condition 9.1(b)**, (c), (d), (e) or (f) above provided that the references in **Condition 9.1(b)**, **Condition 9.1(d)** and **Condition 9.1(f)** to Class A Notes shall be read as references to Class M Notes.

9.4 Class C Noteholders

This **Condition 9.4** shall have no effect if, and for as long as, any Class A Notes, Class B Notes or Class M Notes of any Series are outstanding. Subject thereto, for so long as any Class C Notes are outstanding, the Note Trustee in its absolute discretion may (and if so requested in writing by the Holders of not less than 25 per cent. in aggregate Principal Amount Outstanding of the Class C Notes (which for this purpose and the purpose of any Extraordinary Resolution referred to in this **Condition 9.4**, means the Class C Notes of all Series constituted by the Note Trust Deed) or if so directed by or pursuant to an Extraordinary Resolution passed at a meeting of the Holders of the Class C Notes shall), subject in each case to it being indemnified and/or secured to its satisfaction, give notice (a **Class C Note Acceleration Notice**) to the Issuer, the Issuer Security Trustee and the Funding 1 Security Trustee of a Note Event of Default (as defined below) and declaring (in writing) the Class C Notes and all other Notes to be due and repayable (and they shall forthwith become due and repayable) at any time after the happening of any of the following events:

- (a) default being made for a period of three Business Days in the payment of any amount of principal of the Class C Notes of any Series when and as the same ought to be paid in accordance with these Conditions or default being made for a period of three Business Days in the payment of any amount of interest on the Class C Notes of any Series when and as the same ought to be paid in accordance with these Conditions; or
- (b) the occurrence of any of the events in **Condition 9.1(b)**, (c), (d), (e) or (f) above provided that the references in **Condition 9.1(b)**, **Condition 9.1(d)** and **Condition 9.1(f)** to Class A Notes shall be read as references to Class C Notes.

9.5 Class D Noteholders

This **Condition 9.5** shall have no effect if, and for as long as, any Class A Notes, Class B Notes, Class M Notes or Class C Notes of any Series are outstanding. Subject thereto, for so long as any Class D Notes are outstanding, the Note Trustee in its absolute discretion may (and if so requested in writing by the Holders of not less than 25 per cent. in aggregate Principal Amount Outstanding of the Class D Notes (which for this purpose and the purpose of any Extraordinary Resolution referred to in this **Condition 9.5**, means the Class D Notes of all Series constituted by the Note Trust Deed) or if so directed by or pursuant to an Extraordinary Resolution passed at a meeting of the Holders of the Class D Notes shall), subject in each case to it being indemnified and/or secured to its satisfaction, give notice (a **Class D Note Acceleration Notice**) to the Issuer, the Issuer Security Trustee and the Funding 1 Security Trustee of a Note Event of Default (as defined below) and

declaring (in writing) the Class D Notes to be due and repayable (and they shall forthwith become due and repayable) at any time after the happening of any of the following events:

- (a) default being made for a period of three Business Days in the payment of any amount of principal of the Class D Notes of any Series when and as the same ought to be paid in accordance with these Conditions or default being made for a period of three Business Days in the payment of any amount of interest on the Class D Notes of any Series when and as the same ought to be paid in accordance with these Conditions; or
- (b) the occurrence of any of the events in **Condition 9.1(b)**, **(c)**, **(d)**, **(e)** or **(f)** above provided that the references in **Condition 9.1(b)**, **Condition 9.1(d)** and **Condition 9.1(f)** to Class A Notes shall be read as references to Class D Notes.

9.6 Following Service of a Note Acceleration Notice

In these Conditions, a **Note Acceleration Notice** means any of the Class A Note Acceleration Notice, the Class B Note Acceleration Notice, the Class M Note Acceleration Notice, the Class C Note Acceleration Notice and the Class D Note Acceleration Notice. For the avoidance of doubt, upon any Note Acceleration Notice being given by the Note Trustee in accordance with **Condition 9.1**, **9.2**, **9.3**, **9.4** or **9.5** all Notes shall immediately become due, without further action, notice or formality at their Principal Amount Outstanding together with accrued interest (or, in the case of a Zero Coupon Note, at its Redemption Amount, calculated in accordance with **Condition 5.7**).

10. ENFORCEMENT OF NOTES

10.1 Enforcement

The Note Trustee may, at its discretion and without notice at any time and from time to time, take such steps and institute such proceedings against the Issuer or any other person as it may think fit to enforce the provisions of the Notes, the Note Trust Deed (including these Conditions) or any of the other Transaction Documents to which it is a party and the Note Trustee may, at its discretion at any time after the Issuer Security has become enforceable (including after the service of a Note Acceleration Notice in accordance with **Condition 9**), instruct the Issuer Security Trustee to take such steps as it may think fit to enforce the Issuer Security. The Note Trustee shall not be bound to take such steps or institute such proceedings or give such instructions unless:

- (a) (subject in all cases to restrictions contained in the Note Trust Deed to protect the interests of any higher ranking Class of Noteholders) it shall have been so directed by an Extraordinary Resolution of the Class A Noteholders, the Class B Noteholders, the Class M Noteholders, the Class C Noteholders or the Class D Noteholders (which for this purpose means the Holders of all Series of the Class A Notes, the Class B Notes, the Class M Notes, the Class C Notes or the Class D Notes (as applicable)) or so requested in writing by the Holders of at least one quarter in aggregate Principal Amount Outstanding of the Class A Notes, Class B Notes, Class M Notes, Class C Notes or Class D Notes (as applicable) of all Series; and
- (b) it shall have been indemnified and/or secured to its satisfaction.

The Issuer Security Trustee shall not be bound to and shall not take such steps or take any such other action unless it is so directed by the Note Trustee and indemnified and/or secured to its satisfaction.

Amounts available for distribution after enforcement of the Issuer Security shall be distributed in accordance with the terms of the Issuer Deed of Charge.

No Noteholder may institute any proceedings against the Issuer to enforce its rights under or in respect of the Notes, the Note Trust Deed or the Issuer Deed of Charge unless (i) the Note Trustee or the Issuer Security Trustee, as applicable, has become bound to institute proceedings and has failed to

do so within 30 days of becoming so bound and (ii) such failure is continuing; provided that, no Class B Noteholder, Class M Noteholder, Class C Noteholder or Class D Noteholder will be entitled to commence proceedings for the winding up or administration of the Issuer unless there are no outstanding Notes of a Class with higher priority, or if Notes of a class with higher priority are outstanding, there is consent of Noteholders of not less than one quarter of the aggregate principal amount of the Notes outstanding (as defined in the Note Trust Deed) of the Class or Classes of Notes with higher priority or pursuant to an Extraordinary Resolution of the Holders of such Class of Notes. Notwithstanding the foregoing and notwithstanding any other provision of the Note Trust Deed, the right of any Noteholder to receive payment of principal and interest on its Notes on or after the due date for such principal or interest, or to institute suit for the enforcement of payment of that principal or interest, may not be impaired or affected without the consent of that Noteholder.

10.2 Post-Enforcement Call Option

In the event that:

- (a) the Issuer Security is enforced and the Issuer Security Trustee determines that (i) the proceeds of such enforcement, after distribution of such proceeds to the persons entitled thereto ranking in priority to the Notes under the Issuer Deed of Charge and to the Noteholders (to the extent entitled thereto), are insufficient to pay in full all principal and interest and other amounts whatsoever due in respect of the Notes and all other claims ranking *pari passu* therewith (ii) such proceeds of enforcement have been so distributed in accordance with the terms of the Issuer Deed of Charge and (iii) there are no further assets available to pay principal and interest and other amounts whatsoever due in respect of the Notes; or
- (b) within 20 days following the Final Maturity Date of the latest maturing Note, the Issuer Security Trustee certifies that there is no further amount outstanding under the Intercompany Loan Agreement,

then the Note Trustee is required (without any liability on its part to any person or any warranty as to due authority), at the request of the Post-Enforcement Call Option Holder, for a nominal amount, to transfer or (as the case may be) procure transfer of all (but not some only) of the Notes to the Post-Enforcement Call Option Holder pursuant to the option granted to it by the Note Trustee (as agent for the Noteholders) under the terms of the Post-Enforcement Call Option Agreement. Immediately upon such transfer, no such former Noteholder shall have any further interest in the Notes. Each of the Noteholders acknowledges that the Note Trustee has the authority and the power to bind the Noteholders in accordance with the terms and conditions set out in the Post-Enforcement Call Option Agreement and each Noteholder, by subscribing for or purchasing Notes, agrees to be so bound. The Note Trustee shall give notice of the exercise of such option to the Noteholders in accordance with **Condition 14**.

11. MEETINGS OF NOTEHOLDERS, MODIFICATIONS AND WAIVER

11.1 Meetings of Noteholders

The Note Trust Deed contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any provision of these Conditions or the provisions of any of the Transaction Documents.

(a) *Class A Notes*

In respect of the Class A Notes, the Note Trust Deed provides that, subject to **Condition 11.2**:

- (i) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class A Notes of one Class only shall be deemed to have been duly passed if passed at a meeting of the Holders of the Class A Notes of that Class;
- (ii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class A Notes of any two or more Classes but does not give rise to a conflict of interest between the Holders of any such two or more Classes of Class A Notes, shall be deemed to have been duly passed if passed at a single meeting of the Holders of such two or more Classes of Class A Notes; and
- (iii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class A Notes of any two or more Classes and gives or may give rise to a conflict of interest between the Holders of any such Classes of Class A Notes, shall be deemed to have been duly passed only if, in lieu of being passed at a single meeting of the Holders of such two or more Classes of Class A Notes, it shall be passed at separate meetings of the Holders of each such Class of Class A Notes.

(b) Class B Notes

In respect of the Class B Notes, the Note Trust Deed provides that, subject to **Condition 11.2**:

- (i) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class B Notes of one Class only shall be deemed to have been duly passed if passed at a meeting of the Holders of the Class B Notes of that Class;
- (ii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class B Notes of any two or more Classes but does not give rise to a conflict of interest between the Holders of any such two or more Classes of Class B Notes, shall be deemed to have been duly passed if passed at a single meeting of the Holders of such two or more Classes of Class B Notes; and
- (iii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class B Notes of any two or more Classes and gives or may give rise to a conflict of interest between the Holders of any such Classes of Class B Notes, shall be deemed to have been duly passed only if, in lieu of being passed at a single meeting of the Holders of such two or more Classes of Class B Notes, it shall be passed at separate meetings of the Holders of each such Class of Class B Notes.

(c) Class M Notes

In respect of the Class M Notes, the Note Trust Deed provides that, subject to **Condition 11.2**:

- (i) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class M Notes of one Class only shall be deemed to have been duly passed if passed at a meeting of the Holders of the Class M Notes of that Class;
- (ii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class M Notes of any two or more Classes but does not give rise to a conflict of interest between the Holders of any such two or more Classes of Class M Notes, shall be deemed to have been duly passed if passed at a single meeting of the Holders of such two or more Classes of Class M Notes; and
- (iii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class M Notes of any two or more Classes and gives or may give rise to a conflict of interest between the Holders of any such Classes of Class M Notes, shall be deemed to have been duly passed only if, in lieu of being passed at a single meeting of the Holders of such two or more Classes of Class M Notes, it shall be passed at separate meetings of the Holders of each such Class of Class M Notes.

(d) Class C Notes

In respect of the Class C Notes, the Note Trust Deed provides that, subject to **Condition 11.2**:

- (i) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class C Notes of one Class only shall be deemed to have been duly passed if passed at a meeting of the Holders of the Class C Notes of that Class;
- (ii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class C Notes of any two or more Classes but does not give rise to a conflict of interest between the Holders of any such two or more Classes of Class C Notes, shall be deemed to have been duly passed if passed at a single meeting of the Holders of such two or more Classes of Class C Notes; and
- (iii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class C Notes of any two or more Classes and gives or may give rise to a conflict of interest between the Holders of any such Classes of Class C Notes, shall be deemed to have been duly passed only if, in lieu of being passed at a single meeting of the Holders of such two or more Classes of Class C Notes, it shall be passed at separate meetings of the Holders of each such Class of Class C Notes.

(e) Class D Notes

In respect of the Class D Notes, the Note Trust Deed provides that, subject to **Condition 11.2**:

- (i) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class D Notes of one Class only shall be deemed to have been duly passed if passed at a meeting of the Holders of the Class D Notes of that Class;
- (ii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class D Notes of any two or more Classes but does not give rise to a conflict of interest between the Holders of any such two or more Classes of Class D Notes, shall be deemed to have been duly passed if passed at a single meeting of the Holders of such two or more Classes of Class D Notes; and
- (iii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class D Notes of any two or more Classes and gives or may give rise to a conflict of interest between the Holders of any such Classes of Class D Notes, shall be deemed to have been duly passed only if, in lieu of being passed at a single meeting of the Holders of such two or more Classes of Class D Notes, it shall be passed at separate meetings of the Holders of each such Class of Class D Notes.

The quorum for any meeting of the Holders of any Series and Class of Notes or of any Class of Notes of more than one Series convened to consider a resolution (except for the purpose of passing an Extraordinary Resolution or a Programme Resolution) will be one or more persons holding or representing not less than one-twentieth of the aggregate Principal Amount Outstanding of such Series and Class of Notes or such Class of Notes of more than one Series or, at any adjourned meeting, one or more persons being or representing Noteholders of such Series and Class of Notes or such Class of Notes for the time being outstanding of more than one Series, whatever the aggregate Principal Amount Outstanding of the relevant Notes for the time being outstanding so held or represented. A **resolution** means a resolution (excluding an Extraordinary Resolution or a Programme Resolution) passed at a meeting of Noteholders duly convened and held in accordance with the provisions of the Note Trust Deed by a simple majority of the persons voting thereat upon a show of hands or if a poll is duly demanded by a simple majority of the votes cast on such poll.

Subject as provided in the following paragraph, the quorum at any meeting of the Holders of any Series and Class of Notes or of any Class of Notes of more than one Series of Notes convened to consider an Extraordinary Resolution will be one or more persons holding or representing not less than 50 per cent. of the aggregate Principal Amount Outstanding of such Series and Class of Notes or

such Class of Notes of more than one Series or, at any adjourned meeting, one or more persons being or representing Noteholders of such Series and Class of Notes or such Class of Notes of more than one Series of Notes, whatever the aggregate Principal Amount Outstanding of the relevant Notes so held or represented.

The quorum at any meeting of the Noteholders for passing an Extraordinary Resolution which includes the sanctioning of a modification which would have the effect of altering the amount or timing of payments of principal on the Notes of such Series and Class or of such Class or the rate, the day or the timing of payments of interest thereon or of the currency of payment of the Notes of such Series and Class or of such Class or altering the priority of payments or altering the quorum or majority required in relation to any resolution (each a **Basic Terms Modification**, as more fully defined in the Note Trust Deed) shall be one or more persons holding or representing not less than 75 per cent. of the aggregate Principal Amount Outstanding of the Notes of the relevant Series and Class or of the Class of Notes of more than one Series of Notes or, at any adjourned and reconvened meeting, not less than 25 per cent. of the aggregate Principal Amount Outstanding of the Notes of the relevant Series and Class or of the Class of Notes of more than one Series of Notes.

An Extraordinary Resolution passed at any meeting of Noteholders shall be binding on all of the Noteholders of the relevant Series and Class or of the Class of Notes of more than one Series of Notes whether or not they are present or represented at the meeting.

In connection with any meeting of Noteholders where the relevant Notes (or any of them) are not denominated in Sterling, the Principal Amount Outstanding of any Note not denominated in Sterling shall be converted into Sterling at the relevant Specified Currency Exchange Rate.

A resolution signed by or on behalf of all the Noteholders of the relevant Series and Class or of the relevant Class of more than one Series of Notes who for the time being are entitled to receive notice of a meeting under the Note Trust Deed shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Holders of such Series and Class or of the relevant Class of more than one Series of Notes.

11.2 Programme Resolution

Notwithstanding the provisions of **Condition 11.1**, any Extraordinary Resolution of the Noteholders of any Class to direct the Note Trustee to give a Note Acceleration Notice pursuant to **Condition 9** or take any enforcement action or instruct the Issuer Security Trustee to enforce the Issuer Security pursuant to **Condition 10** (a **Programme Resolution**) shall only be capable of being passed at a single meeting of the Noteholders of all Series of such Class of Notes. The quorum at any such meeting for passing a Programme Resolution shall be one or more persons holding or representing not less than 50 per cent. of the aggregate Principal Amount Outstanding of the Notes of such Class or, at any adjourned and reconvened meeting, one or more persons being or representing Noteholders of such Class of Notes, whatever the aggregate Principal Amount Outstanding of such Class of Notes so held or represented by them.

A Programme Resolution passed at any meeting of all Series of any Class of Notes shall be binding on all Noteholders of all Series of that Class of Notes, whether or not they are present or represented at the meeting.

11.3 Limitations on Noteholders

Subject as provided in **Condition 11.4**:

- (a) an Extraordinary Resolution of the Class A Noteholders of any Series shall be binding on all Class B Noteholders, all Class M Noteholders, all Class C Noteholders and all Class D Noteholders (in each case, of that Series or of any other Series);

- (b) no Extraordinary Resolution of the Class B Noteholders of any Series shall take effect for any purpose while any Class A Notes (of that Series or of any other Series) remain outstanding unless it shall have been sanctioned by an Extraordinary Resolution of the Class A Noteholders of each Series or the Note Trustee is of the opinion that it would not be materially prejudicial to the interests of the Class A Noteholders of any Series (as applicable) and subject hereto and to **Condition 11.4**, an Extraordinary Resolution of the Class B Noteholders of any Series will be binding on the Class M Noteholders, the Class C Noteholders and the Class D Noteholders in each case, of that or of any other Series irrespective of the effect upon them;
- (c) no Extraordinary Resolution of the Class M Noteholders of any Series shall take effect for any purpose while any Class A Notes or Class B Notes (in each case, of that Series or of any other Series) remain outstanding unless it shall have been sanctioned by an Extraordinary Resolution of the Class A Noteholders and an Extraordinary Resolution of the Class B Noteholders, in each case of each Series or the Note Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class A Noteholders and/or the Class B Noteholders of any Series (as applicable) and subject hereto and to **Condition 11.4**, an Extraordinary Resolution of the Class M Noteholders of any Series will be binding on the Class C Noteholders and the Class D Noteholders in each case, of that or of any other Series irrespective of the effect upon them;
- (d) no Extraordinary Resolution of the Class C Noteholders of any Series shall take effect for any purpose while any Class A Notes, Class B Notes or Class M Notes (in each case, of that Series or of any other Series) remain outstanding unless it shall have been sanctioned by an Extraordinary Resolution of the Class A Noteholders, an Extraordinary Resolution of the Class B Noteholders and an Extraordinary Resolution of the Class M Noteholders, in each case of each Series or the Note Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class A Noteholders, the Class B Noteholders and/or the Class M Noteholders of any Series (as applicable) and subject hereto and to **Condition 11.4**, an Extraordinary Resolution of the Class C Noteholders of any Series will be binding on the Class D Noteholders of that or of any other Series irrespective of the effect upon them; and
- (e) no Extraordinary Resolution of Class D Noteholders of any Series shall take effect for any purpose while any Class A Notes, Class B Notes, Class M Notes or Class C Notes (in each case, of that Series or of any other Series) remain outstanding unless it shall have been sanctioned by an Extraordinary Resolution of the Class A Noteholders, an Extraordinary Resolution of the Class B Noteholders, an Extraordinary Resolution of the Class M Noteholders and an Extraordinary Resolution of the Class C Noteholders, in each case of each Series or the Note Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class A Noteholders, the Class B Noteholders, the Class M Noteholders and/or the Class C Noteholders of any Series (as applicable).

11.4 Approval of Modifications and Waivers by Noteholders

No Extraordinary Resolution of the Noteholders of any one or more Series of Class A Notes to sanction a modification of, or any waiver or authorisation of any breach or proposed breach of, any of the provisions of the Transaction Documents or the Conditions of the Notes shall take effect unless it has been sanctioned by an Extraordinary Resolution of the Class B Noteholders, an Extraordinary Resolution of the Class M Noteholders, an Extraordinary Resolution of the Class C Noteholders and an Extraordinary Resolution of the Class D Noteholders, in each case of each Series, or the Note Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class B Noteholders, the Class M Noteholders, the Class C Noteholders and the Class D Noteholders of any Series.

No Extraordinary Resolution of the Noteholders of any one or more Series of Class B Notes to sanction a modification of, or any waiver or authorisation of any breach or proposed breach of, any of the provisions of the Transaction Documents or the Conditions of the Notes shall take effect unless it has been sanctioned by an Extraordinary Resolution of the Class M Noteholders, an Extraordinary Resolution of the Class C Noteholders and an Extraordinary Resolution of the Class D Noteholders, in each case of each Series, or the Note Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class M Noteholders, the Class C Noteholders and the Class D Noteholders of any Series.

No Extraordinary Resolution of the Noteholders of any one or more Series of Class M Notes to sanction a modification of, or any waiver or authorisation of any breach or proposed breach of, any of the provisions of the Transaction Documents or the Conditions of the Notes shall take effect unless it has been sanctioned by an Extraordinary Resolution of the Class C Noteholders and an Extraordinary Resolution of the Class D Noteholders, in each case of each Series, or the Note Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class C Noteholders and the Class D Noteholders of any Series.

No Extraordinary Resolution of the Noteholders of any one or more Series of Class C Notes to sanction a modification of, or any waiver or authorisation of any breach or proposed breach of, any of the provisions of the Transaction Documents or the Conditions of the Notes shall take effect unless it has been sanctioned by an Extraordinary Resolution of the Class D Noteholders of each Series, or the Note Trustee is of the opinion that it would not be materially prejudicial to the interests of the Class D Noteholders of any Series.

11.5 Modifications and Determinations by Note Trustee

The Note Trustee, may, without the consent of the Noteholders:

- (a) agree to any modification (other than a Basic Terms Modification) of, or to the waiver or authorisation of any breach or proposed breach of, the Conditions of any Series and Class of Notes or any of the Transaction Documents which is not in the opinion of the Note Trustee, materially prejudicial to the interests of the Noteholders of any Series and Class of Notes; or
- (b) determine that any Note Event of Default shall not be treated as such provided that it is not in the opinion of the Note Trustee materially prejudicial to the interests of the Holders of the most senior Class of Notes then outstanding; or
- (c) agree to any modification (including a Basic Terms Modification) of these Conditions or any of the Transaction Documents which, in the opinion of the Note Trustee, is of a formal, minor or technical nature or is to correct a manifest error or proven error established as such to the satisfaction of the Note Trustee or is to comply with the mandatory provisions of law; or
- (d) agree to any modification of any of these Conditions or any Transaction Documents as expressly provided for in the Transaction Documents.

For the avoidance of doubt, the Note Trustee shall be entitled to assume, without further investigation or inquiry, that such modification, waiver, determination or authorisation will not be materially prejudicial to the interests of the Noteholders or any Class or Series thereof if each of the Rating Agencies rating the relevant Series and/or Class of Notes has confirmed in writing that the then current ratings of the applicable Series and/or Class of Notes would not be reduced, withdrawn or qualified by such modification, waiver, determination or authorisation. Any such modification, waiver, authorisation or determination shall be binding on the Noteholders and, unless the Note Trustee agrees otherwise, any such modification shall be notified to the Noteholders and the Rating Agencies in accordance with **Condition 14** as soon as practicable thereafter.

11.6 Redenomination

The Note Trustee may agree, without the consent of the Holders of the Sterling Notes on or after the Specified Date (as defined below), to such modifications to the Sterling Notes and the Note Trust Deed in respect of redenomination of such Notes in euro and associated reconventioning, renominatisation and related matters in respect of such Notes as may be proposed by the Issuer (and confirmed by an independent financial institution approved by the Note Trustee to be in conformity with then applicable market conventions) and to provide for redemption at the euro equivalent of the Sterling principal amount of the Sterling Notes. For these purposes, **Specified Date** means the date on which the United Kingdom participates in the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended by the Treaty on European Union, or otherwise participates in European economic and monetary union in a manner with an effect similar to such third stage.

Any such modification shall be binding on the Holders of the Sterling Notes and, unless the Note Trustee agrees otherwise, any such modification shall be notified to such Noteholders in accordance with **Condition 14** as soon as practicable thereafter.

11.7 Exercise of Note Trustee's Functions

Where the Note Trustee is required, in connection with the exercise of its powers, trusts, authorities, duties and discretions under these Conditions or any Transaction Document, to have regard to the interests of the Noteholders of any Class, it shall have regard to the interests of such Noteholders as a class and, in particular but without prejudice to the generality of the foregoing, the Note Trustee shall not have regard to, or be in any way liable for, the consequences of such exercise for individual Noteholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory. In connection with any such exercise, the Note Trustee shall not be entitled to require, and no Noteholder shall be entitled to claim, from the Issuer or any other person, any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders.

12. INDEMNIFICATION OF THE NOTE TRUSTEE AND THE ISSUER SECURITY TRUSTEE

The Note Trust Deed, the Issuer Deed of Charge and the Funding 1 Deed of Charge set out certain provisions for the benefit of the Note Trustee, the Issuer Security Trustee and the Funding 1 Security Trustee. The following is a summary of such provisions and is subject to the more detailed provisions of the Note Trust Deed, the Issuer Deed of Charge and the Funding 1 Deed of Charge.

The Transaction Documents contain provisions governing the responsibility (and relief from responsibility) of the Note Trustee, the Issuer Security Trustee and the Funding 1 Security Trustee and providing for their indemnification in certain circumstances, including, among others, provisions relieving the Issuer Security Trustee, the Note Trustee and the Funding 1 Security Trustee from taking enforcement proceedings or enforcing the Issuer Security and/or the Funding 1 Security, as the case may be, unless indemnified to its satisfaction.

The Note Trustee, the Issuer Security Trustee and the Funding 1 Security Trustee and their related companies are entitled to enter into business transactions with the Issuer, any member of the Alliance & Leicester's group of companies, the Issuer Cash Manager and/or the related companies of any of them and to act as note trustee or security trustee for the holders of any new notes and/or any other person who is a party to any Transaction Document or whose obligations are comprised in the Issuer Security or the Funding 1 Security and/or any of its subsidiary or associated companies without accounting for any profit resulting therefrom.

Neither the Note Trustee, the Issuer Security Trustee nor the Funding 1 Security Trustee will be responsible for any loss, expense or liability which may be suffered as a result of any assets comprised in the Issuer Security or the Funding 1 Security, or any deeds or documents of title thereto,

being uninsured or inadequately insured or being held by clearing organisations or their operators or by intermediaries such as banks, brokers or other similar persons on behalf of the Note Trustee or the Issuer Security Trustee or the Funding 1 Security Trustee, as applicable.

Furthermore, the Note Trustee, the Issuer Security Trustee and the Funding 1 Security Trustee will be relieved of liability for making searches or other inquiries in relation to the assets comprising the Issuer Security and Funding 1 Security. The Note Trustee, the Issuer Security Trustee and the Funding 1 Security Trustee do not have any responsibility in relation to the legality and the enforceability of the trust arrangements and the related Issuer Security and Funding 1 Security. Neither the Note Trustee, the Issuer Security Trustee nor the Funding 1 Security Trustee will be obliged to take any action that might result in its incurring personal liabilities. Neither the Note Trustee, the Issuer Security Trustee nor the Funding 1 Security Trustee is obliged to monitor or investigate the performance of any other person under the Transaction Documents and is entitled to assume, until it has actual knowledge to the contrary, that all such persons are properly performing their duties, unless it receives express notice to the contrary.

Neither the Note Trustee, the Issuer Security Trustee nor the Funding 1 Security Trustee will be responsible for any deficiency that may arise because it is liable to tax in respect of the proceeds of any Issuer Security or any Funding 1 Security.

Law Debenture Trust Company of New York (the **Initial Trustee**) is acting as Note Trustee under the Note Trust Deed and as Issuer Security Trustee under the Issuer Deed of Charge and as Funding 1 Security Trustee under the Funding 1 Deed of Charge (and while doing so the Initial Trustee and any successor which acts in all such capacities are referred to in this Condition as the **Trustee**). No entity may act as a trustee in any such capacity unless it is also the Trustee or unless the Trustee agrees otherwise or unless the Trustee resigns its office as trustee in one or more of such capacities. In its capacity as Trustee, the Trustee will not be liable to any Noteholder for any loss which he may suffer by reason of any conflict which may arise between the interests of the Noteholders and any other person to whom the Trustee owes duties as a result of the Trustee acting in all such capacities.

Neither the Initial Trustee nor any of its successors has any responsibility to Noteholders, the Issuer Secured Creditors or the Funding 1 Secured Creditors for the validity, sufficiency or enforceability of the Issuer Security and the Funding 1 Security (which the Initial Trustee has not investigated) and shall accept such title and interest as any chargor or mortgagor has without responsibility for investing the same or any defect there may be therein. Neither the Initial Trustee nor any of its successors are responsible for monitoring the performance by any person of its obligations to the Issuer, Funding 1, any Further Funding Companies or any obligor and each may assume until it has actual knowledge to the contrary that such obligations are being duly performed.

13. REPLACEMENT OF NOTES

If Definitive Notes are lost, stolen, mutilated, defaced or destroyed, the Noteholder can replace them at the Specified Office of any Paying Agent subject to all applicable laws and stock exchange requirements. The Noteholder will be required both to pay the expenses of producing a replacement and to comply with the Issuer's, the Registrar's and the Paying Agents' reasonable requests for evidence and indemnity.

If a Global Note is lost, stolen, mutilated, defaced or destroyed, the Issuer will deliver a replacement Global Note to the registered holder upon receipt of satisfactory evidence and surrender of any defaced or mutilated Global Note. A replacement will only be made upon payment of the expenses for a replacement and compliance with the Issuer's, Registrar's and Paying Agents' reasonable requests as to evidence and indemnity.

Defaced or mutilated Notes must be surrendered before replacements will be issued.

14. NOTICE TO NOTEHOLDERS

14.1 Publication of Notice

Any notice to Noteholders shall be validly given if such notice is:

- (a) sent to them by first class mail (or its equivalent) or (if posted to a non-UK address) by airmail at the respective addresses on the Register; and
- (b) published in *The Financial Times*;

or, if any of such newspaper set out above shall cease to be published or timely publication therein shall not be practicable, in a leading English language daily newspaper having general circulation in the United Kingdom provided that if, at any time, the Issuer procures that the information concerned in such notice shall be published on the Relevant Screen, publication in the newspaper set out above or such other newspaper or newspapers shall not be required with respect to such information.

14.2 Date of Publication

Any notices so published shall be deemed to have been given on the fourth day after the date of posting, or as the case may be, on the date of such publication or, if published more than once on different dates, on the first date on which publication shall have been made in the newspaper or newspapers in which (or on the Relevant Screen on which) publication is required.

14.3 Global Notes

While the Notes are represented by Global Notes, any notice to Noteholders will be validly given if such notice is provided in accordance with **Condition 14.1** or (at the option of the Issuer) if delivered to DTC (in the case of the Rule 144A Notes) or Euroclear and/or Clearstream, Luxembourg (in the case of the Reg S Notes) or (if specified in the applicable Final Terms) if delivered through any **Alternative Clearing System** specified therein. Any notice delivered to the DTC and/or Euroclear and/or Clearstream, Luxembourg and/or such Alternative Clearing System will be deemed to be given on the day of such delivery.

14.4 Note Trustee's Discretion to Select Alternative Method

The Note Trustee shall be at liberty to sanction some other method of giving notice to the Noteholders or any Series or Class or category of them if, in its opinion, such other method is reasonable having regard to market practice then prevailing and to the requirements of the stock exchanges on which the Notes are then admitted for trading and provided that notice of such other method is given to the Noteholders in such manner as the Note Trustee shall require.

15. NOTES ISSUES

The Issuer shall (subject to satisfaction of the Issuance Tests) be at liberty, without the consent of the Noteholders, to create and issue Notes from time to time.

16. RATING AGENCIES

If:

- (a) a confirmation of rating or other response by a Rating Agency is a condition to any action or step under any Transaction Document; and
- (b) a written request for such confirmation or response is delivered to each Rating Agency by the Issuer (copied to the Note Trustee and/or the Issuer Security Trustee and/or the Funding 1 Security Trustee, as applicable) and either one or more Rating Agency (each a **Non-Responsive Rating Agency**) indicates that it does not consider such confirmation

or response necessary in the circumstances or within 30 days of delivery of such request elicits no confirmation or response and/or such request elicits no statement by such Rating Agency that such confirmation or response could not be given; and

- (c) at least one Rating Agency gives such a confirmation or response based on the same facts,

then such condition shall be deemed to be modified with respect to the facts set out in the request referred to in (b) so that there shall be no requirement for the confirmation or response from the Non-Responsive Rating Agency.

The Note Trustee and/or the Issuer Security Trustee and/or the Funding 1 Security Trustee, as applicable, shall be entitled to treat as conclusive a certificate by any director, officer or employee of the Issuer, Funding 1, the Seller, any investment bank or financial adviser acting in relation to the Notes as to any matter referred to in (b) in the absence of manifest error or the Note Trustee and/or the Issuer Security Trustee and/or the Funding 1 Security Trustee, as applicable, having facts contradicting such certificates specifically drawn to his attention and the Note Trustee and/or the Issuer Security Trustee and/or the Funding 1 Security Trustee, as applicable, shall not be responsible for any loss, liability, costs, damages, expenses or inconvenience that may be caused as a result.

17. GOVERNING LAW AND JURISDICTION

The Transaction Documents and the Notes are governed by English law unless specifically stated to the contrary. Certain provisions in the Transaction Documents relating to property situated in Scotland are governed by Scots law. Certain provisions in the Transaction Documents relating to property situated in Northern Ireland are governed by Northern Irish law. Unless specifically stated to the contrary:

- (a) the courts of England are to have non-exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Notes and the Transaction Documents; and
- (b) the Issuer and the other parties to the Transaction Documents irrevocably submit to the non-exclusive jurisdiction of the courts of England.

18. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

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

19. DEFINITIONS

Unless otherwise defined in these Conditions or unless the context otherwise requires, in these Conditions the following words shall have the following meanings and any other capitalised terms used in these Conditions shall have the meanings ascribed to them or incorporated in the Note Trust Deed or the Master Definitions and Construction Schedule. The provisions of **Clause 2** (Interpretation and Construction) of the Master Definitions and Construction Schedule are incorporated into and shall apply to these Conditions.

Additional Business Centre means, in respect of any Series and Class of Notes, each place specified as such for such Notes in the applicable Final Terms;

Agents means the Paying Agents, the Transfer Agent, the Registrar and the Agent Bank;

Agent Bank means Citibank, N.A., London Branch in its capacity as agent bank at its Specified Office or such other person for the time being acting as agent bank under the Paying Agent and Agent Bank Agreement;

Alliance & Leicester means Alliance & Leicester plc (registered number 03263713), a public limited company incorporated under the laws of England and Wales, whose registered office is at Carlton Park, Narborough, Leicester LE19 0AL;

Basel II Framework means the regulatory capital framework described in the Basel Committee on Banking Supervision's publication, Basel II: The International Convergence of Capital Measurement and Capital Standards: a Revised Framework;

Broken Amount means, in respect of any Series and Class of Notes, the amount specified as such (if any) for such Notes in the applicable Final Terms;

Business Day means a day that is a London Business Day, a New York Business Day and a TARGET Business Day;

Cash Management Agreement means the cash management agreement entered into on the Initial Closing Date between the Cash Manager, the Mortgages Trustee, Funding 1 and the Funding 1 Security Trustee (as the same may be amended and/or supplemented from time to time);

Cash Manager means Alliance & Leicester acting, pursuant to the Cash Management Agreement, as agent for the Mortgages Trustee, Funding 1 and the Funding 1 Security Trustee (amongst others) to, *inter alia*, manage all cash transactions and maintain certain ledgers on behalf of the Mortgages Trustee, Funding 1 and the Funding 1 Security Trustee (which expression shall include such other person as may be appointed from time to time as Cash Manager pursuant to the Cash Management Agreement);

Class or **class** means, in relation to the Notes of any Series and the Noteholders, the Class A Notes, the Class B Notes, the Class M Notes, the Class C Notes or the Class D Notes, as the context requires, and the respective holders thereof;

Class A Noteholders means the Holders of the Class A Notes;

Class A Notes means Notes of any Series designated as such (or a sub-class of such) in the applicable Final Terms;

Class B Noteholders means the Holders of the Class B Notes;

Class B Notes means Notes of any Series designated as such (or a sub-class of such) in the applicable Final Terms;

Class C Noteholders means the Holders of the Class C Notes;

Class C Notes means Notes of any Series designated as such (or a sub-class of such) in the applicable Final Terms;

Class D Noteholders means the Holders of the Class D Notes;

Class D Notes means Notes of any Series designated as such (or a sub-class of such) in the applicable Final Terms;

Class M Noteholders means the Holders of the Class M Notes;

Class M Notes means Notes of any Series designated as such (or a sub-class of such) in the applicable Final Terms;

Clearstream, Luxembourg means Clearstream Banking, société anonyme;

Closing Date has the meaning given to it in the applicable Final Terms;

Conditional Purchaser means, in respect of any Series and Class of Remarketable Notes, the Conditional Purchaser specified in the applicable Final Terms;

Conditional Purchaser Confirmation means, in respect of any Series and Class of Remarketable Notes, the confirmation given by the Remarketing Agent or the Tender Agent to the Issuer and the Principal Paying Agent that the Conditional Purchaser has purchased an interest in or has had transferred to it or on its behalf an interest in all such Remarketable Notes;

Corporate Services Agreement means the agreement dated the Initial Closing Date between (amongst others) the Corporate Services Provider, Funding 1, Holdings, Alliance & Leicester and the Funding 1 Security Trustee for the provision by the Corporate Services Provider of certain corporate services and personnel to Funding 1 and Holdings (as the same may be amended and/or supplemented from time to time);

Corporate Services Provider means Structured Finance Management Limited or such other person or persons for the time being acting as corporate services provider to Funding 1 and Holdings under the Corporate Services Agreement;

Dealers means the institutions specified as such in the applicable Final Terms;

Definitive Notes means the note certificates representing the Notes while in definitive form;

Designated Account means the account maintained by a Holder with a Designated Bank and identified as such in the Register;

Designated Bank means (in the case of payment in a Specified Currency other than euro) a bank in the principal financial centre of the country of such Specified Currency and (in the case of a payment in euro) any bank which processes payments in euro;

Determination Date means, in respect of any Series and Class of Notes, the date(s) specified as such (if any) for such Notes in the applicable Final Terms;

Dollars, U.S.\$, U.S. Dollars or \$ means the lawful currency for the time being of the United States of America;

DTC means The Depository Trust Company;

EURIBOR means the Euro-zone inter-bank offered rate;

Euro, euro or € means the currency of the member states of the European Union that adopt the single currency in accordance with the Treaty of Rome of 25 March 1957, establishing the European Community, as amended from time to time;

Euroclear means Euroclear Bank S.A./N.V.;

Extraordinary Resolution means a resolution passed at a meeting of the Noteholders of a particular Class, Series or Series and Class duly convened and held in accordance with the provisions of the Note Trust Deed by a majority consisting of not less than three-fourths of the persons voting thereat upon a show of hands or if a poll is duly demanded by a majority consisting of not less than three-fourths of the votes cast on such poll;

FSA means the Financial Services Authority;

Final Maturity Date means, in respect of any Series and Class of Notes, the date specified as such for such Notes in the applicable Final Terms;

Final Terms means, in relation to any Series of Notes, the final terms issued in relation to such Series of Notes as a supplement to these Conditions and giving details of, *inter alia*, the amount and price of such Series of Notes and which forms a part of the prospectus in relation to such Series of Notes;

Fixed Coupon Amount means, in respect of any Series and Class of Notes, the amount specified as such (if any) for such Notes in the applicable Final Terms;

Funding 1 means Fosse Funding (No. 1) Limited;

Funding 1 Account Bank means the bank at which the Funding 1 Bank Accounts are maintained from time to time (being, as at the Initial Closing Date, Alliance & Leicester acting through its offices at Carlton Park, Narborough, Leicester LE19 0AL and, thereafter, such other replacement account banks as Funding 1 may choose with the prior written approval of the Funding 1 Security Trustee in accordance with the Funding 1 Bank Account Agreement);

Funding 1 Bank Account Agreement means the agreement entered into on the Initial Closing Date between (amongst others) the Funding 1 Account Bank and Funding 1, which governs the operation of the Funding 1 Bank Accounts (as the same may be amended and/or supplemented from time to time);

Funding 1 Bank Accounts means the Funding 1 GIC Account and the Funding 1 Transaction Account and such other bank account(s) held in the name of Funding 1 with the approval of the Funding 1 Security Trustee from time to time;

Funding 1 Deed of Charge means the deed of charge entered into on the Initial Closing Date, as amended and restated from time to time, between, among others, Funding 1, the Funding 1 Security Trustee, the Issuer and the Note Trustee and each deed of accession or supplement entered into in connection therewith;

Funding 1 GIC Account means the account in the name of Funding 1 held at the Funding 1 Account Bank and maintained subject to the terms of the Funding 1 Bank Account Agreement and the Funding 1 Deed of Charge or such additional or replacement account as may for the time being be in place;

Funding 1 Interest Payment Date means, in relation to a Loan Tranche, the Quarter Dates specified in the Final Terms in each year (or, if such day is not a Business Day, the next succeeding Business Day) for so long as the Notes (other than the Monthly Payment Notes) issued by the Issuer have Quarterly Interest Payment Dates which correspond to the Quarterly Interest Payment Dates of the Notes (other than the Monthly Payment Notes) issued by the Issuer on the Initial Closing Date and, thereafter, or following the occurrence of a Pass-Through Trigger Event, the 18th day of each calendar month in each year (or, if such day is not a Business Day, the next succeeding Business Day);

Funding 1 Secured Creditors means the Funding 1 Security Trustee, the Funding 1 Swap Provider, the Cash Manager, the Funding 1 Account Bank, the Seller, the Corporate Services Provider, each Start Up Loan Provider, the Issuer and any other entity that accedes to the terms of the Funding 1 Deed of Charge from time to time;

Funding 1 Security means the security created under the Funding 1 Deed of Charge;

Funding 1 Security Trustee means Law Debenture Trust Company of New York and its successors or any other security trustee under the Funding 1 Deed of Charge;

Funding 1 Start-Up Loan Agreements means the Funding 1 start-up loan agreement entered into on or about the Initial Closing Date between Funding 1, the Funding 1 Start-Up Loan Provider and the Funding 1 Security Trustee (as the same may be amended and/or supplemented from time to time) and each other start-up loan agreement entered into in connection with the issuance of a Series of Notes;

Funding 1 Swap Agreement means the ISDA Master Agreement and Schedule entered into on the Initial Closing Date between Funding 1, the Funding 1 Swap Provider and the Funding 1 Security Trustee and any confirmation documented thereunder from time to time between Funding 1, the Funding 1 Swap Provider and the Funding 1 Security Trustee (as each of the same may be amended, restated, novated or supplemented from time to time);

Funding 1 Swap Provider means Alliance & Leicester acting in its capacity as the Funding 1 Swap Provider pursuant to the Funding 1 Swap Agreement;

Funding 1 Transaction Account means the account in the name of Funding 1 held with the Funding 1 Account Bank and maintained subject to the terms of the Funding 1 Bank Account Agreement and the Funding 1 Deed of Charge or such additional or replacement account as may for the time being be in place;

Funding Companies means Funding 1 and each Further Funding Company (if any);

Further Funding Company means any funding entity (other than Funding 1) established in the future by Holdings;

Global Notes means the Rule 144A Global Notes and the Reg S Global Notes;

Holdings means Fosse (Master Issuer) Holdings Limited (registered number 5925689), a limited company incorporated under the laws of England and Wales, whose registered office is at 35 Great St. Helen's, London EC3A 6AP;

Initial Closing Date means 28 November 2006;

Intercompany Loan means, at any time, the aggregate of all Loan Tranches advanced under the Intercompany Loan Agreement;

Intercompany Loan Agreement means the loan agreement entered into on the Initial Closing Date between, amongst others, Funding 1, the Issuer and the Funding 1 Security Trustee;

Interest Commencement Date means, in respect of any Series and Class of Notes, the Closing Date of such Notes or such other date as may be specified as such for such Notes in the applicable Final Terms;

Interest Determination Date means the date two Business Days prior to each Interest Payment Date;

Interest Payment Date means, in respect of a Series and Class of Notes (other than Monthly Payment Notes), the Quarterly Interest Payment Dates and (in the case of Monthly Payment Notes) the Monthly Interest Payment Dates, subject, in each case, to the applicable Final Terms;

ISDA Definitions means the 2000 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Closing Date of the first Series of Notes;

Issuer means Fosse Master Issuer plc;

Issuer Account Bank means Alliance & Leicester or such other person for the time being acting as account bank to the Issuer under the Issuer Bank Account Agreement;

Issuer Bank Accounts means the Issuer Transaction Account, the Issuer Share Capital Account and any other account opened and maintained by the Issuer with the Issuer Account Bank pursuant to the Transaction Documents (including without limitation the Issuer GIC Account);

Issuer Bank Account Agreement means the bank account agreement entered into on the Initial Closing Date between the Issuer, the Issuer Cash Manager, the Issuer Account Bank and the Issuer Security Trustee;

Issuer Cash Management Agreement means the cash management agreement dated the Initial Closing Date between, amongst others, the Issuer Cash Manager, the Issuer and the Issuer Security Trustee;

Issuer Cash Manager means Alliance & Leicester or such other person or persons for the time being acting, under the Issuer Cash Management Agreement, as agent, *inter alia*, for the Issuer;

Issuer Corporate Services Agreement means the agreement entered into on or about the Initial Closing Date and made between (amongst others) the Issuer Corporate Services Provider and the Issuer for the provision by the Issuer Corporate Services Provider of certain corporate services and personnel to the Issuer (as the same may be amended, restated, supplemented, replaced and/or novated from time to time);

Issuer Corporate Services Provider means Structured Finance Management Limited or such other person or persons for the time being acting as corporate services provider to the Issuer under the Issuer Corporate Services Agreement;

Issuer Deed of Charge means the deed of charge entered into on the Initial Closing Date, as amended and restated from time to time, between, among others, the Issuer and the Issuer Security Trustee and each deed of accession or supplement entered into in connection therewith;

Issuer Priority of Payments means the Issuer Pre-acceleration Revenue Priority of Payments, the Issuer Pre-acceleration Principal Priority of Payments, the Issuer Post-acceleration Principal Priority of Payments or the Issuer Priority of Payments following an intercompany loan acceleration notice, as the case may be, each as set out in the Issuer Cash Management Agreement or the Issuer Deed of Charge (as the case may be);

Issuer Secured Creditors means the Issuer Security Trustee, the Note Trustee, the Issuer Swap Providers, the Issuer Corporate Services Provider, the Issuer Account Bank, the Issuer Cash Manager, the Paying Agents, the Agent Bank, the Exchange Rate Agent, the Transfer Agent, the Registrar and the Noteholders and any new Issuer Secured Creditor who accedes to the Issuer Deed of Charge from time to time under a deed of accession or a supplemental deed;

Issuer Security means the security created by the Issuer pursuant to the Issuer Deed of Charge;

Issuer Security Trustee means Law Debenture Trust Company of New York and its successors or any other security trustee under the Issuer Deed of Charge;

Issuer Swap Agreement means the ISDA master agreements, schedules and confirmations relating to the currency and/or interest rate swaps to be entered into on or prior to each Closing Date, as amended, restated, supplemented, replaced and/or novated from time to time, between the Issuer, the applicable Issuer Swap Provider and the Issuer Security Trustee in connection with the Notes;

Issuer Swap Providers means in respect of a Series and Class of Notes, the institutions identified in the applicable Final Terms;

LIBOR means the London inter-bank offered rate;

Loan means each loan referenced by its loan identifier number and comprising the aggregate of all principal sums, interest, costs, charges, expenses and other monies (including all Further Advances) due or owing with respect to that loan under the relevant Mortgage Conditions by a Borrower on the security of a Mortgage from time to time outstanding or, as the context may require, the Borrower's obligations in respect of the same;

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

Mandatory Transfer Date means, in respect of any Series and Class of Remarketable Notes, the Interest Payment Date specified as such for such Remarketable Notes in the applicable Final Terms;

Mandatory Transfer Price means, in respect of any Series and Class of Remarketable Notes, the Principal Amount Outstanding of such Remarketable Notes on the relevant Mandatory Transfer Date following the application of Note Principal Payments on such date;

Mandatory Transfer Termination Event shall occur in respect of any Series and Class of Remarketable Notes if the Conditional Purchaser has purchased an interest in all such Remarketable Notes;

Managers means the entities specified as such in the applicable Final Terms;

Margin means, in respect of any Series and Class of Notes, the amount specified as such for such Notes in the applicable Final Terms and, in the case of Remarketable Notes, shall include the Reset Margin;

Maximum Reset Margin means, in respect of any Series and Class of Remarketable Notes, the amount specified as such for such Remarketable Notes in the applicable Final Terms;

Maximum Rate of Interest means, in respect of any Series and Class of Notes, the rate of interest specified as such for such Notes in the applicable Final Terms;

Minimum Rate of Interest means, in respect of any Series and Class of Notes, the rate of interest specified as such for such Notes in the applicable Final Terms;

Money Market Notes means Notes which will be “Eligible Securities” within the meaning of Rule 2a-7 under the United States Investment Company Act of 1940, as amended;

Monthly Dates means the 18th day of each calendar month in each year (or, if such day is not a Business Day, the next succeeding Business Day);

Monthly Interest Payment Dates means, in respect of any Monthly Payment Notes, the Monthly Dates specified in the applicable Final Terms for the payment of interest and/or principal subject, in each case, to the appropriate Business Day Convention, if any, specified in the applicable Final Terms;

Monthly Payment Notes means either Money Market Notes or any other Notes in respect of which Monthly Interest Payment Dates are specified in the applicable Final Terms;

Mortgage Sale Agreement means the mortgage sale agreement entered into on the Initial Closing Date and made between the Seller, Funding 1, the Mortgages Trustee and the Funding 1 Security Trustee in relation to the sale of Loans to the Mortgages Trustee from time to time, as amended and restated from time to time;

Mortgages Trust Deed means the mortgages trust deed entered into between (amongst others) the Mortgages Trustee, Funding 1 and the Seller on or about the Initial Closing Date, as amended and restated from time to time;

Mortgages Trustee means Fosse Trustee Limited (registered number 94410), a private company with limited liability incorporated in Jersey, Channel Islands, whose registered office is at 22 Grenville Street, St. Helier, Jersey JE4 8PX, Channel Islands;

Mortgages Trustee Account Bank means the bank at which the Mortgages Trustee GIC Account is maintained from time to time (being, as at the Initial Closing Date, Alliance & Leicester acting through its offices at Carlton Park, Narborough, Leicester LE19 0AL and, thereafter, such other replacement account bank as the Mortgages Trustee may appoint in accordance with the Transaction Documents);

Mortgages Trustee Bank Account Agreement means the agreement entered into on or about the Initial Closing Date between (amongst others) the Mortgages Trustee Account Bank; and the

Mortgages Trustee which governs the operation of the Mortgages Trustee GIC Account (as the same may be amended and/or supplemented from time to time);

Mortgages Trustee Corporate Services Agreement means the agreement entered into on or about the Initial Closing Date between the Mortgages Trustee Corporate Services Provider, Alliance & Leicester and the Mortgages Trustee for the provision by the Mortgages Trustee Corporate Services Provider of certain corporate services to the Mortgages Trustee;

Mortgages Trustee Corporate Services Provider means Mourant & Co. Limited or such other person or persons for the time being acting as corporate services provider to the Mortgages Trustee under the Mortgages Trustee Corporate Services Agreement;

Mortgages Trustee GIC Account means the account in the name of the Mortgages Trustee maintained with the Mortgages Trustee Account Bank pursuant to the Mortgages Trustee Bank Account Agreement or such additional or replacement bank account of the Mortgages Trustee as may for the time being be in place;

New York Business Day means a day (other than a Saturday or a Sunday) on which banks are open for general business (including dealings in foreign currency) in the city of New York;

Note Event of Default means the occurrence of an event of default by the Issuer as specified in **Condition 9**;

Note Trust Deed means the trust deed entered into on the Initial Closing Date as amended and restated from time to time between the Issuer and the Note Trustee, and each supplemental deed entered into in connection therewith;

Note Trustee means Law Debenture Trust Company of New York and its successors or any further or other note trustee under the Note Trust Deed, as trustee for the Noteholders;

Noteholders means the Holders for the time being of the Notes;

Notes means any Global Notes or Definitive Notes;

Pass-Through Trigger Event means any of the following events:

- (a) a Trigger Event;
- (b) the service of a Note Acceleration Notice by the Note Trustee on the Issuer; or
- (c) the service of an Intercompany Loan Acceleration Notice by the Funding 1 Security Trustee on Funding 1;

Paying Agent and Agent Bank Agreement means the paying agent and agent bank agreement entered into on the Initial Closing Date between, among others, the Issuer, the Paying Agents, the Transfer Agent, the Registrar, the Agent Bank and the Issuer Security Trustee (as amended, restated, supplemented, replaced and/or novated from time to time);

Paying Agents means the Principal Paying Agent and the U.S. Paying Agent, together with any further or other paying agents for the time being appointed under the Paying Agent and Agent Bank Agreement;

PECOH Corporate Services Provider means Structured Finance Management Limited or such other person or persons for the time being acting as corporate services provider to the Post Enforcement Call Option Holder under the PECOHO Corporate Services Agreement;

Post-Enforcement Call Option Agreement means the post-enforcement call option agreement entered into on the Initial Closing Date between the Issuer, the Post-Enforcement Call Option Holder and the Note Trustee;

Post-Enforcement Call Option Holder or PECOHO means Fosse PECOHO Limited;

Post-Enforcement Call Option Holder Corporate Services Agreement or PECO Corporate Services Agreement means the agreement entered into on the Initial Closing Date between (amongst others) the PECO Corporate Services Provider, PECO and the Note Trustee for the provision by the PECO Corporate Services Provider of certain corporate services and personnel to PECO (as the same may be amended and/or supplemented from time to time);

Principal Amount Outstanding has the meaning indicated in **Condition 5.3**;

Principal Paying Agent means Citibank, N.A., London Branch in its capacity as principal paying agent at its Specified Office or such other person for the time being acting as principal paying agent under the Paying Agent and Agent Bank Agreement;

Programme Agreement means the agreement entered into on or around the Initial Closing Date, as amended from time to time, between (amongst others) the Issuer, and the Dealers named therein (or deemed named therein);

Quarter Dates means the 18th day of any of the following dates as specified in the Final Terms for the payment of interest and/or principal on the Notes and any corresponding Loan Tranche:

- (a) January, April, July and October; or
- (b) February, May, August and November; or
- (c) March, June, September and December;

Quarterly Interest Payment Dates means, in respect of a Series and Class of Notes (other than Monthly Payment Notes), the Quarter Dates specified in the Final Terms for the payment of interest and/or principal until the occurrence of a Pass-Through Trigger Event and, following such occurrence, the Monthly Dates, subject, in each case, to the appropriate Business Day Convention, if any, specified in the applicable Final Terms;

Rate of Interest and Rates of Interest means, in respect of any Series and Class of Notes, the rate or rates (expressed as a percentage per annum) of interest payable in respect of such Notes specified in the applicable Final Terms or calculated and determined in accordance with the applicable Final Terms;

Rating Agencies means Standard & Poor's Rating Services, a division of The McGraw-Hill Companies Inc., Moody's Investors Service Limited and Fitch Ratings Ltd.;

Reference Price means, in respect of any Series and Class of Notes, the price specified as such for such Notes in the applicable Final Terms;

Reference Rate means, in respect of any Series and Class of Notes, the rate specified as such for such Notes in the applicable Final Terms;

Reg S means Regulation S under the United States Securities Act of 1933, as amended;

Reg S Notes means each Series and Class of Notes that are sold outside the United States to non-U.S. persons in reliance on Reg S;

Reg S Global Notes means the note certificates representing the Reg S Notes while in global form;

Register means the register of Noteholders kept by the Registrar and which records the identity of each Noteholder and the number of Notes that each Noteholder owns;

Registrar means Citibank, N.A., London Branch in its capacity as registrar at its Specified Office or such other person for the time being acting as registrar under the Paying Agent and Agent Bank Agreement;

Relevant Screen means a page of the Reuters service or Bloomberg service, or any other medium for electronic display of data as may be previously approved in writing by the Note Trustee and has been notified to Noteholders in the manner set out in **Condition 14**;

Relevant Screen Page means, in respect of any Series and Class of Notes, the screen page specified as such for such Notes in the applicable Final Terms;

Remarketing Agent means, in respect of any Series and Class of Remarketable Notes, the Remarketing Agent specified in the applicable Final Terms, or such other agent appointed to act as remarketing agent under the terms of the relevant Remarketing Agreement;

Remarketing Agreement means, in respect of any Series and Class of Remarketable Notes, the agreement between the Issuer and the Remarketing Agent pursuant to which the Remarketing Agent agrees to use reasonable efforts to identify third party purchasers for such Remarketable Notes on each Mandatory Transfer Date prior to the occurrence of a Mandatory Transfer Termination Event;

Remarketable Notes means any Series and Class of Notes identified as such in the applicable Final Terms;

Repayment Tests means Rules 1 and 2 under the Funding 1 Pre-acceleration principal priority of payments as set out in the Funding 1 Deed of Charge;

Reset Margin means, in respect of any Series and Class of Remarketable Notes, (i) for each Reset Period a percentage not exceeding the Maximum Reset Margin determined by the Remarketing Agent in accordance with the Remarketing Agreement or (ii) if the Remarketing Agreement has been terminated, the Maximum Reset Margin;

Reset Period means, in respect of any Series and Class of Remarketable Notes, the period commencing on the first Mandatory Transfer Date specified in the applicable Final Terms up to but excluding the next Mandatory Transfer Date and thereafter the period from each Mandatory Transfer Date up to but excluding the next Mandatory Transfer Date;

Rule 144A Global Notes means the note certificates representing the Rule 144A Notes while in global form;

Rule 144A Notes means each Series and Class of Notes which are sold in the United States only to qualified institutional buyers within the meaning of Rule 144A under the United States Securities Act of 1933, as amended;

Scottish Declaration of Trust means each declaration of trust in relation to Scottish Loans and their Related Security granted by the Seller in favour of the Mortgages Trustee pursuant to the Mortgage Sale Agreement;

Scottish Loan means a Loan secured by a standard security over a Property located in Scotland;

Seller means Alliance & Leicester;

Series means, in relation to the Notes, all Notes (of any Class) issued on a given day and designated as such;

Series and Class means a particular Class of Notes of a given Series or, where such Class of such Series comprises more than one sub-class, **Series and Class** means any sub-class of such Class;

Servicer means Alliance & Leicester, or such other person as may from time to time be appointed as servicer of the Portfolio pursuant to the Servicing Agreement;

Servicing Agreement means the agreement entered into on the Initial Closing Date between the Servicer, the Mortgages Trustee, the Funding 1 Security Trustee, Funding 1, and the Seller

pursuant to which the Servicer agrees to administer the Loans and their Related Security comprised in the Portfolio (as the same may be amended, supplemented, replaced and/or novated from time to time);

Specified Currency means, in respect of any Series and Class of Notes, the currency or currencies specified as such for such Notes in the applicable Final Terms;

Specified Currency Exchange Rate means, in relation to a Series and Class of Notes, the exchange rate specified in the Issuer Swap Agreement relating to such Series and Class of Notes or, if the Issuer Swap Agreement has been terminated, the applicable spot rate;

Specified Denomination means, in respect of any Series and Class of Notes, the denomination specified as such for such Notes in the applicable Final Terms which shall be in the case of Rule 144A Notes a minimum of \$100,000 (or its equivalent in any other currency as at the date of issue of such Notes) and in the case of Reg S Notes a minimum of £50,000 if denominated in sterling (or, in the case of notes denominated in sterling with a minimum maturity of less than 366 days, £100,000) or €50,000 or more (or its equivalent in any other currency as at the date of issue of such Notes) if denominated in a currency other than sterling;

Specified Office means, as the context may require, in relation to any of the Agents, the office specified against the name of such Agent in the Paying Agent and Agent Bank Agreement or such other specified office as may be notified to the Issuer and the Note Trustee pursuant to the Paying Agent and Agent Bank Agreement;

Step-Up Date means:

- (a) in respect of any Loan Tranche, the Funding 1 Interest Payment Date on which the interest rate payable in respect of the relevant Loan Tranche made under the Intercompany Loan increases by a pre-determined amount; and
- (b) in respect of any Notes, the date on which the interest rate payable by the Issuer in respect of those Notes increases by a pre-determined amount;

Sterling, Pounds Sterling or **£** means the lawful currency for the time being of the United Kingdom of Great Britain and Northern Ireland;

Sterling Notes means each Series and Class of Notes denominated in Sterling;

Subscription Agreement means an agreement supplemental to the Programme Agreement in or substantially in the form set out in the Programme Agreement or such other form as may be agreed between the Issuer, Managers and the Dealers;

sub-Unit means, with respect to any currency other than Sterling, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to Sterling, one pence;

TARGET Business Day means a day on which the Trans-European Automated Real-time Gross settlement Express (TARGET) system is open;

Tender Agent means, in respect of any Series and Class of Remarketable Notes, the Tender Agent specified in the applicable Final Terms;

Transaction Documents means the Cash Management Agreement, the Funding 1 Bank Account Agreement, the Corporate Services Agreement, the Controlling Beneficiary Deed, the Funding 1 Deed of Charge, each Funding 1 Deed of Charge Deed of Accession, the Funding 1 Swap Agreement, the Intercompany Loan Agreement, the Issuer Deed of Charge, each Issuer Deed of Charge Deed of Accession, the Master Definitions and Construction Schedule, the Issuer Bank Account Agreement, the Issuer Cash Management Agreement, the Issuer Corporate Services Agreement, the Issuer Master Definitions and Construction Schedule, each Issuer Swap Agreement

and any related Issuer Swap Guarantees, the Mortgage Sale Agreement, the Mortgages Trust Deed, the Mortgages Trustee Bank Account Agreement, the Mortgages Trustee Corporate Services Agreement, the Post-Enforcement Call Option Holder Corporate Services Agreement, the Paying Agent and Agent Bank Agreement, the Post-Enforcement Call Option Agreement, the Programme Agreement, each Scottish Declaration of Trust, the Servicing Agreement, each Funding 1 Start-Up Loan Agreement, each Subscription Agreement, the Note Trust Deed, each Loan Tranche Supplement, each Conditional Purchase Agreement, each Remarketing Agreement, any other deeds of accession or supplemental deeds relating to any such documents and any other agreement or document from time to time designated as such by the Issuer and Note Trustee and/or the Issuer Security Trustee and/or the Funding 1 Security Trustee.

Transfer Agent means Citibank, N.A., London Branch in its capacity as transfer agent at its Specified Office or such other person for the time being acting as transfer agent under the Paying Agent and Agent Bank Agreement;

USD-LIBOR means the London inter-bank offered rate for deposits in U.S. dollars; and

U.S. Paying Agent means Citibank, N.A., New York Branch acting in its capacity as U.S. paying agent through its New York office or such other person for the time being acting as U.S. paying agent under the Paying Agent and Agent Bank Agreement.

SIGNATORIES

The Issuer

EXECUTED and DELIVERED as a DEED by
FOSSE MASTER ISSUER PLC
acting by two directors

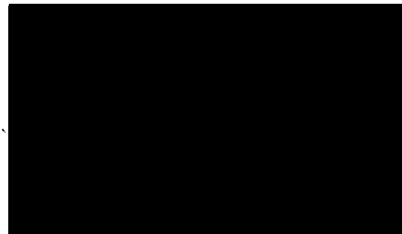
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SFM Directors Limited, and

)

SFM Directors (No. 2) Limited

)



The Note Trustee

EXECUTED and DELIVERED as a DEED by
LAW DEBENTURE TRUST COMPANY
OF NEW YORK
acting by its authorised signatory

)
)
)
)
)


Authorised Signatory:

SIGNATORIES

The Issuer

EXECUTED and DELIVERED as a DEED by)
FOSSE MASTER ISSUER PLC)
acting by two directors)
SFM Directors Limited, and)
SFM Directors (No. 2) Limited)

The Note Trustee

EXECUTED and DELIVERED as a DEED by)
LAW DEBENTURE TRUST COMPANY)
OF NEW YORK)
acting by its authorised signatory)
Authorised Signatory: )

EXECUTION VERSION

SUPPLEMENTAL NOTE TRUST DEED

11 MARCH 2010

FOSSE MASTER ISSUER PLC

LAW DEBENTURE TRUST COMPANY OF NEW YORK

**relating to a
Residential Mortgage Backed Note Programme**

ALLEN & OVERY

Allen & Overy LLP

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THIS SUPPLEMENTAL NOTE TRUST DEED is made on 11 March 2010

BETWEEN:

- (1) **FOSSE MASTER ISSUER PLC** (registered number 5925693) whose registered office is at 35 Great St. Helen's, London, EC3A 6AP (the **Issuer**); and
- (2) **LAW DEBENTURE TRUST COMPANY OF NEW YORK**, acting through its offices at 400 Madison Avenue – 4th Floor, New York, New York 10017 (acting in its capacity as **Note Trustee**, which expression shall include such company and all other persons and companies for the time being acting as note trustee under this Deed).

WHEREAS:

- (A) This Deed is supplemental to the Note Trust Deed made between the parties hereto dated 28 November 2006 as supplemented and amended on 1 August 2007 and 21 August 2008 (herein after referred to as the **Existing Note Trust Deed**).
- (B) The Issuer and the Note Trustee have agreed to enter into this Deed to, among other things, permit the issuance of Class Z Notes by the Issuer.

NOW THIS DEED WITNESSES as follows:

1. INTERPRETATION AND CONSTRUCTION

- 1.1 The master definitions and construction schedule signed by, amongst others, Alliance & Leicester plc and dated 28 November 2006 (as the same may be amended, restated, varied, supplemented and/or novated from time to time with the consent of the parties this Deed, including on 1 August 2007, 20 December 2007, 23 November 2009 and the date hereof) (the **Master Definitions and Construction Schedule**) and the issuer master definitions and construction schedule, signed by, amongst others, the parties to this Deed and dated on 28 November 2006 (as the same may be amended, restated, varied, supplemented and/or novated from time to time with the consent of the parties thereto, including on 1 August 2007, 20 December 2007, 23 November 2009 and the date hereof) (the **Issuer Master Definitions and Construction Schedule**) are expressly and specifically incorporated into this Deed and, accordingly, the expressions defined in the Master Definitions and Construction Schedule and the Issuer Master Definitions and Construction Schedule shall, except where the context otherwise requires and save where otherwise defined herein, have the same meanings in this Deed, including the recitals thereto.
- 1.2 This Deed will be construed in accordance with the rules of construction set out in the Issuer Master Definitions and Construction Schedule.

2. AMENDMENT OF THE EXISTING NOTE TRUST DEED

With effect from the date hereof the Existing Note Trust Deed is modified in such manner as would result in the Existing Note Trust Deed as so modified being in the form set out in the Appendix 1 to this Deed.

3. SUPPLEMENTAL

Save as expressly amended by this Deed, the Existing Note Trust Deed shall remain in full force and effect and all rights, powers, obligations and immunities comprised therein and arising pursuant thereto shall remain in full force and effect notwithstanding this Deed. The Existing Note Trust Deed and this Deed shall henceforth be read and construed as one document and references in the

Existing Note Trust Deed to "this Deed" shall be read as references to the Existing Note Trust Deed as amended by this Deed.

4. COUNTERPARTS

This Deed may be executed and delivered in any number of counterparts (including by facsimile), all of which, taken together, shall constitute one and the same deed and any party to this Deed or any trust deed supplemental hereto may enter into the same by executing and delivering a counterpart (including by facsimile).

5. RIGHTS OF THIRD PARTIES

A person who is not a party to this Deed has no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Deed except and to the extent (if any) that this Deed expressly provides for such Act to apply to any of its terms, but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

6. GOVERNING LAW

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

7. SUBMISSION TO JURISDICTION

The Issuer irrevocably agrees for the benefit of the Note Trustee and the Noteholders that the English courts have exclusive jurisdiction to settle any dispute which may arise out of or in connection with this Deed (including a dispute arising out of or in connection with this Deed) and accordingly submits to the exclusive jurisdiction of the English courts. The Issuer waives any objection to the courts of England on the grounds that they are an inconvenient or inappropriate forum. The Note Trustee and the Noteholders may take any suit, action or proceeding arising out of or in connection with this Deed (including a dispute arising out of or in connection with this Deed) (together referred to as **Proceedings**) against the Issuer in any other court of competent jurisdiction and concurrent Proceedings in any number of jurisdictions.

IN WITNESS WHEREOF this Deed has been executed as a deed by the Issuer and the Note Trustee and delivered on the date first stated on page 1.

The Issuer

EXECUTED and DELIVERED as a DEED by)
FOSSE MASTER ISSUER PLC)
acting by two directors)
per pro SFM Directors Limited and)
SFM Directors (No. 2) Limited)



The Note Trustee

EXECUTED and DELIVERED as a DEED by)
LAW DEBENTURE TRUST COMPANY)
OF NEW YORK)
acting by its authorised signatory)

Existing Note Trust Deed to "this Deed" shall be read as references to the Existing Note Trust Deed as amended by this Deed

4. COUNTERPARTS

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

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The Issuer irrevocably agrees for the benefit of the Note Trustee and the Noteholders that the English courts have exclusive jurisdiction to settle any dispute which may arise out of or in connection with this Deed (including a dispute arising out of or in connection with this Deed) and accordingly submits to the exclusive jurisdiction of the English courts. The Issuer waives any objection to the courts of England on the grounds that they are an inconvenient or inappropriate forum. The Note Trustee and the Noteholders may take any suit, action or proceeding arising out of or in connection with this Deed (including a dispute arising out of or in connection with this Deed) (together referred to as **Proceedings**) against the Issuer in any other court of competent jurisdiction and concurrent Proceedings in any number of jurisdictions

IN WITNESS WHEREOF this Deed has been executed as a deed by the Issuer and the Note Trustee and delivered on the date first stated on page 1.

The Issuer

EXECUTED and DELIVERED as a DEED by)
LOSSE MASTER ISSUER PLC)
acting by two directors)
per pro SFM Directors Limited and)
SFM Directors (No. 2) Limited)

The Note Trustee

EXECUTED and DELIVERED as a DEED by)
LAW DEBENTURE TRUST COMPANY)
OF NEW YORK)
acting by its authorised signatory)



APPENDIX 1
NOTE TRUST DEED

**NOTE TRUST DEED AS SUPPLEMENTED AND AMENDED ON 1
AUGUST 2007, 21 AUGUST 2009 AND 11 MARCH 2010**

DATED 28 NOVEMBER 2006

FOSSE MASTER ISSUER PLC

LAW DEBENTURE TRUST COMPANY OF NEW YORK

relating to a

Residential Mortgage Backed Note Programme

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THIS NOTE TRUST DEED is made on 28 November 2006

BETWEEN:

- (1) **FOSSE MASTER ISSUER PLC** (registered number 5925693) whose registered office is at 35 Great St. Helen's, London, EC3A 6AP (the **Issuer**); and
- (2) **LAW DEBENTURE TRUST COMPANY OF NEW YORK**, acting through its offices at 767 Madison Avenue – 4th Floor, New York, New York 10017 (acting in its capacity as **Note Trustee**, which expression shall include such company and all other persons and companies for the time being acting as note trustee under this Deed).

WHEREAS:

- (A) By a resolution of a duly authorised Board of Directors of the Issuer passed on 20 November 2006, the Issuer has resolved to establish the Programme pursuant to which the Issuer may from time to time issue Notes as set out herein.
- (B) The Note Trustee has agreed to act as trustee of these presents for the benefit of the Noteholders upon and subject to the terms and conditions of these presents.

NOW THIS NOTE TRUST DEED WITNESSES AND IT IS AGREED AND DECLARED:

1. DEFINITIONS

- 1.1 The master definitions and construction schedule signed by, amongst others, Alliance & Leicester plc and dated 28 November 2006 (as the same may be amended, restated, varied, supplemented and/or novated from time to time with the consent of the parties to this Deed, including on 20 December 2007, 23 November 2009 and 11 March 2010) (the **Master Definitions and Construction Schedule**) and the issuer master definitions and construction schedule, signed by, amongst others, the parties to this Deed and dated on 28 November 2006 (as the same may be amended, restated, varied, supplemented and/or novated from time to time with the consent of the parties to this Deed, including on 20 December 2007, 23 November 2009 and 11 March 2010) (the **Issuer Master Definitions and Construction Schedule**) are expressly and specifically incorporated into this Deed and, accordingly, the expressions defined in the Master Definitions and Construction Schedule and the Issuer Master Definitions and Construction Schedule shall, except where the context otherwise requires and save where otherwise defined herein, have the same meanings in this Deed, including the recitals thereto.
- 1.2
 - (a) All references in these presents to interest in respect of the Notes or to any monies payable by the Issuer under these presents shall be deemed to include a reference to any Additional Interest which may be payable under **Condition 4.4** or, if applicable, under any undertaking or covenant given pursuant to **Clause 2.2**.
 - (b) All references in these presents to **£, sterling** or **pounds sterling** shall be construed as references to the lawful currency or currency unit for the time being of the United Kingdom of Great Britain and Northern Ireland. All references to **€, EUR, euro** or **Euro** shall be construed as references to the single currency introduced at the third stage of European Economic and Monetary Union pursuant to the Treaty on the functioning of the European Union, as amended from time to time. All references to **\$, U.S.\$** or **U.S. dollars** shall be construed as references to the lawful currency or currency unit for the time being of the United States of America.

- (c) All references in this Deed to **these presents** means this Deed, the schedules hereto, the Notes, the Conditions, any deed expressed to be supplemental hereto or thereto and the Issuer Deed of Charge and the schedules thereto, all as from time to time supplemented or modified in accordance with the provisions contained in this Deed and/or where applicable, therein contained.
- (d) All references in these presents to guarantees or to an obligation being guaranteed shall be deemed to include respectively references to indemnities or to an indemnity being given in respect thereof.
- (e) All references in these presents to any action, remedy or method of proceeding for the enforcement of the rights of creditors shall be deemed to include, in respect of any jurisdiction other than England, references to such action, remedy or method of proceeding for the enforcement of the rights of creditors available or appropriate in such jurisdiction as shall most nearly approximate to such action, remedy or method of proceeding described or referred to in these presents.
- (f) All references in these presents to taking proceedings against the Issuer shall be deemed to include references to proving in the winding up of the Issuer.
- (g) All references in these presents to DTC, Euroclear and Clearstream, Luxembourg, shall be deemed to include references to any other or additional clearing system as may be approved in writing by the Note Trustee or as may otherwise be specified in the applicable Final Terms.
- (h) Unless the context otherwise requires, words or expressions used in these presents shall bear the same meanings as in the Companies Act 2006.
- (i) Wherever in this Deed there is a requirement for the consent of, or a request from, the Noteholders, then, for so long as any of the Notes is represented by a Global Note registered in the name of DTC or its nominee, DTC may appoint proxies (which it may effect by and under an omnibus proxy or such other form of proxy as it shall designate which may be mailed to the Issuer) in accordance with and in the form used by DTC as part of its usual procedures from time to time. Any proxy so appointed may give the relevant consent or, as the case may be, make the relevant request in accordance with this Deed.

2. COVENANT TO REPAY AND TO PAY INTEREST ON NOTES

- 2.1 The Notes will be issued in Series and Classes in an aggregate nominal amount from time to time and for the purposes of determining such aggregate nominal amount **clause 12** of the Programme Agreement shall apply. Each Series will comprise one or more Class A Notes, Class B Notes, Class M Notes, Class C Notes, Class D Notes and/or Class Z Notes issued on the relevant Closing Date.

By not later than 5.00 p.m. (London time) on the second London Business Day preceding each proposed Closing Date, the Issuer shall deliver or cause to be delivered to the Note Trustee a copy of the applicable Final Terms and drafts of all legal opinions to be given in relation to the relevant Issue and shall notify the Note Trustee in writing without delay of the relevant Closing Date and the nominal amount of the Notes to be issued. Upon the issue and authentication of the relevant Notes, such Notes shall become constituted by these presents without further formality.

Before the first issue of Notes occurring after each anniversary of this Note Trust Deed and on such other occasions as the Note Trustee so requests (on the basis that the Note Trustee considers it necessary in view of a change (or a proposed change which is reasonably likely to result in an actual change) in English law affecting the Issuer, these presents, the Programme Agreement or the Paying

Agent and Agent Bank Agreement or the Note Trustee has other grounds), the Issuer will procure that (a) further legal opinion(s) (relating, if applicable, to any such change or proposed change) in such form and with such content as the Note Trustee may require from the legal advisers specified in the Programme Agreement or such other legal advisers as the Note Trustee may require is/are delivered to the Note Trustee. Whenever such a request is made with respect to any Notes to be issued, the receipt of such opinion in a form satisfactory to the Note Trustee shall be a further condition precedent to the issue of those Notes.

2.2 The Issuer covenants with the Note Trustee that it will, as and when the Notes of any Series and Class or any instalment of principal in respect thereof becomes due to be redeemed, or on such earlier date as the same or any part thereof may become due and repayable thereunder, in accordance with the Conditions, unconditionally pay or procure to be paid to or to the order of the Note Trustee in euro, U.S. dollars or sterling, as applicable, in London or New York City, as applicable, in immediately available funds the principal amount of such Series and Class of the amount of such instalment becoming due for redemption on that date and (except in the case of Zero Coupon Notes) shall in the meantime and until redemption in full of the Notes (both before and after any judgment or other order of a court of competent jurisdiction) unconditionally pay or procure to be paid to or to the order of the Note Trustee as aforesaid interest (which shall accrue from day to day) on the Principal Amount Outstanding of such Series and Class of the Notes outstanding at the rates set out in or (as the case may be) calculated from time to time in accordance with **Condition 4** and on the dates provided for in the Conditions **PROVIDED THAT:**

- (a) every payment of principal or interest in respect of the Notes to or to the account of the Principal Paying Agent, in the manner provided in the Paying Agent and Agent Bank Agreement, shall operate in satisfaction *pro tanto* of the relative covenant by the Issuer in this **Clause 2.2** in relation to such Series and Class of the Notes except to the extent that there is default in the subsequent payment thereof in accordance with the Conditions to the relevant Noteholders;
- (b) in any case where payment of principal is not made to the Note Trustee or the Principal Paying Agent on or before the due date, interest shall continue to accrue on the principal amount of such Series and Class of Notes (except in the case of Zero Coupon Notes) (both before and after any judgment or other order of a court of competent jurisdiction) at the rates aforesaid (or, if higher, the rate of interest on judgment debts for the time being provided by English law) up to and including the date which the Note Trustee determines to be the date on and after which payment is to be made to the Noteholders in respect thereof as stated in a notice given to the Noteholders in accordance with **Condition 14** (such date to be not later than 30 days after the day on which the whole of such principal amount, together with an amount equal to the interest which has accrued and is to accrue pursuant to this proviso up to and including that date, has been received by the Note Trustee or the Principal Paying Agent);
- (c) in any case where payment of the whole or any part of the principal amount of any Note is improperly withheld or refused upon due presentation thereof (other than in circumstances contemplated by proviso (b) above) interest shall accrue on that principal amount of such Series and Class of such Note (except in the case of any Zero Coupon Note) payment of which has been so withheld or refused (both before and after any judgment or other order of a court of competent jurisdiction) at the rates aforesaid (or, if higher, the rate of interest on judgment debts for the time being provided by English law) from and including the date of such withholding or refusal up to and including the date on which, upon further presentation of the relevant Note, payment of the full amount (including interest as aforesaid) in euro, U.S. dollars or sterling, as applicable, payable in respect of such Note is made or (if earlier) the seventh day after notice is given to the relevant Noteholder (either individually or in accordance with **Condition 14** that the full amount (including interest as aforesaid) in euro,

U.S. dollars or sterling, as applicable, payable in respect of such Note is available for payment, provided that, upon further presentation thereof being duly made, such payment is made; and

- (d) notwithstanding any other provision of this Deed, the right of any Noteholder to receive payment of principal and interest on the Notes, on or after the respective due dates expressed in the Notes, or to bring suit for the enforcement of any such payment on or after such respective dates, shall not be impaired or affected without the consent of the Noteholder.

The Issuer shall pay Additional Interest in accordance with **Condition 4.4**.

The Note Trustee will hold the benefit of the covenants contained in this Clause on trust for the Noteholders and itself in accordance with this Deed.

2.3 At any time after a Potential Note Event of Default or a Note Event of Default shall have occurred or the Notes or any of them shall otherwise have become due and repayable or Definitive Notes have not been issued when so required in accordance with this Deed and the relative Global Notes, the Note Trustee may and shall, if directed by an Extraordinary Resolution of the Noteholders and subject to it being indemnified and/or secured to its satisfaction:

- (a) by notice in writing to the Issuer, the Principal Paying Agent, the U.S. Paying Agent, the Transfer Agent and the Registrar require the Principal Paying Agent, the U.S. Paying Agent, the Transfer Agent and the Registrar pursuant to the Paying Agent and Agent Bank Agreement and by notice in writing to the Issuer to:
 - (i) act thereafter as Principal Paying Agent, U.S. Paying Agent, Transfer Agent and Registrar of the Note Trustee in relation to payments to be made by or on behalf of the Note Trustee under the provisions of this Deed *mutatis mutandis* on the terms provided in the Paying Agent and Agent Bank Agreement (save that the Note Trustee's liability under any provisions thereof for the indemnification, remuneration and payment of out-of-pocket expenses of the Paying Agents, the Transfer Agent and the Registrar shall be limited to the amounts for the time being held by the Note Trustee on the trusts of these presents relating to the Notes and available for such purpose) and thereafter to hold all Notes and all sums, documents and records held by them in respect of Notes on behalf of the Note Trustee; or
 - (ii) deliver up all Notes and all sums, documents and records held by them in respect of the Notes to the Note Trustee or as the Note Trustee shall direct in such notice provided that such notice shall be deemed not to apply to any documents or records which the relevant Paying Agent or the Registrar, as the case may be, is obliged not to release by any law or regulation; and/or
- (b) by notice in writing to the Issuer require it to make all subsequent payments in respect of the Notes to or to the order of the Note Trustee and not to the Principal Paying Agent; with effect from the issue of any such notice to the Issuer and until such notice is withdrawn **Clause 2.2(a)** relating to the Notes shall cease to have effect.

2.4 If any Series and Class of Floating Rate Notes become immediately due and repayable under **Condition 10**, the rate and/or amount of interest payable in respect of them will be calculated by the Agent Bank at the same intervals as if such Notes had not become due and repayable, the first of which will commence on the expiry of the Interest Period during which the Notes of the relevant Series and Class become so due and repayable *mutatis mutandis* in accordance with the provisions of **Condition 4** except that the rates of interest need not be published.

- 2.5 All payments in respect of, under and in connection with these presents and Series and Class of the Notes to the relevant Noteholders shall be made in the relevant Specified Currency.
- 2.6 The Issuer shall be at liberty from time to time (but subject always to the provisions of these presents) without the consent of the Noteholders to create and issue Notes having terms and conditions the same as any Series and Class of Notes (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 Notes of a particular Series and Class.
- 2.7 Each Series and Class of the Notes shall form a separate Series or Class and accordingly, unless for any purpose the Note Trustee in its absolute discretion shall otherwise determine, the provisions of this Clause and of **Clauses 3 to 21** (both inclusive) and **Schedule 3 and 6** shall apply *mutatis mutandis* separately and independently to each Series and Class of the Notes and in such Clauses and Schedule the expressions Notes and Noteholders shall (where appropriate) be construed accordingly so that each Series shall be constituted by a separate trust and that, unless expressly provided, events affecting one Series shall not affect any other.

3. FORM AND ISSUE OF NOTES

- 3.1 The Issuer may, without the consent of the Noteholders, raise funds, from time to time, on any date by the creation and issue of a Series comprising one or more Classes of Notes, provided that the following tests and conditions (the **Issuance Tests**) are satisfied:
- (a) there shall be no debit balance on the Funding 1 Principal Deficiency Ledger (other than on the NR Principal Deficiency Sub-Ledger) which shall not be cured on the next Funding 1 Interest Payment Date;
 - (b) no Note Event of Default shall have occurred which is continuing as at the applicable Closing Date or will occur as a consequence of such issuance;
 - (c) no Note Acceleration Notice as at the applicable Closing Date has been served on the Issuer;
 - (d) no Intercompany Loan Acceleration Notice has as at the applicable Closing Date been served on Funding 1;
 - (e) the General Reserve Fund is as at the applicable Closing Date funded up to the General Required Reserve Amount;
 - (f) the Liquidity Reserve Fund (if applicable) is fully funded up to the Liquidity Reserve Fund Required Amount;
 - (g) each of the applicable Transaction Documents has been executed by the relevant parties to those documents;
 - (h) the Issuer delivers a solvency certificate to the Note Trustee on the applicable Closing Date;
 - (i) the Rating Agencies have provided written confirmation that (i) such Series of Notes have been assigned the required note issuance ratings and (ii) their ratings of the notes then outstanding will not be reduced, qualified or withdrawn as a consequence of such issuance;
 - (j) on the applicable Closing Date and after giving effect to the issuance of such Series of Notes on such Closing Date, the Class A Available Subordinated Amount is equal to or greater than the Class A Required Subordinated Amount;

- (k) on the applicable Closing Date and after giving effect to the issuance of such Series of Notes on such Closing Date, the Class B Available Subordinated Amount is equal to or greater than the Class B Required Subordinated Amount;
 - (l) on the applicable Closing Date and after giving effect to the issuance of such Series of Notes on such Closing Date, the Class M Available Subordinated Amount is equal to or greater than the Class M Required Subordinated Amount;
 - (m) on the applicable Closing Date and after giving effect to the issuance of such Series of Notes on such Closing Date, the Class C Available Subordinated Amount is equal to or greater than the Class C Required Subordinated Amount; and
 - (n) on the applicable Closing Date and after giving effect to the issuance of such Series of Notes on such Closing Date, the Class D Available Subordinated Amount is equal to or greater than the Class D Required Subordinated Amount.
- 3.2 (a) Each Series and Class of the Rule 144A Notes will be initially offered and sold in the United States to qualified institutional buyers (as defined in Rule 144A under the Securities Act (**Rule 144A**)) in reliance on Rule 144A. Each Series and Class of Rule 144A Notes will initially be represented by a Rule 144A Global Note in registered form, in each case without coupons or talons attached and which, in aggregate, will represent the aggregate Principal Amount Outstanding of such Rule 144A Notes.
- (b) Each Series and Class of the Reg S Notes will be initially offered and sold outside the United States to non-U.S. persons in reliance on Regulation S (**Reg S**) under the Securities Act. Each Series and Class of Reg S Notes will initially be represented by a Reg S Global Note in registered form, in each case without coupons or talons attached and which, in aggregate, will represent the aggregate Principal Amount Outstanding of such Reg S Notes.
- 3.3 The Global Notes shall be printed or typed in, or substantially in, the form set out in **Schedule 1** and may be executed in facsimile, which the Issuer shall deposit with the DTC Custodian or the Common Depositary, as the case may be. Each Global Note shall represent such of the outstanding Notes of the relevant Series and Class as shall be specified therein and each shall provide that it shall represent the aggregate Principal Amount Outstanding of the relevant Series and Class of Notes from time to time endorsed thereon and that the aggregate Principal Amount Outstanding of the Notes represented thereby may from time to time be reduced or increased, as appropriate, to reflect exchanges, redemptions, purchases and transfers of interests therein in accordance with the terms of this Deed and the Paying Agent and Agent Bank Agreement. Any endorsement of a Global Note to reflect the amount of any increase or decrease in the Principal Amount Outstanding of any Series and Class of Notes represented thereby shall be made by the Registrar in accordance with **Clause 5**. Title to the Global Notes shall pass by and upon the registration in the Register in respect thereof in accordance with the provisions of these presents. The Global Notes shall be issuable only in registered form without coupons or talons attached and signed manually by a person duly authorised by the Issuer on behalf of the Issuer and shall be authenticated by or on behalf of the Registrar. The Global Notes so executed and authenticated shall be binding and valid obligations of the Issuer, notwithstanding that such duly authorised person no longer holds that office at the time the Registrar authenticates the relevant Global Note.
- 3.4 The Global Notes shall be issued by the Issuer to Cede & Co., as nominee for DTC, in respect of each Rule 144A Global Note and to Citivic Nominees Limited, as nominee for the Common Depositary, in respect of each Reg S Global Note, on terms that the DTC Custodian and the Common Depositary shall, respectively, hold the same for the account of the persons who would otherwise be entitled to receive the Definitive Notes and the successors in title to such persons appearing in the records of DTC, Euroclear and Clearstream, Luxembourg for the time being. Upon

the issuance of each such Global Notes, DTC, Euroclear and Clearstream, Luxembourg shall credit, on their respective internal book-entry registration and transfer systems, the accounts of holders of Book-Entry Interests with the respective interests owned by such Noteholders.

- 3.5 The provisions of the Applicable Procedures of the Euroclear System and Terms and Conditions Governing Use of Euroclear and the General Terms and Conditions of Clearstream, Luxembourg and Customer Handbook of Clearstream, Luxembourg shall be applicable to interests in the Reg S Global Notes that are held through Euroclear and Clearstream, Luxembourg.
- 3.6 The Issuer shall issue Definitive Notes only if any of the following applies while any Series and Class of Notes are represented by a Global Note at any time after the fortieth day following the later of the date of the issue of such Global Note and the commencement of the offering of the relevant Notes:
- (a) (in the case of any Rule 144A Global Notes) DTC has notified the Issuer that it is at any time unwilling or unable to continue as depository with respect to such Rule 144A Global Notes or is at any time unwilling or unable to continue as, or ceases to be, a clearing agency registered under the Exchange Act, and a successor to DTC registered as a clearing agency under the Exchange Act is not able to be appointed by the Issuer within 90 days of such notification, or (in the case of the Reg S Global Notes) both Euroclear and Clearstream, Luxembourg are closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announce an intention permanently to cease business and do so cease to do business and no alternative clearing system satisfactory to the Note Trustee is available; or
 - (b) as a result of any amendment to, or change in, the laws or regulations of the United Kingdom (or of any political sub-division thereof) or of any authority therein or thereof having power to tax or in the interpretation or administration by a revenue authority or a court or administration of such laws or regulations which becomes effective on or after the date of issue of such Global Note, the Issuer or any Paying Agent is or will be required to make any deduction or withholding from any payment in respect of such Notes which would not be required were the Notes in definitive form.

If required by this **Clause 3.6**, the Issuer shall, at its sole cost and expense within 30 days of the occurrence of the relevant event, issue Definitive Notes of the same Class as the Series and Class of Notes represented by the relevant Global Note in exchange for the whole (or the remaining part(s) outstanding) of the relevant Global Note. If Definitive Notes are issued, the beneficial interests represented by the Reg S Global Notes of each Series and Class shall be exchanged by the Issuer for Definitive Notes of that Series and Class (such exchanged Reg S Global Notes, the **Reg S Definitive Notes**) and the beneficial interests represented by the Rule 144A Global Note of each Series and Class shall be exchanged by the Issuer for Definitive Notes of that Series and Class (such exchanged Rule 144A Notes, the **Rule 144A Definitive Notes**).

- 3.7 The Definitive Notes shall be printed or typed in, or substantially in, the form set out in **Schedule 2** in the denomination and transferable in units specified for such Notes in the applicable Final Terms, shall be serially numbered and shall be endorsed with a form of transfer in the form or substantially in the form also set out in **Schedule 2**. Title to the Definitive Notes shall pass by and upon the registration in the Register in respect thereof in accordance with the provisions of these presents. The Definitive Notes shall be issuable only in registered form without coupons or talons attached and signed manually or in facsimile by a person duly authorised by or on behalf of the Issuer and shall be authenticated by or on behalf of the Registrar. Each Note so executed and authenticated shall be a binding and valid obligation of the Issuer notwithstanding that such duly authorised person (for whatever reason) no longer holds that office at the time the Registrar authenticates the Note.

- 3.8 If the Issuer is obliged to issue or procure the issue of any Definitive Notes pursuant to **Clause 3.6** but fails to do so within 30 days of the occurrence of the relevant event described in **Clause 3.6**, then the Issuer shall indemnify the Note Trustee, the registered holder of the relevant Global Note(s) and the relevant Noteholders and keep them indemnified against any and all loss or damage incurred by any of them if the amount received by the Note Trustee, the registered holder of such Global Note(s) or the relevant Noteholders in respect of the Notes is less than the amount that would have been received had Definitive Notes been issued in accordance with **Clause 3.6**. If and for so long as the Issuer discharges its obligations under this indemnity, the breach by the Issuer of the provisions of **Clause 3.6** shall be deemed to be cured *ab initio*.

4. **REPLACEMENT OF NOTES**

If a mutilated or defaced Global Note or Definitive Note is surrendered to the Registrar or Transfer Agent or if a Noteholder claims that a Global Note or Definitive Note has been lost, stolen or destroyed, the Issuer shall issue, and the Registrar shall authenticate, a replacement Global Note or Definitive Note, respectively, on receipt of satisfactory evidence in accordance with **Condition 13**. An indemnity for an amount sufficient in the judgement of the Issuer and the Registrar to protect the Issuer and the Registrar from any loss which any of them may suffer if a Global Note or a Definitive Note is replaced may be required by the Issuer and the Registrar. The Issuer may charge such Noteholder for its costs in replacing such Note.

5. **REGISTER, TRANSFER AND EXCHANGE OF NOTES**

5.1 **Transfer and Exchange of Global Notes**

Notwithstanding any other provisions of this Note Trust Deed or the Notes, transfers and exchanges of interests in Global Notes shall be made only in accordance with the following provisions:

- (a) **Transfers from a Rule 144A Global Note to a Reg S Global Note.** If the holder of a beneficial interest in a Rule 144A Global Note of one Series or Class wishes at any time to transfer such interest to a person who wishes to take delivery thereof in the form of a beneficial interest in the Reg S Global Note of the same Series and Class such transfer may be effected, subject to the rules and procedures of DTC, Euroclear and Clearstream, Luxembourg, to the extent applicable (the **Applicable Procedures**) by the transferor giving a certificate to the Registrar in, or substantially in, the form set out in **Schedule 3** hereto. Upon receipt by the Registrar of the relevant certificate given by the transferor, the Registrar shall present the Global Notes of the relevant Series and Class to, or to the order of, the relevant Paying Agent which shall reduce the Principal Amount Outstanding of such Rule 144A Global Note and increase the Principal Amount Outstanding of the corresponding Reg S Global Note by the principal amount of the beneficial interest in such Rule 144A Global Note to be transferred, by annotation thereon.
- (b) **Transfers from a Reg S Global Note to a Rule 144A Global Note during the Distribution Compliance Period.** If the holder of a beneficial interest in a Reg S Global Note of one Series and Class wishes at any time during the Distribution Compliance Period to transfer such interest to a person who wishes to take delivery thereof in the form of a beneficial interest in the Rule 144A Global Note of the same Series and Class, such transfer may be effected, subject to the Applicable Procedures, by the transferor giving a certificate to the Registrar in, or substantially in, the form set out in **Schedule 4** hereto. Upon receipt by the Registrar of the relevant certificate given by the transferor, the Registrar shall present the Global Note of the relevant Series and Class to, or to the order of, the relevant Paying Agent which shall reduce the Principal Amount Outstanding of such Reg S Global Note and increase the Principal Amount Outstanding of such Rule 144A Global Note by the principal

amount of the beneficial interest in such Reg S Global Note to be so transferred, by annotation thereon.

- (c) **Transfers from a Reg S Global Note to a Rule 144A Global Note after the Distribution Compliance Period.** If the holder of a beneficial interest in a Reg S Global Note of one Series and Class wishes at any time after the Distribution Compliance Period to transfer such interest to a person who wishes to take delivery thereof in the form of a beneficial interest in the Rule 144A Global Note of the same Series and Class, such transfer may be effected subject only to the Applicable Procedures. The Registrar shall present the Global Note of the relevant Series and Class to, or to the order of, the relevant Paying Agent which shall reduce the Principal Amount Outstanding of such Reg S Global Note and increase the Principal Amount Outstanding of such Rule 144A Global Note by the principal amount of the beneficial interest in such Reg S Global Note to be so transferred, by annotation thereon.
- (d) **Exchanges of a Rule 144A Global Note for a Reg S Global Note.** If the holder of a beneficial interest in a Rule 144A Global Note of one Series and Class wishes at any time to exchange such interest for a beneficial interest in the Reg S Global Note of the same Series and Class, such exchange may be effected, subject to the Applicable Procedures, by the transferor giving a certificate to the Registrar in, or substantially in, the form set out in **Schedule 3** hereto. Upon receipt by the Registrar of the relevant certificate given by the holder of the beneficial interest, the Registrar shall present the Global Note of the relevant Series and Class to, or to the order of, the relevant Paying Agent which shall reduce the Principal Amount Outstanding of such Rule 144A Global Note and increase the Principal Amount Outstanding of the corresponding Reg S Global Note by the principal amount of the beneficial interest in such Rule 144A Global Note to be so exchanged, by annotation thereon.
- (e) **Exchanges of a Reg S Global Note for a Rule 144A Global Note.** If the holder of a beneficial interest in a Reg S Global Note of one Series and Class wishes at any time to exchange such interest for a beneficial interest in the Rule 144A Global Note of the same Series and Class, such exchange may be effected, subject to the Applicable Procedures, by the transferor giving a certificate to the Registrar in, or substantially in, the form set out in **Schedule 4** hereto. Upon receipt by the Registrar of the relevant certificate given by the holder of the beneficial interest, the Registrar shall present the Global Note of the relevant Series and Class to, or to the order of, the relevant Paying Agent which shall reduce the Principal Amount Outstanding of such Reg S Global Note and increase the Principal Amount Outstanding of the corresponding Rule 144A Global Note by the principal amount of the beneficial interest in such Reg S Global Note to be so exchanged, by annotation thereon.

5.2 Transfer and Exchange of Book-Entry Interests

The transfer and exchange of Book-Entry Interests shall be effected through DTC, Euroclear and/or Clearstream, Luxembourg, as the case may be, in accordance with these presents, the Paying Agent and Agent Bank Agreement and the procedures therefor of DTC, Euroclear and/or Clearstream, Luxembourg, as the case may be. Book-Entry Interests shall be subject to restrictions on transfer comparable to those set forth herein and in the Paying Agent and Agent Bank Agreement to the extent required by the Securities Act. The Note Trustee shall have no obligation to ascertain or to monitor DTC's, Euroclear's or Clearstream, Luxembourg's compliance with any such restrictions on transfer nor shall it have any liabilities to any person for not so doing.

5.3 Transfer of Definitive Notes

Definitive Notes may be transferred in whole or in part in the principal amount specified in the applicable Final Terms or, in each case, in such other denominations as the Note Trustee shall determine and notify to the relevant Noteholders. When Definitive Notes are presented by a Noteholder to the Registrar with a request to register the transfer of such Definitive Notes, the Registrar shall register the transfer as requested only if such Definitive Notes are presented or surrendered for registration of transfer and are endorsed or accompanied by a written instrument of transfer in form satisfactory to the Registrar duly executed by such Noteholder or by his attorney duly authorised in writing and upon receipt of such certificates and other documents as shall be necessary to evidence compliance with the restrictions on transfer contained in this Deed and in the Paying Agent and Agent Bank Agreement. Thereupon, the Registrar shall request the Issuer to issue and the Registrar shall itself authenticate new Definitive Notes required to be issued in connection with such transfer. In the case of a transfer of part only of such Definitive Note, a new Definitive Note in respect of the balance not transferred will be issued to the transferor. All transfers of Definitive Notes are subject to any restrictions on transfer set forth on such Definitive Notes and the detailed regulations concerning transfers in the Paying Agent and Agent Bank Agreement.

5.4 Rule 144A Legend

Each Rule 144A Global Note and each Rule 144A Definitive Note issued in exchange therefore shall bear a legend in substantially the following form:

"THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE **SECURITIES ACT**), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF, THE HOLDER (A) REPRESENTS THAT IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) PURCHASING THE SECURITIES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QUALIFIED INSTITUTIONAL BUYERS; (B) AGREES THAT IT WILL NOT RESELL OR OTHERWISE TRANSFER THE SECURITIES EXCEPT IN ACCORDANCE WITH THE SUBSCRIPTION AGREEMENT AND, PRIOR TO THE DATE WHICH IS ONE YEAR AFTER THE LATER OF THE LAST ISSUE DATE FOR THE SERIES AND THE LAST DATE ON WHICH THE ISSUER OR AN AFFILIATE OF THE ISSUER WAS THE OWNER OF SUCH SECURITIES OTHER THAN (1) TO THE ISSUER OR ANY AFFILIATE THEREOF, (2) INSIDE THE UNITED STATES TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (3) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 903 OR RULE 904 UNDER THE SECURITIES ACT, (4) PURSUANT TO THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE) OR (5) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES AND ANY OTHER JURISDICTION; (C) WITH RESPECT TO THE NOTES SPECIFIED IN THE APPLICABLE FINAL TERMS TO BE ERISA-ELIGIBLE, AGREES FOR THE BENEFIT OF THE ISSUER AND THE MANAGERS OF THE OFFERING OF THE NOTES OUTSIDE THE UNITED STATES THAT IT WILL OFFER, RESELL, PLEDGE OR OTHERWISE TRANSFER THIS NOTE, ONLY TO A PURCHASER WITH RESPECT TO WHOM (X) NO PART OF THE ASSETS USED TO PURCHASE THIS NOTE CONSTITUTES ASSETS OF ANY EMPLOYEE BENEFIT PLAN, OTHER PLAN OR

INDIVIDUAL RETIREMENT ACCOUNT SUBJECT TO TITLE I OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED (ERISA), OR SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE CODE) OR A GOVERNMENTAL, CHURCH OR FOREIGN PLAN SUBJECT TO FEDERAL, STATE OR FOREIGN LAWS SUBSTANTIALLY SIMILAR TO SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE (**SIMILAR LAW**), OR (Y) PART OR ALL OF THE ASSETS USED TO PURCHASE THIS NOTE CONSTITUTE ASSETS OF AN EMPLOYEE BENEFIT PLAN, OTHER PLAN OR INDIVIDUAL RETIREMENT ACCOUNT SUBJECT TO TITLE I OF ERISA OR SECTION 4975 OF THE CODE OR A GOVERNMENTAL, CHURCH OR FOREIGN PLAN IF AND ONLY IF THE USE OF SUCH ASSETS WILL NOT CONSTITUTE, CAUSE OR RESULT IN THE OCCURRENCE OF A NON-EXEMPT PROHIBITED TRANSACTION UNDER ERISA OR SECTION 4975 OF THE CODE OR A VIOLATION OF ANY SIMILAR LAW PROVIDED THAT THE AGREEMENT OF THE HOLDER HEREOF IS SUBJECT TO ANY REQUIREMENT OF LAW THAT THE DISPOSITION OF THE PURCHASER'S PROPERTY SHALL AT ALL TIMES BE AND REMAIN WITHIN ITS CONTROL. IF THE NOTE REPRESENTED HEREBY IS NOT SPECIFIED IN THE APPLICABLE FINAL TERMS AS ERISA-ELIGIBLE, THE HOLDER HEREOF, BY PURCHASING OR ACCEPTING THIS NOTE, AGREES FOR THE BENEFIT OF THE ISSUER AND THE MANAGERS OF THE OFFERING OF THE NOTES THAT NO PART OF THE ASSETS USED TO PURCHASE THIS NOTE CONSTITUTES ASSETS OF ANY EMPLOYEE BENEFIT PLAN, OTHER PLAN OR INDIVIDUAL RETIREMENT ACCOUNT SUBJECT TO TITLE I OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED, OR SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED; AND (D) AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.

THIS NOTE AND RELATED DOCUMENTATION MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME TO MODIFY THE RESTRICTIONS ON AND PROCEDURES UNDERTAKEN OR REPRESENTED BY THE HOLDER, FOR RESALES AND OTHER TRANSFERS OF THIS NOTE TO REFLECT ANY CHANGE IN APPLICABLE LAW OR REGULATION (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO RESALES OR OTHER TRANSFERS OR RESTRICTED SECURITIES GENERALLY. THE HOLDER OF THIS NOTE AND ANY BENEFICIAL OWNER OF ANY INTEREST HEREIN SHALL BE DEEMED, BY ITS ACCEPTANCE OR PURCHASE HEREOF, TO HAVE AGREED TO ANY SUCH AMENDMENT OR SUPPLEMENT (EACH OF WHICH SHALL BE CONCLUSIVE AND BINDING ON THE HOLDER HEREOF AND ALL FUTURE HOLDERS OF THIS NOTE AND ANY NOTES ISSUED IN EXCHANGE OR SUBSTITUTION HEREFOR, WHETHER OR NOT ANY NOTATION THEREOF IS MADE HEREON) AND AGREES TO TRANSFER THIS NOTE ONLY IN ACCORDANCE WITH ANY SUCH AMENDMENT OR SUPPLEMENT IN ACCORDANCE WITH APPLICABLE LAW IN EFFECT AT THE DATE OF SUCH TRANSFER. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT FOR RESALES OF THIS NOTE"

5.5 Regulation S Legend

Each Reg S Global Note and each Reg S Definitive Note issued in exchange therefore shall bear a legend in substantially the following form:

"THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE SECURITIES ACT), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND, AS A MATTER OF U.S. LAW (1) AS PART OF THEIR DISTRIBUTION AT ANY TIME OR (2) PRIOR TO THE DATE

THAT IS 40 DAYS AFTER THE LATER OF THE COMMENCEMENT OF THE OFFERING OF THE NOTES AND THE CLOSING DATE, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, A U.S. PERSON (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT) EXCEPT PURSUANT TO AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. THE HOLDER HEREOF, BY PURCHASING OR ACCEPTING THIS NOTE, AGREES FOR THE BENEFIT OF THE ISSUER AND THE MANAGERS OF THE OFFERING OF THE NOTES OUTSIDE THE UNITED STATES THAT NO PART OF THE ASSETS USED TO PURCHASE THIS NOTE CONSTITUTES ASSETS OF ANY EMPLOYEE BENEFIT PLAN, OTHER PLAN OR INDIVIDUAL RETIREMENT ACCOUNT SUBJECT TO TITLE I OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED, OR SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED."

5.6 Cancellation and/or Adjustment of Global Notes

At such time as all Book-Entry Interests in respect of a Global Note have been exchanged for Definitive Notes, such Global Note shall be returned to or retained and cancelled by the Registrar as set out in the Paying Agent and Agent Bank Agreement. At any time prior to such cancellation, if any Book-Entry Interest is exchanged for an interest in another Global Note, the principal amount of Notes represented by such Global Note shall be reduced accordingly and an endorsement shall be made on such Global Note by the Registrar to reflect such reduction.

5.7 General Provisions Relating to all Transfers and Exchanges

- (a) To permit registrations of transfers and exchanges of Notes, the Issuer shall execute and the Registrar shall authenticate Global Notes and Definitive Notes upon a written order signed by an officer of the Issuer.
- (b) No service fee shall be charged to a Noteholder for any registration of a Definitive Note on transfer or exchange but the Issuer may require payment of a sum sufficient to cover any stamp or transfer tax or similar governmental charge payable in connection therewith (other than any such stamp or transfer taxes or similar governmental charge payable upon exchange or transfer pursuant to **Condition 13**) and the Registrar may require an indemnity in respect of such tax or charge.
- (c) All Global Notes and Definitive Notes issued upon any registration of transfer or exchange of Global Notes or Definitive Notes shall be the valid obligations of the Issuer, evidencing the same debt and entitled to the same benefits under this Deed, as the Global Notes or Definitive Notes surrendered upon such registration of transfer or exchange.

5.8 Register of Notes

The Issuer shall at all times ensure that the Registrar maintains in London, or at such other place as the Note Trustee may agree in writing, a register (the **Register**) in respect of the Notes showing the amount of the Global Notes or Definitive Notes, as the case may be, from time to time outstanding and the dates of issue and all subsequent transfers and changes of ownership thereof and the names and addresses of the holders of the Global Notes or the Definitive Notes. Subject to and without prejudice to **Clause 1.2(i)**, so long as DTC or its nominee, or the Common Depositary or its nominee, is the registered holder of a Global Note, DTC or the Common Depositary, as the case may be, will be considered the sole registered holder of such Global Note for all purposes under this Note Trust Deed. Each Note, whether in global or definitive form, shall have an identifying serial number which shall be entered on the Register. The Note Trustee and the holders of such Notes or any of

them and any person authorised by it or any of them may at all reasonable times during office hours inspect the Register and take copies of or extracts from it.

6. FEES, DUTIES AND TAXES

- (a) The Issuer will pay any stamp duty, issue, registration, documentary or other taxes of a similar nature and duties payable in the United Kingdom, Belgium, Luxembourg or the United States, including interest and penalties, on or in connection with (a) the execution and delivery of these presents and the Issuer Transaction Documents to which it is a party and any documents executed pursuant thereto, (b) the constitution and original issue of the Notes and (c) any action in any jurisdiction taken by or on behalf of the Note Trustee or the Issuer Security Trustee or (where permitted under these presents so to do) any Noteholder to enforce the Notes.
- (b) The Issuer hereby confirms that the obtaining of a tax advantage (as defined in section 840ZA ICTA) for any person is not the main or one of the main purposes of the Issuer for entering into the Issuer Transaction Documents to which it is a party.

7. APPLICATION OF MONEYS RECEIVED BY THE TRUSTEE

If, any moneys are received by the Note Trustee, such sums shall be applied in accordance with the Issuer Priority of Payments set forth in the Issuer Deed of Charge or the Issuer Cash Management Agreement (as the case maybe).

8. COVENANT OF COMPLIANCE

The Issuer covenants with the Note Trustee that it will comply with and perform and observe all the provisions of these presents, the Notes, the Issuer Deed of Charge, the Paying Agent and Agent Bank Agreement and the documents executed pursuant thereto and the other Issuer Transaction Documents which are expressed to be binding on it. The Conditions shall be binding on the Issuer, the Noteholders, the Note Trustee and all persons claiming through or under any of them. The Note Trustee shall be entitled to enforce the obligations of the Issuer under the Notes and the Conditions and to exercise any other rights, powers, trusts, authorities, duties and discretions conferred upon the Note Trustee in the Conditions as if the same were set out and contained in this Deed, which shall be read and construed as one document with the Notes. The Note Trustee shall hold the benefit of this covenant upon trust for itself and the Noteholders according to its and their respective interests. The provisions of **Schedule 3** and **Schedule 4** shall have effect in the same manner as if herein set forth.

9. CANCELLATION OF NOTES AND RECORDS

- 9.1 The Issuer shall procure that all Notes (a) redeemed, (b) being mutilated or defaced, surrendered and replaced pursuant to **Condition 13** or (c) exchanged as provided in these presents shall forthwith be cancelled by or on behalf of the Issuer and a certificate stating:
 - (a) the aggregate principal amount of Notes which have been redeemed;
 - (b) the serial numbers of Notes of each Class so redeemed;
 - (c) the aggregate amount of interest paid (and the due dates of such payments) on Notes of each Series and Class; and
 - (d) the aggregate principal amounts of Notes of each Series and Class which have been so exchanged and replaced and the serial numbers of such Notes in definitive form,

shall be given to the Note Trustee by or on behalf of the Issuer as soon as possible and in any event within four months after the date of such redemption, purchase, cancellation, exchange or replacement, as the case may be. The Note Trustee may accept without further investigation or inquiry such certificate as conclusive evidence of such redemption, purchase, exchange or replacement *pro tanto* of the Notes or payment of interest thereon and of cancellation of the relative Notes.

- 9.2 The Issuer shall procure that the Registrar shall keep a full and complete record of all Notes and of their redemption, cancellation, payment or exchange (as the case may be) and of all replacement Notes issued in substitution for lost, stolen, mutilated, defaced or destroyed Notes. The Issuer shall procure that the Registrar shall at all reasonable times make such record available to the Issuer and the Note Trustee.
- 9.3 All records and certificates maintained pursuant to this Clause shall make a distinction between Definitive Notes and Global Notes.

10. ENFORCEMENT

- 10.1 The Note Trustee may, at its discretion and without notice at any time and from time to time, take such steps and institute such proceedings against the Issuer or any other person as it may think fit to enforce the provisions of the Notes, this Note Trust Deed (including the Conditions) or any of the other Transaction Documents to which it is a party and the Note Trustee may, at its discretion at any time after the Issuer Security has become enforceable (including after the service of a Note Acceleration Notice in accordance with **Condition 9**), instruct the Issuer Security Trustee to take such steps as it may think fit to enforce the Issuer Security. The Note Trustee shall not be bound to take such steps or institute such proceedings or give such instructions except as provided in **Condition 10.1**.
- 10.2 Unless the contrary be proved to the satisfaction of the Note Trustee, proof that as regards any specified Note the Issuer has made default in paying any amount due in respect of such Note shall be sufficient evidence that the same default has been made as regards all other Notes in respect of which the relevant amount is due and payable.
- 10.3 References in **Clauses 2.2(b)** and **2.2(c)** or the provisions of any trust deed supplemental to this Deed corresponding to **Clauses 2.2(b)** and **2.2(c)** to the rates aforesaid shall, in the event of such Notes having become due and repayable, with effect from the expiry of the Interest Period during which such Notes become due and repayable, be construed as references to rates of interest calculated *mutatis mutandis* in accordance with the Conditions except that no notices need be published in respect thereof.

11. PROCEEDINGS, ACTIONS AND INDEMNIFICATION

- 11.1 The Note Trustee shall not be bound to take any proceedings or give any directions mentioned in **Clause 10.1** or any other action in relation to these presents, the Notes or any documents executed pursuant thereto or any of the other Transaction Documents unless (a) respectively directed or requested to do so by an Extraordinary Resolution of the Class A Noteholders, the Class B Noteholders, the Class M Noteholders, the Class C Noteholders, the Class D Noteholders or the Class Z Noteholders, as the case may be, or in writing by the holders of at least one-quarter in aggregate Principal Amount Outstanding of the Class A Notes, the Class B Notes, the Class M Notes, the Class C Notes, the Class D Notes or the Class Z Notes, as the case may be, for the time being, outstanding and (b) it shall be indemnified and/or secured to its satisfaction against all liabilities, actions, proceedings, claims and demands to which it may be or become liable and all costs, charges, damages and expenses which may be incurred by it in connection therewith, and the terms of such

indemnity may include the provisions of a fighting fund, non-recourse loan or other similar arrangement **PROVIDED THAT:**

- (a) the Note Trustee shall not be obliged to act at the direction or request of the Class B Noteholders as aforesaid unless either the Note Trustee is of the sole opinion that to do so would not be materially prejudicial to the interests of the Class A Noteholders or such action is sanctioned by an Extraordinary Resolution of the Class A Noteholders;
- (b) the Note Trustee shall not be obliged to act at the direction or request of the Class M Noteholders as aforesaid unless (i) either the Note Trustee is of the sole opinion that to do so would not be materially prejudicial to the interests of the Class A Noteholders or such action is sanctioned by an Extraordinary Resolution of the Class A Noteholders and (ii) either the Note Trustee is of the sole opinion that to do so would not be materially prejudicial to the interests of the Class B Noteholders or such action is sanctioned by an Extraordinary Resolution of the Class B Noteholders;
- (c) the Note Trustee shall not be obliged to act at the direction or request of the Class C Noteholders as aforesaid unless (i) either the Note Trustee is of the sole opinion that to do so would not be materially prejudicial to the interests of the Class A Noteholders or such action is sanctioned by an Extraordinary Resolution of the Class A Noteholders; (ii) either the Note Trustee is of the sole opinion that to do so would not be materially prejudicial to the interests of the Class B Noteholders or such action is sanctioned by an Extraordinary Resolution of the Class B Noteholders; and (iii) either the Note Trustee is of the sole opinion that to do so would not be materially prejudicial to the interests of the Class M Noteholders or such action is sanctioned by an Extraordinary Resolution of the Class M Noteholders;
- (d) the Note Trustee shall not be obliged to act at the direction or request of the Class D Noteholders as aforesaid unless (i) either the Note Trustee is of the sole opinion that to do so would not be materially prejudicial to the interests of the Class A Noteholders or such action is sanctioned by an Extraordinary Resolution of the Class A Noteholders; (ii) either the Note Trustee is of the sole opinion that to do so would not be materially prejudicial to the interests of the Class B Noteholders or such action is sanctioned by an Extraordinary Resolution of the Class B Noteholders; (iii) either the Note Trustee is of the sole opinion that to do so would not be materially prejudicial to the interests of the Class M Noteholders or such action is sanctioned by an Extraordinary Resolution of the Class M Noteholders; and (iv) either the Note Trustee is of the sole opinion that to do so would not be materially prejudicial to the interests of the Class C Noteholders or such action is sanctioned by an Extraordinary Resolution of the Class C Noteholders;
- (e) the Note Trustee shall not be obliged to act at the direction or request of the Class Z Noteholders as aforesaid unless (i) either the Note Trustee is of the sole opinion that to do so would not be materially prejudicial to the interests of the Class A Noteholders or such action is sanctioned by an Extraordinary Resolution of the Class A Noteholders; (ii) either the Note Trustee is of the sole opinion that to do so would not be materially prejudicial to the interests of the Class B Noteholders or such action is sanctioned by an Extraordinary Resolution of the Class B Noteholders; (iii) either the Note Trustee is of the sole opinion that to do so would not be materially prejudicial to the interests of the Class M Noteholders or such action is sanctioned by an Extraordinary Resolution of the Class M Noteholders; (iv) either the Note Trustee is of the sole opinion that to do so would not be materially prejudicial to the interests of the Class C Noteholders or such action is sanctioned by an Extraordinary Resolution of the Class C Noteholders; and (v) either the Note Trustee is of the sole opinion that to do so would not be materially prejudicial to the interests of the Class D Noteholders or such action is sanctioned by an Extraordinary Resolution of the Class D Noteholders; and

- (f) the Note Trustee shall only be obliged to give a Note Acceleration Notice at the direction or request of the most senior class of Noteholders as aforesaid.

11.2 Save as provided below, only the Note Trustee may enforce the provisions of these presents, the Conditions or the Notes. No Noteholder shall be entitled to proceed directly against the Issuer or any other party to any of the Issuer Transaction Documents unless the Note Trustee, having become bound as aforesaid to institute proceedings, fails to do so within 30 days of becoming so bound and such failure is continuing, provided that no Class B Noteholder, Class M Noteholder, Class C Noteholder, Class D Noteholder or Class Z Noteholder will be entitled to commence proceedings for the winding up or administration of the Issuer unless there are no outstanding Notes of a Class with higher priority or, if Notes of a Class with higher priority are outstanding, there is consent of Noteholders of not less than one quarter of the aggregate principal amount of the Notes outstanding of the Class or Classes of Notes with higher priority or pursuant to an Extraordinary Resolution of the Holders of such Class or Classes of Notes.

12. DISCHARGE OF PAYMENT

Any payment to be made in respect of the Notes by the Issuer or the Note Trustee may be made in accordance with the Conditions and any payment so made shall be a good discharge of the relevant payment obligation of the Issuer or, as the case may be, the Note Trustee.

13. PARTIAL PAYMENTS

Upon presentation and surrender to the Registrar of a Definitive Note that is redeemed in part, the Registrar shall authenticate for the holder a new Definitive Note equal in principal amount to the principal amount of the unredeemed portion of the Definitive Note surrendered. Upon presentation of a Global Note that is redeemed in part, the Registrar shall make a notation on **Part I** of the Schedule thereto to reduce the aggregate principal amount of such Global Note to an amount equal to the aggregate principal amount of the unredeemed portion of the Global Note presented.

14. COVENANTS BY THE ISSUER

So long as any of the Notes remains outstanding the Issuer covenants with the Note Trustee that it shall:

- (a) **Conduct:** at all times carry on and conduct its affairs in a proper and efficient manner and in accordance with its constitutive documents and all laws and regulations applicable to it;
- (b) **Information:** give or procure to be given to the Note Trustee such opinions, certificates, information and evidence as the Note Trustee shall require and in such form as it shall require, including without limitation the procurement by the Issuer of all such certificates called for by the Note Trustee pursuant to this Deed or any other Transaction Document to which it is a party for the purpose of the discharge or exercise of the duties, trusts, powers, authorities and discretions vested in it under these presents or by operation of law;
- (c) **Accounts for Stock Exchange:** cause to be prepared and certified by the Auditors of the Issuer in respect of each Financial Period, accounts in such form as will comply with all relevant legal and accounting requirements and all requirements for the time being of any stock exchange, competent listing authority and/or quotation system on or by which the Notes are listed, quoted and/or traded;
- (d) **Books and Records:** at all times keep proper books of account and allow the Note Trustee and any person appointed by the Note Trustee free access to such books of account at all reasonable times during normal business hours;

- (e) **Noteholder Information:** send to the Note Trustee (in addition to any copies to which it may be entitled as a holder of any securities of the Issuer) two copies in English of every balance sheet, profit and loss account, report, circular and notice of general meeting and every other document issued or sent to its shareholders as a class together with any of the foregoing, and every document issued or sent to holders of securities other than its shareholders (including the Noteholders) as soon as practicable after the issue or publication thereof;
- (f) **Notice of Note Event of Default:** give notice in writing to the Note Trustee of the occurrence of any Note Event of Default, any Potential Note Event of Default or any matter it concludes, acting reasonably, to be likely to give rise to a Note Event of Default immediately upon becoming aware thereof, including the status of any such default or matter and what action the Issuer is taking or proposes to take with respect thereto, and without waiting for the Note Trustee to take any action;
- (g) **Notice of Satisfaction of Conditions to Issue of the Notes:** prior to the issue of any Notes, certify in writing to the Note Trustee that all the conditions to issue and the Issuance Tests of such Notes are satisfied (and where the Issuer has waived one or more such conditions) specifying the same in such certificate, which certificate shall be conclusive and binding on the Note Trustee and the Noteholders;
- (h) **Notice of Deferral of Payments:** as soon as practicable after becoming aware that any part of a payment of interest on the Notes will be deferred or that a payment previously deferred will be made in accordance with **Condition 4**, give notice thereof to the Noteholders in accordance with **Condition 14** and, for so long as the Notes are listed on the official list of the United Kingdom Listing Authority and admitted to trading on the London Stock Exchange's market for listed securities, in accordance with the listing rules of the United Kingdom Listing Authority and the rules of the London Stock Exchange;
- (i) **Certificates Relating to Financial Information:** give to the Note Trustee (i) within 14 days after demand by the Note Trustee therefor and (ii) (without the necessity for any such demand) promptly after the publication of its audited accounts in respect of each Financial Period commencing with the financial period first ending after the date hereof and in any event not later than 120 days after the end of each such financial period a certificate signed by two directors of the Issuer to the effect that as at a date not more than five days before delivering such certificate (the **certification date**) there did not exist and had not existed since the certification date of the previous certificate (or in the case of the first such certificate the date hereof) any Note Event of Default or any Potential Note Event of Default (or if such exists or existed, specifying the same) and that during the period from and including the certification date of the last such certificate (or in the case of the first such certificate the date hereof) to and including the certification date of such certificate the Issuer has complied, to the best of such directors' knowledge and belief, with all its obligations contained in these presents and each of the Issuer Transaction Documents to which it is a party or (if such is not the case) specifying the respects in which it has not so complied;
- (j) **Further Assurances:** at all times execute and do all such further documents, acts and things as may be necessary at any time or times in the opinion of the Note Trustee to give effect to these presents and the other Issuer Transaction Documents only in so far as permitted by law;
- (k) **Agent Bank, Reference Banks etc.:** at all times maintain an Agent Bank, four Reference Banks, a Paying Agent, a Transfer Agent and a Registrar in accordance with the Conditions;
- (l) **Notification of Non-Payment:** procure the Principal Paying Agent (or any other relevant Paying Agent) to notify the Note Trustee forthwith in the event that (i) the Principal Paying

Agent (or other relevant Paying Agent) does not, on or before the due date for any payment in respect of any of the Notes, receive unconditionally pursuant to the Paying Agent and Agent Bank Agreement, as applicable, payment of the full amount in the requisite currency of the monies payable on such due date on all such Notes, or (ii) there are insufficient funds in euro, U.S. dollars, or sterling, as the case may be, available to the Principal Paying Agent to discharge the amount of the monies payable on such due date;

- (m) **Notification of Late Unconditional Payment:** in the event of any unconditional payment to the Principal Paying Agent, any other relevant Paying Agent, or the Note Trustee of any sum due in respect of any of the Notes being made after the due date for payment thereof forthwith give or procure to be given notice to the relevant Noteholders in accordance with **Condition 14** that such payment has been made;
- (n) **Listing:** use reasonable endeavours to maintain the listing of the Notes on the official list of the United Kingdom Listing Authority and to maintain the admission to trading of the Notes on the London Stock Exchange's regulated market or, if it is unable to do so having used reasonable endeavours, use reasonable endeavours to obtain and maintain a quotation, listing and admission to trading of the Notes on or by such other stock exchanges, competent listing authorities and/or quotation systems as the Issuer may decide (with the prior written approval of the Note Trustee) and shall also upon obtaining a quotation, listing and admission to trading of such Notes on or by such other stock exchanges, competent listing authorities and/or quotation systems enter into a trust deed supplemental to this Deed to effect such consequential amendments to this Deed as the Note Trustee may require or as shall be requisite to comply with the requirements of any such stock exchange, competent listing authority and/or quotation system;
- (o) **Change of Agent Bank, Reference Banks, etc.:** give notice to the Noteholders in accordance with **Condition 14** of any appointment, resignation or removal of any Agent Bank, Reference Banks, Paying Agent, Transfer Agent or Registrar (other than the appointment of the initial Agent Bank, Reference Banks, Paying Agents, Transfer Agent and Registrar) after, except in the case of resignation, having obtained the prior written approval of the Note Trustee (such approval not to be unreasonably withheld or delayed) thereto or any change of any Paying Agent's, Agent Bank's, Transfer Agent's or Registrar's specified office and (except as provided by the Paying Agent and Agent Bank Agreement or the Conditions) at least 30 days prior to such event taking effect; **PROVIDED ALWAYS THAT** so long as any of the Notes remains outstanding in the case of the termination of the appointment of the Agent Bank, Transfer Agent or the Registrar or so long as any of the Notes remains outstanding in the case of the termination of the appointment of the Principal Paying Agent no such termination shall take effect until a new Agent Bank, Transfer Agent, Registrar or Principal Paying Agent, as the case may be, has been appointed on terms previously approved in writing by the Note Trustee;
- (p) **Pre-Approval of Notices:** obtain the prior written approval of the Note Trustee to, and promptly give to the Note Trustee and the Rating Agencies two copies of, the form of every notice given to the Noteholders in accordance with **Condition 14** (such approval, unless so expressed, not to constitute approval for the purposes of Section 21 of the Financial Services and Markets Act 2000 the (FSMA) of a communication within the meaning of Section 21 of the FSMA);
- (q) **Availability of Meeting Materials:** from time to time as required or contemplated by this Deed or as reasonably requested by the Note Trustee, make available through the Paying Agents, or otherwise, such documents as may be required by the Noteholders in connection with meetings of Noteholders;

- (r) **Compliance with Paying Agent and Agent Bank Agreement and other Issuer Transaction Documents:** use its best endeavours to procure that the Agent Bank, the Paying Agents, the Transfer Agent and the Registrar comply with and perform all their respective obligations under the Paying Agent and Agent Bank Agreement and the other Issuer Transaction Documents and (in the case of the Paying Agents, the Transfer Agent and the Registrar) any notice given by the Note Trustee pursuant to **Clause 2.3(a)** and not make any amendment or modification to the Paying Agent and Agent Bank Agreement or any other Issuer Transaction Documents or agree to waive or authorise any breach thereof without the prior written approval of the Note Trustee;
- (s) **Exercise of Redemption Rights:** in the event that Funding 1 elects to prepay any Loan Tranche in whole or in part under the Intercompany Loan Agreement, the Issuer shall exercise its right to redeem the corresponding Series and Class/es of Notes in the same respective aggregate principal amounts as such Loan Tranches on the same Interest Payment Date under **Condition 5.4, Condition 5.5** or **Condition 5.6**, as applicable;
- (t) **Redemption Requirements:** not give notice of its election to redeem all or any part of any Series and Class/es of Notes pursuant to **Condition 5.4, 5.5** or **5.6** unless it shall first have:
- (i) given prior written notice to the Note Trustee of its intention so to do in accordance with the Paying Agent and Agent Bank Agreement; and
 - (ii) delivered to the Note Trustee a certificate signed by two directors of the Issuer certifying that the Issuer will have the necessary funds on the Interest Payment Date on which redemption is to occur (the **redemption date**) to discharge all amounts required under the Issuer Deed of Charge to be paid in priority to such Series and Class/es of Notes on the redemption date, and to redeem such Series and/ or Class/es of Notes in whole or, as the case may be, in part; and that all such funds will on such redemption date be subject to the security constituted by the Issuer Deed of Charge and not subject to the interest of any other person,
- provided always that the provisions of this sub-clause are subject to and without prejudice to the provisions of **Clause 14(i)**;
- (u) **United States Reporting Requirements:** file with the Note Trustee copies of the annual reports and of the information, documents, and other reports (or copies of such portions of any of the foregoing as the SEC may by rules and regulations prescribe) which the Issuer is required to file with the SEC pursuant to Section 13 or 15(d) of the Exchange Act within 15 days after it files them with the SEC;
- (v) **Interest in Issuer Charged Property:** ensure that, save as permitted in these presents, the Issuer Deed of Charge, the Conditions and the other Issuer Transaction Documents, no person other than the Issuer and the Issuer Security Trustee shall have any equitable interest in the Issuer Charged Property;
- (w) **Maintenance of Issuer Cash Manager:** ensure that there is at all times a cash manager appointed in accordance with the provisions of the Issuer Cash Management Agreement;
- (x) **United Kingdom and United States Tax Status:** ensure that it is at all times solely resident in the United Kingdom for United Kingdom tax purposes and has no branch, business establishment or other fixed establishment outside the United Kingdom; and furthermore, ensure that it will not engage in any activities in the United States (directly or through agents), will not derive any income from United States sources as determined under United States income tax principles, and will not hold any property if doing so would cause

it to be engaged or deemed to be engaged in a trade or business within the United States as determined under United States income tax principles;

- (y) **Pre-Enforcement Payments:** ensure that amounts standing to the credit of the Issuer Transaction Account will be applied by the Issuer in or towards satisfaction of such of the obligations set out in the Issuer Cash Management Agreement as may be, at any given time, then due and payable (in each case only if and to the extent that payments or provisions of a higher order of priority which are also due and payable or are likely to fall due at that time or prior to the next succeeding Interest Payment Date have been made or provided for in full);
- (z) **Availability of Information:** make available for inspection by Noteholders at the specified office of the Registrar during normal business hours on any Business Day copies of each balance sheet and profit and loss account sent to the Note Trustee pursuant to **Clause 14(e)**, this Deed, and the other Issuer Transaction Documents and promptly provide the Registrar, the Paying Agents, the Agent Bank, the Note Trustee, the Issuer Security Trustee and the Noteholders with the information specified in **Condition 5.3**;
- (aa) **Ratings:** furnish, or procure that there is furnished, from time to time, any and all documents, instruments, information and undertakings that may be reasonably necessary in order to maintain the current ratings of the Notes by the Rating Agencies (save that when any such document, instrument, information and/or undertaking is not within the possession or control of the Issuer, the Issuer agrees only to use its best efforts to furnish, or procure that there is furnished, from time to time any such documents, instruments, information and undertakings as may be reasonably necessary in order to maintain the current ratings of the Notes by the Rating Agencies);
- (bb) **Calculations:** do, or procure that there are done on its behalf, all calculations required pursuant to the Conditions;
- (cc) **DTC, Euroclear and Clearstream, Luxembourg:** use its reasonable endeavours to procure that DTC, Euroclear and/or Clearstream, Luxembourg (as the case may be) issue(s) any certificate or other document requested by the Note Trustee acting reasonably pursuant to these presents as soon as practicable after such request;
- (dd) **Information Regarding Noteholders:** furnish or cause to be furnished to the Note Trustee on 30 June and 31 December of each year, commencing 31 December 2006 and at such other times as the Note Trustee may request in writing, all information in the possession or control of the Issuer or of the Registrar as to the names and addresses of the Noteholders;
- (ee) **Authorised Signatories:** upon the execution of this Deed and thereafter forthwith upon any change of the same, deliver to the Note Trustee (with a copy to the Principal Paying Agent and the Registrar) a list of the Authorised Signatories of the Issuer, together with certified specimen signatures of the same;
- (ff) **Notes of the Issuer:** in order to enable the Note Trustee to ascertain the nominal amount of the Notes of each Series and Class for the time being outstanding for any of the purposes referred to in the proviso to the definition of **outstanding** in the Issuer Master Definitions and Construction Schedule, deliver to the Note Trustee as soon as practicable upon being so requested in writing by the Note Trustee a certificate in writing signed by two Authorised Signatories setting out the total number and aggregate nominal amount of the Notes of each Series and Class issued which:
 - (i) up to and including the date of such certificate have been purchased by the Issuer, any Subsidiary of the Issuer, Funding 1, the Mortgages Trustee or the Seller or any

holding company of any of them or any other Subsidiary of such holding company and cancelled; and

- (ii) are at the date of such certificate held by, for the benefit of, or on behalf of, the Issuer, any Subsidiary of the Issuer, Funding 1, the Mortgages Trustee or the Seller or any holding company of any of them or any other Subsidiary of such holding company;
- (gg) **New Issuance:** notify the Note Trustee five London Business Days prior to the relevant Closing Date of any new Series and Class of Notes if the form of terms and conditions of such Notes are different from the Conditions attached hereto as **Schedule 3**; and
- (hh) **Issuer Profit Amount:** consider from time to time the level of the Issuer Profit Amount and if the Issuer determines that a change in such level is appropriate in all the circumstances, then the Issuer shall certify to the Note Trustee, with a copy to the Rating Agencies and Funding 1, that its tax position shall not be adversely affected thereby; and
- (ii) **Shares and dividends:** the Issuer shall not (i) declare or pay any dividend or make any other distribution in respect of any of its shares other than, for so long as the Holdings Loan Agreement is still outstanding, by making a dividend to Holdings for the purpose of Holdings prepaying the Holdings Loan Agreement, (ii) issue any further shares or alter any rights attaching to its issued shares as at the date hereof or (iii) repay or redeem any of its share capital.

15. ISSUER REPRESENTATIONS

The Issuer represents to the Note Trustee that:

- (a) it shall not carry on any business or engage in any activity whatsoever which is not incidental to or necessary in connection with any of the activities in which the Issuer Transaction Documents provide or envisage that it will be engaged;
- (b) its assets constitute "financial assets" as defined in the Taxation of Securitisation Companies Regulations 2006 (the **Regulations**);
- (c) in respect of each accounting period of the Issuer, the only amounts retained by the Issuer have been and will be either (i) amounts reasonably required to provide for losses or expenses arising from its business or to maintain or enhance its creditworthiness or (ii) its profit; and
- (d) to the extent that amounts are received by the Issuer pursuant to any Issuer Transaction Document, the Issuer has a corresponding obligation to pay out an equal amount by way of cost or expense owing to a third party less an amount equal to the Issuer's profit; and
- (e) it has elected into the permanent regime for securitisation companies established under the Regulations within the requisite time limits therefor and in the form required by the Regulations.

16. THE POST-ENFORCEMENT CALL OPTION

- (a) Authorisation and acceptance: Each Noteholder by accepting a Note agrees to the terms of this **Clause 15, Condition 10.2 (Error! Reference source not found.)** and the Post-Enforcement Call Option Agreement and authorises the Note Trustee as its representative to enter into and perform its obligations under the Post-Enforcement Call Option Agreement.

- (b) Agreement to be bound: The Note Trustee shall on the date of this Trust Deed enter into the Post-Enforcement Call Option Agreement in order to acknowledge that the Note Trustee (on behalf of the (for the avoidance of doubt, present and future) Noteholders) is bound by, and the Notes are issued subject to the Post-Enforcement Call Agreement. Upon the exercise of the Post-Enforcement Call Option by the Post-Enforcement Call Option Holder no Noteholder shall have any further rights or interests in respect of the Notes and the unpaid interest, principal and other amounts (if any) in respect of the Notes shall be due and payable to the Post-Enforcement Call Option Holder.
- (c) Certification: The Note Trustee shall, for the purposes of **Condition 10.2 (Error! Reference source not found.)**, give written notice to the Post Enforcement Call Option Holder and the Issuer when it has determined, in its sole opinion and discretion, that all amounts outstanding under the Notes have become due and payable and that the Issuer Security Trustee has determined in its sole opinion and discretion that (i) the proceeds of enforcement of the Issuer Security, after distribution of such proceeds to the persons entitled thereto ranking in priority to the Notes under the Issuer Deed of Charge and to the Noteholders (to the extent entitled thereto), are insufficient to pay in full all principal and interest and other amounts whatsoever due in respect of the Notes and all other claims ranking *pari passu* therewith (ii) such proceeds of enforcement have been so distributed in accordance with the terms of the Issuer Deed of Charge and (iii) there are no further assets available to pay principal and interest and other amounts whatsoever due in respect of the Notes.

17. REMUNERATION AND INDEMNIFICATION OF THE NOTE TRUSTEE

- 17.1 The Issuer shall pay to the Note Trustee remuneration for its services as trustee as from the date of this Deed, such remuneration to be at such rate and to be paid on such dates as may from time to time be agreed in writing between the Issuer and the Note Trustee. The rate of remuneration in force from time to time may upon the final redemption of the whole of the Notes of any Series and Class be reduced by such amount as shall be agreed in writing between the Issuer and the Note Trustee, such reduced remuneration to be calculated from such date as shall be agreed as aforesaid. Such remuneration shall accrue from day to day and be payable (in priority to payments to the Noteholders) up to and including the date when, all the Notes having become due for redemption, the redemption monies and interest thereon to the date of redemption have been paid to the Principal Paying Agent or, as the case may be, the Note Trustee **PROVIDED THAT** if upon due presentation of any Note or any cheque payment of the monies due in respect thereof is improperly withheld or refused, remuneration will commence again to accrue until payment to Noteholders is made.
- 17.2 In the event of the occurrence of a Note Event of Default or the Note Trustee in its absolute discretion considering it necessary, or being requested by the Issuer to undertake duties which the Note Trustee and the Issuer agree to be of an exceptional nature or otherwise outside the scope of the normal duties of the Note Trustee under this Deed, the Issuer shall pay to the Note Trustee such additional remuneration as shall be agreed between them.
- 17.3 The Issuer shall pay to the Note Trustee in addition an amount equal to the amount of any value added tax or similar tax chargeable in respect of its remuneration under this Deed against production of a valid tax invoice.
- 17.4 In the event of the Note Trustee and the Issuer failing to agree:
 - (a) (in a case to which **sub-clause 17.1 above** applies) upon the amount of the remuneration; or
 - (b) (in a case to which **sub-clause 17.2 above** applies) upon whether such duties shall be of an exceptional nature or otherwise outside the scope of the normal duties of the Note Trustee under this Deed, or upon such additional remuneration,

such matters shall be determined by a merchant or investment bank (acting as an expert and not as an arbitrator) selected by the Note Trustee and approved by the Issuer or, failing such approval, nominated (on the application of the Note Trustee) by the President for the time being of The Law Society of England and Wales (the expenses involved in such nomination and the fees of such merchant or investment bank being payable by the Issuer) and the determination of any such merchant or investment bank shall be final and binding upon the Note Trustee and the Issuer.

- 17.5 In addition to remuneration hereunder, the Issuer shall on written request pay (on an indemnity basis) all other costs, charges and expenses which the Note Trustee may properly incur in relation to the negotiation, preparation and execution of, the exercise of its powers and the performance of its duties under, and in any other manner in relation to, this Deed and any other Transaction Document to which the Note Trustee is a party, including but not limited to travelling and legal expenses properly incurred and any stamp, issue, registration, documentary and other similar taxes or duties paid or payable by the Note Trustee in connection with any action taken or contemplated by or on behalf of the Note Trustee for enforcing, or for any other purpose in relation to, this Deed or any of the other Issuer Transaction Documents.
- 17.6 All amounts payable pursuant to **sub-clause 17.2 above** and/or **Clause 18(m)** shall be payable by the Issuer on the date specified in a written demand by the Note Trustee and in the case of payments actually made by the Note Trustee prior to such demand shall (if not paid within three days after such demand and the Note Trustee so requires) carry interest at the rate of 3 per cent. per annum above the mean base rate from time to time of the Reference Banks from the date specified in such demand, and in all other cases shall (if not paid on the date specified in such demand or, if later, within three days after such demand and, in either case, the Note Trustee so requires) carry interest at such rate from the date specified in such demand. All remuneration payable to the Note Trustee shall carry interest at such rate from the due date therefor.
- 17.7 Unless otherwise specifically stated in any discharge of this Deed, the provisions of this Clause and **Clause 18(m)** shall continue in full force and effect notwithstanding such discharge.
- 17.8 The Note Trustee shall be entitled in its absolute discretion to determine in respect of which Series and Class of Notes any liabilities incurred under this Deed have been incurred or to allocate any such liabilities between the Notes of any Series and Class.
- 17.9 Notwithstanding anything else herein contained, the Note Trustee may refrain from taking any action or exercising any right, power, authority or discretion vested in it under this Deed or any other agreement relating to the transactions therein contemplated until it has been indemnified and/or secured to its satisfaction (whether by payment in advance or otherwise) against any and all actions, charges, claims, costs, damages, demands, expenses, liabilities, losses and proceedings (including legal and other professional fees) which might be brought, made or conferred against or suffered, incurred or sustained by it as a result and nothing contained herein shall require the Note Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties or the exercise of any right, power, authority or discretion hereunder if it has reasonable grounds for believing the repayment of such funds or adequate indemnity against, or security for, such risk or liability is not assured to it.

18. SUPPLEMENT TO TRUSTEE ACTS

Section 1 of the Trustee Act 2000 shall not apply to the duties of the Note Trustee in relation to the trusts constituted by these presents. Where there are any inconsistencies between the Trustee Act and the provisions of these presents, the provisions of these presents shall, to the extent allowed by law, prevail and, in the case of any such inconsistency with the Trustee Act 2000, the provisions of these presents shall constitute a restriction or exclusion for the purposes of that Act.

The Note Trustee shall have all the powers conferred upon trustees by the Trustee Act 1925 and the Trustee Act 2000 of England and Wales and by way of supplement thereto it is expressly declared as follows:

- (a) **Expert Advice or Opinion:** the Note Trustee may in relation to these presents or the other Issuer Transaction Documents act on the advice or opinion of or any information obtained from any lawyer, valuer, accountant, surveyor, banker, broker, auctioneer or other expert whether obtained by the Issuer, the Note Trustee, the Principal Paying Agent, the Registrar or otherwise and shall not be responsible for any liability occasioned by so acting in good faith; any such advice, opinion or information may be sent or obtained by letter, telex, telegram, facsimile transmission, e-mail or cable and the Note Trustee shall not be liable for acting on any advice, opinion or information purporting to be conveyed by any such letter, telex, telegram, facsimile transmission, e-mail or cable although the same shall contain some error or shall not be authentic;
- (b) **Certificate as Sufficient Evidence:** the Note Trustee may call for and shall be at liberty to accept as sufficient evidence of any fact or matter or the expediency of any transaction or thing a certificate signed by any two directors of the Issuer as to that fact or to the effect that, in their opinion that act is expedient and the Note Trustee shall not be bound in any such case to call for further evidence or be responsible for any liability that may be occasioned by it or any other person acting on such certificate;
- (c) **Custody of Documents:** the Note Trustee shall be at liberty to hold these presents and any other documents relating thereto or any other Issuer Transaction Documents or to deposit them in any part of the world with any banker or banking company or company whose business includes undertaking the safe custody of documents or lawyer or firm of lawyers considered by the Note Trustee to be of good repute and the Note Trustee shall not be responsible for or required to insure against any liability incurred in connection with any such holding or deposit and may pay all sums required to be paid on account of or in respect of any such deposit;
- (d) **Application of Proceeds:** the Note Trustee shall not be responsible for the receipt or application of the proceeds of the issue of any of the Notes by the Issuer, the exchange of any Global Note for another Global Note or Definitive Notes or the exchange of any Definitive Note for another Definitive Note or the delivery of any Global Note or Definitive Notes to the person(s) entitled to it or them;
- (e) **Assumption of No Default:** the Note Trustee shall not be bound to give notice to any person of the execution of any documents comprised or referred to in these presents or to take any steps to ascertain whether any Note Event of Default or Potential Note Event of Default has happened and, until it shall have actual written notice pursuant to these presents to the contrary, the Note Trustee shall be entitled to assume that no Note Event of Default or Potential Note Event of Default has occurred and that the Issuer is observing and performing all of its obligations under these presents;
- (f) **Condition to Issue of Notes:** the Note Trustee shall have no obligation to monitor or determine whether the conditions to issue of any Notes or the Issuance Tests have been satisfied and shall rely without liability to any person on a certification provided by the Issuer as to their satisfaction or waiver;
- (g) **Absolute Discretion:** save as expressly otherwise provided in this Deed, the Note Trustee shall have absolute and uncontrolled discretion as to the exercise or non-exercise of its trusts, powers, authorities and discretions under these presents (the exercise or non-exercise of which as between the Note Trustee and the Noteholders shall be conclusive and binding on

the Noteholders), shall not be responsible for any liability which may result from their exercise or non-exercise;

- (h) **Reliance on Extraordinary Resolution:** the Note Trustee shall not be liable to any person by reason of having acted upon any Extraordinary Resolution in writing or any Extraordinary Resolution or other resolution purporting to have been passed at any meeting of the holders of Notes of all or any Series and/or Class/es in respect whereof minutes have been made and signed even though subsequent to its acting it may be found that there was some defect in the constitution of the meeting or the passing of the resolution or (in the case of an Extraordinary Resolution in writing) that not all relevant Noteholders had signed the Extraordinary Resolution or that for any reason the resolution was not valid or binding upon such Noteholders;
- (i) **Reliance on Notice of Prepayment:** without prejudice to the right of the Note Trustee to require and/or accept any other evidence, the Note Trustee may accept as conclusive evidence of the matters certified therein a certificate signed by two directors of the Issuer under **Clause 14(t)(ii)**. The Note Trustee shall have no responsibility to the Noteholders or any other person for guaranteeing or ensuring that the Issuer's liabilities in respect of the Notes and any other amounts are in fact discharged on the due date and shall have no liability to the Noteholders or any other person for any failure by the Issuer to discharge or pay such liabilities and other amounts;
- (j) **Issuer Charged Property:** the Note Trustee may accept without enquiry, requisition or objection such title as the Issuer may have to the Issuer Charged Property or any part thereof from time to time and shall not be bound to investigate or make any enquiry into the title of the Issuer to the Issuer Charged Property or any part thereof from time to time whether or not any default or failure is or was known to the Note Trustee or might be, or might have been, discovered upon examination, inquiry or investigation and whether or not capable of remedy. Notwithstanding the generality of the foregoing, each Noteholder shall be solely responsible for making its own independent appraisal of and investigation into the financial condition, creditworthiness, condition, affairs, status and nature of the Issuer, and the Note Trustee shall not at any time have any responsibility for the same and each Noteholder shall not rely on the Note Trustee in respect thereof;
- (k) **Reliance on Certificates or Confirmations:** subject to **Clause 18**, the Note Trustee shall be entitled to rely without investigation or enquiry on a certificate or confirmation of the Agent Bank, any Paying Agent, any Rating Agency or any Reference Bank in respect of every matter and circumstance for which a certificate or confirmation of the Agent Bank, any Paying Agent, any Rating Agency or any Reference Bank is expressly provided for under these presents, the Conditions or any other Issuer Transaction Document and to call for and rely upon a certificate or confirmation of the Agent Bank, any Paying Agent, any Rating Agency or any Reference Bank or any other person as to any other fact or matter *prima facie* within the knowledge of the Agent Bank, any Paying Agent, any Rating Agency or any Reference Bank or such other person, as sufficient evidence thereof and the Note Trustee shall not be bound in any such case to call for further evidence or be responsible for any loss, liability, costs, damages, expenses or inconvenience that may be occasioned by its failing so to do or the exercise or non-exercise by the Note Trustee of any of its powers, duties and discretions hereunder;
- (l) **Notes Not Authentic:** the Note Trustee shall not be liable to any person by reason of having accepted as valid or not having rejected any Note purporting to be such and subsequently found to be forged or not authentic;

- (m) **Indemnity:** subject to **Clause 18**, without prejudice to the right of indemnity by law given to trustees, the Issuer shall indemnify the Note Trustee and keep it or him indemnified against all Liabilities to which it or he may be or become subject or which may be incurred by it or him in the proper execution or purported proper execution of any of its or his trusts, powers, authorities and discretions under these presents or any other Issuer Transaction Document or its or his functions under any such appointment or in respect of any other matter or thing done or omitted in any way relating to these presents or any other Issuer Transaction Document or any such appointment (including any Agent/Delegate Liabilities). The Issuer will on demand by such agent or delegate indemnify it against such Agent/Delegate Liabilities. The Contracts (Rights of Third Parties) Act applies to this **Clause 18(m)**;
- (n) **No Disclosure Obligation:** unless and to the extent ordered so to do by a court of competent jurisdiction, the Note Trustee shall not be required to disclose to any Noteholder any information (including, without limitation, information of a confidential, financial or price sensitive nature) made available to the Note Trustee by the Issuer or any other person in connection with these presents or any other Issuer Transaction Document and no Noteholder shall be entitled to take any action to obtain from the Note Trustee any such information;
- (o) **Currency Conversion:** where it is necessary or desirable for any purpose in connection with these presents to convert any sum from one currency to another it shall be converted (unless otherwise provided by these presents or required by law) at such rate or rates, in accordance with such method and as at such date for the determination of such rate of exchange, as may be agreed by the Note Trustee in consultation with the Issuer and any rate, method and date so agreed shall be binding on the Issuer and the Noteholders;
- (p) **Certificate in respect of Material Prejudice:** the Note Trustee may certify whether or not any of the conditions, events and acts set out in **Condition 9** (each of which conditions, events and acts shall, unless the Note Trustee in its absolute discretion shall otherwise determine, for all the purposes of these presents be deemed to include the circumstances resulting therein and the consequences resulting therefrom) is in its opinion materially prejudicial to the interests of the Noteholders of the relevant Series and/or Class or Classes and any such certificate shall be conclusive and binding upon the Issuer and the Noteholders;
- (q) **Determination by Note Trustee:** the Note Trustee as between itself and the Noteholders may determine all questions and doubts arising in relation to any of the provisions of this Deed. Every such determination, whether or not relating in whole or in part to the acts or proceedings of the Note Trustee, shall be conclusive and shall bind the Note Trustee and the Noteholders;
- (r) **Interests of Noteholders:** in connection with the exercise or execution by the Note Trustee of any of its trusts, duties, rights, powers, authorities and discretions under these presents and the other Issuer Transaction Documents:
- (i) where it is required to have regard to the interests of the Noteholders of any Class, it shall have regard to the interests of such Noteholders as a class and, in particular but without prejudice to the generality of the foregoing, shall not have regard to, or be in any way liable for, the consequences of any exercise thereof for individual Noteholders of any Series or Class resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory, and the Note Trustee shall not be entitled to require, nor shall any Noteholder be entitled to claim, from the Issuer or any other person, any

indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders;

- (ii) except where expressly provided otherwise, it shall have regard to the interests of the Class A Noteholders, the Class B Noteholders, the Class M Noteholders, the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders equally **PROVIDED THAT** (A) if in the opinion of the Note Trustee there is a conflict between the interests of the Class A Noteholders, on the one hand and the interests of the Class B Noteholders and/or the Class M Noteholders and/or the Class C Noteholders and/or the Class D Noteholders and/or the Class Z Noteholders on the other hand, the Note Trustee shall have regard only to the interests of the Class A Noteholders; (B) if in the opinion of the Note Trustee there is a conflict between the interests of the Class B Noteholders on the one hand and the Class M Noteholders and/or the Class C Noteholders and/or the Class D Noteholders and/or the Class Z Noteholders on the other hand, the Note Trustee shall have regard only to the interests of the Class B Noteholders; (C) if in the opinion of the Note Trustee there is a conflict between the interests of the Class M Noteholders on the one hand and the Class C Noteholders and/or the Class D Noteholders and/or the Class Z Noteholders on the other hand, the Note Trustee shall have regard only to the interests of the Class M Noteholders; (D) if in the opinion of the Note Trustee there is a conflict between the interests of the Class C Noteholders on the one hand and the Class D Noteholders and/or the Class Z Noteholders on the other hand, the Note Trustee shall have regard only to the interests of the Class C Noteholders; and (E) if in the opinion of the Note Trustee there is a conflict between the interests of the Class D Noteholders on the one hand and the Class Z Noteholders on the other hand, the Note Trustee shall have regard only to the interests of the Class D Noteholders, but so that this proviso shall not apply in the case of powers, authorities or discretions in relation to which it is expressly stated that they may be exercised by the Note Trustee only if in its opinion the interests of all the Noteholders would not be materially prejudiced thereby **PROVIDED FURTHER** that when considering the interests of the Class A Noteholders, Class B Noteholders, Class M Noteholders, Class C Noteholders, Class D Noteholders and Class Z Noteholders as contemplated above, the Note Trustee shall have regard to the interests of all Class A Noteholders, Class B Noteholders, Class M Noteholders, Class C Noteholders, Class D Noteholders and Class Z Noteholders as a Class, provided that if, in relation to any matter, in the opinion of the Note Trustee there is a conflict between the interests of a Class of the Class A Noteholders, Class B Noteholders, Class M Noteholders, Class C Noteholders, Class D Noteholders or Class Z Noteholders on the one hand and the interests of another Class of the Class A Noteholders, Class B Noteholders, Class M Noteholders, Class C Noteholders, Class D Noteholders or Class Z Noteholders on the other hand, the Note Trustee shall not be obliged to do anything under this Note Trust Deed or the Conditions in relation to such matter, unless directed to do so by an Extraordinary Resolution of the holders of each such Class of the Class A Notes, each such Class of the Class B Notes, each such Class of the Class M Notes, each such Class of the Class C Notes, each such Class of the Class D Notes and each such Class of the Class Z Notes for the time being outstanding; and
- (iii) it shall not have regard to, or be in any way liable for, the consequences of any exercise thereof for any other Issuer Secured Creditor or any other person,
- (s) **Rating Confirmation:** subject to **Condition 16** and **Clause 21.4**, the Note Trustee shall be entitled to assume, without further investigation or inquiry, for the purpose of exercising or performing any right, power, trust, authority, duty or discretion under or in relation to these

presents or any other Issuer Transaction Document (including, without limitation, any consent, approval, modification, waiver, authorisation or determination referred to in **Clause 20**), that such exercise will not be materially prejudicial to the interests of the Noteholders or any Series and/or Class thereof, if each of the Rating Agencies rating the relevant Series and/or Class of Notes has confirmed in writing (whether or not such confirmation is addressed to, or provides that it may be relied upon by, the Note Trustee and irrespective of the method by which such confirmation is conveyed) (i) that the then current rating by it of the relevant Series and/or Class of Notes would not be downgraded, withdrawn or qualified by such exercise or performance and/or (ii) if the original rating of the relevant Series and/or Class of Notes has been downgraded previously, that such exercise or performance will not prevent the restoration of such original rating of such Series and/or Class of Notes. The provisions of **Clause 18.4** shall apply to this sub-clause. The Note Trustee shall be entitled to rely on such Rating Agency confirmation, without liability to any person;

- (t) **Certificate of Principal Amount Outstanding:** the Note Trustee may call for any certificate or other document to be issued by DTC, Euroclear or Clearstream, Luxembourg as to the Principal Amount Outstanding of Notes represented by a Global Note standing to the account of any person. Any such certificate or other document shall (in the absence of manifest error) be conclusive and binding for all purposes. The Note Trustee shall not be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by DTC, Euroclear or Clearstream, Luxembourg and subsequently found to be forged or not authentic;
- (u) **Notes held in clearing systems:** so long as any Global Notes are held by or on behalf of a Clearing System, in considering the interests of Noteholders, the Note Trustee may have regard to any information provided to it by such clearing system or its operator as to the identity (either individually or by category) of its accountholders or participants with entitlements to any such Global Note and may consider such interests on the basis that such accountholders or participants were the holders thereof;
- (v) **Professional Charges:** any trustee of these presents being a lawyer, accountant, broker or other person engaged in any profession or business shall be entitled to charge and be paid all usual professional and other charges for business transacted and acts done by him or his firm in connection with the trusts of these presents and also his reasonable charges in addition to disbursements for all other work and business done and all time spent by him or his firm in connection with matters arising in connection with these presents;
- (w) **Power of Attorney:** the Note Trustee may whenever it thinks fit (acting reasonably) delegate by power of attorney or otherwise to any person or persons or fluctuating body of persons (whether being a joint trustee of these presents or not) all or any of its trusts, powers, authorities and discretions under these presents. Such delegation may be made upon such terms (including power to sub-delegate) and subject to such conditions and regulations as the Note Trustee may in the interests of the Noteholders think fit;
- (x) **Delegation:** the Note Trustee may in the conduct of the trusts of these presents instead of acting personally employ and pay an agent (whether being a lawyer or other professional person) to transact or conduct, or concur in transacting or conducting, any business and to do, or concur in doing, all acts required to be done in connection with these presents. The Note Trustee shall not be in any way responsible for any liability incurred by reason of any misconduct or default on the part of any such agent or be bound to supervise the proceedings or acts of any such agent;

- (y) **Ratings:** the Note Trustee shall have no responsibility for the maintenance of any rating of any of the Notes by the Rating Agencies or any other person;
- (z) **Nominees:** in relation to any asset held by it under this Note Trust Deed, the Trustee may appoint any person to act as its nominee on any terms;
- (aa) **No Requirement to Perform Illegal Acts, etc.:** no provision of these presents shall require the Note Trustee to do anything which may be illegal or contrary to applicable law or regulation or expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties, or in the exercise of any of its rights or powers or otherwise in connection with these presents, any other Issuer Transaction Document or the Notes (including, without limitation, forming any opinion or employing any legal, financial or other adviser), if it shall believe that repayment of such funds or adequate indemnity against such risk or liability is not assured to it;
- (bb) **Responsibility for agents etc:** if the Note Trustee exercises reasonable care in selecting any custodian, agent, delegate or nominee appointed under this **Clause 18** (an **Appointee**), it will not have any obligation to supervise the Appointee or be responsible for any loss, liability, cost, claim, action, demand or expense incurred by reason of the Appointee's misconduct or default or the misconduct or default of any substitute appointed by the Appointee;
- (cc) **Notes held by the Issuer:** In the absence of knowledge or express notice to the contrary, the Note Trustee may assume without enquiry (other than requesting a certificate under **Clause 14(gg)** that no Notes are for the time being held by, for the benefit, or on behalf of the Issuer, any Subsidiary of the Issuer, by Funding 1, the Mortgages Trustee or the Seller or any holding company of any of them or any other such Subsidiary of such holding company.
- (dd) **Responsibility for Reports etc.:** the Note Trustee has no responsibility to verify or monitor the contents of, or (if applicable) to check any calculations contained in, any reports, information, documents, Officers' Certificate and Opinions of Counsel delivered to the Note Trustee in accordance with **Clauses 14(u), (ee), or Clause 29**, and is under no obligation to inform Noteholders of the contents of any such reports, information, documents, Officers' Certificate and Opinions of Counsel, other than allowing Noteholders upon reasonable notice, to inspect such reports, information, documents, Officers' Certificate and Opinions of Counsel;
- (ee) **Auditors Reports and Certificates:** any certificate or report of the Auditors other experts or financial advisers called for by or provided to the Note Trustee in accordance with or for the purposes of these presents may be relied upon by the Note Trustee without further investigation or enquiry as sufficient evidence of the facts stated therein notwithstanding that such certificate or report and/or any engagement letter or other document entered into by the Note Trustee in connection therewith contains a monetary or other limit on the liability of the Auditors other experts or financial advisers in respect thereof;
- (ff) **Limitation of Liability:** subject to **Clause 19** the Note Trustee shall not be responsible for the genuineness, validity, effectiveness or suitability of any of the Issuer Transaction Documents or any other documents entered into in connection therewith or any other document or any obligation or rights created or purported to be created thereby or pursuant thereto or any security or the priority thereof constituted or purported to be constituted thereby or pursuant thereto, nor shall it be responsible or liable to any person because of any invalidity of any provision of such documents or the unenforceability thereof, whether arising from statute, law or decisions of any court and (without prejudice to the generality of

the foregoing) the Note Trustee shall not have any responsibility for or have any duty to make any investigation in respect of or in any way be liable whatsoever for:

- (i) the nature, status, creditworthiness or solvency of the Issuer or Funding 1 or any other person or entity who has at any time provided any security or support whether by way of guarantee, charge or otherwise in respect of any advance made to the Issuer;
- (ii) the execution, delivery, legality, validity, adequacy, admissibility in evidence or enforceability of any Issuer Transaction Document or any other document entered into in connection therewith;
- (iii) the title, ownership, value, sufficiency, enforceability or existence of any Issuer Charged Property or any security (howsoever described) relating thereto;
- (iv) the registration, filing, protection or perfection of any security (howsoever described) relating to the Issuer Charged Property or the priority of the security (howsoever described) thereby created whether in respect of any initial advance or any subsequent advance or any other sums or liabilities;
- (v) the scope or accuracy of any representations, warranties or statements made by or on behalf of the Issuer or Funding 1 or any other person or entity who has at any time provided the same in any Issuer Transaction Document or in any document entered into in connection therewith;
- (vi) the performance or observance by the Issuer or Funding 1 or any other person of any provisions of any Issuer Transaction Document or any document entered into in connection therewith or the fulfilment or satisfaction of any conditions contained therein or relating thereto or as to the existence or occurrence at any time of any default, event of default or similar event howsoever described contained therein or any waiver or consent which has at any time been granted in relation to any of the foregoing;
- (vii) the existence, accuracy or sufficiency of any legal or other opinions, searches, reports, certificates, valuations or investigations delivered or obtained or required to be delivered or obtained at any time in connection with any Issuer Charged Property or Issuer Transaction Document;
- (viii) the title of the Issuer to any Issuer Charged Property;
- (ix) the suitability, adequacy or sufficiency of any applicable criteria for any advances under the Intercompany Loan Agreement or the legality or recoverability or enforceability thereof or the priority of any security (howsoever described) in relation thereto;
- (x) the failure by the Issuer to obtain or comply with any licence, consent or other authority in connection with the Issuer Charged Property or the Issuer Transaction Documents or the making of any advances in connection therewith or the failure to effect or procure registration of or to give notice to any person in relation to or otherwise protect the security (howsoever described) created or purported to be created by or pursuant to any of the Issuer Charged Property or the Issuer Transaction Documents or other documents entered into in connection therewith;

- (xi) the failure to call for delivery of documents of title to or require any transfers, legal mortgages, charges or other further assurances in relation to any of the assets that are the subject matter of any of the Issuer Transaction Documents or any other document;
 - (xii) any assets comprised in the security (howsoever described) created by the Issuer Deed of Charge, or any deeds or documents of title thereto, being uninsured or inadequately insured or being held by or to the order of other parties to the Issuer Transaction Documents, clearing organisations or their operators or by intermediaries such as banks, brokers, depositories, warehousemen or other similar persons whether or not on behalf of the Note Trustee;
 - (xiii) any accounts, books, records or files maintained by the Issuer or any other person in respect of any of the Issuer Charged Property or Issuer Transaction Documents; or
 - (xiv) any other matter or thing relating to or in any way connected with any Issuer Charged Property or any Issuer Transaction Document or any document entered into in connection therewith whether or not similar to the foregoing; and
- (gg) the Note Trustee may or may not act and rely on (and shall have no liability to Noteholders for doing so) certificates or reports provided by any accountant or other expert whether or not addressed to the Note Trustee and whether or not such certificate or report or any engagement letter or other document entered into by the Note Trustee and such accountant or other expert (whether by reference to a monetary cap or by reference to the methodology to be employed in producing the same).

19. NOTE TRUSTEE'S LIABILITY

None of the provisions of these presents shall, in any case in which the Note Trustee has failed to show the degree of care and diligence required of it as trustee of these presents, having regard to the provisions of these presents and any of the other Issuer Transaction Documents to which the Note Trustee is a party conferring on the Note Trustee any powers, authorities or discretions, relieve or indemnify the Note Trustee against any liabilities which by virtue of any rule of law would otherwise attach to it in respect of any wilful misconduct, breach of duty, negligence or breach of trust of which it may be guilty in relation to its duties under these presents or its breach of the terms of this Deed.

20. NOTE TRUSTEE CONTRACTING WITH THE ISSUER

Neither the Note Trustee nor any director or officer or holding company or associated company of a corporation acting as a trustee under these presents shall by reason of its or his fiduciary position be in any way precluded from:

- (a) entering into or being interested in any contract or financial or other transaction or arrangement with the Issuer or any other party to the Issuer Transaction Documents or any person or body corporate associated with the Issuer or any other party to the Issuer Transaction Documents (including without limitation any contract, transaction or arrangement of a banking or insurance nature or any contract, transaction or arrangement in relation to the making of loans or the provision of financial facilities or financial advice to, or the purchase, placing or underwriting of or the subscribing or procuring subscriptions for or otherwise acquiring, holding or dealing with, or acting as paying agent in respect of, the Notes or any other notes, bonds, stocks, shares, debenture stock, debentures or other securities of, the Issuer or any other party to the Issuer Transaction Documents or any person or body corporate associated as aforesaid); or

- (b) accepting or holding the trusteeship of any other trust deed constituting or securing any other notes issued by or relating to the Issuer or any other party to the Issuer Transaction Documents or any such person or body corporate so associated or any other office of profit under the Issuer or any other party to the Issuer Transaction Documents or any such person or body corporate so associated,

and shall be entitled to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such contract, transaction or arrangement as is referred to in (a) above or, as the case may be, any such trusteeship or office of profit as is referred to in (b) above without regard to the interests of the Noteholders and notwithstanding that the same may be contrary or prejudicial to the interests of the Noteholders and shall not be responsible for any liability occasioned to the Noteholders thereby and shall be entitled to retain and shall not be in any way liable to account for any profit made or share of brokerage or commission or remuneration or other amount or benefit received thereby or in connection therewith.

Where any holding company, subsidiary or associated company of the Note Trustee or any director or officer of the Note Trustee acting other than in such capacity as director or officer has any information, the Note Trustee shall not thereby be deemed also to have knowledge of such information and, unless it shall have express notice pursuant to this Deed of such information, shall not be responsible for any loss suffered by Noteholders resulting from the Note Trustee's failing to take such information into account in acting or refraining from acting under or in relation to these presents.

21. WAIVER, AUTHORISATION AND DETERMINATION

21.1 Waiver and determination

The Note Trustee may, without the consent or sanction of the Noteholders and without prejudice to its rights in respect of any subsequent breach, from time to time and at any time but, unless otherwise specified, only if and in so far as, in the case of (a), (c) and (d) below, in its opinion the interests of the holders of each Series and/or Class of Notes shall not be materially prejudiced thereby and in the case of (d) below in its opinion the interests of the holders of the most senior class of Notes then outstanding shall not be materially prejudiced thereby:

- (a) waive or authorise (other than a waiver or authorisation, the subject of which falls within the definition of a Basic Terms Modification) any breach or proposed breach by the Issuer or any other person of any of the covenants or provisions contained in these presents or any of the other Issuer Transaction Documents;
- (b) determine that any Note Event of Default shall not be treated as such for the purposes of these presents;
- (c) direct the Issuer Security Trustee to waive or authorise (other than a waiver or authorisation, the subject of which falls within the definition of a Basic Terms Modification) any breach or proposed breach by the Issuer or any other person of any of the covenants or provisions contained in any of the Issuer Transaction Documents; or
- (d) direct the Issuer Security Trustee to direct the Funding 1 Security Trustee to waive or authorise any breach or proposed breach by Funding 1 or any other person of any of the covenants or provisions contained in any Issuer Transaction Documents;

PROVIDED ALWAYS THAT the Note Trustee shall not exercise any powers conferred on it by this Clause in contravention of any express direction given by Extraordinary Resolution of any class of Notes or by a request under **Condition 9 or 10** but so that no such direction or request shall affect

any waiver, authorisation or determination previously given or made. Any such waiver, authorisation or determination may be given or made on such terms and subject to such conditions (if any) as the Note Trustee may determine, shall be binding on the Noteholders and, if, but only if, the Note Trustee shall so require, shall be notified by the Issuer to the Noteholders in accordance with **Condition 14** as soon as practicable thereafter.

21.2 Modification

- (a) The Note Trustee may without the consent or sanction of the Noteholders at any time and from time to time:
- (i) concur with the Issuer or any other person;
 - (ii) direct the Issuer Security Trustee to concur with the Issuer or any other person; or
 - (iii) direct the Issuer Security Trustee to direct the Funding 1 Security Trustee to concur with Funding 1 or any other person,

in making any modification (except a Basic Terms Modification (as defined in **paragraph 5 of Schedule 6** hereto)) to these presents or any of the other Issuer Transaction Documents which in the sole opinion of the Note Trustee it may be proper to make PROVIDED THAT the Note Trustee is of the opinion that such modification will not be materially prejudicial to the interests of the holders of any Series and/or Class of Notes or any modification to these presents or any of the other Issuer Transaction Documents if in the sole opinion of the Note Trustee such modification is of a formal, minor or technical nature or is necessary to correct a manifest error or is to comply with the mandatory provisions of law (and for the avoidance of doubt, the Note Trustees shall be entitled to assume, without further investigation or inquiry, that such modification, waiver or authorisation will not be materially prejudicial to the interests of the Noteholders if each of the Rating Agencies has confirmed in writing that the then current ratings of the applicable Series and/or Classes of Rated Notes would not be adversely affected by such modification, waiver or authorisation (it being acknowledged that none of the Rating Agencies has any obligation to provide such confirmation at any time and that, pursuant to Condition 16, the confirmation of one of the Rating Agencies may be sufficient for such purpose) PROVIDED ALWAYS THAT the Note Trustee shall not exercise any powers conferred on it by this Clause in contravention of any express direction given by Extraordinary Resolution of any class of Notes or by a request under **Condition 9** or **10** but so that no such direction or request shall affect any modification previously made. Any such modification may be made on such terms and subject to such conditions (if any) as the Note Trustee may determine, shall be binding upon the Noteholders and, unless the Note Trustee agrees otherwise, shall be notified by the Issuer to the Noteholders and the Rating Agencies in accordance with **Condition 14** as soon as practicable thereafter.

- (b) So long as any of the Notes are rated by the Rating Agencies, the Issuer shall notify the Rating Agencies in writing as soon as reasonably practicable thereafter of any modification to the provisions of these presents, the Notes or any of the other Issuer Transaction Documents. The Note Trustee may also agree, without the consent of the Noteholders, to a change of the laws governing the Notes and/or the Issuer Transaction Documents (and to any consequential amendments deriving therefrom) **PROVIDED THAT** such change and consequential amendments would not, in the opinion of the Note Trustee, be materially prejudicial to the interests of the holders of any Series or Class/es of Notes.
- (c) In addition, the Note Trustee shall give its consent to any modifications to any Issuer Transaction Document or direct the Issuer Security Trustee to give its consent to such modifications or to direct the Funding 1 Security Trustee to give its consent to such modifications, that are requested by Funding 1 (or the Cash Manager on its behalf) or the Issuer (or the Issuer Cash Manager on its

behalf) provided that Funding 1 (or the Cash Manager on its behalf) or the Issuer (or the Issuer Cash Manager on its behalf) certifies to the Note Trustee, the Issuer Security Trustee and/or the Funding 1 Security Trustee (as applicable) in writing that such modifications are required in order to accommodate (among other things):

- (i) any Loan Tranches to be advanced to Funding 1 under the Intercompany Loan and/or the issue of any Notes by the Issuer;
 - (ii) New Intercompany Loan Agreements of Funding 1 or any Further Funding Companies and/or the issue of New Notes by New Issuers;
 - (iii) the addition of other relevant secured creditors of the Issuer Secured Creditors, Funding 1 Secured Creditors, any New Issuer or any Further Funding Company;
 - (iv) the accession of New Beneficiaries to the Mortgages Trust Deed;
 - (v) the issue (directly or indirectly) of debt by Funding 1 and/or any Further Funding Company (other than as referred to in **paragraphs (i) and (ii) above**);
 - (vi) the sale of New Loan Types or Mortgages to the Mortgages Trustee;
 - (vii) changes to the General Reserve Required Amount and/or any additional amounts for the purposes of an Arrears or Step-up Trigger Event and/or the Liquidity Reserve Fund Required Amount and/or the manner in which these are funded;
 - (viii) the establishment of the Funding 1 Liquidity Facility; and/or
 - (ix) changes to the Asset Trigger Events and Non-Asset Trigger Events;
- (d) The Note Trustee shall only be required to agree or consent to the modifications set out in **paragraph (c) above** if the Note Trustee is satisfied that:
- (i) in respect of the matters listed in **paragraphs (c)(i), (c)(iv) and (c)(vi) above**, Funding 1, the Cash Manager, the Issuer and/or the Issuer Cash Manager has certified to the Note Trustee in writing that the conditions precedent to:
 - (A) Notes being issued by the Issuer and/or Loan Tranches being made available to Funding 1 (as set out in Condition 15 and Clause 3 of the Intercompany Loan Agreement);
 - (B) the assignment of New Loans to the Mortgages Trustee (as set out in Clause 4 of the Mortgage Sale Agreement);
 - (C) the inclusion of a New Beneficiary of the Mortgages Trust (as set out in Clause 17 of the Mortgages Trust Deed),have been satisfied; and
 - (ii) in respect of the matters listed in **paragraphs (c)(i) to (c)(ix) above**, the Note Trustee has received written confirmation from each of the Rating Agencies that as a result of the relevant modifications the then current ratings of the Rated Notes will not be downgraded, withdrawn or qualified (it being acknowledged that none of the Rating Agencies has any obligation to provide such confirmation at any time).

21.3 Consent

The Note Trustee may give, or direct the Issuer Security Trustee or the Funding 1 Security Trustee to give, or direct the Issuer Security Trustee to direct the Funding 1 Security Trustee to give, any consent or approval for the purposes of these presents or any other Issuer Transaction Document if, in its opinion, the interests of all classes of the Noteholders will not be materially prejudiced thereby. For the avoidance of doubt, the Note Trustee shall not have any duty to the Noteholders in relation to such matters other than that which is contained in this Clause. Any such consent or approval may be given on such terms and subject to such conditions (if any) as the Note Trustee thinks fit and notwithstanding anything to the contrary in these presents or any other Issuer Transaction Document may be given retrospectively.

21.4 Rating Agencies

If:

- (a) a confirmation of rating or other response by a Rating Agency is a condition to any action or step under any Issuer Transaction Document; and
- (b) a written request for such confirmation or response is delivered to each Rating Agency by the Issuer (copied to the Note Trustee) and either one or more Rating Agency (each a **Non-Responsive Rating Agency**) indicates that it does not consider such confirmation or response necessary in the circumstances or within 30 days of delivery of such request elicits no confirmation or response and/or such request elicits no statement by such Rating Agency that such request could not be given; and
- (c) at least one Rating Agency gives such a confirmation or response based on the same facts,

then such condition shall be deemed to be modified with respect to the facts set out in the request referred to in **paragraph (b) above** so that there shall be no requirement for the confirmation or response from the Non-Responsive Rating Agency.

The Note Trustee shall be entitled to treat as conclusive a certificate by any director, officer or employee of the Issuer, Funding 1, the Seller, any investment bank or financial adviser acting in relation to the Notes as to any matter referred to in **paragraph (b)** (above) in the absence of manifest error or the Note Trustee having facts contradicting such certificates specifically drawn to his attention and the Note Trustee shall not be responsible for any loss, liability, costs, damages, expenses or inconvenience that may be caused as a result of treating such certificate as conclusive.

21.5 Breach

Any breach of or failure by the Issuer to comply with any such terms and conditions as are referred to in **sub-clauses 21.1, 21.2 and 21.3** of this Clause shall constitute a default by the Issuer in the performance or observance of a covenant or provision binding on it under or pursuant to these presents.

22. ENTITLEMENT TO TREAT NOTEHOLDER AS ABSOLUTE OWNER

The Issuer, the Note Trustee, the Paying Agents, the Transfer Agent and the Registrar may (to the fullest extent permitted by applicable laws) deem and treat the registered holder of any Note or of a particular principal amount of the Notes as the absolute owner of such Note or principal amount, as the case may be, for all purposes (whether or not such Note or principal amount shall be overdue and notwithstanding any notice of ownership thereof or of trust or other interest with regard thereto, any notice of loss or theft thereof or any writing thereon), and the Issuer, the Note Trustee, the Paying

Agents, the Transfer Agent and the Registrar shall not be affected by any notice to the contrary. All payments made to any such registered holder of a Definitive Note or Global Note shall be valid and, to the extent of the sums so paid, effective to satisfy and discharge the liability for the monies payable in respect of such Note or principal amount, as the case may be.

23. CURRENCY INDEMNITY

The Issuer shall indemnify the Note Trustee, every appointee of the Note Trustee and the Noteholders and keep them indemnified against:

- (a) any liability incurred by any of them arising from the non-payment by the Issuer of any amount due to the Note Trustee or the Noteholders under these presents by reason of any variation in the rates of exchange between those used for the purposes of calculating the amount due under a judgment or order in respect thereof and those prevailing at the date of actual payment by the Issuer; and
- (b) any deficiency arising or resulting from any variation in rates of exchange between (i) the date as of which the local currency equivalent of the amounts due or contingently due under these presents (other than this Clause) is calculated for the purposes of any bankruptcy, insolvency or liquidation of the Issuer and (ii) the final date for ascertaining the amount of claims in such bankruptcy, insolvency or liquidation. The amount of such deficiency shall be deemed not to be reduced by any variation in rates of exchange occurring between the said final date and the date of any distribution of assets in connection with any such bankruptcy, insolvency or liquidation.

The above indemnity (and the indemnities given by the Issuer in **Clause 17.5** and **Clause 18(m)**) shall constitute obligations of the Issuer separate and independent from its obligations under the other provisions of these presents and the Notes and shall apply irrespective of any indulgence granted by the Note Trustee or the Noteholders from time to time and shall continue in full force and effect notwithstanding the judgment or filing of any proof or proofs in any bankruptcy, insolvency or liquidation of the Issuer for a liquidated sum or sums in respect of amounts due under these presents (other than this Clause). Any such deficiency as aforesaid shall be deemed to constitute a loss suffered by the Noteholders and no proof or evidence of any actual loss shall be required by the Issuer or its liquidator or liquidators.

24. ELIGIBILITY AND DISQUALIFICATION; NEW NOTE TRUSTEE

24.1 Eligibility and Disqualification

This Deed shall always have a Note Trustee that meets the requirements of Section 26(a)(1) of the U.S. Investment Company Act of 1940; is not an affiliate (as defined in Rule 405 of the Securities Act) of the Issuer or of any person involved in the organisation or operation of the Issuer; does not offer or provide credit or credit enhancement to the Issuer; and has executed an agreement or instrument concerning the Notes containing provisions to the effect set forth in Section 26(a)(3) of the U.S. Investment Company Act of 1940. If at any time the Note Trustee shall cease to be eligible in accordance with the provisions of this **Clause 24.1**, the Note Trustee shall resign promptly in the manner and with the effect specified in **Clause 25**.

24.2 New Note Trustee

Subject to **Clause 24.1** the power to appoint a new trustee of these presents shall be vested in the Issuer but no person shall be appointed who shall not previously have been approved by an Extraordinary Resolution of the Class A Noteholders, the Class B Noteholders, the Class M Noteholders, the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders. One or

more persons may hold office as trustee or trustees of these presents but such trustee or trustees shall be or include a Trust Corporation. Whenever there shall be more than two trustees of these presents the majority of such trustees shall be competent to execute and exercise all the duties, powers, trusts, authorities and discretions vested in the Note Trustee by these presents provided that a Trust Corporation shall be included in such majority. Any appointment of a new trustee of these presents shall as soon as practicable thereafter be notified by the Issuer to the Principal Paying Agent, the Transfer Agent, the Registrar, the Noteholders and the Rating Agencies.

24.3 Separate and Co-Trustees

Notwithstanding the provisions of **sub-clause 24.2 above**, the Note Trustee may, upon giving prior notice to the Issuer (but without requiring the consent of the Issuer or the Noteholders), appoint any person established or resident in any jurisdiction (whether a Trust Corporation or not) to act either as a separate trustee or as a co-trustee jointly with the Note Trustee:

- (a) if the Note Trustee considers such appointment to be in the interests of the Noteholders;
- (b) for the purposes of conforming to any legal requirements, restrictions or conditions in any jurisdiction in which any particular act or acts is or are to be performed; or
- (c) for the purposes of obtaining a judgment in any jurisdiction or the enforcement in any jurisdiction of either a judgment already obtained or any of the provisions of these presents or any of the other Issuer Transaction Documents against the Issuer or any other party thereto.

The Issuer irrevocably appoints the Note Trustee to be its attorney in its name and on its behalf to execute any such instrument of appointment. Such a person shall (subject always to the provisions of these presents) have such trusts, powers, authorities and discretions (not exceeding those conferred on the Note Trustee by these presents) and such duties and obligations as shall be conferred or imposed by the instrument of appointment. The Note Trustee shall have power in like manner to remove any such person. Such reasonable remuneration as the Note Trustee may pay to any such person, together with any attributable costs, charges and expenses incurred by it in performing its function as such separate trustee or co-trustee, shall for the purposes of this Deed be treated as costs, charges and expenses incurred by the Note Trustee.

25. NOTE TRUSTEE'S RETIREMENT AND REMOVAL

A trustee of this Deed may retire at any time on giving not less than three months' prior written notice to the Issuer without giving any reason and without being responsible for any costs incurred by reason of such retirement. The Noteholders may by Extraordinary Resolution of each Class of Noteholders remove any trustee or trustees for the time being of these presents. The Issuer undertakes that in the event of the only trustee of these presents which is a Trust Corporation giving notice under this Clause or being removed by Extraordinary Resolution of each Class of Noteholders it will use its best endeavours to procure that a new trustee of these presents being a Trust Corporation is appointed as soon as reasonably practicable thereafter. The retirement or removal of any such trustee shall not become effective until a successor trustee being a Trust Corporation is appointed. If a successor trustee being a trust corporation has not been appointed within 60 days after the date of the notice of retirement of the Note Trustee, then the retiring Note Trustee may appoint its own successor trustee being a trust corporation (provided that such successor trustee is acceptable to the Rating Agencies and agrees to be bound by the terms of the Issuer Transaction Documents, and further provided that the Rating Agencies confirm that the current ratings of the Rated Notes shall not be downgraded, withdrawn or qualified as a result of such appointment (it being acknowledged that none of the Rating Agencies has any obligation to provide such confirmation at any time).

26. NOTE TRUSTEE'S POWERS TO BE ADDITIONAL

The powers conferred upon the Note Trustee by these presents shall be in addition to any powers which may from time to time be vested in the Note Trustee by the general law or as a holder of any of the Notes.

27. NOTICES

27.1 Any notice or demand to the Issuer or the Note Trustee to be given, made or served for any purposes under these presents shall be in writing and shall be given, made or served by sending the same by pre-paid post (first class if inland, first class airmail if overseas) or facsimile transmission or by delivering it by hand to:

(a) **Issuer:**

Fosse Master Issuer plc
35 Great St. Helen's
London EC3A 6AP

For the attention of: The Directors
Facsimile: +44 (0)20 7398 6325

With a copy to:

(i) Prior to the Transfer Date:

Alliance & Leicester plc
Carlton Park
Leicester LE19 0AL

For the attention of the Group Treasurer
Facsimile: +44(0) 870 907 2277

(ii) On and following the Transfer Date:

Santander UK plc

2 Triton Square,
Regent's Place,
London NW1 3AN

For the attention of the Company Secretary
Facsimile: +44 (0)20 7756 5627

(b) **Note Trustee:**

Law Debenture Trust Company of New York
400 Madison Avenue – 4th Floor New York
New York 10017

For the attention of: Patrick Healy
Facsimile: +1 212 750 1361

or to such other address or facsimile number as shall have been notified (in accordance with this Clause) to the other party hereto and any notice or demand sent by post as aforesaid shall be deemed

to have been given, made or served three days in the case of inland post or seven days in the case of overseas post after despatch and any notice or demand sent by facsimile transmission as aforesaid shall be deemed to have been given, made or served on report of successful transmission.

27.2 Notices to Noteholders

Any notice or communication mailed to Noteholders hereunder shall be transmitted by mail to all Noteholders of Definitive Notes, as the names and addresses of such Noteholders appear upon the Register.

28. RIGHTS OF THIRD PARTIES

A person who is not a party to this Deed has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Deed except and to the extent (if any) that this Deed expressly provides for such Act to apply to any of its terms, but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

29. CERTIFICATES AND OPINIONS

29.1 Certificate and Opinions as to Conditions Precedent

Upon any request or application by the Issuer to the Note Trustee to take any action under this Deed, the Issuer shall furnish to the Note Trustee:

- (a) an Officers' Certificate (which shall include the statements set forth in **Clause 29.2 below**) stating that, in the opinion of the signers, all conditions precedent, if any, provided for in this Deed or required by the Note Trustee pursuant to the terms of this Deed relating to the proposed action have been complied with; and
- (b) an Opinion of Counsel (which shall include the statements set forth in **Clause 29.2 below**) stating that, in the opinion of such counsel, all such conditions precedent, if any, provided for in this Deed or required by the Note Trustee pursuant to the terms of this Deed relating to the proposed action have been complied with.

29.2 Statements Required in Certificate and Opinion

Each certificate and opinion with respect to compliance with a condition or covenant provided for in this Deed shall include:

- (a) a statement that the person making such certificate or opinion has read such covenant or condition and the definitions relating thereto;
- (b) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;
- (c) a statement that, in the opinion of such person, it or he has made such examination or investigation as is necessary to enable such person to express an informed opinion as to whether or not such covenant or condition has been complied with; and
- (d) a statement as to whether or not, in the opinion of such person, such covenant or condition has been complied with.

30. GOVERNING LAW

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

31. COUNTERPARTS

This Deed and any trust deed supplemental hereto may be executed and delivered in any number of counterparts, all of which, taken together, shall constitute one and the same deed and any party to this Deed or any trust deed supplemental hereto may enter into the same by executing and delivering a counterpart.

32. SUBMISSION TO JURISDICTION

The Issuer irrevocably agrees for the benefit of the Issuer Security Trustee and the other Issuer Secured Creditors that the English courts have exclusive jurisdiction to settle any dispute which may arise out of or in connection with these presents, the Notes and any non-contractual Obligation arising out of or in connection with them and accordingly submits to the exclusive jurisdiction of the English courts. The Issuer waives any objection to the courts of England on the grounds that they are an inconvenient or inappropriate forum. The Issuer Security Trustee and the other Issuer Secured Creditors may take any suit, action or proceeding arising out of or in connection with these presents, the Notes and any non-contractual Obligation arising out of or in connection with them (together referred to as **Proceedings**) against the Issuer in any other court of competent and concurrent Proceedings in any number of jurisdictions.

IN WITNESS WHEREOF this Deed has been executed as a deed by the Issuer and the Note Trustee and delivered on the date first stated on page 1.

SCHEDULE 1

FORMS OF GLOBAL NOTES

SERIES [●] CLASS [A]/[B]/[M]/[C]/[D]/[Z] [RULE 144A/REG S] GLOBAL NOTE

[THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE **SECURITIES ACT**), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF, THE HOLDER (A) REPRESENTS THAT IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) PURCHASING THE SECURITIES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QUALIFIED INSTITUTIONAL BUYERS; (B) AGREES THAT IT WILL NOT RESELL OR OTHERWISE TRANSFER THE SECURITIES EXCEPT IN ACCORDANCE WITH THE SUBSCRIPTION AGREEMENT AND, PRIOR TO THE DATE WHICH IS ONE YEAR AFTER THE LATER OF THE LAST ISSUE DATE FOR THE SERIES AND THE LAST DATE ON WHICH THE ISSUER OR AN AFFILIATE OF THE ISSUER WAS THE OWNER OF SUCH SECURITIES OTHER THAN (1) TO THE ISSUER OR ANY AFFILIATE THEREOF, (2) INSIDE THE UNITED STATES TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (3) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 903 OR RULE 904 UNDER THE SECURITIES ACT, (4) PURSUANT TO THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE) OR (5) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES AND ANY OTHER JURISDICTION; (C) WITH RESPECT TO THE NOTES SPECIFIED IN THE APPLICABLE FINAL TERMS TO BE ERISA-ELIGIBLE, AGREES FOR THE BENEFIT OF THE ISSUER AND THE MANAGERS OF THE OFFERING OF THE NOTES OUTSIDE THE UNITED STATES THAT IT WILL OFFER, RESELL, PLEDGE OR OTHERWISE TRANSFER THIS NOTE, ONLY TO A PURCHASER WITH RESPECT TO WHOM (X) NO PART OF THE ASSETS USED TO PURCHASE THIS NOTE CONSTITUTES ASSETS OF ANY EMPLOYEE BENEFIT PLAN, OTHER PLAN OR INDIVIDUAL RETIREMENT ACCOUNT SUBJECT TO TITLE I OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED (**ERISA**), OR SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE CODE) OR A GOVERNMENTAL, CHURCH OR FOREIGN PLAN SUBJECT TO FEDERAL, STATE OR FOREIGN LAWS SUBSTANTIALLY SIMILAR TO SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE (**SIMILAR LAW**), OR (Y) PART OR ALL OF THE ASSETS USED TO PURCHASE THIS NOTE CONSTITUTE ASSETS OF AN EMPLOYEE BENEFIT PLAN, OTHER PLAN OR INDIVIDUAL RETIREMENT ACCOUNT SUBJECT TO TITLE I OF ERISA OR SECTION 4975 OF THE CODE OR A GOVERNMENTAL, CHURCH OR FOREIGN PLAN IF AND ONLY IF THE USE OF SUCH ASSETS WILL NOT CONSTITUTE, CAUSE OR RESULT IN THE OCCURRENCE OF A NON-EXEMPT PROHIBITED TRANSACTION UNDER ERISA OR SECTION 4975 OF THE CODE OR A VIOLATION OF ANY SIMILAR LAW PROVIDED THAT THE AGREEMENT OF THE HOLDER HEREOF IS SUBJECT TO ANY REQUIREMENT OF LAW THAT THE DISPOSITION OF THE PURCHASER'S PROPERTY SHALL AT ALL TIMES BE AND REMAIN WITHIN ITS CONTROL. IF THE NOTE REPRESENTED HEREBY IS NOT SPECIFIED IN THE APPLICABLE FINAL TERMS AS ERISA-ELIGIBLE, THE HOLDER HEREOF, BY PURCHASING OR ACCEPTING THIS NOTE, AGREES FOR THE BENEFIT OF THE ISSUER AND THE MANAGERS OF THE OFFERING OF THE NOTES THAT NO PART OF THE ASSETS USED TO PURCHASE THIS NOTE CONSTITUTES ASSETS OF ANY

EMPLOYEE BENEFIT PLAN, OTHER PLAN OR INDIVIDUAL RETIREMENT ACCOUNT SUBJECT TO TITLE I OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED, OR SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED; AND (D) AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.

THIS NOTE AND RELATED DOCUMENTATION MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME TO MODIFY THE RESTRICTIONS ON AND PROCEDURES UNDERTAKEN OR REPRESENTED BY THE HOLDER, FOR RESALES AND OTHER TRANSFERS OF THIS NOTE TO REFLECT ANY CHANGE IN APPLICABLE LAW OR REGULATION (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO RESALES OR OTHER TRANSFERS OR RESTRICTED SECURITIES GENERALLY. THE HOLDER OF THIS NOTE AND ANY BENEFICIAL OWNER OF ANY INTEREST HEREIN SHALL BE DEEMED, BY ITS ACCEPTANCE OR PURCHASE HEREOF, TO HAVE AGREED TO ANY SUCH AMENDMENT OR SUPPLEMENT (EACH OF WHICH SHALL BE CONCLUSIVE AND BINDING ON THE HOLDER HEREOF AND ALL FUTURE HOLDERS OF THIS NOTE AND ANY NOTES ISSUED IN EXCHANGE OR SUBSTITUTION HEREFOR, WHETHER OR NOT ANY NOTATION THEREOF IS MADE HEREON) AND AGREES TO TRANSFER THIS NOTE ONLY IN ACCORDANCE WITH ANY SUCH AMENDMENT OR SUPPLEMENT IN ACCORDANCE WITH APPLICABLE LAW IN EFFECT AT THE DATE OF SUCH TRANSFER. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT FOR RESALES OF THIS NOTE]*

[THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE **SECURITIES ACT**), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND, AS A MATTER OF U.S. LAW (1) AS PART OF THEIR DISTRIBUTION AT ANY TIME OR (2) PRIOR TO THE DATE THAT IS 40 DAYS AFTER THE LATER OF THE COMMENCEMENT OF THE OFFERING OF THE NOTES AND THE CLOSING DATE, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, A U.S. PERSON (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT) EXCEPT PURSUANT TO AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. THE HOLDER HEREOF, BY PURCHASING OR ACCEPTING THIS NOTE, AGREES FOR THE BENEFIT OF THE ISSUER AND THE MANAGERS OF THE OFFERING OF THE NOTES OUTSIDE THE UNITED STATES THAT NO PART OF THE ASSETS USED TO PURCHASE THIS NOTE CONSTITUTES ASSETS OF ANY EMPLOYEE BENEFIT PLAN, OTHER PLAN OR INDIVIDUAL RETIREMENT ACCOUNT SUBJECT TO TITLE I OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED, OR SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED]**

* To appear only on the Rule 144 A Global Notes.

** To appear only on the Reg S Global Notes.

FOSSE MASTER ISSUER PLC

(Incorporated with limited liability in England with registered number 5925693)

SERIES [●] CLASS [A]/[B]/[M]/[C]/[D]/[Z] [RULE 144A/REG S] GLOBAL NOTE

representing up to

[●] Series [●] Class [A]/[B]/[M]/[C]/[D] Asset Backed Floating Rate Notes due [●]

(Initial aggregate principal amount of Series [●] Class [A]/[B]/[M]/[C]/[D] Global Notes: [●])

This Series [●] Class [A]/[B]/[M]/[C]/[D]/[Z] Global Note is issued without principal or interest coupons in respect of a duly authorised issue of Series [●] Class [A]/[B]/[M]/[C]/[D]/[Z] Notes of Fosse Master Issuer plc (the **Issuer**), designated as specified in the title hereof (the **Notes**), limited to the aggregate principal amount of up to [*Initial Principal Amount – words and figures*] [U.S. dollars/euro/pounds sterling] ([US\$/€/£][●]) and constituted by a Note Trust Deed dated 28 November 2006 as supplemented and amended on 1 August 2007, 21 August 2008 and 11 March 2010 (the **Note Trust Deed**) between the Issuer and Law Debenture Trust Company of New York, as trustee (the trustee for the time being thereof being herein called the **Note Trustee**). References herein to the Conditions (or to any particular numbered Condition) shall be to the Conditions (or that particular one of them) set out in **Schedule 5** to the Note Trust Deed. Terms used but not defined herein have the meanings ascribed to them in the master definitions and construction schedule signed by, amongst others, Alliance & Leicester plc and dated 28 November 2006 as amended and restated on 1 August 2007, 20 December 2007, 23 November 2009 and 11 March 2010 (the **Master Definitions and Construction Schedule**) and the issuer master definitions and construction schedule, signed by, amongst others, the parties to this Agreement and dated 28 November 2006 as amended and restated on 1 August 2007, 20 December 2007, 23 November 2009 and 11 March 2010 (the **Issuer Master Definitions and Construction Schedule**) (each as may be amended and/or restated from time to time with the consent of the parties to the Note Trust Deed), and the Note Trust Deed and this Global Note shall be construed in accordance with the interpretation provisions set out in **clause 2** of the Issuer Master Definitions and Construction Schedule. The aggregate principal amount from time to time of this Global Note shall be that amount not exceeding [US\$/€/£][*Currency and Initial Principal Amount*] as shall be shown by the latest entry duly made in the Schedule hereto.

This is to certify that:

[Cede & Co. as nominee on behalf of The Depository Trust Company]* [Citivic Nominees Limited as nominee on behalf of the Common Depository for both Euroclear and Clearstream, Luxembourg]**

is/are the duly registered holder(s) of one of the Series [●] Class [A]/[B]/[M]/[C]/[D]/[Z] Global Notes. This Global Note is evidence of entitlement only. Title to the Global Notes passes only on due registration in the Register and only the registered holder is entitled to payment in respect of this Global Note.

1. **Promise to pay**

Subject as provided in this Global Note the Issuer promises to pay to the registered holder hereof the principal amount of this Global Note (being at the date hereof [*Initial Principal Amount – words and figures*] on the Interest Payment Date falling in [●] (or on such earlier date as the said principal amount may become repayable in accordance with the Conditions or the Note Trust Deed) and to pay interest monthly or quarterly, as the case may be, in arrear on each Interest Payment Date on the principal amount from time to time of this Global Note at the rates determined in accordance with the Conditions together with such other amounts (if any) as may be payable, all subject to and in accordance with the Conditions and the provisions of the Note Trust Deed.

* To appear only on the Rule 144A Global Notes.

** To appear only on the Reg S Global Notes.

2. Exchange for Definitive Notes and purchases

This Global Note will be exchangeable (free of charge to the holder) for Definitive Notes only if (a) [The Depository Trust Company (**DTC**) has notified the Issuer that it is at any time unwilling or unable to continue as holder of this Global Note or is at any time unwilling or unable to continue as, or ceases to be, a clearing agency under the United States Securities Exchange Act of 1934, as amended (the **Exchange Act**), and a successor to DTC registered as a clearing agency under the Exchange Act is not able to be appointed by the Issuer within 90 days of such notification] * [both Euroclear Bank S.A./N.V. as operator of the Euroclear System (**Euroclear**) and Clearstream Banking, *société anonyme* (**Clearstream, Luxembourg**) are closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announce an intention permanently to cease business or do so and no alternative clearing system satisfactory to the Note Trustee is then available] **, or (b) as a result of any amendment to, or change in, the laws or regulations of the United Kingdom (or of any political subdivision thereof), or of any authority therein or thereof having power to tax, or in the interpretation or administration by a revenue authority or a court or administration of such laws or regulations which becomes effective on or after the Closing Date, the Issuer or any Paying Agent is or will be required to make any deduction or withholding from any payment in respect of the Notes which would not be required were the relevant Notes in definitive registered form. Thereupon the holder of this Global Note (acting on the instructions of (a) holder(s) of (a) Book-Entry Interest(s) (as defined in Section 3 hereof)) may give notice to the Issuer, and the Issuer may give notice to the Note Trustee and the Noteholders, of its intention to exchange this Global Note for [Rule 144A/Reg S] Definitive Notes on or after the Exchange Date (as defined below).

On or after the Exchange Date, the holder of this Global Note shall surrender this Global Note to or to the order of the Registrar. In exchange for this Global Note the Issuer will deliver, or procure the delivery of, Definitive Notes in registered form in denominations of [US\$100,000][€50,000][£100,000][£50,000] each, plus integral multiples of [US\$1,000][€1,000][£1,000], or in such other denominations as the Note Trustee shall determine (which must be higher than [US\$100,000][€50,000][£100,000][£50,000]) and notify to the relevant Noteholders, in exchange for the whole of this Global Note.

Exchange Date means a day specified in the notice requiring exchange falling not more than 60 days after that on which such notice is given and on which banks are open for business in the city in which the specified office of the Registrar is located and in the city in which the relevant clearing system is located.

Upon the cancellation of a part of this Global Note in accordance with the Note Trust Deed, the Conditions and the Paying Agent and Agent Bank Agreement, the portion of the principal amount hereof so exchanged or so purchased and cancelled shall be endorsed by or on behalf of the Registrar on behalf of the Issuer on **Part 2** of the Schedule hereto, whereupon the principal amount hereof shall be increased or, as the case may be, reduced for all purposes by the amount so exchanged or so purchased and cancelled and endorsed. Upon the exchange of the whole of this Global Note for Definitive Notes, this Global Note shall be surrendered to or to the order of the Registrar and cancelled and, if the holder of this Global Note requests, returned to it together with any relevant Definitive Notes.

3. **Payments**

Until the entire principal amount of this Global Note has been extinguished, this Global Note shall be entitled to the benefit of and be bound by the Conditions, the Note Trust Deed and the Issuer Deed of Charge. Payments of principal and interest in respect of Notes represented by this Global Note will be made in accordance with the Conditions. Upon any payment of principal or interest on this Global Note the amount so paid shall be endorsed by or on behalf of the Registrar on behalf of the Issuer on **Part 1** of the Schedule hereto.

Upon any payment of principal and endorsement of such payment on **Part 1** of the Schedule hereto, the principal amount of this Global Note shall be reduced for all purposes by the principal amount so paid and endorsed.

All payments of any amounts payable and paid to the registered holder of this Global Note shall be valid and, to the extent of the sums so paid, effectual to satisfy and discharge the liability for the monies payable hereon.

4. **[DTC**

References herein to DTC shall be deemed to include references to any other clearing system approved by the Note Trustee.]*

5. **Euroclear, Clearstream, Luxembourg**

References herein to Euroclear and/or Clearstream, Luxembourg shall be deemed to include references to any other clearing system approved by the Note Trustee.]**

6. **Authentication**

This Global Note shall not be or become valid or obligatory for any purpose unless and until authenticated by or on behalf of the Registrar.

7. **[Tax Treatment**

The Issuer will treat the Notes as indebtedness for US federal income tax purposes. Each holder of a Note, by the acceptance hereof, agrees to treat this Note for US federal income tax purposes as indebtedness.]¹

8. **Governing law**

This Global Note (and any non-contractual obligations arising out of or in connection with it) is governed by, and shall be construed in accordance with, the laws of England and Wales and the Issuer has in the Note Trust Deed submitted to the non exclusive jurisdiction of the courts of England for all purposes in connection with this Global Note.

9. **Contracts (Rights of Third Parties) Act 1999**

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

* To appear only on the Rule 144A Global Notes.

** To appear only on the Reg S Global Notes.

¹ Delete for Reg S Notes

IN WITNESS WHEREOF the Issuer has caused this Global Note to be signed manually or in facsimile by a person duly authorised on its behalf.

FOSSE MASTER ISSUER PLC

By: _____
(Duly authorised) per pro SFM Directors Limited, as Director

Issued in London, England on [●].

Certificate of authentication

This Global Note is duly authenticated without recourse, warranty or liability.

Duly authorised
for and on behalf of
CITIBANK, N.A.
as Registrar

PART 1

PAYMENTS OF PRINCIPAL AND INTEREST

The following payments on this Global Note have been made:

Date Made	Interest Paid	Principal Paid	Remaining principal amount of this Global Note following such payment	Notation made on behalf of the Issuer
	<i>[specified currency]</i>	<i>[specified currency]</i>	<i>[specified currency]</i>	
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
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_____	_____	_____	_____	_____
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_____	_____	_____	_____	_____
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_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

SCHEDULE 2

FORM OF DEFINITIVE NOTES

SERIES [●] CLASS [A]/[B]/[M]/[C]/[D]/[Z] [RULE 144A/REG S] DEFINITIVE NOTE

[US\$][€][£] [●]

[ISIN:]

[SERIES]

[SERIAL NO.]

[THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE **SECURITIES ACT**), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF, THE HOLDER (A) REPRESENTS THAT IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) PURCHASING THE SECURITIES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QUALIFIED INSTITUTIONAL BUYERS; (B) AGREES THAT IT WILL NOT RESELL OR OTHERWISE TRANSFER THE SECURITIES EXCEPT IN ACCORDANCE WITH THE SUBSCRIPTION AGREEMENT AND, PRIOR TO THE DATE WHICH IS ONE YEAR AFTER THE LATER OF THE LAST ISSUE DATE FOR THE SERIES AND THE LAST DATE ON WHICH THE ISSUER OR AN AFFILIATE OF THE ISSUER WAS THE OWNER OF SUCH SECURITIES OTHER THAN (1) TO THE ISSUER OR ANY AFFILIATE THEREOF, (2) INSIDE THE UNITED STATES TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (3) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 903 OR RULE 904 UNDER THE SECURITIES ACT, (4) PURSUANT TO THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE) OR (5) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES AND ANY OTHER JURISDICTION; (C) WITH RESPECT TO THE NOTES SPECIFIED IN THE APPLICABLE FINAL TERMS TO BE ERISA-ELIGIBLE, AGREES FOR THE BENEFIT OF THE ISSUER AND THE MANAGERS OF THE OFFERING OF THE NOTES OUTSIDE THE UNITED STATES THAT IT WILL OFFER, RESELL, PLEDGE OR OTHERWISE TRANSFER THIS NOTE, ONLY TO A PURCHASER WITH RESPECT TO WHOM (X) NO PART OF THE ASSETS USED TO PURCHASE THIS NOTE CONSTITUTES ASSETS OF ANY EMPLOYEE BENEFIT PLAN, OTHER PLAN OR INDIVIDUAL RETIREMENT ACCOUNT SUBJECT TO TITLE I OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED (**ERISA**), OR SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE CODE) OR A GOVERNMENTAL, CHURCH OR FOREIGN PLAN SUBJECT TO FEDERAL, STATE OR FOREIGN LAWS SUBSTANTIALLY SIMILAR TO SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE (**SIMILAR LAW**), OR (Y) PART OR ALL OF THE ASSETS USED TO PURCHASE THIS NOTE CONSTITUTE ASSETS OF AN EMPLOYEE BENEFIT PLAN, OTHER PLAN OR INDIVIDUAL RETIREMENT ACCOUNT SUBJECT TO TITLE I OF ERISA OR SECTION 4975 OF THE CODE OR A GOVERNMENTAL, CHURCH OR FOREIGN PLAN IF AND ONLY IF THE USE OF SUCH ASSETS WILL NOT CONSTITUTE, CAUSE OR RESULT IN THE OCCURRENCE OF A NON-EXEMPT PROHIBITED TRANSACTION UNDER ERISA OR SECTION 4975 OF THE CODE OR A VIOLATION OF ANY SIMILAR LAW PROVIDED THAT THE AGREEMENT OF THE HOLDER HEREOF IS SUBJECT TO ANY REQUIREMENT OF LAW THAT THE DISPOSITION OF THE PURCHASER'S PROPERTY SHALL AT ALL TIMES BE AND REMAIN WITHIN ITS CONTROL. IF THE NOTE

REPRESENTED HEREBY IS NOT SPECIFIED IN THE APPLICABLE FINAL TERMS AS ERISA-ELIGIBLE, THE HOLDER HEREOF, BY PURCHASING OR ACCEPTING THIS NOTE, AGREES FOR THE BENEFIT OF THE ISSUER AND THE MANAGERS OF THE OFFERING OF THE NOTES THAT NO PART OF THE ASSETS USED TO PURCHASE THIS NOTE CONSTITUTES ASSETS OF ANY EMPLOYEE BENEFIT PLAN, OTHER PLAN OR INDIVIDUAL RETIREMENT ACCOUNT SUBJECT TO TITLE I OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED, OR SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED; AND (D) AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.

THIS NOTE AND RELATED DOCUMENTATION MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME TO MODIFY THE RESTRICTIONS ON AND PROCEDURES UNDERTAKEN OR REPRESENTED BY THE HOLDER, FOR REALES AND OTHER TRANSFERS OF THIS NOTE TO REFLECT ANY CHANGE IN APPLICABLE LAW OR REGULATION (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO REALES OR OTHER TRANSFERS OR RESTRICTED SECURITIES GENERALLY. THE HOLDER OF THIS NOTE AND ANY BENEFICIAL OWNER OF ANY INTEREST HEREIN SHALL BE DEEMED, BY ITS ACCEPTANCE OR PURCHASE HEREOF, TO HAVE AGREED TO ANY SUCH AMENDMENT OR SUPPLEMENT (EACH OF WHICH SHALL BE CONCLUSIVE AND BINDING ON THE HOLDER HEREOF AND ALL FUTURE HOLDERS OF THIS NOTE AND ANY NOTES ISSUED IN EXCHANGE OR SUBSTITUTION HEREFOR, WHETHER OR NOT ANY NOTATION THEREOF IS MADE HEREON) AND AGREES TO TRANSFER THIS NOTE ONLY IN ACCORDANCE WITH ANY SUCH AMENDMENT OR SUPPLEMENT IN ACCORDANCE WITH APPLICABLE LAW IN EFFECT AT THE DATE OF SUCH TRANSFER. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT FOR REALES OF THIS NOTE]*

[THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE **SECURITIES ACT**), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND, AS A MATTER OF U.S. LAW (1) AS PART OF THEIR DISTRIBUTION AT ANY TIME OR (2) PRIOR TO THE DATE THAT IS 40 DAYS AFTER THE LATER OF THE COMMENCEMENT OF THE OFFERING OF THE NOTES AND THE CLOSING DATE, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, A U.S. PERSON (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT) EXCEPT PURSUANT TO AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. THE HOLDER HEREOF, BY PURCHASING OR ACCEPTING THIS NOTE, AGREES FOR THE BENEFIT OF THE ISSUER AND THE MANAGERS OF THE OFFERING OF THE NOTES OUTSIDE THE UNITED STATES THAT NO PART OF THE ASSETS USED TO PURCHASE THIS NOTE CONSTITUTES ASSETS OF ANY EMPLOYEE BENEFIT PLAN, OTHER PLAN OR INDIVIDUAL RETIREMENT ACCOUNT SUBJECT TO TITLE I OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED, OR SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED]**

* To appear only on the Rule 144 A Global Notes.

** To appear only on the Reg S Definitive Notes.

FOSSE MASTER ISSUER PLC

(Incorporated with limited liability in England with registered number [5925693])

[US\$][€][£] [●] Series [●] Class [A]/[B]/[M]/[C]/[D]/[Z] Asset Backed Floating Rate Notes due [●] (the Series [●] Class [A]/[B]/[M]/[C]/[D]/[Z] Notes)

This Series [●] Class [A]/[B]/[M]/[C]/[D]/[Z] Note forms one of a series of notes constituted by a note trust deed (the **Note Trust Deed**) dated 28 November 2006 as supplemented and amended on 1 August 2007, 21 August 2008 and [●] March 2010 made between Fosse Master Issuer plc (the **Issuer**) and Law Debenture Trust Company of New York, as note trustee for the holders of the Series [●] Class [A]/[B]/[M]/[C]/[D] Notes (the **Note Trustee**) and issued as registered Series [●] Class [A]/[B]/[M]/[C]/[D] Notes in denominations of [US\$100,000][€50,000][£100,000][£50,000] each, plus integral multiples of [US\$1,000][€1,000][£1,000], or in such other denominations (which must be higher than [●] as the Note Trustee shall determine and notify to the holders of the relevant Series [●] Class [A]/[B]/[M]/[C]/[D]/[Z] Notes.

THIS IS TO CERTIFY that [●]

is/are the registered holder(s) of one of the above-mentioned registered Series [●] Class [A]/[B]/[M]/[C]/[D]/[Z] Notes, such Series [●] Class [A]/[B]/[M]/[C]/[D]/[Z] Notes being in the denomination of [U.S. dollars/euro/pounds sterling] and is/are entitled on the Interest Payment Date falling in [●] (or on such earlier date as the principal sum hereinafter mentioned may become repayable in accordance with the terms and conditions of the Series [●] Class [A]/[B]/[M]/[C]/[D]/[Z] Notes (the **Conditions**) endorsed hereon) to the repayment of such principal sum of:

[US\$][€][£] [●]

together with such other amounts (if any) as may be payable, all subject to and in accordance with the Conditions and the provisions of the Note Trust Deed.

Interest is payable on the Principal Amount Outstanding (as defined in **Condition** [●]) endorsed hereon of this Series [●] Class [A]/[B]/[M]/[C]/[D]/[Z] Note at rates determined in accordance with the Conditions payable monthly or quarterly, as the case may be, in arrear on each Interest Payment Date and together with such other amounts (if any) as may be payable, all subject to and in accordance with the Conditions and the provisions of the Note Trust Deed.

IN WITNESS WHEREOF this registered Series [●] Class [A]/[B]/[M]/[C]/[D]/[Z] Note has been executed on behalf of the Issuer.

FOSSE MASTER ISSUER PLC

By: _____
per pro SFM Directors Limited, as Director

By: _____
per pro SFM Directors (No. 2) Limited, as Director

Dated

Certificate of authentication

This Series [●] Class [A]/[B]/[M]/[C]/[D]/[Z] Note is duly authenticated without recourse, warranty or liability.

Duly authorised
for and on behalf of
CITIBANK, N.A.
as Registrar

(REVERSE OF NOTE)

THE CONDITIONS

[In the form set out in **Schedule 5**]

FORM OF TRANSFER OF DEFINITIVE NOTE

FOR VALUE RECEIVED the undersigned hereby transfer(s) to

(Please print or type name and address (including postal code) of transferee)

[US\$][€][£] principal amount of this Series [●] Class [A]/[B]/[M]/[C]/[D]/[Z] Note and all rights hereunder, hereby irrevocably constituting and appointing _____ as attorney to transfer such principal amount of this Series [●] Class [A]/[B]/[M]/[C]/[D]/[Z] Note in the register maintained by or on behalf of **FOSSE MASTER ISSUER PLC** with full power of substitution.

Signature(s) _____

Date: _____

NOTES:

1. This form of transfer must be accompanied by such documents, evidence and information as may be required pursuant to the Note Trust Deed and the Paying Agent and Agent Bank Agreement (as defined in the Conditions) and must be executed under the hand of the transferor or, if the transferor is a corporation, either under its common seal or under the hand of two of its officers duly authorised in writing and, in such latter case, the document so authorising such officers must be delivered with this form of transfer.
2. The signature(s) on this form of transfer must correspond with the name(s) as it/they appear(s) on the face of this Series [●] Class [A]/[B]/[M]/[C]/[D]/[Z] Note in every particular, without alteration or enlargement or any change whatever.

SCHEDULE 3

FORM OF TRANSFER CERTIFICATE

RULE 144A GLOBAL NOTE TO REG S GLOBAL NOTE

Attention:

Re: FOSSE MASTER ISSUER PLC

Reference is hereby made to the Note Trust Deed dated as of 28 November 2006 as supplemented and amended on 1 August 2007, 21 August 2008 and 11 March 2010 (the **Note Trust Deed**) between Fosse Master Issuer plc (the **Issuer**) and Law Debenture Trust Company of New York, as Note Trustee. Capitalised terms used but not defined herein shall have the meanings given to them in the Note Trust Deed, the Master Definitions and Construction Schedule and the Issuer Master Definitions and Construction Schedule. Terms used in this certificate and not otherwise defined in the Note Trust Deed, the Master Definitions and Construction Schedule or the Issuer Master Definitions and Construction Schedule referred to in it have the meanings set forth in Regulation S under the Securities Act. This letter relates to US\$[●] aggregate principal amount of [●] Notes which are evidenced by the Rule 144A Global [●] Note (CUSIP No. [●]) and held by you on behalf of the undersigned (the **Transferor**). The Transferor has requested a transfer of such beneficial interest in the [●] Notes to a person who will take delivery thereof in the form of an equal aggregate principal amount of [●] Notes evidenced by the Reg S Global [●] Note (ISIN No. [●]), which amount, immediately after such transfer, is to be held with the Common Depository through Euroclear or Clearstream, Luxembourg or both.

In connection with such request and in respect of such Notes, the Transferor does hereby certify that such transfer has been effected pursuant to and in accordance with Rule 903 or Rule 904 of Regulation S (**Regulation S**) under the United States Securities Act of 1933, as amended (the **Securities Act**) and accordingly the Transferor does hereby further certify that:

- (1) the offer of the [●] Notes was not made to a person in the United States or to or for the account or benefit of a U.S. person (as defined in Regulation S under the Securities Act);
- (2) either:
 - (A) at the time the buy order was originated, the transferee was outside the United States or the Transferor and any person acting on its behalf reasonably believed that the transferee was outside the United States; or
 - (B) the transaction was executed in, on or through the facilities of a designated offshore securities market and neither the Transferor nor any person acting on its behalf knows that the transaction was pre-arranged with a buyer in the United States;
- (3) no directed selling efforts have been made in the United States in contravention of the requirements of Rule 903(b) or 904(b) of Regulation S, as applicable; and
- (4) the transaction is not part of a plan or scheme to evade the registration requirements of the Securities Act.

This certificate and the statements contained herein are made for the benefit of the Issuer, the Managers and the Dealers. Dated: [Insert Name of Transferor]

By: _____

Name:

Title:

(If the transferor is a corporation, partnership or fiduciary, the title of the person signing on behalf of such transferor must be stated.)

SCHEDULE 4

FORM OF TRANSFER CERTIFICATE

REG S GLOBAL NOTE TO RULE 144A GLOBAL NOTE

Attention:

Re: FOSSE MASTER ISSUER PLC

Reference is hereby made to the Note Trust Deed dated as of 28 November 2006 as supplemented and amended on 1 August 2007, 21 August 2008 and 11 March 2010 (the **Note Trust Deed**) between Fosse Master Issuer plc (the **Issuer**) and Law Debenture Trust Company of New York, as Note Trustee. Capitalised terms used but not defined herein shall have the meanings given to them in the Note Trust Deed, the Master Definitions and Construction Schedule and the Issuer Master Definitions and Construction Schedule.

This letter relates to US\$ [●] aggregate principal amount of [●] Notes which are evidenced by the Reg S Global [●] Note (ISIN No. [●]) and held by you through Euroclear or Clearstream, Luxembourg or both who in turn is holding an interest therein on behalf of the undersigned (the **Transferor**). The Transferor has requested a transfer of such beneficial interest in the [●] Notes to a person who, during the Distribution Compliance Period, will take delivery thereof in the form of an equal aggregate principal amount of [●] Notes evidenced by the Rule 144A Global [●] Note (CUSIP No. [●]).

In connection with such request and in respect of such [●] Notes, the Transferor does hereby certify that such transfer has been effected pursuant to and in accordance with Rule 144A under the United States Securities Act of 1933, as amended, and accordingly the Transferor does hereby further certify that the [●] Notes are being transferred to a person that the Transferor reasonably believes is purchasing the [●] Notes for its own account, or for one or more accounts with respect to which such person exercises sole investment discretion, and such person and each such account is a "qualified institutional buyer" within the meaning of Rule 144A, in each case in a transaction meeting the requirements of Rule 144A and in accordance with any applicable securities laws of any state of the United States.

This certificate and the statements contained herein are made for the benefit of the Issuer, the Managers and the Dealers.

Dated:

[Insert Name of Transferor]

By: _____

Name:

Title:

(If the transferor is a corporation, partnership or fiduciary, the title of the person signing on behalf of such transferor must be stated.)

SCHEDULE 5

TERMS AND CONDITIONS OF THE NOTES

The following are the terms and conditions (the **Conditions**, and any reference to a **Condition** shall be construed accordingly) of the Notes in the form (subject to amendment) which will be incorporated by reference into each Global Note and each Definitive Note, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer and the relevant Dealer(s) and/or Manager(s) at the time of issue but, if not so permitted and agreed, such Definitive Note will have endorsed thereon or attached thereto such Conditions. The Final Terms in relation to each Series and Class of Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Conditions, replace or modify these Conditions for the purpose of such Notes. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and each Definitive Note.

The Notes are constituted by the Note Trust Deed. The security for the Notes is created pursuant to, and on the terms set out in, the Issuer Deed of Charge. By the Paying Agent and Agent Bank Agreement, provision is made for, *inter alia*, the payment of principal and interest in respect of the Notes.

References herein to the **Notes** shall, unless the context otherwise requires, be references to all the Notes issued by the Issuer and constituted by the Note Trust Deed and shall mean:

- (a) in relation to any Notes of a Series and Class represented by a Global Note, units of the lowest Specified Denomination in the Specified Currency in each case of such Series and Class;
- (b) any Global Note; and
- (c) any Definitive Note issued in exchange for a Global Note.

Notes constituted by the Note Trust Deed are issued in series (each a **Series**) and each Series comprises one or more classes of Notes. Each Series of Notes is subject to the applicable Final Terms. The Final Terms in relation to each Series and Class of Notes (or the relevant provisions thereof) will be endorsed upon, or attached to, such Notes and will supplement these Conditions in respect of such Notes and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Conditions, replace or modify these Conditions for the purpose of such Notes. References to the **applicable Final Terms** are, in relation to a Series and Class of Notes, to the Final Terms (or the relevant provisions thereof) attached to or endorsed on such Notes.

The statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Note Trust Deed, the Issuer Deed of Charge and the Paying Agent and Agent Bank Agreement.

Copies of the Note Trust Deed, the Issuer Deed of Charge, the Paying Agent and Agent Bank Agreement and each of the other Transaction Documents are available for inspection during normal business hours at the registered office of the Note Trustee, being 400 Madison Avenue – 4th Floor, New York, New York 10017 and at the registered office of the Issuer, being at 35 Great St. Helen's, London EC3A 6AP and the specified office for the time being of (a) the Principal Paying Agent, being at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB and (b) the U.S. Paying Agent, being at 14th Floor, 388 Greenwich Street, New York, New York 10013. Copies of the Final Terms of each Series of Notes are obtainable by Noteholders during normal business hours at the registered office of the Issuer and the specified office for the time being of (i) the Principal Paying Agent and (ii) the U.S. Paying Agent and any Noteholder must produce evidence satisfactory to the relevant Paying Agent as to its holding of Notes and identity.

The Holders of any Series and Class of Notes are entitled to the benefit of, are bound by, and are deemed to have notice of all the provisions of, and definitions contained or incorporated in, the Note Trust Deed, the Issuer Deed of Charge, the Paying Agent and Agent Bank Agreement, each of the other Transaction Documents and the applicable Final Terms and to have notice of each other Final Terms relating to each other Series and Class of Notes.

A glossary of definitions appears in **Condition 19**.

References herein to the Class A Noteholders, the Class B Noteholders, the Class M Noteholders, the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders shall, in each case and unless specified otherwise, be references to the Holders of the Notes of all Series of the applicable Class.

References herein to the Class A Notes, the Class B Notes, the Class M Notes, the Class C Notes, the Class D Notes or the Class Z Notes shall, in each case and unless specified otherwise, be references to the Notes of all Series of the applicable Class.

1. FORM, DENOMINATION, REGISTER, TITLE AND TRANSFERS

1.1 Form and Denomination

Each Series and Class of Notes will be issued in the Specified Currency and in the Specified Denomination. Each Series and Class of Rule 144A Notes will be initially represented by one or more Rule 144A Global Notes, which, in the aggregate, will represent the Principal Amount Outstanding from time to time of such Series and Class of Rule 144A Notes. Each Series and Class of Reg S Notes will be initially represented by one or more Reg S Global Notes which, in the aggregate, will represent the Principal Amount Outstanding from time to time of such Series and Class of the Reg S Notes.

Each Reg S Global Note will be deposited with, and registered in the name of a nominee of, a common depositary for Euroclear and Clearstream, Luxembourg. Each Rule 144A Global Note will be deposited with a custodian for, and registered in the name of Cede & Co. (or such other name as may be requested by an authorised representative of DTC) as nominee of, DTC. Each Global Note will be numbered serially with an identifying number which will be recorded on the relevant Global Note and in the Register.

Each Series and Class of Notes may be Fixed Rate Notes, Floating Rate Notes, Zero Coupon Notes or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms.

Each Series and Class of Notes may be Bullet Redemption Notes, Scheduled Redemption Notes, Pass-Through Notes or a combination of any of the foregoing, depending upon the Redemption/Payment Basis shown in the applicable Final Terms.

Global Notes will be exchanged for Notes in definitive registered form (**Definitive Notes**) only under certain limited circumstances as described in the relevant Global Note. If Definitive Notes are issued, they will be serially numbered and issued in an aggregate principal amount equal to the Principal Amount Outstanding of the relevant Global Note and in registered form only.

The Notes (in either global or definitive form) will be issued in such denominations as specified in the applicable Final Terms, save that the minimum denomination of each Note will be such as may be allowed or required from time to time by the relevant central bank or regulatory authority (or equivalent body) or any laws or regulations applicable to the relevant currency and save that the minimum denomination of each Rule 144A Note will be issued in minimum denominations of \$100,000 and in integral multiples of \$1,000 in excess thereof (or its equivalent in any other

currency as at the date of issue of such Notes), and each Reg S Note will be issued in minimum denominations of £50,000 (or, in the case of Notes denominated in sterling with a minimum maturity of less than 366 days, £100,000) and in integral multiples of £1,000 in excess thereof if denominated in sterling or €50,000 and in integral multiples of €1,000 in excess thereof if denominated in euro (or its equivalent in any other currency as at the date of issue of such Notes).

In the case of a Series and Class of Notes with more than one Specified Denomination, Notes of one Specified Denomination may not be exchanged for Notes of such Series and Class of another Specified Denomination.

1.2 Register

The Registrar will maintain the Register in respect of the Notes in accordance with the provisions of the Paying Agent and Agent Bank Agreement. In these Conditions, the **Holder** of a Note means the person in whose name such Note is for the time being registered in the Register (or, in the case of a joint holding, the first named thereof). A Note will be issued to each Noteholder in respect of its registered holding. Each Note will be numbered serially with an identifying number which will be recorded in the Register.

1.3 Title

The Holder of each Note shall (to the fullest extent permitted by applicable law) be treated by the Issuer, the Note Trustee, the Issuer Security Trustee, the Agent Bank and any Agent as the absolute owner of such Note for all purposes (including the making of any payments) regardless of any notice of ownership, theft or loss or any trust or other interest therein or of any writing thereon (other than the endorsed form of transfer).

1.4 Transfers

Title to the Notes shall pass by and upon registration in the Register. Subject as provided otherwise in this **Condition 1.4**, a Note may be transferred upon surrender of the relevant Note, with the endorsed form of transfer duly completed, at the Specified Office of the Registrar or the Transfer Agent, together with such evidence as the Registrar or (as the case may be) such Transfer Agent may reasonably require to prove the title of the transferor and the authority of the individuals who have executed the form of transfer; provided, however, that a Note may only be transferred in the specified denominations. Where not all the Notes represented by the surrendered Note are the subject of the transfer, a new Note in respect of the balance of the Notes will be issued to the transferor.

Within five Business Days of such surrender of a Note, the Registrar will register the transfer in question and deliver a new Note of a like principal amount to the Notes transferred to each relevant Holder at its Specified Office or (as the case may be) the Specified Office of the Transfer Agent or (at the request and risk of any such relevant Holder) by uninsured first class mail (and by airmail if the Holder is overseas) to the address specified for such purpose by such relevant Holder.

The transfer of a Note will be effected without charge by the Registrar, but subject to payment of (or the giving of such indemnity as the Registrar may require for) any tax or other governmental charges which may be imposed in relation to it.

Noteholders may not require transfers of Notes to be registered during the period of 15 days ending on the due date for any payment of principal or interest in respect of the Notes.

All transfers of Notes and entries on the Register are subject to the detailed regulations concerning the transfer of Notes scheduled to the Paying Agent and Agent Bank Agreement. The regulations may be changed by the Issuer with the prior written approval of the Note Trustee and the Registrar.

A copy of the current regulations will be mailed (free of charge) by the Registrar to any Noteholder who requests in writing a copy of such regulations.

2. STATUS, PRIORITY AND SECURITY

2.1 Status

The Notes of each Series and Class are direct, secured and unconditional obligations of the Issuer.

Subject to the provisions of **Conditions 4** and **5** and subject to the other payment conditions set out in the applicable Final Terms and the other Transaction Documents:

- (a) the Class A Notes of each Series will rank *pari passu* without any preference or priority among themselves and with the Class A Notes of each other Series but in priority to the Class B Notes, the Class M Notes, the Class C Notes, the Class D Notes and the Class Z Notes of any Series;
- (b) the Class B Notes of each Series will rank *pari passu* without any preference or priority among themselves and with the Class B Notes of each other Series but in priority to the Class M Notes, the Class C Notes, the Class D Notes and the Class Z Notes of any Series;
- (c) the Class M Notes of each Series will rank *pari passu* without any preference or priority among themselves and with the Class M Notes of each other Series but in priority to the Class C Notes, the Class D Notes and the Class Z Notes of any Series;
- (d) the Class C Notes of each Series will rank *pari passu* without any preference or priority among themselves and with the Class C Notes of each other Series but in priority to the Class D Notes and the Class Z Notes of any Series;
- (e) the Class D Notes of each Series will rank *pari passu* without any preference or priority among themselves and with the Class D Notes of each other Series but in priority to the Class Z Notes of any Series; and
- (f) the Class Z Notes of each Series will rank *pari passu* without any preference or priority among themselves and with the Class Z Notes of each other Series.

2.2 Conflict between the classes of Notes

The Note Trust Deed contains provisions requiring the Note Trustee to have regard to the interests of the Class A Noteholders, the Class B Noteholders, the Class M Noteholders, the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders equally as regards all powers, trusts, authorities, duties and discretions of the Note Trustee under these Conditions or any of the Transaction Documents (except where expressly provided otherwise), but requiring the Note Trustee to have regard (except as expressly provided otherwise):

- (a) for so long as there are any Class A Notes outstanding (of any Series), only to the interests of the Class A Noteholders if, in the opinion of the Note Trustee, there is or may be a conflict between the interests of the Class A Noteholders and the interests of the Class B Noteholders and/or the interests of the Class M Noteholders and/or the interests of the Class C Noteholders and/or the interests of the Class D Noteholders and/or the interests of the Class Z Noteholders (of that Series or of any other Series);
- (b) subject to (a) above and for so long as there are any Class B Notes outstanding (of any Series), only to the interests of the Class B Noteholders if, in the opinion of the Note

Trustee, there is or may be a conflict between the interests of the Class B Noteholders and the interests of the Class M Noteholders and/or the interests of the Class C Noteholders and/or the interests of the Class D Noteholders and/or the interests of the Class Z Noteholders (of that Series or of any other Series);

- (c) subject to (a) and (b) above and for so long as there are any Class M Notes outstanding (of any Series), only to the interests of the Class M Noteholders if, in the opinion of the Note Trustee, there is or may be a conflict between the interests of the Class M Noteholders and the interests of the Class C Noteholders and/or the interests of the Class D Noteholders and/or the interests of the Class Z Noteholders (of that Series or of any other Series);
- (d) subject to (a), (b) and (c) above and for so long as there are any Class C Notes outstanding (of any Series), only to the interests of the Class C Noteholders if, in the opinion of the Note Trustee, there is or may be a conflict between the interests of the Class C Noteholders and the interests of the Class D Noteholders and/or the interests of the Class Z Noteholders (of that Series or of any other Series); and
- (e) subject to (a), (b), (c) and (d) above and for so long as there are any Class D Notes outstanding (of any Series), only to the interests of the Class D Noteholders if, in the opinion of the Note Trustee, there is or may be a conflict between the interests of the Class D Noteholders and the interests of the Class Z Noteholders (of that Series or of any other Series).

The Note Trust Deed also contains provisions:

- (i) limiting the powers of the Class B Noteholders, the Class M Noteholders, the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders (in each case, of any Series), *inter alia*, to request or direct the Note Trustee to take any action or to pass an effective Extraordinary Resolution according to the effect thereof on the interests of the Class A Noteholders (of that Series or of any other Series). Except in certain circumstances described in **Condition 11**, the Note Trust Deed contains no such limitation on the powers of the Class A Noteholders, the exercise of which will be binding on the Class B Noteholders, the Class M Noteholders, the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders respectively, irrespective of the effect thereof on their respective interests;
- (ii) limiting the powers of the Class M Noteholders, the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders (in each case, of any Series), *inter alia*, to request or direct the Note Trustee to take any action or to pass an effective Extraordinary Resolution according to the effect thereof on the interests of the Class B Noteholders (of that Series or of any other Series). Except in certain circumstances described above and in **Condition 11**, the Note Trust Deed contains no such limitation on the powers of the Class B Noteholders, the exercise of which will be binding on the Class M Noteholders, the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders, respectively, irrespective of the effect thereof on their respective interests;
- (iii) limiting the powers of the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders (in each case, of any Series), *inter alia*, to request or direct the Note Trustee to take any action or to pass an effective Extraordinary Resolution according to the effect thereof on the interests of the Class M Noteholders (of that Series or of any other Series). Except in certain circumstances described above and in **Condition 11**, the Note Trust Deed contains no such limitation on the powers of the Class M Noteholders, the exercise of which will be binding on the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders irrespective of the effect thereof on their respective interests;

- (iv) limiting the powers of the Class D Noteholders and the Class Z Noteholders (of any Series), *inter alia*, to request or direct the Note Trustee to take any action or to pass an effective Extraordinary Resolution according to the effect thereof on the interests of the Class C Noteholders (of that Series or of any other Series). Except in certain circumstances described above and in **Condition 11**, the Note Trust Deed contains no such limitation on the powers of the Class C Noteholders, the exercise of which will be binding on the Class D Noteholders and the Class Z Noteholders irrespective of the effect thereof on their respective interests; and
- (v) limiting the powers of the Class Z Noteholders (of any Series), *inter alia*, to request or direct the Note Trustee to take any action or to pass an effective Extraordinary Resolution according to the effect thereof on the interests of the Class D Noteholders (of that Series or of any other Series). Except in certain circumstances described above and in **Condition 11**, the Note Trust Deed contains no such limitation on the powers of the Class D Noteholders, the exercise of which will be binding on the Class Z Noteholders irrespective of the effect thereof on their respective interests.

The Note Trustee and the Issuer Security Trustee shall be entitled to assume, for the purpose of exercising any right, power, trust, authority, duty or discretion under or in relation to these Conditions or any of the Transaction Documents, without further investigation or inquiry, that such exercise will not be materially prejudicial to the interests of the Noteholders (or any Series and Class thereof), if each of the Rating Agencies rating the relevant Series and Class has confirmed in writing that the then current ratings of the applicable Series and Class of Notes would not be reduced, withdrawn or qualified by such exercise.

2.3 Security

As security for, *inter alia*, the payment of all monies payable in respect of the Notes, the Issuer has entered into the Issuer Deed of Charge creating the Issuer Security in favour of the Issuer Security Trustee for itself and on trust for, *inter alios*, the Note Trustee and the Noteholders.

3. COVENANTS

Save with the prior written consent of the Note Trustee or unless provided in or contemplated under these Conditions or any of the Transaction Documents to which the Issuer is a party, the Issuer shall not, so long as any Note remains outstanding:

3.1 Negative Pledge

create or permit to subsist any mortgage, standard security, pledge, lien, charge or other security interest whatsoever (unless arising by operation of law), upon the whole or any part of its assets (including any uncalled capital) or its undertakings, present or future except where the same is given in connection with the issue of a Series;

3.2 Disposal of Assets

sell, assign, transfer, lend, lease or otherwise dispose of, or deal with, or grant any option or present or future right to acquire all or any of its properties, assets, or undertakings or any interest, estate, right, title or benefit therein or thereto or agree or attempt or purport to do any of the foregoing;

3.3 Equitable Interest

permit any person other than itself and the Issuer Security Trustee (as to itself and on behalf of the Issuer Secured Creditors) to have any equitable or beneficial interest in any of its assets or undertakings or any interest, estate, right, title or benefit therein;

3.4 Bank Accounts

have an interest in any bank account, other than the Issuer Bank Accounts, except in connection with the issue of a Series where such bank account is immediately charged in favour of the Issuer Security Trustee pursuant to the Issuer Deed of Charge;

3.5 Restrictions on Activities

carry on any business other than as described in the prospectus (as revised, supplemented and/or amended from time to time) relating to the issue of the Notes and the related activities described therein or as contemplated in the Transaction Documents relating to the issue of the Notes;

3.6 Borrowings

incur any indebtedness in respect of borrowed money whatsoever or give any guarantee or indemnity in respect of any indebtedness or obligation of any person, except where the same is incurred or given or the Issuer becomes so obligated in connection with the issue of a Series;

3.7 Merger

consolidate or merge with any other person or convey or transfer substantially all of its properties or assets to any other person;

3.8 Waiver or Consent

permit the validity or effectiveness of any of the Note Trust Deed or the Issuer Deed of Charge or the priority of the security interests created thereby to be amended, terminated, postponed, waived or discharged, or permit any other person whose obligations form part of the Issuer Security to be released from such obligations;

3.9 Employees or premises

have any employees or premises or subsidiaries;

3.10 Dividends and Distributions

pay any dividend or make any other distribution to its shareholders (other than as provided in the Transaction Documents) or issue any further shares or alter any rights attaching to its shares as at the date of the Issuer Deed of Charge;

3.11 Purchase Notes

purchase or otherwise acquire any Note or Notes; or

3.12 United States activities

engage in any activities in the United States (directly or through agents), or derive any income from United States sources as determined under United States income tax principles, or hold any property if doing so would cause it to be engaged in a trade or business within the United States as determined under United States income tax principles.

4. INTEREST

4.1 Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest on its Principal Amount Outstanding from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest payable, subject as provided in these Conditions, in arrear on the Interest Payment Date(s) in each year specified for such Note in the applicable Final Terms up to (and including) the Final Maturity Date.

Except as provided in the applicable Final Terms, the amount of interest payable in respect of any Fixed Rate Note on each Interest Payment Date for a Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified for such Note in the applicable Final Terms, amount to the Broken Amount so specified.

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

If interest is required to be calculated in respect of any Fixed Rate Note for a period other than a Fixed Interest Period, such interest shall be calculated by applying the Rate of Interest specified for such Note in the applicable Final Terms to the Principal Amount Outstanding on such Global Note, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention and then apportioning the resulting total between the Noteholders in respect of such Global Note, *pari passu* without preference or priority amongst themselves.

Day Count Fraction means, in respect of the calculation of an amount of interest for any Fixed Rate Note in accordance with this **Condition 4.1**:

- (a) if “Actual/Actual (ICMA)” is specified for such Note in the applicable Final Terms:
 - (i) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date for such Notes (or, if none, the Interest Commencement Date) to (but excluding) the relevant Interest Payment Date (the **Accrual Period**) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (A) the number of days in such Determination Period and (B) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or
 - (ii) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
 - (A) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the

number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and

(B) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (I) the number of days in such Determination Period and (II) the number of Determination Dates that would occur in one calendar year; and

(b) if “30/360” is specified for such Note in the applicable Final Terms, the number of days in the period from (and including) the most recent Interest Payment Date for such Note (or, if none, the Interest Commencement Date) to (but excluding) the relevant Interest Payment Date (such number of days being calculated on the basis of a year of 360 days with twelve 30-day months) divided by 360.

As used in these Conditions, **Determination Period** means each period from and including a Determination Date (as defined in the applicable Final Terms) to but excluding the next Determination Date (including where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date).

4.2 Interest on Floating Rate Notes

(a) *Interest Payment Dates*

Each Floating Rate Note bears interest on its Principal Amount Outstanding from (and including) the Interest Commencement Date and such interest will be payable in arrear on the Interest Payment Date(s) in each year specified for such Note in the applicable Final Terms. Such interest will be payable in respect of each Floating Interest Period.

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

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

- (i) the “Following Business Day Convention”, the Interest Payment Date for such Note shall be postponed to the next day which is a Business Day; or
- (ii) the “Modified Following Business Day Convention”, the Interest Payment Date for such Note shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (iii) the “Preceding Business Day Convention”, the Interest Payment Date for such Note shall be brought forward to the immediately preceding Business Day.

In these Conditions, **Business Day** means a day which is both:

- (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency

deposits) in London, New York and any Additional Business Centre specified in the applicable Final Terms; and

- (ii) a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET2) System which was launched on 19 November 2007 or any successor thereto (the **TARGET System**) is open; and
- (iii) in relation to any sum payable in a Specified Currency other than sterling, dollar or euro, 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 the principal financial centre of the country of the relevant Specified Currency (if other than London, New York and any Additional Business Centre) and which, if the Specified Currency is Australian or New Zealand dollars, shall be Sydney and Auckland, respectively.

(b) Rate of Interest

The Rate of Interest payable from time to time in respect of a Floating Rate Note will be determined in the manner specified for such Note in the applicable Final Terms.

(i) ISDA Determination for Floating Rate Notes

Where “ISDA Determination” is specified for such Note in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated for such Note in the applicable Final Terms) the Margin (if any). For the purposes of this **subparagraph (i), ISDA Rate** for an Interest Period means a rate equal to the Floating Rate that would be determined by the Agent Bank or other person specified in the applicable Final Terms under an interest rate swap transaction if the Agent Bank or that other person were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (A) the Floating Rate Option is as specified for such Note in the applicable Final Terms;
- (B) the Designated Maturity is the period specified for such Note in the applicable Final Terms; and
- (C) the relevant Reset Date is either (i) if the applicable Floating Rate Option is based on LIBOR, USD-LIBOR or EURIBOR for a currency, the first day of that Interest Period, or (ii) in any other case, as specified for such Note in the applicable Final Terms.

For the purposes of this **subparagraph (i), Floating Rate, Calculation Agent, Floating Rate Option, Designated Maturity and Reset Date** have the meanings given to those terms in the ISDA Definitions.

(ii) Screen Rate Determination for Floating Rate Notes

Where “Screen Rate Determination” is specified for a Floating Rate Note in the applicable Final Terms as the manner in which the Rate of Interest is to be determined for such Note, the Rate of Interest for each Interest Period will, subject as provided below, be either:

- (A) the offered quotation (if there is only one quotation on the Relevant Screen Page); or

(B) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 a.m. (London time, in the case of LIBOR or USD-LIBOR, or Brussels time, in the case of EURIBOR) on the Interest Determination Date in question plus or minus the Margin (if any), all as determined by the Agent Bank. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Agent Bank for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

The Paying Agent and Agent Bank Agreement contains provisions for determining the Rate of Interest pursuant to this **subparagraph (ii)** in the event that the Relevant Screen Page is not available or if, in the case of (A) above, no such offered quotation appears or, in the case of (B) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph.

If the Reference Rate from time to time in respect of a Floating Rate Note is specified for such Note in the applicable Final Terms as being other than LIBOR, USD-LIBOR or EURIBOR, the Rate of Interest in respect of such Note will be determined as provided for such Note in the applicable Final Terms.

(c) *Minimum Rate of Interest and/or Maximum Rate of Interest*

If the applicable Final Terms specifies a Minimum Rate of Interest for a Floating Rate Note for any Interest Period, then, in the event that the Rate of Interest for such Note in respect of such Interest Period determined in accordance with the provisions of **paragraph (b) above** is less than such Minimum Rate of Interest, the Rate of Interest for such Note for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Final Terms specifies a Maximum Rate of Interest for such Note for any Interest Period, then, in the event that the Rate of Interest for such Note in respect of such Interest Period determined in accordance with the provisions of **paragraph (b) above** is greater than such Maximum Rate of Interest, the Rate of Interest for such Note for such Interest Period shall be such Maximum Rate of Interest.

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

The Agent Bank will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period.

The Agent Bank will calculate the amount of interest payable on the Floating Rate Notes in respect of each Specified Denomination or in respect of each Global Note (each an **Interest Amount**) for the relevant Interest Period. Each Interest Amount shall be calculated by applying the Rate of Interest to the Principal Amount Outstanding of each Global Note, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub unit being rounded upwards or otherwise in accordance with applicable market convention and then apportioning the resulting total between the Noteholders in respect of such Global Note, *pari passu* without preference or priority amongst themselves.

Day Count Fraction means, in respect of the calculation of an amount of interest for a Floating Rate Note in accordance with this **Condition 4.2(d)** for any Interest Period:

- (i) if “Actual/365 or Actual/Actual (ISDA)” is specified for such Note in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (ii) if “Actual/365 (Fixed)” is specified for such Note in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;
- (iii) if “Actual/365 (Sterling)” is specified for such Note in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (iv) if “Actual/360” is specified for such Note in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;
- (v) if “30/360”, “360/360” or “Bond Basis” is specified for such Note in the applicable Final Terms, the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with twelve 30-day months (unless (a) the last day of the Interest Period is the 31st day of a month but the first day of the Interest Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (b) the last day of the Interest Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)); and
- (vi) if “30E/360” or “Eurobond Basis” is specified for such Note in the applicable Final Terms, the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with twelve 30-day months, without regard to the date of the first day or last day of the Interest Period unless, in the case of the final Interest Period, the Final Maturity Date is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month).

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

The Agent Bank will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Note Trustee, the Issuer Security Trustee, the Issuer Cash Manager, the Paying Agents, the Registrar and to any stock exchange or other relevant competent authority or quotation system on which the relevant Floating Rate Notes are for the time being listed, quoted and/or traded or by which they have been admitted to listing and to be published in accordance with **Condition 14** as soon as possible after their determination but in no event later than the fourth Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. Any such amendment or alternative arrangements will be promptly notified to the Note Trustee and each stock exchange or other relevant authority on which the relevant Floating Rate Notes are for the time being listed or by which they have been admitted to listing and to Noteholders in accordance with **Condition 14**.

(f) Determination or Calculation by Note Trustee

If for any reason at any relevant time, the Agent Bank defaults in its obligation to determine the Rate of Interest for a Floating Rate Note or the Agent Bank defaults in its obligation to calculate any Interest Amount for such Note in accordance with **subparagraph (b)(i) or (ii) above** or as otherwise specified for such Note in the applicable Final Terms, as the case may be, and in each case in accordance with **paragraph (d) above**, the Note Trustee (or an agent on its behalf) shall determine the Rate of Interest at such rate as, in its absolute discretion (having such regard as it shall think fit to the foregoing provisions of this Condition, but subject always to any Minimum Rate of Interest or Maximum Rate of Interest specified for such Note in the applicable Final Terms), it shall deem fair and reasonable in all the circumstances or, as the case may be, the Note Trustee (or an agent on its behalf) shall calculate the Interest Amount(s) in such manner as it shall deem fair and reasonable in all the circumstances and each such determination or calculation shall be deemed to have been made by the Agent Bank or the Calculation Agent, as the case may be.

(g) Certificates to be final

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this **Condition 4.2**, whether by the Agent Bank or the Calculation Agent or the Note Trustee (or an agent on its behalf) shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Issuer Cash Manager, the Principal Paying Agent, the Calculation Agent, the other Paying Agents, the Note Trustee and all Noteholders and (in the absence of wilful default or bad faith) no liability to the Issuer or the Noteholders shall attach to the Agent Bank or the Calculation Agent or the Note Trustee in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

4.3 Accrual of interest

Interest (if any) will cease to accrue on each Note (or in the case of the redemption of part only of a Note, that part only of such Note) on the due date for redemption thereof unless, upon due presentation thereof, payment of principal is improperly withheld or refused in which event, interest will continue to accrue until the earlier of:

- (a) the date on which all amounts due in respect of such Note have been paid; and
- (b) the seventh day after notice is duly given by the Principal Paying Agent or the U.S. Paying Agent (as the case may be) to the holder thereof that such payment will be made, provided that subsequently, payment is in fact made.

4.4 Deferred Interest

To the extent that, subject to and in accordance with the relevant Issuer Priority of Payments, the funds available to the Issuer to pay interest on any Series and Class of Notes (other than the most senior Class of Notes of any Series then outstanding) on an Interest Payment Date (after discharging the Issuer's liabilities of a higher priority) are insufficient to pay the full amount of such interest, payment of the shortfall attributable to such Series and Class of Notes (**Deferred Interest**) will not then fall due but will instead be deferred until the first Interest Payment Date for such Notes thereafter on which sufficient funds are available (after allowing for the Issuer's liabilities of a higher priority and subject to and in accordance with the relevant Issuer Priority of Payments) to fund the payment of such Deferred Interest to the extent of such available funds.

Such Deferred Interest will accrue interest (**Additional Interest**) at the rate of interest applicable from time to time to the applicable Series and Class of Notes and payment of any Additional Interest will also be deferred until the first Interest Payment Date for such Notes thereafter on which funds are available (after allowing for the Issuer's liabilities of a higher priority subject to and in accordance with the relevant Issuer Priority of Payments) to the Issuer to pay such Additional Interest to the extent of such available funds.

Amounts of Deferred Interest and Additional Interest shall not be deferred beyond the Final Maturity Date of the applicable Series and Class of Notes, when such amounts will become due and payable.

Payments of interest due on an Interest Payment Date in respect of the most senior Class of Notes of any Series then outstanding will not be deferred. In the event of the delivery of a Note Acceleration Notice (as described in **Condition 9**), the amount of interest in respect of such Notes that was due but not paid on such Interest Payment Date will itself bear interest at the applicable rate until both the unpaid interest and the interest on that interest are paid as provided in the Note Trust Deed.

5. REDEMPTION AND MANDATORY TRANSFER

5.1 Final Redemption

Unless previously redeemed in full as provided in this **Condition 5**, the Issuer shall redeem a Series and Class of Notes at their Redemption Amount together with all accrued interest on the Final Maturity Date in respect of such Notes.

The Issuer may not redeem such Notes in whole or in part prior to their Final Maturity Date except as provided in **Conditions 5.2, 5.4 or 5.5 below**, but without prejudice to **Condition 9**.

5.2 Mandatory Redemption of the Notes in Part

On each Interest Payment Date, other than an Interest Payment Date on which a Series and Class of Notes are to be redeemed under **Conditions 5.1, 5.4 or 5.5**, the Issuer shall repay principal in respect of such Notes in an amount equal to the amount (if any) repaid on the corresponding Loan Tranche Payment Date in respect of the related Loan Tranche and pursuant to the Intercompany Loan Agreement converted, where the Specified Currency for such Notes is not Sterling, into the Specified Currency at the Specified Currency Exchange Rate for such Notes.

To the extent that there are insufficient funds available to the Issuer to repay the amount due to be paid on such Interest Payment Date, the Issuer will be required to repay the shortfall, to the extent that it receives funds therefor (and subject to the terms of the Issuer Deed of Charge and the Issuer Cash Management Agreement) on subsequent Interest Payment Dates in respect of such Notes.

5.3 Note Principal Payments and Principal Amount Outstanding

The principal amount redeemable (the **Note Principal Payment**) in respect of each Note of a particular Series and Class on any Interest Payment Date under **Condition 5.2 above** shall be a proportion of the amount required as at that Interest Payment Date to be applied in redemption of such Series and Class of Notes on such date equal to the proportion that the Principal Amount Outstanding of the relevant Note bears to the aggregate Principal Amount Outstanding of such Series and Class of Notes rounded down to the nearest sub-unit of the Specified Currency; provided always that no such Note Principal Payment may exceed the Principal Amount Outstanding of the relevant Note.

On each Interest Determination Date the Issuer shall determine (or cause the Agent Bank to determine) (a) the amount of any Note Principal Payment payable in respect of each Note of the relevant Series and Class on the immediately following Interest Payment Date and (b) the Principal Amount Outstanding of each such Note which shall be the Specified Denomination less (in each case) the aggregate amount of all Note Principal Payments in respect of such Note that has been paid since the relevant Closing Date and on or prior to that Interest Determination Date (the **Principal Amount Outstanding**) and (c) the fraction expressed as a decimal to the fifth decimal point (the **Pool Factor**), of which the numerator is the Principal Amount Outstanding of that Note (as referred to in (b) above) and the denominator is the Specified Denomination. Each determination by or on behalf of the Issuer of any Note Principal Payment of a Note, the Principal Amount Outstanding of a Note and the Pool Factor shall in each case (in the absence of wilful default, bad faith or manifest error) be final and binding on all persons.

The Issuer will cause each determination of the Note Principal Payment and the Principal Amount Outstanding and the Pool Factor in respect of a Series and Class of Notes to be notified forthwith, and in any event not later than 1.00 p.m. (London time) on the Business Day immediately succeeding the Interest Determination Date, to the Note Trustee, the Issuer Security Trustee, the Paying Agents, the Registrar, the Agent Bank and (for so long as such Notes are listed on one or more stock exchanges) the relevant stock exchanges, and will cause notice of each determination of the Note Principal Payment and the Principal Amount Outstanding to be given to Noteholders in accordance with **Condition 14** by no later than the Business Day after the relevant Interest Payment Date.

If the Issuer does not at any time for any reason determine (or cause the Agent Bank to determine) or if the Agent Bank does not at any time for any reason determine a Note Principal Payment, the Principal Amount Outstanding or the Pool Factor in accordance with the preceding provisions of this **Condition 5.3**, such Note Principal Payment and/or Principal Amount Outstanding and/or Pool Factor may be determined by the Note Trustee in accordance with this **Condition 5.3** in the manner the Note Trustee in its discretion considers fair and reasonable in the circumstances, having regard to this **Condition 5.3**, and each such determination or calculation shall be deemed to have been made by the Issuer. Any such determination shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Agent Bank and the Noteholders.

5.4 Optional Redemption in Full

Provided a Note Acceleration Notice has not been served and subject to the provisos below, upon giving not more than 60 nor less than 30 days' prior notice (or, in the case of (c) below, not more than 30 days nor less than 5 days' prior notice) to the Note Trustee and the Noteholders in accordance with **Condition 14**, the Issuer may redeem a Series and Class of Notes at their aggregate Redemption Amount together with any accrued and unpaid interest in respect thereof on the following dates:

- (a) the date specified as the Step-Up Date for such Notes in the applicable Final Terms and on any Interest Payment Date for such Notes thereafter;
- (b) on such Interest Payment Date on which the aggregate Principal Amount Outstanding of such Notes and all other Classes of Notes of the same Series is less than 10 per cent. of the aggregate Principal Amount Outstanding of such Series of Notes as at the Closing Date on which such Series of Notes were issued; or
- (c) the date specified as the Optional Redemption Date for such Notes in the applicable Final Terms and on each Interest Payment Date for such Notes thereafter,

provided that (in either of the cases above), on or prior to giving any such notice, the Issuer shall have provided to the Note Trustee a certificate signed by two directors of the Issuer to the effect that (i) it will have the funds, not subject to any interest of any other person, required to redeem such Notes as aforesaid and any amounts required to be paid in priority to or *pari passu* with such Notes outstanding in accordance with the terms and conditions of the Issuer Deed of Charge and the Issuer Cash Management Agreement, and (ii) the Repayment Tests will be satisfied following the making of such redemptions, and further provided that (in the case of (c) above only) each of the Rating Agencies has confirmed that the then current ratings of each Series and Class of Notes then outstanding for which it provides a rating would not be reduced, withdrawn or qualified by such redemption.

5.5 Optional Redemption for Tax and other Reasons

Provided a Note Acceleration Notice has not been served, if the Issuer at any time satisfies the Note Trustee immediately prior to the giving of the notice referred to below that on the next Interest Payment Date either:

- (a) the Issuer would by virtue of a change in the law or regulations of the United Kingdom or any other jurisdiction (or the application or interpretation thereof) be required to deduct or withhold from any payment of principal or interest or any other amount under a Series and Class of Notes any amount for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature (other than where the relevant Holder or beneficial owner has some connection with the relevant jurisdiction other than the holding of the Notes); or
- (b) Funding 1 would be required to deduct or withhold from amounts due in respect of the Loan Tranche under the Intercompany Loan Agreement which was funded by such Notes any amount for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature; and
- (c) in relation to either the events described in (a) and (b) above, such obligation of the Issuer or Funding 1 (as the case may be) cannot be avoided by the Issuer or Funding 1 (as the case may be) taking reasonable measures available to the Issuer or Funding 1 (as the case may be),

then the Issuer shall use its reasonable endeavours to arrange the substitution of a company incorporated in another jurisdiction approved by the Note Trustee as principal debtor under such Notes and/or as lender of such Loan Tranche as the case may be, upon the Note Trustee (1) being satisfied that such substitution will not be materially prejudicial to the interests of Noteholders and (2) receiving a certificate signed by two directors of the Issuer or Funding 1, as the case may be, certifying that such substitution would enable the Issuer or Funding 1, as the case may be, to make payments of principal and interest under the relevant Series or Class of Notes or under the Intercompany Loan, as the case may be, without such deduction or withholding, and upon the Issuer Security Trustee being satisfied that (A) the position of the Issuer Secured Creditors (other than the Noteholders) will not thereby be adversely affected as confirmed in writing by such Issuer Secured Creditors to the Issuer Security Trustee, and (B) such substitution would not require registration of any new security under United States securities laws or materially increase the disclosure requirements under United States law or the costs of issuance as certified by the Issuer to the Issuer Security Trustee in writing. Only if the Issuer is unable to arrange a substitution will the Issuer be entitled to redeem the Notes as described in this **Condition 5.5**.

Subject to the proviso below, if the Issuer is unable to arrange a substitution as described above and, as a result, one or more of the events described in (a) or (b) above (as the case may be) is continuing, then the Issuer may, having given not more than 60 nor less than 30 days' notice to the Note Trustee and the Noteholders in accordance with **Condition 14**, redeem all (but not some only) of such Notes on the immediately succeeding Interest Payment Date for such Notes at their aggregate Redemption Amount together with any accrued and unpaid interest in respect thereof provided that (in either case), prior to giving any such notice, the Issuer shall have provided to the Note Trustee:

- (i) a certificate signed by two directors of the Issuer stating the circumstances referred to in (a) or (b) and (c) above prevail and setting out details of such circumstances; and
- (ii) an opinion in form and substance satisfactory to the Note Trustee of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to deduct or withhold such amounts as a result of such change or amendment.

The Note Trustee shall be entitled to accept such certificate and opinion as sufficient evidence of the satisfaction of the circumstance set out in (a) or (b) and (c) above, in which event they shall be conclusive and binding on the Noteholders. The Issuer may only redeem such Notes as aforesaid, if on or prior to giving such notice, the Issuer shall have provided to the Note Trustee a certificate signed by two directors of the Issuer to the effect that (A) it will have the funds, not subject to any interest of any other person, required to redeem such Notes as aforesaid and any amounts required to be paid in priority to or *pari passu* with such Notes outstanding in accordance with the terms and conditions of the Issuer Deed of Charge and the Issuer Cash Management Agreement, and (B) the Repayment Tests will be satisfied following the making of such redemptions.

In addition to the foregoing, if at any time the Issuer delivers a certificate to Funding 1, the Note Trustee and the Issuer Security Trustee to the effect that it would be unlawful for the Issuer to make, fund or allow to remain outstanding a Loan Tranche under the Intercompany Loan Agreement, then the Issuer may require Funding 1 to prepay the relevant Loan Tranche on a Loan Tranche Payment Date subject to and in accordance with the provisions of the Intercompany Loan Agreement to the extent necessary to cure such illegality and the Issuer may redeem all (but not some only) of the relevant Notes at their Redemption Amount together with any accrued interest upon giving not more than 60 nor less than 30 days' (or such shorter period as may be required under any relevant law) prior written notice to the Issuer Security Trustee, the Funding 1 Security Trustee, the Note Trustee, the relevant Issuer Swap Provider(s) and the Noteholders in accordance with **Condition 14**, provided that, prior to giving any notice, the Issuer shall have provided to the Note Trustee a certificate signed by two directors of the Issuer to the effect that it will have the funds, not subject to the interest of any other person, required to redeem the relevant Notes as provided above and any amount to be paid in priority to or *pari passu* with the relevant Notes. Such monies received by the Issuer shall be used to redeem the relevant Notes in full, together with any accrued and unpaid interest, on the equivalent Interest Payment Date.

5.6 Reserved

5.7 Redemption Amounts

For the purposes of this **Condition 5**, **Redemption Amount** means, in respect of any Series and Class of Notes, the amount specified in relation to such Notes in the applicable Final Terms or, if not so specified:

- (a) in respect of each Note (other than a Zero Coupon Note), the Principal Amount Outstanding of such Note; and

- (b) in respect of each Zero Coupon Note, an amount (the **Amortised Face Amount**) calculated in accordance with the following formula:

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

where:

RP = the Reference Price;

AY = the Accrual Yield expressed as a decimal; and

y = a fraction, the numerator of which is equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the first Closing Date of the applicable Series and Class of Notes to (but excluding) the date fixed for redemption or, as the case may be, the date upon which such Note becomes due and payable and the denominator of which is 360.

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to **Condition 5.1, 5.2, 5.4, 5.5 or 5.6 above** or upon its becoming due and repayable as provided in **Condition 9** is improperly withheld or refused, the amount due and repayable in respect of such Note shall be the amount calculated as provided in **paragraph (b) above** as though the reference therein to the date fixed for the redemption or, as the case may be, the date upon which such Note becomes due and payable were replaced by reference to the date which is the earlier of:

- (i) the date on which all amounts due in respect of such Note have been paid; and
- (ii) the date on which the full amount of the monies payable in respect of such Note has been received by the Principal Paying Agent or the Note Trustee or the Registrar and notice to that effect has been given to the Noteholders in accordance with **Condition 14**.

5.8 Mandatory Transfer of Remarketable Notes

- (a) The Remarketable Notes shall be transferred in accordance with **paragraph (b) below** on each relevant Mandatory Transfer Date prior to the occurrence of a Mandatory Transfer Termination Event (as confirmed by the Remarketing Agent or Tender Agent by the provision of a Conditional Purchaser Confirmation to the Issuer and the Principal Paying Agent) in exchange for payment of the Mandatory Transfer Price, and the Issuer will procure payment of the Mandatory Transfer Price to the Holders of the Remarketable Notes on the relevant Mandatory Transfer Date, provided that the Issuer shall not be liable for the failure to make payment of the Mandatory Transfer Price to the extent that such failure is a result of the failure of the Remarketing Agent or the Conditional Purchaser to perform its obligations under the relevant agreements.
- (b) Subject to **paragraph (a) above**, all the Noteholders' interests in the Remarketable Notes shall be transferred on the relevant Mandatory Transfer Date to the account of the Remarketing Agent on behalf of the relevant purchasers or as otherwise notified by or on behalf of the Remarketing Agent prior to such date or, if Definitive Notes are then issued with respect to the Remarketable Notes, the Remarketable Notes will be registered in the name of the Remarketing Agent or as otherwise notified by or on behalf of the Remarketing Agent by the Registrar and the Register will be amended accordingly with effect from the relevant Mandatory Transfer Date.

6. PAYMENTS

6.1 Payment of Interest and Principal

Payments of principal shall be made by cheque in the Specified Currency, drawn on a Designated Bank, or upon application by a Holder of the relevant Note to the Specified Office of the Principal Paying Agent not later than the fifth Business Day before the Record Date (as defined in **Condition 6.7**), by transfer to a Designated Account maintained by the payee with a Designated Bank and (in the case of final redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note at the Specified Office of any Paying Agent.

Payments of interest shall be made by cheque in the Specified Currency drawn on a Designated Bank, or upon application by a Holder of the relevant Note to the Specified Office of the Principal Paying Agent not later than the fifth Business Day before the Record Date, by transfer to a Designated Account maintained by the payee with a Designated Bank and (in the case of interest payable on final redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note at the Specified Office of any Paying Agent.

6.2 Laws and Regulations

Payments of principal and interest in respect of the Notes are subject in all cases to any fiscal or other laws and regulations applicable thereto. Noteholders will not be charged commissions or expenses on payments.

6.3 Payment of Interest following a failure to pay Principal

If payment of principal is improperly withheld or refused on or in respect of any Note or part thereof, the interest which continues to accrue in respect of such Note in accordance with **Condition 4** will be paid in accordance with this **Condition 6**.

6.4 Change of Agents

The initial Principal Paying Agent, the Registrar, the Transfer Agent and the US Paying Agents are listed in these Conditions. The Issuer reserves the right, subject to the prior written approval of the Note Trustee, at any time to vary or terminate the appointment of the Principal Paying Agent, the Registrar, the Transfer Agent and the U.S. Paying Agent and to appoint additional or other Paying Agents. The Issuer will at all times maintain a Paying Agent with a Specified Office in London and a U.S. Paying Agent with a Specified Office in New York and a Registrar. Except where otherwise provided in the Note Trust Deed, the Issuer will cause at least 30 days' notice of any change in or addition to the Paying Agents, the Transfer Agent or the Registrar or their Specified Offices to be given in accordance with **Condition 14** and will notify the Rating Agencies of such change or addition. For as long as any Note is outstanding, the Issuer will endeavour to maintain a Paying Agent in a member state of the European Union that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to such Directive.

6.5 No payment on non-Business Day

Where payment is to be made by transfer to a Designated Account, payment instructions (for value the due date or, if the due date is not a Business Day, for value the next succeeding Business Day) will be initiated and, where payment is to be made by cheque, the cheque will be mailed (a) (in the case of payments of principal and interest payable on redemption) on the later of the due date for payment and the day on which the relevant Note is surrendered (or, in the case of part payment only, endorsed) at the Specified Office of a Paying Agent and (b) (in the case of payments of interest

payable other than on redemption) on the due date for payment. A Holder of a Note shall not be entitled to any interest or other payment in respect of any delay in payment resulting from (i) the due date for a payment not being a Business Day or (ii) a cheque mailed in accordance with this **Condition 6.5** arriving after the due date for payment or being lost in the mail.

6.6 Partial Payment

If a Paying Agent makes a partial payment in respect of any Note, the Issuer shall procure and the Registrar will ensure that the amount and date of such payment are noted on the Register and, in the case of partial payment upon presentation of a Note, that a statement indicating the amount and date of such payment is endorsed on the relevant Note.

6.7 Record Date

Each payment in respect of a Note will be made to the persons shown as the Holder in the Register at the opening of business in the place of the Registrar's Specified Office on the fifteenth day before the due date for such payment (the **Record Date**). Where payment in respect of a Note is to be made by cheque, the cheque will be mailed to the address shown as the address of the Holder in the Register at the opening of business on the relevant Record Date.

6.8 Payment of Interest

Subject as provided otherwise in these Conditions, if interest is not paid in respect of a Note of any Class on the date when due and payable (other than because the due date is not a Business Day) or by reason of non-compliance with **Condition 6.1**, then such unpaid interest shall itself bear interest at the Rate of Interest applicable from time to time to such Note until such interest and interest thereon are available for payment and notice thereof has been duly given in accordance with **Condition 14**.

7. PRESCRIPTION

Claims against the Issuer for payment of interest and principal on redemption shall be prescribed and become void if the relevant Notes are not surrendered for payment within a period of 10 years from the relevant date in respect thereof. After the date on which a payment under a Note becomes void in its entirety, no claim may be made in respect thereof. In this **Condition 7**, the **relevant date**, in respect of a payment under a Note, is the date on which the payment in respect thereof first becomes due or (if the full amount of the monies payable in respect of those payments under all the Notes due on or before that date has not been duly received by the Principal Paying Agent, the U.S. Paying Agent or the Note Trustee (as the case may be) on or prior to such date) the date on which the full amount of such monies having been so received or notice to that effect is duly given to Noteholders in accordance with **Condition 14**.

8. TAXATION

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

9. EVENTS OF DEFAULT

9.1 Class A Noteholders

The Note Trustee in its absolute discretion may (and if so requested in writing by the Holders of not less than 25 per cent. in aggregate Principal Amount Outstanding of the Class A Notes (which for this purpose and the purpose of any Extraordinary Resolution referred to in this **Condition 9.1** means the Class A Notes of all Series constituted by the Note Trust Deed) or if so directed by or pursuant to an Extraordinary Resolution passed at a meeting of the Holders of the Class A Notes shall), subject in each case to being indemnified and/or secured to its satisfaction, give notice (a **Class A Note Acceleration Notice**) to the Issuer, the Issuer Security Trustee and the Funding 1 Security Trustee of a Note Event of Default (as defined below) declaring (in writing) the Class A Notes and all other Notes to be due and repayable (and they shall forthwith become due and repayable) at any time after the happening of any of the following events which is continuing or unwaived:

- (a) default being made for a period of three Business Days in the payment of any amount of principal of the Class A Notes of any Series when and as the same ought to be paid in accordance with these Conditions or default being made for a period of three Business Days in the payment of any amount of interest on the Class A Notes of any Series when and as the same ought to be paid in accordance with these Conditions; or
- (b) the Issuer failing duly to perform or observe any other obligation binding upon it under the Class A Notes of any Series, the Note Trust Deed, the Issuer Deed of Charge or any other Transaction Document and, in any such case (except where the Note Trustee certifies that, in its opinion, such failure is incapable of remedy, in which case no notice will be required), such failure is continuing unremedied for a period of 20 days following the service by the Note Trustee on the Issuer of notice requiring the same to be remedied and the Note Trustee has certified that the failure to perform or observe is materially prejudicial to the interests of the Holders of the Class A Notes of such Series; or
- (c) the Issuer, otherwise than for the purposes of such amalgamation or reconstruction as is referred to in **subparagraph (d) below**, ceases or threatens to cease to carry on its business or a substantial part of its business or the Issuer is deemed unable to pay its debts within the meaning of Section 123(1)(a), (b), (c) or (d) of the Insolvency Act 1986 (as amended, modified or re-enacted) or becomes unable to pay its debts as they fall due or the value of its assets falls to less than the amount of its liabilities (taking into account for both these purposes its contingent and prospective liabilities) or otherwise becomes insolvent; or
- (d) an order being made or an effective resolution being passed for the winding-up of the Issuer except a winding-up for the purposes of or pursuant to an amalgamation, restructuring or merger the terms of which have previously been approved by the Note Trustee in writing or by an Extraordinary Resolution of the Holders of the Class A Notes; or
- (e) proceedings being otherwise initiated against the Issuer under any applicable liquidation, insolvency, composition, reorganisation or other similar laws (including, but not limited to, presentation of a petition for an administration order, the filing of documents with the court for an administration or the service of a notice of intention to appoint an administrator) and (except in the case of presentation of a petition for an administration order) such proceedings are not, in the sole opinion of the Note Trustee, being disputed in good faith with a reasonable prospect of success, or an administration order being granted or the appointment of an administrator takes effect or an administrative receiver or other receiver, liquidator or other similar official being appointed in relation to the Issuer or in relation to the whole or any substantial part of the undertaking or assets of the Issuer, or an encumbrancer taking

possession of the whole or any substantial part of the undertaking or assets of the Issuer, or a distress, execution, diligence or other process being levied or enforced upon or sued out against the whole or any substantial part of the undertaking or assets of the Issuer and such possession or process (as the case may be) not being discharged or not otherwise ceasing to apply within 30 days, or the Issuer initiating or consenting to the foregoing proceedings relating to itself under applicable liquidation, insolvency, composition, reorganisation or other similar laws or making a conveyance or assignment for the benefit of its creditors generally or a composition or similar arrangement with the creditors or takes steps with a view to obtaining a moratorium in respect of its indebtedness, including without limitation, the filing of documents with the court; or

- (f) if an Intercompany Loan Acceleration Notice is served under the Intercompany Loan Agreement while the Class A Notes of any Series are outstanding.

9.2 Class B Noteholders

This **Condition 9.2** shall have no effect if, and for as long as, any Class A Notes of any Series are outstanding. Subject thereto, for so long as any Class B Notes are outstanding, the Note Trustee in its absolute discretion may (and if so requested in writing by the Holders of not less than 25 per cent. in aggregate Principal Amount Outstanding of the Class B Notes (which for this purpose and the purpose of any Extraordinary Resolution referred to in this **Condition 9.2**, means the Class B Notes of all Series constituted by the Note Trust Deed) or if so directed by or pursuant to an Extraordinary Resolution passed at a meeting of the Holders of the Class B Notes shall), subject in each case to it being indemnified and/or secured to its satisfaction, give notice (a **Class B Note Acceleration Notice**) to the Issuer, the Issuer Security Trustee and the Funding 1 Security Trustee of a Note Event of Default (as defined below) and declaring (in writing) the Class B Notes and all other Notes to be due and repayable (and they shall forthwith become due and repayable) at any time after the happening of any of the following events:

- (a) default being made for a period of three Business Days in the payment of any amount of principal of the Class B Notes of any Series when and as the same ought to be paid in accordance with these Conditions or default being made for a period of three Business Days in the payment of any amount of interest on the Class B Notes of any Series when and as the same ought to be paid in accordance with these Conditions; or
- (b) the occurrence of any of the events in **Condition 9.1(b), (c), (d), (e) or (f) above** provided that the references in **Condition 9.1(b), Condition 9.1(d) and Condition 9.1(f)** to Class A Notes shall be read as references to Class B Notes.

9.3 Class M Noteholders

This **Condition 9.3** shall have no effect if, and for as long as, any Class A Notes or Class B Notes of any Series are outstanding. Subject thereto, for so long as any Class M Notes are outstanding, the Note Trustee in its absolute discretion may (and if so requested in writing by the Holders of not less than 25 per cent. in aggregate Principal Amount Outstanding of the Class M Notes (which for this purpose and the purpose of any Extraordinary Resolution referred to in this **Condition 9.3**, means the Class M Notes of all Series constituted by the Note Trust Deed) or if so directed by or pursuant to an Extraordinary Resolution passed at a meeting of the Holders of the Class M Notes shall), subject in each case to it being indemnified and/or secured to its satisfaction, give notice (a **Class M Note Acceleration Notice**) to the Issuer, the Issuer Security Trustee and the Funding 1 Security Trustee of a Note Event of Default (as defined below) and declaring (in writing) the Class M Notes and all other Notes to be due and repayable (and they shall forthwith become due and repayable) at any time after the happening of any of the following events:

- (a) default being made for a period of three Business Days in the payment of any amount of principal of the Class M Notes of any Series when and as the same ought to be paid in accordance with these Conditions or default being made for a period of three Business Days in the payment of any amount of interest on the Class M Notes of any Series when and as the same ought to be paid in accordance with these Conditions; or
- (b) the occurrence of any of the events in **Condition 9.1(b), (c), (d), (e) or (f) above** provided that the references in **Condition 9.1(b), Condition 9.1(d) and Condition 9.1(f)** to Class A Notes shall be read as references to Class M Notes.

9.4 Class C Noteholders

This **Condition 9.4** shall have no effect if, and for as long as, any Class A Notes, Class B Notes or Class M Notes of any Series are outstanding. Subject thereto, for so long as any Class C Notes are outstanding, the Note Trustee in its absolute discretion may (and if so requested in writing by the Holders of not less than 25 per cent. in aggregate Principal Amount Outstanding of the Class C Notes (which for this purpose and the purpose of any Extraordinary Resolution referred to in this **Condition 9.4**, means the Class C Notes of all Series constituted by the Note Trust Deed) or if so directed by or pursuant to an Extraordinary Resolution passed at a meeting of the Holders of the Class C Notes shall), subject in each case to it being indemnified and/or secured to its satisfaction, give notice (a **Class C Note Acceleration Notice**) to the Issuer, the Issuer Security Trustee and the Funding 1 Security Trustee of a Note Event of Default (as defined below) and declaring (in writing) the Class C Notes and all other Notes to be due and repayable (and they shall forthwith become due and repayable) at any time after the happening of any of the following events:

- (a) default being made for a period of three Business Days in the payment of any amount of principal of the Class C Notes of any Series when and as the same ought to be paid in accordance with these Conditions or default being made for a period of three Business Days in the payment of any amount of interest on the Class C Notes of any Series when and as the same ought to be paid in accordance with these Conditions; or
- (b) the occurrence of any of the events in **Condition 9.1(b), (c), (d), (e) or (f) above** provided that the references in **Condition 9.1(b), Condition 9.1(d) and Condition 9.1(f)** to Class A Notes shall be read as references to Class C Notes.

9.5 Class D Noteholders

This **Condition 9.5** shall have no effect if, and for as long as, any Class A Notes, Class B Notes, Class M Notes or Class C Notes of any Series are outstanding. Subject thereto, for so long as any Class D Notes are outstanding, the Note Trustee in its absolute discretion may (and if so requested in writing by the Holders of not less than 25 per cent. in aggregate Principal Amount Outstanding of the Class D Notes (which for this purpose and the purpose of any Extraordinary Resolution referred to in this **Condition 9.5**, means the Class D Notes of all Series constituted by the Note Trust Deed) or if so directed by or pursuant to an Extraordinary Resolution passed at a meeting of the Holders of the Class D Notes shall), subject in each case to it being indemnified and/or secured to its satisfaction, give notice (a **Class D Note Acceleration Notice**) to the Issuer, the Issuer Security Trustee and the Funding 1 Security Trustee of a Note Event of Default (as defined below) and declaring (in writing) the Class D Notes to be due and repayable (and they shall forthwith become due and repayable) at any time after the happening of any of the following events:

- (a) default being made for a period of three Business Days in the payment of any amount of principal of the Class D Notes of any Series when and as the same ought to be paid in accordance with these Conditions or default being made for a period of three Business Days

in the payment of any amount of interest on the Class D Notes of any Series when and as the same ought to be paid in accordance with these Conditions; or

- (b) the occurrence of any of the events in **Condition 9.1(b), (c), (d), (e) or (f) above** provided that the references in **Condition 9.1(b), Condition 9.1(d) and Condition 9.1(f)** to Class A Notes shall be read as references to Class D Notes.

9.6 Class Z Noteholders

This **Condition 9.6** shall have no effect if, and for as long as, any Class A Notes, Class B Notes, Class M Notes, Class C Notes or Class D Notes of any Series are outstanding. Subject thereto, for so long as any Class Z Notes are outstanding, the Note Trustee in its absolute discretion may (and if so requested in writing by the Holders of not less than 25 per cent. in aggregate Principal Amount Outstanding of the Class Z Notes (which for this purpose and the purpose of any Extraordinary Resolution referred to in this **Condition 9.6**, means the Class Z Notes of all Series constituted by the Note Trust Deed) or if so directed by or pursuant to an Extraordinary Resolution passed at a meeting of the Holders of the Class Z Notes shall), subject in each case to it being indemnified and/or secured to its satisfaction, give notice (a **Class Z Note Acceleration Notice**) to the Issuer, the Issuer Security Trustee and the Funding 1 Security Trustee of a Note Event of Default (as defined below) and declaring (in writing) the Class Z Notes to be due and repayable (and they shall forthwith become due and repayable) at any time after the happening of any of the following events:

- (a) default being made for a period of three Business Days in the payment of any amount of principal of the Class Z Notes of any Series when and as the same ought to be paid in accordance with these Conditions or default being made for a period of three Business Days in the payment of any amount of interest on the Class Z Notes of any Series when and as the same ought to be paid in accordance with these Conditions; or
- (b) the occurrence of any of the events in **Condition 9.1(b), (c), (d), (e) or (f) above** provided that the references in **Condition 9.1(b), Condition 9.1(d) and Condition 9.1(f)** to Class A Notes shall be read as references to Class Z Notes.

9.7 Following Service of a Note Acceleration Notice

In these Conditions, a **Note Acceleration Notice** means any of the Class A Note Acceleration Notice, the Class B Note Acceleration Notice, the Class M Note Acceleration Notice, the Class C Note Acceleration Notice, the Class D Note Acceleration Notice and the Class Z Note Acceleration Notice. For the avoidance of doubt, upon any Note Acceleration Notice being given by the Note Trustee in accordance with **Condition 9.1, 9.2, 9.3, 9.4, 9.5 or 9.6** all Notes shall immediately become due, without further action, notice or formality at their Principal Amount Outstanding together with accrued interest (or, in the case of a Zero Coupon Note, at its Redemption Amount, calculated in accordance with **Condition 5.7**).

10. ENFORCEMENT OF NOTES

10.1 Enforcement

The Note Trustee may, at its discretion and without notice at any time and from time to time, take such steps and institute such proceedings against the Issuer or any other person as it may think fit to enforce the provisions of the Notes, the Note Trust Deed (including these Conditions) or any of the other Transaction Documents to which it is a party and the Note Trustee may, at its discretion at any time after the Issuer Security has become enforceable (including after the service of a Note Acceleration Notice in accordance with **Condition 9**), instruct the Issuer Security Trustee to take

such steps as it may think fit to enforce the Issuer Security. The Note Trustee shall not be bound to take such steps or institute such proceedings or give such instructions unless:

- (a) (subject in all cases to restrictions contained in the Note Trust Deed to protect the interests of any higher ranking Class of Noteholders) it shall have been so directed by an Extraordinary Resolution of the Class A Noteholders, the Class B Noteholders, the Class M Noteholders, the Class C Noteholders, the Class D Noteholders or the Class Z Noteholders (which for this purpose and the purpose of a request in writing as referred to below in this **Condition 10.1**, means the Holders of all Series of the Class A Notes, the Class B Notes, the Class M Notes, the Class C Notes, the Class D Notes or the Class Z Notes (as applicable)) or so requested in writing by the Holders of at least one quarter in aggregate Principal Amount Outstanding of the Class A Notes, Class B Notes, Class M Notes, Class C Notes, Class D Notes or Class Z Notes (as applicable) of all Series; and
- (b) it shall have been indemnified and/or secured to its satisfaction.

The Issuer Security Trustee shall not be bound to and shall not take such steps or take any such other action unless it is so directed by the Note Trustee and indemnified and/or secured to its satisfaction.

Amounts available for distribution after enforcement of the Issuer Security shall be distributed in accordance with the terms of the Issuer Deed of Charge.

No Noteholder may institute any proceedings against the Issuer to enforce its rights under or in respect of the Notes, the Note Trust Deed or the Issuer Deed of Charge unless (i) the Note Trustee or the Issuer Security Trustee, as applicable, has become bound to institute proceedings and has failed to do so within 30 days of becoming so bound and (ii) such failure is continuing; provided that, no Class B Noteholder, Class M Noteholder, Class C Noteholder, Class D Noteholder or Class Z Noteholder will be entitled to commence proceedings for the winding up or administration of the Issuer unless there are no outstanding Notes of a Class with higher priority, or if Notes of a class with higher priority are outstanding, there is consent of Noteholders of not less than one quarter of the aggregate principal amount of the Notes outstanding (as defined in the Note Trust Deed) of the Class or Classes of Notes with higher priority or pursuant to an Extraordinary Resolution of the Holders of such Class of Notes. Notwithstanding the foregoing and notwithstanding any other provision of the Note Trust Deed, the right of any Noteholder to receive payment of principal and interest on its Notes on or after the due date for such principal or interest, or to institute suit for the enforcement of payment of that principal or interest, may not be impaired or affected without the consent of that Noteholder.

10.2 Post-Enforcement Call Option

In the event that:

- (a) the Issuer Security is enforced and the Issuer Security Trustee determines that (i) the proceeds of such enforcement, after distribution of such proceeds to the persons entitled thereto ranking in priority to the Notes under the Issuer Deed of Charge and to the Noteholders (to the extent entitled thereto), are insufficient to pay in full all principal and interest and other amounts whatsoever due in respect of the Notes and all other claims ranking *pari passu* therewith (ii) such proceeds of enforcement have been so distributed in accordance with the terms of the Issuer Deed of Charge and (iii) there are no further assets available to pay principal and interest and other amounts whatsoever due in respect of the Notes; or

- (b) within 20 days following the Final Maturity Date of the latest maturing Note, the Issuer Security Trustee certifies that there is no further amount outstanding under the Intercompany Loan Agreement,

then the Note Trustee is required (without any liability on its part to any person or any warranty as to due authority), at the request of the Post-Enforcement Call Option Holder, for a nominal amount, to transfer or (as the case may be) procure transfer of all (but not some only) of the Notes to the Post-Enforcement Call Option Holder pursuant to the option granted to it by the Note Trustee (as agent for the Noteholders) under the terms of the Post-Enforcement Call Option Agreement. Immediately upon such transfer, no such former Noteholder shall have any further interest in the Notes. Each of the Noteholders acknowledges that the Note Trustee has the authority and the power to bind the Noteholders in accordance with the terms and conditions set out in the Post-Enforcement Call Option Agreement and each Noteholder, by subscribing for or purchasing Notes, agrees to be so bound. The Note Trustee shall give notice of the exercise of such option to the Noteholders in accordance with **Condition 14**.

11. MEETINGS OF NOTEHOLDERS, MODIFICATIONS AND WAIVER

11.1 Meetings of Noteholders

The Note Trust Deed contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any provision of these Conditions or the provisions of any of the Transaction Documents.

(a) Class A Notes

In respect of the Class A Notes, the Note Trust Deed provides that, subject to **Condition 11.2**:

- (i) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class A Notes of one Class only shall be deemed to have been duly passed if passed at a meeting of the Holders of the Class A Notes of that Class;
- (ii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class A Notes of any two or more Classes but does not give rise to a conflict of interest between the Holders of any such two or more Classes of Class A Notes, shall be deemed to have been duly passed if passed at a single meeting of the Holders of such two or more Classes of Class A Notes; and
- (iii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class A Notes of any two or more Classes and gives or may give rise to a conflict of interest between the Holders of any such Classes of Class A Notes, shall be deemed to have been duly passed only if, in lieu of being passed at a single meeting of the Holders of such two or more Classes of Class A Notes, it shall be passed at separate meetings of the Holders of each such Class of Class A Notes.

(b) Class B Notes

In respect of the Class B Notes, the Note Trust Deed provides that, subject to **Condition 11.2**:

- (i) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class B Notes of one Class only shall be deemed to have been duly passed if passed at a meeting of the Holders of the Class B Notes of that Class;

- (ii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class B Notes of any two or more Classes but does not give rise to a conflict of interest between the Holders of any such two or more Classes of Class B Notes, shall be deemed to have been duly passed if passed at a single meeting of the Holders of such two or more Classes of Class B Notes; and
- (iii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class B Notes of any two or more Classes and gives or may give rise to a conflict of interest between the Holders of any such Classes of Class B Notes, shall be deemed to have been duly passed only if, in lieu of being passed at a single meeting of the Holders of such two or more Classes of Class B Notes, it shall be passed at separate meetings of the Holders of each such Class of Class B Notes.

(c) Class M Notes

In respect of the Class M Notes, the Note Trust Deed provides that, subject to **Condition 11.2**:

- (i) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class M Notes of one Class only shall be deemed to have been duly passed if passed at a meeting of the Holders of the Class M Notes of that Class;
- (ii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class M Notes of any two or more Classes but does not give rise to a conflict of interest between the Holders of any such two or more Classes of Class M Notes, shall be deemed to have been duly passed if passed at a single meeting of the Holders of such two or more Classes of Class M Notes; and
- (iii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class M Notes of any two or more Classes and gives or may give rise to a conflict of interest between the Holders of any such Classes of Class M Notes, shall be deemed to have been duly passed only if, in lieu of being passed at a single meeting of the Holders of such two or more Classes of Class M Notes, it shall be passed at separate meetings of the Holders of each such Class of Class M Notes.

(d) Class C Notes

In respect of the Class C Notes, the Note Trust Deed provides that, subject to **Condition 11.2**:

- (i) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class C Notes of one Class only shall be deemed to have been duly passed if passed at a meeting of the Holders of the Class C Notes of that Class;
- (ii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class C Notes of any two or more Classes but does not give rise to a conflict of interest between the Holders of any such two or more Classes of Class C Notes, shall be deemed to have been duly passed if passed at a single meeting of the Holders of such two or more Classes of Class C Notes; and
- (iii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class C Notes of any two or more Classes and gives or may give rise to a conflict of interest between the Holders of any such Classes of Class C Notes, shall be deemed to have been duly passed only if, in lieu of being passed at a single meeting of the Holders of such two or more Classes of Class C Notes, it shall be passed at separate meetings of the Holders of each such Class of Class C Notes.

(e) ***Class D Notes***

In respect of the Class D Notes, the Note Trust Deed provides that, subject to **Condition 11.2**:

- (i) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class D Notes of one Class only shall be deemed to have been duly passed if passed at a meeting of the Holders of the Class D Notes of that Class;
- (ii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class D Notes of any two or more Classes but does not give rise to a conflict of interest between the Holders of any such two or more Classes of Class D Notes, shall be deemed to have been duly passed if passed at a single meeting of the Holders of such two or more Classes of Class D Notes; and
- (iii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class D Notes of any two or more Classes and gives or may give rise to a conflict of interest between the Holders of any such Classes of Class D Notes, shall be deemed to have been duly passed only if, in lieu of being passed at a single meeting of the Holders of such two or more Classes of Class D Notes, it shall be passed at separate meetings of the Holders of each such Class of Class D Notes.

(f) ***Class Z Notes***

In respect of the Class Z Notes, the Note Trust Deed provides that, subject to **Condition 11.2**:

- (i) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class Z Notes of one Class only shall be deemed to have been duly passed if passed at a meeting of the Holders of the Class Z Notes of that Class;
- (ii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class Z Notes of any two or more Classes but does not give rise to a conflict of interest between the Holders of any such two or more Classes of Class Z Notes, shall be deemed to have been duly passed if passed at a single meeting of the Holders of such two or more Classes of Class Z Notes; and
- (iii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class Z Notes of any two or more Classes and gives or may give rise to a conflict of interest between the Holders of any such Classes of Class Z Notes, shall be deemed to have been duly passed only if, in lieu of being passed at a single meeting of the Holders of such two or more Classes of Class Z Notes, it shall be passed at separate meetings of the Holders of each such Class of Class Z Notes.

The quorum for any meeting of the Holders of any Series and Class of Notes or of any Class of Notes of more than one Series convened to consider a resolution (except for the purpose of passing an Extraordinary Resolution or a Programme Resolution) will be one or more persons holding or representing not less than one-twentieth of the aggregate Principal Amount Outstanding of such Series and Class of Notes or such Class of Notes of more than one Series or, at any adjourned meeting, one or more persons being or representing Noteholders of such Series and Class of Notes or such Class of Notes for the time being outstanding of more than one Series, whatever the aggregate Principal Amount Outstanding of the relevant Notes for the time being outstanding so held or represented. A **resolution** means a resolution (excluding an Extraordinary Resolution or a Programme Resolution) passed at a meeting of Noteholders duly convened and held in accordance with the provisions of the Note Trust Deed by a simple majority of the persons voting thereat upon a show of hands or if a poll is duly demanded by a simple majority of the votes cast on such poll.

Subject as provided in the following paragraph, the quorum at any meeting of the Holders of any Series and Class of Notes or of any Class of Notes of more than one Series of Notes convened to consider an Extraordinary Resolution will be one or more persons holding or representing not less than 50 per cent. of the aggregate Principal Amount Outstanding of such Series and Class of Notes or such Class of Notes of more than one Series or, at any adjourned meeting, one or more persons being or representing Noteholders of such Series and Class of Notes or such Class of Notes of more than one Series of Notes, whatever the aggregate Principal Amount Outstanding of the relevant Notes so held or represented.

The quorum at any meeting of the Noteholders for passing an Extraordinary Resolution which includes the sanctioning of a modification which would have the effect of altering the amount or timing of payments of principal on the Notes of such Series and Class or of such Class or the rate, the day or the timing of payments of interest thereon or of the currency of payment of the Notes of such Series and Class or of such Class or altering the priority of payments or altering the quorum or majority required in relation to any resolution (each a **Basic Terms Modification**, as more fully defined in the Note Trust Deed) shall be one or more persons holding or representing not less than 75 per cent. of the aggregate Principal Amount Outstanding of the Notes of the relevant Series and Class or of the Class of Notes of more than one Series of Notes or, at any adjourned and reconvened meeting, not less than 25 per cent. of the aggregate Principal Amount Outstanding of the Notes of the relevant Series and Class or of the Class of Notes of more than one Series of Notes.

An Extraordinary Resolution passed at any meeting of Noteholders shall be binding on all of the Noteholders of the relevant Series and Class or of the Class of Notes of more than one Series of Notes whether or not they are present or represented at the meeting.

In connection with any meeting of Noteholders where the relevant Notes (or any of them) are not denominated in Sterling, the Principal Amount Outstanding of any Note not denominated in Sterling shall be converted into Sterling at the relevant Specified Currency Exchange Rate.

A resolution signed by or on behalf of all the Noteholders of the relevant Series and Class or of the relevant Class of more than one Series of Notes who for the time being are entitled to receive notice of a meeting under the Note Trust Deed shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Holders of such Series and Class or of the relevant Class of more than one Series of Notes.

11.2 Programme Resolution

Notwithstanding the provisions of **Condition 11.1**, any Extraordinary Resolution of the Noteholders of any Class to direct the Note Trustee to give a Note Acceleration Notice pursuant to **Condition 9** or take any enforcement action or instruct the Issuer Security Trustee to enforce the Issuer Security pursuant to **Condition 10** (a **Programme Resolution**) shall only be capable of being passed at a single meeting of the Noteholders of all Series of such Class of Notes. The quorum at any such meeting for passing a Programme Resolution shall be one or more persons holding or representing not less than 50 per cent. of the aggregate Principal Amount Outstanding of the Notes of such Class or, at any adjourned and reconvened meeting, one or more persons being or representing Noteholders of such Class of Notes, whatever the aggregate Principal Amount Outstanding of such Class of Notes so held or represented by them.

A Programme Resolution passed at any meeting of all Series of any Class of Notes shall be binding on all Noteholders of all Series of that Class of Notes, whether or not they are present or represented at the meeting.

11.3 Limitations on Noteholders

Subject as provided in **Condition 11.4**:

- (a) an Extraordinary Resolution of the Class A Noteholders of any Series shall be binding on all Class B Noteholders, all Class M Noteholders, all Class C Noteholders, all Class D Noteholders and all Class Z Noteholders, in each case, of that Series or of any other Series irrespective of the effect upon them;
- (b) no Extraordinary Resolution of the Class B Noteholders of any Series shall take effect for any purpose while any Class A Notes (of that Series or of any other Series) remain outstanding unless it shall have been sanctioned by an Extraordinary Resolution of the Class A Noteholders of each Series or the Note Trustee is of the opinion that it would not be materially prejudicial to the interests of the Class A Noteholders of any Series (as applicable) and subject hereto and to **Condition 11.4**, an Extraordinary Resolution of the Class B Noteholders of any Series will be binding on all Class M Noteholders all Class C Noteholders, all Class D Noteholders and all Class Z Noteholders, in each case, of that or of any other Series irrespective of the effect upon them;
- (c) no Extraordinary Resolution of the Class M Noteholders of any Series shall take effect for any purpose while any Class A Notes or Class B Notes (in each case, of that Series or of any other Series) remain outstanding unless it shall have been sanctioned by an Extraordinary Resolution of the Class A Noteholders and an Extraordinary Resolution of the Class B Noteholders, in each case of each Series or the Note Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class A Noteholders and/or the Class B Noteholders of any Series (as applicable) and subject hereto and to **Condition 11.4**, an Extraordinary Resolution of the Class M Noteholders of any Series will be binding on all Class C Noteholders, all Class D Noteholders and all Class Z Noteholders, in each case, of that or of any other Series irrespective of the effect upon them;
- (d) no Extraordinary Resolution of the Class C Noteholders of any Series shall take effect for any purpose while any Class A Notes, Class B Notes or Class M Notes (in each case, of that Series or of any other Series) remain outstanding unless it shall have been sanctioned by an Extraordinary Resolution of the Class A Noteholders, an Extraordinary Resolution of the Class B Noteholders and an Extraordinary Resolution of the Class M Noteholders, in each case of each Series or the Note Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class A Noteholders, the Class B Noteholders and/or the Class M Noteholders of any Series (as applicable) and subject hereto and to **Condition 11.4**, an Extraordinary Resolution of the Class C Noteholders of any Series will be binding on all Class D Noteholders and all Class Z Noteholders of that or of any other Series irrespective of the effect upon them;
- (e) no Extraordinary Resolution of Class D Noteholders of any Series shall take effect for any purpose while any Class A Notes, Class B Notes, Class M Notes or Class C Notes (in each case, of that Series or of any other Series) remain outstanding unless it shall have been sanctioned by an Extraordinary Resolution of the Class A Noteholders, an Extraordinary Resolution of the Class B Noteholders, an Extraordinary Resolution of the Class M Noteholders and an Extraordinary Resolution of the Class C Noteholders, in each case of each Series or the Note Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class A Noteholders, the Class B Noteholders, the Class M Noteholders and/or the Class C Noteholders of any Series (as applicable) and subject hereto and to **Condition 11.4**, an Extraordinary Resolution of the Class D Noteholders of any Series will be binding on all Class Z Noteholders of that or of any other Series irrespective of the effect upon them; and

- (f) no Extraordinary Resolution of Class Z Noteholders of any Series shall take effect for any purpose while any Class A Notes, Class B Notes, Class M Notes, Class C Notes or Class D Notes (in each case, of that Series or of any other Series) remain outstanding unless it shall have been sanctioned by an Extraordinary Resolution of the Class A Noteholders, an Extraordinary Resolution of the Class B Noteholders, an Extraordinary Resolution of the Class M Noteholders, an Extraordinary Resolution of the Class C Noteholders and an Extraordinary Resolution of the Class D Noteholders, in each case of each Series or the Note Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class A Noteholders, the Class B Noteholders, the Class M Noteholders, the Class C Noteholders and/or the Class D Noteholders of any Series (as applicable).

11.4 Approval of Modifications and Waivers by Noteholders

No Extraordinary Resolution of the Noteholders of any one or more Series of Class A Notes to sanction a modification of, or any waiver or authorisation of any breach or proposed breach of, any of the provisions of the Transaction Documents or the Conditions of the Notes shall take effect unless it has been sanctioned by an Extraordinary Resolution of the Class B Noteholders, an Extraordinary Resolution of the Class M Noteholders, an Extraordinary Resolution of the Class C Noteholders, an Extraordinary Resolution of the Class D Noteholders and an Extraordinary Resolution of the Class Z Noteholders, in each case of each Series, or the Note Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class B Noteholders, the Class M Noteholders, the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders of any Series.

No Extraordinary Resolution of the Noteholders of any one or more Series of Class B Notes to sanction a modification of, or any waiver or authorisation of any breach or proposed breach of, any of the provisions of the Transaction Documents or the Conditions of the Notes shall take effect unless it has been sanctioned by an Extraordinary Resolution of the Class M Noteholders, an Extraordinary Resolution of the Class C Noteholders, an Extraordinary Resolution of the Class D Noteholders and an Extraordinary Resolution of the Class Z Noteholders, in each case of each Series, or the Note Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class M Noteholders, the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders of any Series.

No Extraordinary Resolution of the Noteholders of any one or more Series of Class M Notes to sanction a modification of, or any waiver or authorisation of any breach or proposed breach of, any of the provisions of the Transaction Documents or the Conditions of the Notes shall take effect unless it has been sanctioned by an Extraordinary Resolution of the Class C Noteholders, an Extraordinary Resolution of the Class D Noteholders and an Extraordinary Resolution of the Class Z Noteholders, in each case of each Series, or the Note Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders of any Series.

No Extraordinary Resolution of the Noteholders of any one or more Series of Class C Notes to sanction a modification of, or any waiver or authorisation of any breach or proposed breach of, any of the provisions of the Transaction Documents or the Conditions of the Notes shall take effect unless it has been sanctioned by an Extraordinary Resolution of the Class D Noteholders and an Extraordinary Resolution of the Class Z Noteholders of each Series, or the Note Trustee is of the opinion that it would not be materially prejudicial to the interests of the Class D Noteholders and the Class Z Noteholders of any Series.

No Extraordinary Resolution of the Noteholders of any one or more Series of Class D Notes to sanction a modification of, or any waiver or authorisation of any breach or proposed breach of, any of the provisions of the Transaction Documents or the Conditions of the Notes shall take effect

unless it has been sanctioned by an Extraordinary Resolution of the Class Z Noteholders of each Series, or the Note Trustee is of the opinion that it would not be materially prejudicial to the interests of the Class Z Noteholders of any Series.

11.5 Modifications and Determinations by Note Trustee

The Note Trustee, may, without the consent of the Noteholders:

- (a) agree to any modification (other than a Basic Terms Modification) of, or to the waiver or authorisation of any breach or proposed breach of, the Conditions of any Series and Class of Notes or any of the Transaction Documents which is not in the opinion of the Note Trustee, materially prejudicial to the interests of the Noteholders of any Series and Class of Notes; or
- (b) determine that any Note Event of Default shall not be treated as such provided that it is not in the opinion of the Note Trustee materially prejudicial to the interests of the Holders of the most senior Class of Notes then outstanding; or
- (c) agree to any modification (including a Basic Terms Modification) of these Conditions or any of the Transaction Documents which, in the opinion of the Note Trustee, is of a formal, minor or technical nature or is to correct a manifest error or proven error established as such to the satisfaction of the Note Trustee or is to comply with the mandatory provisions of law; or
- (d) agree to any modification of any of these Conditions or any Transaction Documents as expressly provided for in the Transaction Documents.

For the avoidance of doubt, the Note Trustee shall be entitled to assume, without further investigation or inquiry, that such modification, waiver, determination or authorisation will not be materially prejudicial to the interests of the Noteholders or any Class or Series thereof if each of the Rating Agencies rating the relevant Series and/or Class of Notes has confirmed in writing that the then current ratings of the applicable Series and/or Class of Notes for which it provides a rating would not be reduced, withdrawn or qualified by such modification, waiver, determination or authorisation. Any such modification, waiver, authorisation or determination shall be binding on the Noteholders and, unless the Note Trustee agrees otherwise, any such modification shall be notified to the Noteholders and the Rating Agencies in accordance with **Condition 14** as soon as practicable thereafter.

11.6 Redenomination

The Note Trustee may agree, without the consent of the Holders of the Sterling Notes on or after the Specified Date (as defined below), to such modifications to the Sterling Notes and the Note Trust Deed in respect of redenomination of such Notes in euro and associated reconventioning, renominatisation and related matters in respect of such Notes as may be proposed by the Issuer (and confirmed by an independent financial institution approved by the Note Trustee to be in conformity with then applicable market conventions) and to provide for redemption at the euro equivalent of the Sterling principal amount of the Sterling Notes. For these purposes, **Specified Date** means the date on which the United Kingdom participates in the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended by the Treaty on European Union, or otherwise participates in European economic and monetary union in a manner with an effect similar to such third stage.

Any such modification shall be binding on the Holders of the Sterling Notes and, unless the Note Trustee agrees otherwise, any such modification shall be notified to such Noteholders in accordance with **Condition 14** as soon as practicable thereafter.

11.7 Exercise of Note Trustee's Functions

Where the Note Trustee is required, in connection with the exercise of its powers, trusts, authorities, duties and discretions under these Conditions or any Transaction Document, to have regard to the interests of the Noteholders of any Class, it shall have regard to the interests of such Noteholders as a class and, in particular but without prejudice to the generality of the foregoing, the Note Trustee shall not have regard to, or be in any way liable for, the consequences of such exercise for individual Noteholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory. In connection with any such exercise, the Note Trustee shall not be entitled to require, and no Noteholder shall be entitled to claim, from the Issuer or any other person, any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders.

12. INDEMNIFICATION OF THE NOTE TRUSTEE AND THE ISSUER SECURITY TRUSTEE

The Note Trust Deed, the Issuer Deed of Charge and the Funding 1 Deed of Charge set out certain provisions for the benefit of the Note Trustee, the Issuer Security Trustee and the Funding 1 Security Trustee. The following is a summary of such provisions and is subject to the more detailed provisions of the Note Trust Deed, the Issuer Deed of Charge and the Funding 1 Deed of Charge.

The Transaction Documents contain provisions governing the responsibility (and relief from responsibility) of the Note Trustee, the Issuer Security Trustee and the Funding 1 Security Trustee and providing for their indemnification in certain circumstances, including, among others, provisions relieving the Issuer Security Trustee, the Note Trustee and the Funding 1 Security Trustee from taking enforcement proceedings or enforcing the Issuer Security and/or the Funding 1 Security, as the case may be, unless indemnified to its satisfaction.

The Note Trustee, the Issuer Security Trustee and the Funding 1 Security Trustee and their related companies are entitled to enter into business transactions with the Issuer, any member of the Alliance & Leicester's group of companies, the Issuer Cash Manager and/or the related companies of any of them and to act as note trustee or security trustee for the holders of any new notes and/or any other person who is a party to any Transaction Document or whose obligations are comprised in the Issuer Security or the Funding 1 Security and/or any of its subsidiary or associated companies without accounting for any profit resulting therefrom.

Neither the Note Trustee, the Issuer Security Trustee nor the Funding 1 Security Trustee will be responsible for any loss, expense or liability which may be suffered as a result of any assets comprised in the Issuer Security or the Funding 1 Security, or any deeds or documents of title thereto, being uninsured or inadequately insured or being held by clearing organisations or their operators or by intermediaries such as banks, brokers or other similar persons on behalf of the Note Trustee or the Issuer Security Trustee or the Funding 1 Security Trustee, as applicable.

Furthermore, the Note Trustee, the Issuer Security Trustee and the Funding 1 Security Trustee will be relieved of liability for making searches or other inquiries in relation to the assets comprising the Issuer Security and Funding 1 Security. The Note Trustee, the Issuer Security Trustee and the Funding 1 Security Trustee do not have any responsibility in relation to the legality and the enforceability of the trust arrangements and the related Issuer Security and Funding 1 Security. Neither the Note Trustee, the Issuer Security Trustee nor the Funding 1 Security Trustee will be obliged to take any action that might result in its incurring personal liabilities. Neither the Note Trustee, the Issuer Security Trustee nor the Funding 1 Security Trustee is obliged to monitor or investigate the performance of any other person under the Transaction Documents and is entitled to assume, until it has actual knowledge to the contrary, that all such persons are properly performing their duties, unless it receives express notice to the contrary.

Neither the Note Trustee, the Issuer Security Trustee nor the Funding 1 Security Trustee will be responsible for any deficiency that may arise because it is liable to tax in respect of the proceeds of any Issuer Security or any Funding 1 Security.

Law Debenture Trust Company of New York (the **Initial Trustee**) is acting as Note Trustee under the Note Trust Deed and as Issuer Security Trustee under the Issuer Deed of Charge and as Funding 1 Security Trustee under the Funding 1 Deed of Charge (and while doing so the Initial Trustee and any successor which acts in all such capacities are referred to in this Condition as the **Trustee**). No entity may act as a trustee in any such capacity unless it is also the Trustee or unless the Trustee agrees otherwise or unless the Trustee resigns its office as trustee in one or more of such capacities. In its capacity as Trustee, the Trustee will not be liable to any Noteholder for any loss which he may suffer by reason of any conflict which may arise between the interests of the Noteholders and any other person to whom the Trustee owes duties as a result of the Trustee acting in all such capacities.

Neither the Initial Trustee nor any of its successors has any responsibility to Noteholders, the Issuer Secured Creditors or the Funding 1 Secured Creditors for the validity, sufficiency or enforceability of the Issuer Security and the Funding 1 Security (which the Initial Trustee has not investigated) and shall accept such title and interest as any chargor or mortgagor has without responsibility for investing the same or any defect there may be therein. Neither the Initial Trustee nor any of its successors are responsible for monitoring the performance by any person of its obligations to the Issuer, Funding 1, any Further Funding Companies or any obligor and each may assume until it has actual knowledge to the contrary that such obligations are being duly performed.

13. REPLACEMENT OF NOTES

If Definitive Notes are lost, stolen, mutilated, defaced or destroyed, the Noteholder can replace them at the Specified Office of any Paying Agent subject to all applicable laws and stock exchange requirements. The Noteholder will be required both to pay the expenses of producing a replacement and to comply with the Issuer's, the Registrar's and the Paying Agents' reasonable requests for evidence and indemnity.

If a Global Note is lost, stolen, mutilated, defaced or destroyed, the Issuer will deliver a replacement Global Note to the registered holder upon receipt of satisfactory evidence and surrender of any defaced or mutilated Global Note. A replacement will only be made upon payment of the expenses for a replacement and compliance with the Issuer's, Registrar's and Paying Agents' reasonable requests as to evidence and indemnity.

Defaced or mutilated Notes must be surrendered before replacements will be issued.

14. NOTICE TO NOTEHOLDERS

14.1 Publication of Notice

Any notice to Noteholders shall be validly given if such notice is:

- (a) sent to them by first class mail (or its equivalent) or (if posted to a non-UK address) by airmail at the respective addresses on the Register; and
- (b) published in *The Financial Times*;

or, if any of such newspaper set out above shall cease to be published or timely publication therein shall not be practicable, in a leading English language daily newspaper having general circulation in the United Kingdom provided that if, at any time, the Issuer procures that the information concerned

in such notice shall be published on the Relevant Screen, publication in the newspaper set out above or such other newspaper or newspapers shall not be required with respect to such information.

14.2 Date of Publication

Any notices so published shall be deemed to have been given on the fourth day after the date of posting, or as the case may be, on the date of such publication or, if published more than once on different dates, on the first date on which publication shall have been made in the newspaper or newspapers in which (or on the Relevant Screen on which) publication is required.

14.3 Global Notes

While the Notes are represented by Global Notes, any notice to Noteholders will be validly given if such notice is provided in accordance with **Condition 14.1** or (at the option of the Issuer) if delivered to DTC (in the case of the Rule 144A Notes) or Euroclear and/or Clearstream, Luxembourg (in the case of the Reg S Notes) or (if specified in the applicable Final Terms) if delivered through any **Alternative Clearing System** specified therein. Any notice delivered to the DTC and/or Euroclear and/or Clearstream, Luxembourg and/or such Alternative Clearing System will be deemed to be given on the day of such delivery.

14.4 Note Trustee's Discretion to Select Alternative Method

The Note Trustee shall be at liberty to sanction some other method of giving notice to the Noteholders or any Series or Class or category of them if, in its opinion, such other method is reasonable having regard to market practice then prevailing and to the requirements of the stock exchanges on which the Notes are then admitted for trading and provided that notice of such other method is given to the Noteholders in such manner as the Note Trustee shall require.

15. NOTES ISSUES

The Issuer shall (subject to satisfaction of the Issuance Tests) be at liberty, without the consent of the Noteholders, to create and issue Notes from time to time.

16. RATING AGENCIES

If:

- (a) a confirmation of rating or other response by a Rating Agency is a condition to any action or step under any Transaction Document; and
- (b) a written request for such confirmation or response is delivered to each Rating Agency by the Issuer (copied to the Note Trustee and/or the Issuer Security Trustee and/or the Funding 1 Security Trustee, as applicable) and either one or more Rating Agency (each a **Non-Responsive Rating Agency**) indicates that it does not consider such confirmation or response necessary in the circumstances or within 30 days of delivery of such request elicits no confirmation or response and/or such request elicits no statement by such Rating Agency that such confirmation or response could not be given; and
- (c) at least one Rating Agency gives such a confirmation or response based on the same facts,

then such condition shall be deemed to be modified with respect to the facts set out in the request referred to in (b) so that there shall be no requirement for the confirmation or response from the Non-Responsive Rating Agency.

The Note Trustee and/or the Issuer Security Trustee and/or the Funding 1 Security Trustee, as applicable, shall be entitled to treat as conclusive a certificate by any director, officer or employee of the Issuer, Funding 1, the Seller, any investment bank or financial adviser acting in relation to the Notes as to any matter referred to in (b) in the absence of manifest error or the Note Trustee and/or the Issuer Security Trustee and/or the Funding 1 Security Trustee, as applicable, having facts contradicting such certificates specifically drawn to his attention and the Note Trustee and/or the Issuer Security Trustee and/or the Funding 1 Security Trustee, as applicable, shall not be responsible for any loss, liability, costs, damages, expenses or inconvenience that may be caused as a result.

17. GOVERNING LAW AND JURISDICTION

The Transaction Documents and the Notes (and any non-contractual obligations arising out of or in connection with them) are governed by English law unless specifically stated to the contrary. Certain provisions in the Transaction Documents relating to property situated in Scotland are governed by Scots law. Certain provisions in the Transaction Documents relating to property situated in Northern Ireland are governed by Northern Irish law. Unless specifically stated to the contrary:

- (a) the courts of England are to have non-exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Notes and the Transaction Documents; and
- (b) the Issuer and the other parties to the Transaction Documents irrevocably submit to the non-exclusive jurisdiction of the courts of England.

18. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

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

19. DEFINITIONS

Unless otherwise defined in these Conditions or unless the context otherwise requires, in these Conditions the following words shall have the following meanings and any other capitalised terms used in these Conditions shall have the meanings ascribed to them or incorporated in the Note Trust Deed or the Master Definitions and Construction Schedule. The provisions of **Clause 2** (Interpretation and Construction) of the Master Definitions and Construction Schedule are incorporated into and shall apply to these Conditions.

Additional Business Centre means, in respect of any Series and Class of Notes, each place specified as such for such Notes in the applicable Final Terms;

Agents means the Paying Agents, the Transfer Agent, the Registrar and the Agent Bank;

Agent Bank means Citibank, N.A., London Branch in its capacity as agent bank at its Specified Office or such other person for the time being acting as agent bank under the Paying Agent and Agent Bank Agreement;

Alliance & Leicester means Alliance & Leicester plc (registered number 03263713), a public limited company incorporated under the laws of England and Wales, whose registered office is at Carlton Park, Narborough, Leicester LE19 0AL;

Basel II Framework means the regulatory capital framework described in the Basel Committee on Banking Supervision's publication, Basel II: The International Convergence of Capital Measurement and Capital Standards: a Revised Framework;

Broken Amount means, in respect of any Series and Class of Notes, the amount specified as such (if any) for such Notes in the applicable Final Terms;

Business Day means a day that is a London Business Day, a New York Business Day and a TARGET Business Day;

Cash Management Agreement means the cash management agreement entered into on the Initial Closing Date between the Cash Manager, the Mortgages Trustee, Funding 1 and the Funding 1 Security Trustee (as the same may be amended, restated, novated and/or supplemented from time to time);

Cash Manager means Alliance & Leicester acting, pursuant to the Cash Management Agreement, as agent for the Mortgages Trustee, Funding 1 and the Funding 1 Security Trustee (amongst others) to, *inter alia*, manage all cash transactions and maintain certain ledgers on behalf of the Mortgages Trustee, Funding 1 and the Funding 1 Security Trustee (which expression shall include such other person as may be appointed from time to time as Cash Manager pursuant to the Cash Management Agreement);

Class or **class** means, in relation to the Notes of any Series and the Noteholders, the Class A Notes, the Class B Notes, the Class M Notes, the Class C Notes, the Class D Notes or the Class Z Notes, as the context requires, and the respective holders thereof;

Class A Noteholders means the Holders of the Class A Notes;

Class A Notes means Notes of any Series designated as such (or a sub-class of such) in the applicable Final Terms;

Class B Noteholders means the Holders of the Class B Notes;

Class B Notes means Notes of any Series designated as such (or a sub-class of such) in the applicable Final Terms;

Class C Noteholders means the Holders of the Class C Notes;

Class C Notes means Notes of any Series designated as such (or a sub-class of such) in the applicable Final Terms;

Class D Noteholders means the Holders of the Class D Notes;

Class D Notes means Notes of any Series designated as such (or a sub-class of such) in the applicable Final Terms;

Class M Noteholders means the Holders of the Class M Notes;

Class M Notes means Notes of any Series designated as such (or a sub-class of such) in the applicable Final Terms;

Class Z Noteholders means the Holders of the Class Z Notes;

Class Z Notes means Notes of any Series designated as such (or a sub-class of such) in the applicable Final Terms;

Clearstream, Luxembourg means Clearstream Banking, société anonyme;

Closing Date has the meaning given to it in the applicable Final Terms;

Conditional Purchaser means, in respect of any Series and Class of Remarketable Notes, the Conditional Purchaser specified in the applicable Final Terms;

Conditional Purchaser Confirmation means, in respect of any Series and Class of Remarketable Notes, the confirmation given by the Remarketing Agent or the Tender Agent to the Issuer and the Principal Paying Agent that the Conditional Purchaser has purchased an interest in or has had transferred to it or on its behalf an interest in all such Remarketable Notes;

Corporate Services Agreement means the agreement dated the Initial Closing Date between (amongst others) the Corporate Services Provider, Funding 1, Holdings, Alliance & Leicester and the Funding 1 Security Trustee for the provision by the Corporate Services Provider of certain corporate services and personnel to Funding 1 and Holdings (as the same may be amended, restated, novated and/or supplemented from time to time);

Corporate Services Provider means Structured Finance Management Limited or such other person or persons for the time being acting as corporate services provider to Funding 1 and Holdings under the Corporate Services Agreement;

Dealers means the institutions specified as such in the applicable Final Terms;

Definitive Notes means the note certificates representing the Notes while in definitive form;

Designated Account means the account maintained by a Holder with a Designated Bank and identified as such in the Register;

Designated Bank means (in the case of payment in a Specified Currency other than euro) a bank in the principal financial centre of the country of such Specified Currency and (in the case of a payment in euro) any bank which processes payments in euro;

Determination Date means, in respect of any Series and Class of Notes, the date(s) specified as such (if any) for such Notes in the applicable Final Terms;

Dollars, U.S.\$, U.S. Dollars or \$ means the lawful currency for the time being of the United States of America;

DTC means The Depository Trust Company;

EURIBOR means the Euro-zone inter-bank offered rate;

Euro, euro or € means the currency of the member states of the European Union that adopt the single currency in accordance with the Treaty of Rome of 25 March 1957, establishing the European Community, as amended from time to time;

Euroclear means Euroclear Bank S.A./N.V.;

Extraordinary Resolution means a resolution passed at a meeting of the Noteholders of a particular Class, Series or Series and Class duly convened and held in accordance with the provisions of the Note Trust Deed by a majority consisting of not less than three-fourths of the persons voting thereat upon a show of hands or if a poll is duly demanded by a majority consisting of not less than three-fourths of the votes cast on such poll;

FSA means the Financial Services Authority;

Final Maturity Date means, in respect of any Series and Class of Notes, the date specified as such for such Notes in the applicable Final Terms;

Final Terms means, in relation to any Series of Notes, the final terms issued in relation to such Series of Notes as a supplement to these Conditions and giving details of, *inter alia*, the amount and price of such Series of Notes and which forms a part of the prospectus in relation to such Series of Notes;

Fixed Coupon Amount means, in respect of any Series and Class of Notes, the amount specified as such (if any) for such Notes in the applicable Final Terms;

Funding 1 means Fosse Funding (No. 1) Limited;

Funding 1 Account Bank means the bank at which the Funding 1 Bank Accounts are maintained from time to time (being, as at 23 November 2009, Santander UK plc acting through its offices at 2 Triton Square, Regent's Place, London NW1 3AN and, thereafter, such other replacement account banks as Funding 1 may choose with the prior written approval of the Funding 1 Security Trustee in accordance with the Funding 1 Bank Account Agreement);

Funding 1 Bank Account Agreement means the agreement entered into on the Initial Closing Date between (amongst others) the Funding 1 Account Bank and Funding 1, which governs the operation of the Funding 1 Bank Accounts (as the same may be amended, restated, novated and/or supplemented from time to time);

Funding 1 Bank Accounts means the Funding 1 GIC Account and the Funding 1 Transaction Account and such other bank account(s) held in the name of Funding 1 with the approval of the Funding 1 Security Trustee from time to time;

Funding 1 Deed of Charge means the deed of charge entered into on the Initial Closing Date between, among others, Funding 1, the Funding 1 Security Trustee, the Issuer and the Note Trustee and each deed of accession or supplement entered into in connection therewith;

Funding 1 GIC Account means the account in the name of Funding 1 held at the Funding 1 Account Bank and maintained subject to the terms of the Funding 1 Bank Account Agreement and the Funding 1 Deed of Charge or such additional or replacement account as may for the time being be in place;

Funding 1 Interest Payment Date means, in relation to a Loan Tranche, the Quarter Dates specified in the Final Terms in each year (or, if such day is not a Business Day, the next succeeding Business Day) or, following the occurrence of a Pass-Through Trigger Event, the 18th day of each calendar month in each year (or, if such day is not a Business Day, the next succeeding Business Day);

Funding 1 Secured Creditors means the Funding 1 Security Trustee, the Funding 1 Swap Provider, the Cash Manager, the Funding 1 Account Bank, the Seller, the Corporate Services Provider, each Start Up Loan Provider, the Issuer and any other entity that accedes to the terms of the Funding 1 Deed of Charge from time to time;

Funding 1 Security means the security created under the Funding 1 Deed of Charge;

Funding 1 Security Trustee means Law Debenture Trust Company of New York and its successors or any other security trustee under the Funding 1 Deed of Charge;

Funding 1 Start-Up Loan Agreements means the Funding 1 start-up loan agreement entered into on or about the Initial Closing Date between Funding 1, the Funding 1 Start-Up Loan Provider and the Funding 1 Security Trustee and each other start-up loan agreement entered into in connection with the issuance of a Series of Notes (as each of the same may be amended, restated, novated and/or supplemented from time to time);

Funding 1 Swap Agreement means the ISDA Master Agreement and Schedule entered into on the Initial Closing Date between Funding 1, the Funding 1 Swap Provider and the Funding 1 Security Trustee and any confirmation documented thereunder from time to time between Funding 1, the Funding 1 Swap Provider and the Funding 1 Security Trustee (as each of the same may be amended, restated, novated or supplemented from time to time);

Funding 1 Swap Provider means Alliance & Leicester (or, on and from the Transfer Date (if applicable), Santander UK) acting in its capacity as the Funding 1 Swap Provider pursuant to the Funding 1 Swap Agreement;

Funding 1 Transaction Account means the account in the name of Funding 1 held with the Funding 1 Account Bank and maintained subject to the terms of the Funding 1 Bank Account Agreement and the Funding 1 Deed of Charge or such additional or replacement account as may for the time being be in place;

Funding Companies means Funding 1 and each Further Funding Company (if any);

Further Funding Company means any funding entity (other than Funding 1) established in the future by Holdings;

Global Notes means the Rule 144A Global Notes and the Reg S Global Notes;

Holdings means Fosse (Master Issuer) Holdings Limited (registered number 5925689), a limited company incorporated under the laws of England and Wales, whose registered office is at 35 Great St. Helen's, London EC3A 6AP;

Initial Closing Date means 28 November 2006;

Intercompany Loan means, at any time, the aggregate of all Loan Tranches advanced under the Intercompany Loan Agreement;

Intercompany Loan Agreement means the loan agreement entered into on the Initial Closing Date between, amongst others, Funding 1, the Issuer and the Funding 1 Security Trustee (as the same may be amended, restated, novated and/or supplemented from time to time);

Interest Commencement Date means, in respect of any Series and Class of Notes, the Closing Date of such Notes or such other date as may be specified as such for such Notes in the applicable Final Terms;

Interest Determination Date means the date two Business Days prior to each Interest Payment Date;

Interest Payment Date means, in respect of a Series and Class of Notes (other than Monthly Payment Notes), the Quarterly Interest Payment Dates and (in the case of Monthly Payment Notes) the Monthly Interest Payment Dates, subject, in each case, to the applicable Final Terms;

ISDA Definitions means the 2000 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Closing Date of the first Series of Notes;

Issuer means Fosse Master Issuer plc;

Issuer Account Bank means Alliance & Leicester or such other person for the time being acting as account bank to the Issuer under the Issuer Bank Account Agreement;

Issuer Bank Accounts means the Issuer Transaction Account, the Issuer Share Capital Account and any other account opened and maintained by the Issuer with the Issuer Account Bank pursuant to the Transaction Documents (including without limitation the Issuer GIC Account);

Issuer Bank Account Agreement means the bank account agreement entered into on the Initial Closing Date between the Issuer, the Issuer Cash Manager, the Issuer Account Bank and the Issuer Security Trustee (as the same may be amended, restated, novated and/or supplemented from time to time);

Issuer Cash Management Agreement means the cash management agreement dated the Initial Closing Date between, amongst others, the Issuer Cash Manager, the Issuer and the Issuer Security Trustee (as the same may be amended, restated, novated and/or supplemented from time to time);

Issuer Cash Manager means Alliance & Leicester or such other person or persons for the time being acting, under the Issuer Cash Management Agreement, as agent, *inter alia*, for the Issuer;

Issuer Corporate Services Agreement means the agreement entered into on or about the Initial Closing Date and made between (amongst others) the Issuer Corporate Services Provider and the Issuer for the provision by the Issuer Corporate Services Provider of certain corporate services and personnel to the Issuer (as the same may be amended, restated, novated and/or supplemented from time to time);

Issuer Corporate Services Provider means Structured Finance Management Limited or such other person or persons for the time being acting as corporate services provider to the Issuer under the Issuer Corporate Services Agreement;

Issuer Deed of Charge means the deed of charge entered into on the Initial Closing Date between, among others, the Issuer and the Issuer Security Trustee and each deed of accession or supplement entered into in connection therewith;

Issuer Priority of Payments means the Issuer Pre-acceleration Revenue Priority of Payments, the Issuer Pre-acceleration Principal Priority of Payments, the Issuer Post-acceleration Principal Priority of Payments or the Issuer Priority of Payments following an intercompany loan acceleration notice, as the case may be, each as set out in the Issuer Cash Management Agreement or the Issuer Deed of Charge (as the case may be);

Issuer Secured Creditors means the Issuer Security Trustee, the Note Trustee, the Issuer Swap Providers, the Issuer Corporate Services Provider, the Issuer Account Bank, the Issuer Cash Manager, the Paying Agents, the Agent Bank, the Exchange Rate Agent, the Transfer Agent, the Registrar and the Noteholders and any new Issuer Secured Creditor who accedes to the Issuer Deed of Charge from time to time under a deed of accession or a supplemental deed;

Issuer Security means the security created by the Issuer pursuant to the Issuer Deed of Charge;

Issuer Security Trustee means Law Debenture Trust Company of New York and its successors or any other security trustee under the Issuer Deed of Charge;

Issuer Swap Agreement means the ISDA master agreements, schedules and confirmations relating to the currency and/or interest rate swaps to be entered into on or prior to each Closing Date between the Issuer, the applicable Issuer Swap Provider and the Issuer Security Trustee in connection with the Notes (as each of the same may be amended, restated, novated and/or supplemented from time to time);

Issuer Swap Providers means in respect of a Series and Class of Notes, the institutions identified in the applicable Final Terms;

LIBOR means the London inter-bank offered rate;

Loan means each loan referenced by its loan identifier number and comprising the aggregate of all principal sums, interest, costs, charges, expenses and other monies (including all Further Advances) due or owing with respect to that loan under the relevant Mortgage Conditions by a Borrower on the security of a Mortgage from time to time outstanding or, as the context may require, the Borrower's obligations in respect of the same;

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

Mandatory Transfer Date means, in respect of any Series and Class of Remarketable Notes, the Interest Payment Date specified as such for such Remarketable Notes in the applicable Final Terms;

Mandatory Transfer Price means, in respect of any Series and Class of Remarketable Notes, the Principal Amount Outstanding of such Remarketable Notes on the relevant Mandatory Transfer Date following the application of Note Principal Payments on such date;

Mandatory Transfer Termination Event shall occur in respect of any Series and Class of Remarketable Notes if the Conditional Purchaser has purchased an interest in all such Remarketable Notes;

Managers means the entities specified as such in the applicable Final Terms;

Margin means, in respect of any Series and Class of Notes, the amount specified as such for such Notes in the applicable Final Terms and, in the case of Remarketable Notes, shall include the Reset Margin;

Maximum Reset Margin means, in respect of any Series and Class of Remarketable Notes, the amount specified as such for such Remarketable Notes in the applicable Final Terms;

Maximum Rate of Interest means, in respect of any Series and Class of Notes, the rate of interest specified as such for such Notes in the applicable Final Terms;

Minimum Rate of Interest means, in respect of any Series and Class of Notes, the rate of interest specified as such for such Notes in the applicable Final Terms;

Money Market Notes means Notes which will be "Eligible Securities" within the meaning of Rule 2a-7 under the United States Investment Company Act of 1940, as amended;

Monthly Dates means the 18th day of each calendar month in each year (or, if such day is not a Business Day, the next succeeding Business Day);

Monthly Interest Payment Dates means, in respect of any Monthly Payment Notes, the Monthly Dates specified in the applicable Final Terms for the payment of interest and/or principal subject, in each case, to the appropriate Business Day Convention, if any, specified in the applicable Final Terms;

Monthly Payment Notes means either Money Market Notes or any other Notes in respect of which Monthly Interest Payment Dates are specified in the applicable Final Terms;

Mortgage Sale Agreement means the mortgage sale agreement entered into on the Initial Closing Date and made between the Seller, Funding 1, the Mortgages Trustee and the Funding 1 Security Trustee in relation to the sale of Loans to the Mortgages Trustee from time to time (as the same may be amended, restated, novated and/or supplemented from time to time);

Mortgages Trust Deed means the mortgages trust deed entered into between (amongst others) the Mortgages Trustee, Funding 1 and the Seller on or about the Initial Closing Date (as the same may be amended, restated, novated and/or supplemented from time to time);

Mortgages Trustee means Fosse Trustee Limited (registered number 94410), a private company with limited liability incorporated in Jersey, Channel Islands, whose registered office is at 22 Grenville Street, St. Helier, Jersey JE4 8PX, Channel Islands;

Mortgages Trustee Account Bank means the bank at which the Mortgages Trustee GIC Account is maintained from time to time (being, as at 23 November 2009, Santander UK plc acting through its offices at 2 Triton Square, Regent's Place, London NW1 3AN and, thereafter, such other replacement account bank as the Mortgages Trustee may appoint in accordance with the Transaction Documents);

Mortgages Trustee Bank Account Agreement means the agreement entered into on or about the Initial Closing Date between (amongst others) the Mortgages Trustee Account Bank; and the Mortgages Trustee which governs the operation of the Mortgages Trustee GIC Account (as the same may be amended restated, novated and/or supplemented from time to time);

Mortgages Trustee Corporate Services Agreement means the agreement entered into on or about the Initial Closing Date between the Mortgages Trustee Corporate Services Provider, Alliance & Leicester and the Mortgages Trustee for the provision by the Mortgages Trustee Corporate Services Provider of certain corporate services to the Mortgages Trustee (as the same may be amended, restated, novated and/or supplemented from time to time);

Mortgages Trustee Corporate Services Provider means Mourant & Co. Limited or such other person or persons for the time being acting as corporate services provider to the Mortgages Trustee under the Mortgages Trustee Corporate Services Agreement;

Mortgages Trustee GIC Account means the account in the name of the Mortgages Trustee maintained with the Mortgages Trustee Account Bank pursuant to the Mortgages Trustee Bank Account Agreement or such additional or replacement bank account of the Mortgages Trustee as may for the time being be in place (as the same may be amended, restated, novated and/or supplemented from time to time);

New York Business Day means a day (other than a Saturday or a Sunday) on which banks are open for general business (including dealings in foreign currency) in the city of New York;

Note Event of Default means the occurrence of an event of default by the Issuer as specified in **Condition 9**;

Note Trust Deed means the trust deed entered into on the Initial Closing Date between the Issuer and the Note Trustee, and each supplemental deed entered into in connection therewith;

Note Trustee means Law Debenture Trust Company of New York and its successors or any further or other note trustee under the Note Trust Deed, as trustee for the Noteholders;

Noteholders means the Holders for the time being of the Notes;

Notes means any Global Notes or Definitive Notes;

Pass-Through Trigger Event means any of the following events:

- (a) a Trigger Event;
- (b) the service of a Note Acceleration Notice by the Note Trustee on the Issuer; or
- (c) the service of an Intercompany Loan Acceleration Notice by the Funding 1 Security Trustee on Funding 1;

Paying Agent and Agent Bank Agreement means the paying agent and agent bank agreement entered into on the Initial Closing Date between, among others, the Issuer, the Paying Agents, the Transfer Agent, the Registrar, the Agent Bank and the Issuer Security Trustee (as the same may be amended, restated, novated and/or supplemented from time to time);

Paying Agents means the Principal Paying Agent and the U.S. Paying Agent, together with any further or other paying agents for the time being appointed under the Paying Agent and Agent Bank Agreement;

PECOH Corporate Services Provider means Structured Finance Management Limited or such other person or persons for the time being acting as corporate services provider to the Post Enforcement Call Option Holder under the PECO Corporate Services Agreement;

Post-Enforcement Call Option Agreement means the post-enforcement call option agreement entered into on the Initial Closing Date between the Issuer, the Post-Enforcement Call Option Holder and the Note Trustee (as the same may be amended, restated, novated and/or supplemented from time to time);

Post-Enforcement Call Option Holder or PECO means Fosse PECO Limited;

Post-Enforcement Call Option Holder Corporate Services Agreement or PECO Corporate Services Agreement means the agreement entered into on the Initial Closing Date between (amongst others) the PECO Corporate Services Provider, PECO and the Note Trustee for the provision by the PECO Corporate Services Provider of certain corporate services and personnel to PECO (as the same may be amended, restated, novated and/or supplemented from time to time);

Principal Amount Outstanding has the meaning indicated in **Condition 5.3**;

Principal Paying Agent means Citibank, N.A., London Branch in its capacity as principal paying agent at its Specified Office or such other person for the time being acting as principal paying agent under the Paying Agent and Agent Bank Agreement;

Programme Agreement means the agreement entered into on or around the Initial Closing Date between (amongst others) the Issuer, and the Dealers named therein (or deemed named therein) (as the same may be amended, restated, novated and/or supplemented from time to time);

Quarter Dates means the 18th day of any of the following dates (or any one of such dates occurring annually or two of such dates occurring semi-annually) as specified in the Final Terms for the payment of interest and/or principal on the Notes and any corresponding Loan Tranche:

- (a) January, April, July and October; or
- (b) February, May, August and November; or
- (c) March, June, September and December;

Quarterly Interest Payment Dates means, in respect of a Series and Class of Notes (other than Monthly Payment Notes), the Quarter Dates specified in the Final Terms for the payment of interest and/or principal until the occurrence of a Pass-Through Trigger Event and, following such occurrence, the Monthly Dates, subject, in each case, to the appropriate Business Day Convention, if any, specified in the applicable Final Terms;

Rate of Interest and Rates of Interest means, in respect of any Series and Class of Notes, the rate or rates (expressed as a percentage per annum) of interest payable in respect of such Notes specified in the applicable Final Terms or calculated and determined in accordance with the applicable Final Terms;

Rating Agencies means Standard & Poor's Rating Services, a division of The McGraw-Hill Companies Inc., Moody's Investors Service Limited and Fitch Ratings Ltd.;

Reference Price means, in respect of any Series and Class of Notes, the price specified as such for such Notes in the applicable Final Terms;

Reference Rate means, in respect of any Series and Class of Notes, the rate specified as such for such Notes in the applicable Final Terms;

Reg S means Regulation S under the United States Securities Act of 1933, as amended;

Reg S Notes means each Series and Class of Notes that are sold outside the United States to non-U.S. persons in reliance on Reg S;

Reg S Global Notes means the note certificates representing the Reg S Notes while in global form;

Register means the register of Noteholders kept by the Registrar and which records the identity of each Noteholder and the number of Notes that each Noteholder owns;

Registrar means Citibank, N.A., London Branch in its capacity as registrar at its Specified Office or such other person for the time being acting as registrar under the Paying Agent and Agent Bank Agreement;

Relevant Screen means a page of the Reuters service or Bloomberg service, or any other medium for electronic display of data as may be previously approved in writing by the Note Trustee and has been notified to Noteholders in the manner set out in **Condition 14**;

Relevant Screen Page means, in respect of any Series and Class of Notes, the screen page specified as such for such Notes in the applicable Final Terms;

Remarketing Agent means, in respect of any Series and Class of Remarketable Notes, the Remarketing Agent specified in the applicable Final Terms, or such other agent appointed to act as remarketing agent under the terms of the relevant Remarketing Agreement;

Remarketing Agreement means, in respect of any Series and Class of Remarketable Notes, the agreement between the Issuer and the Remarketing Agent pursuant to which the Remarketing Agent agrees to use reasonable efforts to identify third party purchasers for such Remarketable Notes on each Mandatory Transfer Date prior to the occurrence of a Mandatory Transfer Termination Event (as the same may be amended, restated, novated and/or supplemented from time to time);

Remarketable Notes means any Series and Class of Notes identified as such in the applicable Final Terms;

Repayment Tests means Rules 1 and 2 under the Funding 1 Pre-acceleration principal priority of payments as set out in the Funding 1 Deed of Charge;

Reset Margin means, in respect of any Series and Class of Remarketable Notes, (i) for each Reset Period a percentage not exceeding the Maximum Reset Margin determined by the Remarketing Agent in accordance with the Remarketing Agreement or (ii) if the Remarketing Agreement has been terminated, the Maximum Reset Margin;

Reset Period means, in respect of any Series and Class of Remarketable Notes, the period commencing on the first Mandatory Transfer Date specified in the applicable Final Terms up to but excluding the next Mandatory Transfer Date and thereafter the period from each Mandatory Transfer Date up to but excluding the next Mandatory Transfer Date;

Rule 144A Global Notes means the note certificates representing the Rule 144A Notes while in global form;

Rule 144A Notes means each Series and Class of Notes which are sold in the United States only to qualified institutional buyers within the meaning of Rule 144A under the United States Securities Act of 1933, as amended;

Scottish Declaration of Trust means each declaration of trust in relation to Scottish Loans and their Related Security granted by the Seller in favour of the Mortgages Trustee pursuant to the Mortgage Sale Agreement;

Scottish Loan means a Loan secured by a standard security over a Property located in Scotland;

Seller means Alliance & Leicester;

Series means, in relation to the Notes, all Notes (of any Class) issued on a given day and designated as such;

Series and Class means a particular Class of Notes of a given Series or, where such Class of such Series comprises more than one sub-class, **Series and Class** means any sub-class of such Class;

Servicer means Alliance & Leicester, or such other person as may from time to time be appointed as servicer of the Portfolio pursuant to the Servicing Agreement;

Servicing Agreement means the agreement entered into on the Initial Closing Date between the Servicer, the Mortgages Trustee, the Funding 1 Security Trustee, Funding 1, and the Seller pursuant to which the Servicer agrees to administer the Loans and their Related Security comprised in the Portfolio (as the same may be amended, restated, novated and/or supplemented from time to time);

Specified Currency means, in respect of any Series and Class of Notes, the currency or currencies specified as such for such Notes in the applicable Final Terms;

Specified Currency Exchange Rate means, in relation to a Series and Class of Notes, the exchange rate specified in the Issuer Swap Agreement relating to such Series and Class of Notes or, if the Issuer Swap Agreement has been terminated, the applicable spot rate;

Specified Denomination means, in respect of any Series and Class of Notes, the denomination specified as such for such Notes in the applicable Final Terms which shall be in the case of Rule 144A Notes a minimum of \$100,000 (or its equivalent in any other currency as at the date of issue of such Notes) and in the case of Reg S Notes a minimum of £50,000 if denominated in sterling (or, in the case of notes denominated in sterling with a minimum maturity of less than 366 days, £100,000) or €50,000 or more (or its equivalent in any other currency as at the date of issue of such Notes) if denominated in a currency other than sterling;

Specified Office means, as the context may require, in relation to any of the Agents, the office specified against the name of such Agent in the Paying Agent and Agent Bank Agreement or such other specified office as may be notified to the Issuer and the Note Trustee pursuant to the Paying Agent and Agent Bank Agreement;

Step-Up Date means:

- (a) in respect of any Loan Tranche, the Funding 1 Interest Payment Date on which the interest rate payable in respect of the relevant Loan Tranche made under the Intercompany Loan increases by a pre-determined amount; and
- (b) in respect of any Notes, the date on which the interest rate payable by the Issuer in respect of those Notes increases by a pre-determined amount;

Sterling, Pounds Sterling or **£** means the lawful currency for the time being of the United Kingdom of Great Britain and Northern Ireland;

Sterling Notes means each Series and Class of Notes denominated in Sterling;

Subscription Agreement means an agreement supplemental to the Programme Agreement in or substantially in the form set out in the Programme Agreement or such other form as may be agreed between the Issuer, Managers and the Dealers;

sub-Unit means, with respect to any currency other than Sterling, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to Sterling, one pence;

TARGET Business Day means a day on which the Trans-European Automated Real-time Gross settlement Express (known as TARGET2) system which was launched on 19 November 2007, or any successor thereto, is open;

Tender Agent means, in respect of any Series and Class of Remarketable Notes, the Tender Agent specified in the applicable Final Terms;

Transfer Date means, in respect of a Transaction Document, the date (if applicable) that the bank business transfer scheme under Part VII of the Financial Services and Markets Act 2000 (the **Part VII Scheme**) providing for the transfer of all of Alliance & Leicester's business, and all related assets and liabilities, to Santander UK becomes effective or any later date on which the relevant Transaction Document is transferred in accordance with the Part VII Scheme;

Transaction Documents means the Cash Management Agreement, the Funding 1 Bank Account Agreement, the Corporate Services Agreement, the Controlling Beneficiary Deed, the Funding 1

Deed of Charge, each Funding 1 Deed of Charge Deed of Accession, the Funding 1 Swap Agreement, the Intercompany Loan Agreement, the Issuer Deed of Charge, each Issuer Deed of Charge Deed of Accession, the Master Definitions and Construction Schedule, the Issuer Bank Account Agreement, the Issuer Cash Management Agreement, the Issuer Corporate Services Agreement, the Issuer Master Definitions and Construction Schedule, each Issuer Swap Agreement and any related Issuer Swap Guarantees, the Mortgage Sale Agreement, the Mortgages Trust Deed, the Mortgages Trustee Bank Account Agreement, the Mortgages Trustee Corporate Services Agreement, the Post-Enforcement Call Option Holder Corporate Services Agreement, the Paying Agent and Agent Bank Agreement, the Post-Enforcement Call Option Agreement, the Programme Agreement, each Scottish Declaration of Trust, the Servicing Agreement, each Funding 1 Start-Up Loan Agreement, each Subscription Agreement, the Note Trust Deed, each Loan Tranche Supplement, each Conditional Purchase Agreement, each Remarketing Agreement, any other deeds of accession or supplemental deeds relating to any such documents and any other agreement or document from time to time designated as such by the Issuer and Note Trustee and/or the Issuer Security Trustee and/or the Funding 1 Security Trustee;

Transfer Agent means Citibank, N.A., London Branch in its capacity as transfer agent at its Specified Office or such other person for the time being acting as transfer agent under the Paying Agent and Agent Bank Agreement;

USD-LIBOR means the London inter-bank offered rate for deposits in U.S. dollars; and

U.S. Paying Agent means Citibank, N.A., New York Branch acting in its capacity as U.S. paying agent through its New York office or such other person for the time being acting as U.S. paying agent under the Paying Agent and Agent Bank Agreement.

SCHEDULE 6

PROVISIONS FOR MEETINGS OF NOTEHOLDERS

1. (a) As used in this Schedule the following expressions shall have the following meanings unless the context otherwise requires:
 - (i) **voting certificate** shall mean an English language certificate issued by a Registrar and dated in which it is stated:
 - (A) that on the date thereof Notes (represented by a Global Note and not being Notes in respect of which a block voting instruction has been issued and is outstanding in respect of the meeting specified in such voting certificate or any adjourned such meeting) were (to the satisfaction of such Registrar) held to its order or under its control and that no such Notes will cease to be so held until the first to occur of:
 - I. the conclusion of the meeting specified in such certificate or, if applicable, of any adjourned such meeting; and
 - II. the surrender of the certificate to the Registrar who issued the same; and
 - (B) that the bearer thereof is entitled to attend and vote at such meeting and any adjourned such meeting in respect of the Notes represented by such certificate;
 - (ii) **block voting instruction** shall mean an English language document issued by a Paying Agent and dated in which:
 - (A) it is certified that Notes (represented by a Global Note and not being Notes in respect of which a voting certificate has been issued and is outstanding in respect of the meeting specified in such block voting instruction and any adjourned such meeting) were (to the satisfaction of such Registrar) held to its order or under its control and that no such Notes will cease to be so held until the first to occur of:
 - I. the conclusion of the meeting specified in such document or, if applicable, of any adjourned such meeting; and
 - II. the surrender to that Registrar not less than 48 hours before the time for which such meeting or any adjourned such meeting is convened of the receipt issued by such Registrar in respect of each such Note which is to be released or (as the case may require) the Note or Notes ceasing with the agreement of that Paying Agent to be held to its order or under its control and the giving of notice by that Registrar to the Issuer in accordance with **paragraph 17** hereof of the necessary amendment to the block voting instruction;
 - (B) it is certified that each holder of such Notes has instructed such Paying Agent that the vote(s) attributable to the Note or Notes so held should be cast in a particular way in relation to the resolution or resolutions to be put to such meeting or any adjourned such meeting and that all such instructions

are during the period commencing 48 hours prior to the time for which such meeting or any adjourned such meeting is convened and ending at the conclusion or adjournment thereof neither revocable nor capable of amendment;

- (C) the aggregate principal amount of the Notes so held are listed distinguishing with regard to each such resolution between those in respect of which instructions have been given as aforesaid that the votes attributable thereto should be cast in favour of the resolution and those in respect of which instructions have been so given that the votes attributable thereto should be cast against the resolution; and
 - (D) one or more persons named in such document (each hereinafter called a **proxy**) is or are authorised and instructed by such Registrar to cast the votes attributable to the Notes so listed in accordance with the instructions referred to in (C) above as set out in such document;
- (iii) **24 hours** shall mean a period of 24 hours including all or part of a day upon which banks are open for business in both the place where the relevant meeting is to be held and in each of the places where the Registrar has its specified office (disregarding for this purpose the day upon which such meeting is to be held) and such period shall be extended by one period or, to the extent necessary, more periods of 24 hours until there is included as aforesaid all or part of a day upon which banks are open for business in all of the places as aforesaid;
- (iv) **48 hours** shall mean a period of 48 hours including all or part of two days upon which banks are open for business both in the place where the relevant meeting is to be held and in each of the places where the Registrar has its specified office (disregarding for this purpose the day upon which such meeting is to be held) and such period shall be extended by one period or, to the extent necessary, more periods of 24 hours until there is included as aforesaid all or part of two days upon which banks are open for business in all of the places as aforesaid; and
- (v) **Notes** and **Noteholders** shall mean:
- (A) in connection with a single meeting of Class A Noteholders, Class A Notes and Class A Noteholders, respectively;
 - (B) in connection with a single meeting of Class B Noteholders, Class B Notes and Class B Noteholders respectively;
 - (C) in connection with a single meeting of Class M Noteholders, Class M Notes and Class M Noteholders, respectively;
 - (D) in connection with a single meeting of Class C Noteholders, Class C Notes and Class C Noteholders respectively;
 - (E) in connection with a single meeting of Class D Noteholders, Class D Notes and Class D Noteholders, respectively; and
 - (F) in connection with a single meeting of Class Z Noteholders, Class Z Notes and Class Z Noteholders, respectively.

- (b) A holder of a Note represented by a Global Note may obtain a voting certificate in respect of such Note from a Paying Agent or require a Paying Agent to issue a block voting instruction in respect of such Note or by such Note (to the satisfaction of such Paying Agent) being held to its order or under its control, in each case not less than 48 hours before the time fixed for the relevant meeting and on the terms set out in **subparagraph (a)(i)(A) or (a)(ii)(A) above** (as the case may be), and (in the case of a block voting instruction) instructing such Paying Agent to the effect set out in **subparagraph (a)(ii)(B) above**. The holder of any voting certificate or the proxies named in any block voting instruction shall for all purposes in connection with the relevant meeting or adjourned meeting of Noteholders be deemed to be the holder of the Notes to which such voting certificate or block voting instruction relates and the person holding the same to the order or under the control of such Paying Agent shall be deemed for such purposes not to be the holder of those Notes.
- (c) (i) A holder of a Note may, by an instrument in writing in the English language (a **form of proxy**) signed by the holder or, in the case of a corporation, executed under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation and delivered to the specified office of the Registrar not less than 48 hours before the time fixed for the relevant meeting, appoint any person (a **proxy**) to act on his or its behalf in connection with any meeting of the Noteholders and any adjourned such meeting.
- (ii) If the Holder of a Note is The Depository Trust Company (**DTC**) or a nominee of DTC, such nominee or DTC may appoint proxies in accordance with and in the form used by DTC as part of its usual procedures from time to time in relation to meetings of Noteholders. Any proxy so appointed may, by an instrument in writing in the form of the English language available from the specified office of the Principal Paying Agent or the Registrar, as the case may be, or in such other form as approved by the Note Trustee, signed by the proxy or, in the case of a corporation, executed under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation and delivered to the principal Paying Agent or the Registrar, as the case may be, not later than 48 hours before the time fixed for any meeting, appoint any person (the **sub-proxy**) to act on his or its behalf in connection with any meeting or proposed meeting of Noteholders, provided that any such appointment certifies that no other person has been appointed as a sub-proxy in respect of the relevant Notes and that no voting instruction has been given in relation to those Notes. All references to "proxy" or "proxies" in this Schedule other than in this paragraph shall be read so as to include references to "sub-proxy" or "sub-proxies".
- (iii) Any holder of a Note which is a corporation may by resolution of its directors or other governing body authorise any person to act as its representative (a **representative**) in connection with any meeting of the Noteholders and any adjourned such meeting.
- (iv) Any proxy appointed pursuant to **subparagraph (i) above** or representative appointed pursuant to **subparagraph (iii) above** shall so long as such appointment remains in force be deemed, for all purposes in connection with the relevant meeting or adjourned meeting of the Noteholders, to be the holder of the Notes to which such appointment relates and the holder of the Notes shall be deemed for such purposes not to be the holder.
- (d) For so long as the Notes are eligible for settlement through DTC's book-entry settlement system, the Issuer may fix a record date for the purpose of any meeting, provided such date is not more than 10 days prior to the date fixed for such meeting or such other number of

days prior thereto as the Note Trustee shall in its absolute discretion determine. The person in whose name a Note is registered on the record date shall be the holder for the purposes of the relevant meeting.

2. The Issuer or the Note Trustee may at any time and the Note Trustee shall upon a requisition in writing signed by the holders of not less than one-tenth in principal amount of the Notes of any Class for the time being outstanding convene a meeting of the Noteholders and if the Issuer makes default for a period of seven days in convening such a meeting the same may be convened by the Note Trustee or the requisitionists. Every such meeting shall be held at such time and place as the Note Trustee may appoint or approve.
3. At least 21 days' notice (exclusive of the day on which the notice is given and the day on which the meeting is to be held) specifying the place, day and hour of meeting shall be given to the relevant Noteholders prior to any meeting of such Noteholders. Such notice, which shall be in the English language, shall state generally the nature of the business to be transacted at the meeting thereby convened but (except for an Extraordinary Resolution) it shall not be necessary to specify in such notice the terms of any resolution to be proposed. Such notice shall include statements, if applicable, to the effect that the holders of Notes of the relevant class may appoint proxies by executing and delivering a form of proxy in the English language to the specified office of the Registrar not less than 48 hours before the time fixed for the meeting or, in the case of corporations, may appoint representatives by resolution of their directors or other governing body. A copy of the notice shall be sent by post to the Note Trustee (unless the meeting is convened by the Note Trustee) and, to the Issuer (unless the meeting is convened by the Issuer).
4. A person (who may but need not be a Noteholder) nominated in writing by the Note Trustee shall be entitled to take the chair at the relevant meeting or adjourned meeting but if no such nomination is made or if at any meeting or adjourned meeting the person nominated shall not be present within 15 minutes after the time appointed for holding the meeting or adjourned meeting the Noteholders present shall choose one of their number to be Chairman, failing which the Issuer may appoint a Chairman. The Chairman of an adjourned meeting need not be the same person as was Chairman of the meeting from which the adjournment took place.
5. At any such meeting one or more persons present holding Notes of the relevant Series and Class or of any one or more Series of the same Class for the time being outstanding or voting certificates or being proxies or representatives and holding or representing in the aggregate not less than one-twentieth of the aggregate Principal Amount Outstanding of the Notes of the relevant Series and Class or of any one or more Series of the same Class for the time being outstanding shall (except for the purpose of passing an Extraordinary Resolution including, for the avoidance of doubt, a Programme Resolution) form a quorum for the transaction of business and no business (other than the choosing of a Chairman) shall be transacted at any meeting unless the requisite quorum be present at the commencement of the relevant business. The quorum at any such meeting for passing an Extraordinary Resolution including, for the avoidance of doubt, a Programme Resolution shall (subject as provided below) be two or more persons present holding or representing Notes of the relevant Series and Class or of any one or more Series of the same Class or voting certificates or being proxies or representatives and holding or representing in the aggregate not less than 50 per cent. in Principal Amount Outstanding of the Notes outstanding of the relevant Series and Class or of any one or more Series of the same Class (or, at any adjourned meeting, two or more persons being or representing Noteholders whatever the aggregate Principal Amount Outstanding of the Notes outstanding of such Series and Class or such one or more Series of the same Class so held or represented) **PROVIDED THAT** at any meeting the business of which includes the passing of an Extraordinary Resolution to sanction any of the following matters (each a **Basic Terms Modification**) namely:

- (a) reduction or cancellation of the amount payable or, where applicable, modification, (except where such modification is in the opinion of the Note Trustee bound to result in an increase), of the method of calculating the amount payable or modification of the date of payment or, where applicable, of the method of calculating the date of payment in respect of any principal or interest in respect of the Notes of the relevant Series and Class;
- (b) alteration of the currency in which payments under such Notes are to be made;
- (c) alteration of the quorum or majority required to pass an Extraordinary Resolution in respect of any such Basic Terms Modification; and
- (d) alteration of this proviso or the proviso to **paragraph 6 below**,

the quorum for passing the requisite Extraordinary Resolution shall be two or more persons present holding Notes of the relevant Series and Class or voting certificates or being proxies or representatives and holding or representing in the aggregate not less than three quarters (or, at any adjourned meeting, not less than one quarter) of the Principal Amount Outstanding of the Notes outstanding of the relevant Series and Class for the time being outstanding.

6. If within 15 minutes (or such longer period not exceeding 30 minutes as the Chairman may decide) after the time appointed for any such meeting a quorum is not present for the transaction of any particular business, then, subject and without prejudice to the transaction of the business (if any) for which a quorum is present, the meeting shall if convened upon the requisition of Noteholders be dissolved. In any other case it shall stand adjourned to the same day in the next week (or if such day is a public holiday the next succeeding Business Day) at the same time and place (except in the case of a meeting at which an Extraordinary Resolution is to be proposed in which case it shall stand adjourned for such period, being not less than 13 clear days nor more than 42 clear days, and to such place as may be appointed by the Chairman either at or subsequent to such meeting and approved by the Note Trustee). If within 15 minutes (or such longer period not exceeding 30 minutes as the Chairman may decide) after the time appointed for any adjourned meeting a quorum is not present for the transaction of any particular business, then, subject and without prejudice to the transaction of the business (if any) for which a quorum is present, the Chairman may either (with the approval of the Note Trustee) dissolve such meeting or adjourn the same for such period, being not less than 13 clear days (but without any maximum number of clear days), and to such place as may be appointed by the Chairman either at or subsequent to such adjourned meeting and approved by the Note Trustee, and the provisions of this sentence shall apply to all further adjourned such meetings. At any adjourned meeting one or more persons present holding Notes or being proxies or representatives (whatever the principal amount of the Notes so held or represented by them) shall (subject as provided below) form a quorum and shall (subject as provided below) have power to pass any Extraordinary Resolution or other resolution and to decide upon all matters which could properly have been dealt with at the meeting from which the adjournment took place had the requisite quorum been present **PROVIDED THAT** at any adjourned meeting the quorum for the transaction of business comprising any of the matters specified in the proviso to **paragraph 5 above** shall be one or more persons present holding Notes or voting certificates or being proxies or representatives and holding or representing in the aggregate not less than one-third of the principal amount of the Notes of the relevant Series and Class/es for the time being outstanding.
7. Notice of any adjourned meeting at which an Extraordinary Resolution is to be submitted shall be given in the same manner as notice of an original meeting but as if 10 were substituted for 21 in **paragraph 3 above** and such notice shall state the relevant quorum. Subject as aforesaid it shall not be necessary to give any notice of an adjourned meeting.

8. Every question submitted to a meeting shall be decided in the first instance by a show of hands and in case of equality of votes the Chairman shall both on a show of hands and on a poll have a casting vote in addition to the vote or votes (if any) to which he may be entitled as a Noteholder or as a holder of a voting certificate or as a proxy or as a representative.
9. At any meeting unless a poll is (before or on the declaration of the result of the show of hands) demanded by the Chairman, the Issuer, the Note Trustee or any person present holding a Note or a voting certificate or being a proxy or representative (whatever the principal amount of the Notes so held or represented by him) a declaration by the Chairman that a resolution has been carried or carried by a particular majority or lost or not carried by a particular majority shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.
10. Subject to **paragraph 12 below**, if at any such meeting a poll is so demanded it shall be taken in such manner and subject as hereinafter provided either at once or after an adjournment as the Chairman directs and the result of such poll shall be deemed to be the resolution of the meeting at which the poll was demanded as at the date of the taking of the poll. The demand for a poll shall not prevent the continuance of the meeting for the transaction of any business other than the motion on which the poll has been demanded.
11. The Chairman may with the consent of (and shall if directed by) any such meeting adjourn the same from time to time and from place to place but no business shall be transacted at any adjourned meeting except business which might lawfully (but for lack of required quorum) have been transacted at the meeting from which the adjournment took place.
12. Any poll demanded at any such meeting on the election of a Chairman or on any question of adjournment shall be taken at the meeting without adjournment.
13. The Note Trustee and its lawyers and any director, officer or employee of a corporation being a trustee of the Note Trust Deed and any director or officer of the Issuer and its lawyers and any other person authorised so to do by the Note Trustee may attend and speak at any meeting. Save as aforesaid, but without prejudice to the definition of Principal Amount Outstanding, no person shall be entitled to attend and speak nor shall any person be entitled to vote at any meeting of the Noteholders or join with others in requesting the convening of such a meeting or to exercise the rights conferred on the Noteholders by **Clause 11** of the Note Trust Deed unless he either produces Note(s) or a voting certificate or is a proxy or a representative or is the holder of a Definitive Note or Definitive Notes. No person shall be entitled to vote at any meeting in respect of Notes held by, for the benefit of, or on behalf of, the Issuer, Funding 1, the Mortgages Trustee or the Seller, any holding company of any of them or any other Subsidiary or any such holding company or the Borrowers Nothing herein shall prevent any of the proxies named in any block voting instruction or form of proxy or any representative from being a director, officer or representative of or otherwise connected with the Issuer.
14. Subject as provided in **paragraph 13** hereof at any meeting:
 - (a) on a show of hands every person who is present in person or is a holder of Notes or is a proxy or representative shall have one vote; and
 - (b) on a poll every person who is so present shall have one vote in respect of each £1 in respect of Sterling Notes, each U.S.\$1 in respect of US Dollar Notes, each €1 in respect of Euro Notes or such amount as the Note Trustee may in its absolute discretion stipulate in respect of Notes denominated in any other specified currency in Principal Amount Outstanding of the Notes outstanding represented by the voting certificate so produced or in respect of which he is a proxy or representative or in respect of which he is the holder.

Without prejudice to the obligations of the proxies named in any block voting instruction or form of proxy any person entitled to more than one vote need not use all his votes or cast all the votes to which he is entitled in the same way.

15. The proxies named in any block voting instruction or form of proxy and representatives need not be Noteholders.
16. Each block voting instruction together (if so requested by the Note Trustee) with proof satisfactory to the Note Trustee of its due execution on behalf of the relevant Paying Agent and each form of proxy shall be deposited by the relevant Paying Agent or (as the case may be) by the Registrar at such place as the Note Trustee shall approve not less than 24 hours before the time appointed for holding the meeting or adjourned meeting at which the proxies named in the block voting instruction or form of proxy propose to vote and in default the block voting instruction or form of proxy shall not be treated as valid unless the Chairman of the meeting decides otherwise before such meeting or adjourned meeting proceeds to business. A notarially certified copy of each block voting instruction and form of proxy shall be deposited with the Note Trustee before the commencement of the meeting or adjourned meeting but the Note Trustee shall not thereby be obliged to investigate or be concerned with the validity of or the authority of the proxies named in any such block voting instruction or form of proxy.
17. Any vote given in accordance with the terms of a block voting instruction or form of proxy shall be valid notwithstanding the previous revocation or amendment of the block voting instruction or form of proxy or of any of the Noteholders' instructions pursuant to which it was executed provided that no intimation in writing of such revocation or amendment shall have been received from the relevant Paying Agent or in the case of a Definitive Note from the holder thereof by the Issuer at its registered office (or such other place as may have been required or approved by the Note Trustee for the purpose) by the time being 24 hours and 48 hours respectively before the time appointed for holding the meeting or adjourned meeting at which the block voting instruction or form of proxy is to be used.
18. Subject always to the provisions of **Clause 21** of the Note Trust Deed, a meeting of the Noteholders shall in addition to the powers hereinbefore given have the following powers exercisable only by Extraordinary Resolution (subject to the provisions relating to quorum contained in **paragraphs 5 and 6 above**) namely:
 - (a) power to sanction any compromise or arrangement proposed to be made between the Issuer, the Note Trustee, any appointee of the Note Trustee and the Noteholders or any of them;
 - (b) power to sanction any abrogation, modification, compromise or arrangement in respect of the rights of the Note Trustee, any appointee of the Note Trustee, the Noteholders or the Issuer against any other or others of them or against any other party to any of the Issuer Transaction Documents or against any of their property whether such rights shall arise under the Note Trust Deed, any other Issuer Transaction Document or otherwise;
 - (c) power to assent to any modification of the provisions of the Conditions, the Note Trust Deed or any other Issuer Transaction Document which shall be proposed by the Issuer, the Note Trustee, or any Noteholder or any other person;
 - (d) power to give any authority or sanction which under the provisions of the Conditions or the Note Trust Deed is required to be given by Extraordinary Resolution;
 - (e) power to appoint any persons (whether Noteholders or not) as a committee or committees to represent the interests of the Noteholders and to confer upon such committee or committees

any powers or discretions which the Noteholders could themselves exercise by Extraordinary Resolution;

- (f) power to approve of a person to be appointed a trustee and power to remove any trustee or trustees for the time being of the Note Trust Deed;
- (g) power to discharge or exonerate the Note Trustee and/or any appointee of the Note Trustee from all liability in respect of any act or omission for which the Note Trustee and/or such appointee may have become responsible under the Note Trust Deed;
- (h) power to authorise the Note Trustee and/or any appointee of the Note Trustee to concur in and execute and do all such deeds, instruments, acts and things as may be necessary to carry out and give effect to any Extraordinary Resolution; and
- (i) power to sanction any scheme or proposal for the exchange or sale of the Notes for or the conversion of the Notes into or the cancellation of the Notes in consideration of shares, stock, notes, bonds, debentures, debenture stock and/or other obligations and/or notes of the Issuer or any other company formed or to be formed, or for or into or in consideration of cash, or partly for or into or in consideration of such shares, stock, notes, bonds, debentures, debenture stock and/or other obligations and/or notes as aforesaid and partly for or into or in consideration of cash and for the appointment of some person with power on behalf of the Noteholders to execute an instrument of transfer of the Definitive Notes held by them in favour of the persons with or to whom the Notes are to be exchanged or sold respectively,

PROVIDED THAT:

- (i) no Extraordinary Resolution of the Class A Noteholders or the Class B Noteholders or the Class M Noteholders or the Class C Noteholders or the Class D Noteholders or the Class Z Noteholders (in each case of any one or more Series) to sanction a modification of the Conditions, the Note Trust Deed or any of the other Issuer Transaction Documents or a waiver or authorisation of any breach or proposed breach of any of the provisions of the Conditions, the Note Trust Deed or any of the other Issuer Transaction Documents shall be effective for any purpose unless either:
 - (A) the Note Trustee is of the opinion that it will not be materially prejudicial to the interests of (in the case of an Extraordinary Resolution of the Class A Noteholders) the Class B Noteholders, the Class M Noteholders, the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders, in each case of each Series, or (in the case of an Extraordinary Resolution of the Class B Noteholders) the Class M Noteholders, the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders, in each case of each Series, or (in the case of an Extraordinary Resolution of the Class M Noteholders) the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders, in each case of each Series or (in the case of an Extraordinary Resolution of the Class C Noteholders) the Class D Noteholders and the Class Z Noteholders, in each case of each Series, or (in the case of an Extraordinary Resolution of the Class D Noteholders) the Class Z Noteholders of each Series; or
 - (B) it shall have been sanctioned by an Extraordinary Resolution of (in the case of an Extraordinary Resolution of the Class A Noteholders) the Class B Noteholders, the Class M Noteholders, the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders, in each case of each Series, or (in the case of an Extraordinary Resolution of the Class B Noteholders) the Class M Noteholders, the Class C Noteholders, Class D Noteholders and the Class Z Noteholders, in each case of each

Series, or (in the case of an Extraordinary Resolution of the Class M Noteholders) the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders, in each case of each Series, or (in the case of an Extraordinary Resolution of the Class C Noteholders) the Class D Noteholders and the Class Z Noteholders, in each case of each Series, or (in the case of an Extraordinary Resolution of the Class D Noteholders) the Class Z Noteholders of each Series;

- (ii) no Extraordinary Resolution of the Class B Noteholders of any Series shall be effective for any purpose while any Class A Notes (of that Series or any other Series) remain outstanding unless either (A) the Note Trustee is of the opinion that it will not be materially prejudicial to the interests of the Class A Noteholders of each Series or (B) it is sanctioned by an Extraordinary Resolution of the Class A Noteholders of each Series;
- (iii) no Extraordinary Resolution of the Class M Noteholders of any Series shall be effective for any purpose while any Class A Notes or Class B Notes (in each case, of that Series or of any other Series) remain outstanding unless either (A) the Note Trustee is of the opinion that it will not be materially prejudicial to the interests of the Class A Noteholders and/or the Class B Noteholders (as the case may be), in each case of each Series, or (B) it is sanctioned by an Extraordinary Resolution of the Class A Noteholders and/or the Class B Noteholders (as the case may be) of each Series;
- (iv) no Extraordinary Resolution of the Class C Noteholders of any Series shall be effective for any purpose while any Class A Notes, Class B Notes or Class M Notes (in each case, of that Series or of any other Series) remain outstanding unless either (A) the Note Trustee is of the opinion that it will not be materially prejudicial to the interests of the Class A Noteholders and/or the Class B Noteholders and/or the Class M Noteholders (as the case may be), in each case of each Series, or (B) it is sanctioned by an Extraordinary Resolution of the Class A Noteholders and/or the Class B Noteholders and/or the Class M Noteholders (as the case may be) of each Series;
- (v) no Extraordinary Resolution of the Class D Noteholders of any Series shall be effective for any purpose while any Class A Notes, Class B Notes, Class M Notes or Class C Notes (in each case, of that Series or of any other Series) remain outstanding unless either (A) the Note Trustee is of the opinion that it will not be materially prejudicial to the interests of the Class A Noteholders and/or the Class B Noteholders and/or the Class M Noteholders and/or the Class C Noteholders (as the case may be), in each case of each Series, or (B) it is sanctioned by an Extraordinary Resolution of the Class A Noteholders and/or the Class B Noteholders and/or the Class M Noteholders and/or the Class C Noteholders (as the case may be) of each Series; and
- (vi) no Extraordinary Resolution of the Class Z Noteholders of any Series shall be effective for any purpose while any Class A Notes, Class B Notes, Class M Notes, Class C Notes or Class D Notes (in each case, of that Series or of any other Series) remain outstanding unless either (A) the Note Trustee is of the opinion that it will not be materially prejudicial to the interests of the Class A Noteholders and/or the Class B Noteholders and/or the Class M Noteholders and/or the Class C Noteholders and/or the Class D Noteholders (as the case may be), in each case of each Series, or (B) it is sanctioned by an Extraordinary Resolution of the Class A Noteholders and/or the Class B Noteholders and/or the Class M Noteholders and/or the Class C Noteholders and/or the Class D Noteholders (as the case may be) of each Series.

19. Subject to the provisos to **paragraph 18 25** any resolution passed at a meeting of the Noteholders duly convened and held in accordance with the Note Trust Deed shall be binding upon the Noteholders of all classes whether present or not present at such meeting and whether or not voting and each of them shall be bound to give effect thereto accordingly and the passing of any such

resolution shall be conclusive evidence that the circumstances justify the passing thereof. Notice of the result of the voting on any resolution duly considered by the Noteholders shall be given by the Issuer to the Noteholders in accordance with **Condition 14** within 14 days of such result being known **PROVIDED THAT** the non-publication of such notice shall not invalidate such result.

20. Subject to **paragraph 26 below**:

- (a) A resolution which in the opinion of the Note Trustee affects the interests of the holders of Class A Notes of one Class only shall be deemed to have been duly passed if passed at a meeting of the holders of the Class A Notes of that Class.
- (b) A resolution which, in the opinion of the Note Trustee, affects the interests of the holders of Class A Notes of any two or more Classes but does not give rise to a conflict of interest between the holders of such two or more Classes of Class A Notes, shall be deemed to have been duly passed if passed at a single meeting of the holders of such two or more Classes of Class A Notes.
- (c) A resolution which in the opinion of the Note Trustee affects the interests of the holders of Class A Notes of any two or more Classes and gives or may give rise to a conflict of interest between the holders of such two or more Classes of the Class A Notes shall be deemed to have been duly passed only if, in lieu of being passed at a single meeting of the holders of such two or more Classes of Class A Notes, it shall be duly passed at separate meetings of the holders of such two or more Classes of the Class A Notes.

21. Subject to **paragraph 26 below**:

- (a) A resolution which, in the opinion of the Note Trustee, affects the interests of the holders of Class B Notes of one Class only shall be deemed to have been duly passed if passed at a meeting of the holders of the Class B Notes of that Class.
- (b) A resolution which, in the opinion of the Note Trustee, affects the interests of the holders of Class B Notes of any two or more Classes but does not give rise to a conflict of interest between the holders of such two or more Classes of the Class B Notes, shall be deemed to have been duly passed if passed at a single meeting of the holders of such two or more Classes of Class B Notes.
- (c) A resolution which, in the opinion of the Note Trustee, affects the interests of the holders of Class B Notes of any two or more Classes and gives or may give rise to a conflict of interest between the holders of such two or more Classes of Class B Notes, shall be deemed to have been duly passed only if, in lieu of being passed at a single meeting of the holders of such two or more Classes of Class B Notes, it shall be duly passed at separate meetings of the holders of such two or more Classes of the Class B Notes.

22. Subject to **paragraph 26 below**:

- (a) A resolution which in the opinion of the Note Trustee affects the interests of the holders of Class M Notes of one Class only shall be deemed to have been duly passed if passed at a meeting of the holders of the Class M Notes of that Class.
- (b) A resolution which, in the opinion of the Note Trustee, affects the interests of the holders of Class M Notes of any two or more Classes but does not give rise to a conflict of interest between the holders of such two or more Classes of Class M Notes, shall be deemed to have been duly passed if passed at a single meeting of the holders of such two or more Classes of Class M Notes.

- (c) A resolution which in the opinion of the Note Trustee affects the interests of the holders of Class M Notes of any two or more Classes and gives or may give rise to a conflict of interest between the holders of such two or more Classes of the Class M Notes shall be deemed to have been duly passed only if, in lieu of being passed at a single meeting of the holders of such two or more Classes of Class M Notes, it shall be duly passed at separate meetings of the holders of such two or more Classes of the Class M Notes.

23. Subject to **paragraph 26 below**:

- (a) A resolution which, in the opinion of the Note Trustee, affects the interests of the holders of Class C Notes of one Class only shall be deemed to have been duly passed if passed at a meeting of the holders of Class C Notes of that Class.
- (b) A resolution which, in the opinion of the Note Trustee, affects the interests of the holders of Class C Notes of any two or more Classes but does not give rise to a conflict of interest between the holders of such two or more Classes of Class C Notes, shall be deemed to have been duly passed if passed at a single meeting of the holders of such two or more Classes of Class C Notes.
- (c) A resolution which, in the opinion of the Note Trustee, affects the interests of the holders of Class C Notes of any two or more Classes and gives or may give rise to a conflict of interest between the holders of such two or more Classes of Class C Notes, shall be deemed to have been duly passed only if, in lieu of being passed at a single meeting of the holders of such two or more Classes of Class C Notes, it shall be duly passed at separate meetings of the holders of such two or more Classes of Class C Notes.

24. Subject to **paragraph 26 below**:

- (a) A resolution which, in the opinion of the Note Trustee, affects the interests of the holders of Class D Notes of one Class only shall be deemed to have been duly passed if passed at a meeting of the holders of Class D Notes of that Class.
- (b) A resolution which, in the opinion of the Note Trustee, affects the interests of the holders of Class D Notes of any two or more Classes but does not give rise to a conflict of interest between the holders of such two or more Classes of Class D Notes, shall be deemed to have been duly passed if passed at a single meeting of the holders of such two or more Classes of Class D Notes.
- (c) A resolution which, in the opinion of the Note Trustee, affects the interests of the holders of Class D Notes of any two or more Classes and gives or may give rise to a conflict of interest between the holders of such two or more Classes of Class D Notes, shall be deemed to have been duly passed only if, in lieu of being passed at a single meeting of the holders of such two or more Classes of Class D Notes, it shall be duly passed at separate meetings of the holders of such two or more Classes of Class D Notes.

25. Subject to **paragraph 26**:

- (a) A resolution which, in the opinion of the Note Trustee, affects the interests of the holders of Class Z Notes of one Class only shall be deemed to have been duly passed if passed at a meeting of the holders of Class Z Notes of that Class.
- (b) A resolution which, in the opinion of the Note Trustee, affects the interests of the holders of Class Z Notes of any two or more Classes but does not give rise to a conflict of interest between the holders of such two or more Classes of Class Z Notes, shall be deemed to have

been duly passed if passed at a single meeting of the holders of such two or more Classes of Class Z Notes.

(c) A resolution which, in the opinion of the Note Trustee, affects the interests of the holders of Class Z Notes of any two or more Classes and gives or may give rise to a conflict of interest between the holders of such two or more Classes of Class Z Notes, shall be deemed to have been duly passed only if, in lieu of being passed at a single meeting of the holders of such two or more Classes of Class Z Notes, it shall be duly passed at separate meetings of the holders of such two or more Classes of Class Z Notes.

26. An Extraordinary Resolution to direct the Note Trustee to give a Note Acceleration Notice or to take any proceedings or give any directions mentioned in **Clause 10.1** or any other action mentioned in **Clause 11.1** shall be deemed to have been duly passed only if passed at a single meeting of the holders of the Notes of all Series of the relevant Class.
27. In the case of any meeting of Noteholders where the relevant Notes (or any of them) are not denominated in Sterling, the Principal Amount Outstanding of any note not denominated in Sterling shall be converted into Sterling at the relevant Specified Currency Exchange Rate.
28. The expression **Extraordinary Resolution** when used in the Note Trust Deed means (a) a resolution passed at a meeting of the Noteholders of a relevant class or classes of Notes duly convened and held in accordance with the provisions of this **Schedule 4** by a majority consisting of not less than three-fourths of the persons voting thereat upon a show of hands or if a poll is duly demanded by a majority consisting of not less than three-fourths of the votes cast on such poll or (b) a resolution in writing signed by or on behalf of all the Noteholders of a relevant class or classes of Notes, which resolution in writing may be contained in one document or in several documents in like form each signed by or on behalf of one or more of the Noteholders of a relevant class or classes of Notes.
29. Minutes of all resolutions and proceedings at every meeting of the Noteholders shall be made and entered in books to be from time to time provided for that purpose by the Issuer and any such Minutes as aforesaid if purporting to be signed by the Chairman of the meeting at which such resolutions were passed or proceedings transacted shall be conclusive evidence of the matters therein contained and until the contrary is proved every such meeting in respect of the proceedings of which Minutes have been made shall be deemed to have been duly held and convened and all resolutions passed or proceedings transacted thereat to have been duly passed or transacted.
30. Subject to all other provisions of the Note Trust Deed the Note Trustee may without the consent of the Issuer or the Noteholders prescribe such further regulations regarding the requisitioning and/or the holding of meetings of Noteholders and attendance and voting thereat as the Note Trustee may in its sole discretion think fit.

SIGNATORIES

The Issuer

EXECUTED and DELIVERED as a DEED by)
FOSSE MASTER ISSUER PLC)
acting by two directors)
SFM Directors Limited, and)
SFM Directors (No. 2) Limited)

The Note Trustee

EXECUTED and DELIVERED as a DEED by)
LAW DEBENTURE TRUST COMPANY)
OF NEW YORK)
acting by its authorised signatory)
)
Authorised Signatory:

SIGNATORIES

The Issuer

EXECUTED and DELIVERED as a DEED by)
FOSSE MASTER ISSUER PLC)
acting by two directors)
per pro SFM Directors Limited and)
SFM Directors (No. 2) Limited)

The Note Trustee

EXECUTED and DELIVERED as a DEED by)
LAW DEBENTURE TRUST COMPANY)
OF NEW YORK)
acting by its authorised signatory)
)

EXECUTION COPY

SUPPLEMENTAL NOTE TRUST DEED

9 SEPTEMBER 2010

FOSSE MASTER ISSUER PLC

LAW DEBENTURE TRUST COMPANY OF NEW YORK

**relating to a
Residential Mortgage Backed Note Programme**

ALLEN & OVERY

Allen & Overy LLP

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THIS SUPPLEMENTAL NOTE TRUST DEED is made on 9 September 2010

BETWEEN:

- (1) **FOSSE MASTER ISSUER PLC** (registered number 5925693) whose registered office is at 35 Great St. Helen's, London, EC3A 6AP (the **Issuer**); and
- (2) **LAW DEBENTURE TRUST COMPANY OF NEW YORK**, acting through its offices at 400 Madison Avenue – 4th Floor, New York, New York 10017 (acting in its capacity as **Note Trustee**, which expression shall include such company and all other persons and companies for the time being acting as note trustee under this Deed).

WHEREAS:

- (A) This Deed is supplemental to the Note Trust Deed made between the parties hereto dated 28 November 2006 as supplemented and amended on 1 August 2007, 21 August 2008 and 11 March 2010 (herein after referred to as the **Existing Note Trust Deed**).
- (B) The Issuer and the Note Trustee have agreed to enter into this Deed to provide that the obligations of the Issuer with respect to the Class Z Notes shall be limited recourse.

NOW THIS DEED WITNESSES as follows:

1. INTERPRETATION AND CONSTRUCTION

- 1.1 The master definitions and construction schedule signed by, amongst others, Alliance & Leicester plc and dated 28 November 2006 (as the same may be amended, restated, varied, supplemented and/or novated from time to time with the consent of the parties this Deed, including on 1 August 2007, 20 December 2007, 23 November 2009 and 11 March 2010) (the **Master Definitions and Construction Schedule**) and the issuer master definitions and construction schedule, signed by, amongst others, the parties to this Deed and dated on 28 November 2006 (as the same may be amended, restated, varied, supplemented and/or novated from time to time with the consent of the parties thereto, including on 1 August 2007, 20 December 2007, 23 November 2009 and 11 March 2010) (the **Issuer Master Definitions and Construction Schedule**) are expressly and specifically incorporated into this Deed and, accordingly, the expressions defined in the Master Definitions and Construction Schedule and the Issuer Master Definitions and Construction Schedule shall, except where the context otherwise requires and save where otherwise defined herein, have the same meanings in this Deed, including the recitals thereto.
- 1.2 This Deed will be construed in accordance with the rules of construction set out in the Issuer Master Definitions and Construction Schedule.

2. AMENDMENT OF THE EXISTING NOTE TRUST DEED

With effect from the date hereof the Existing Note Trust Deed is modified in respect of:

- (i) the £389,000,000 Series 2010-1 Class Z Asset Backed Floating Rate Notes due 2054 (the **2010-1 Class Z Notes**);
- (ii) the £251,000,000 Series 2010-2 Class Z Asset Backed Floating Rate Notes due October 2054 (the **2010-2 Class Z Notes**);

(iii) the £500,000,000 Series 2010-3 Class Z Asset Backed Floating Rate Notes due October 2054 (the **2010-3 Class Z Notes**); and

(iv) all future Class Z Notes issued after the date hereof,

by deleting the text that appears in Schedule 5 of the Existing Note Trust Deed in its entirety and replacing it with the text that appears in Appendix 1 hereof.

The Class Z Noteholders hereby agree that Clause 5.4 of the Issuer Deed of Charge shall apply to them as if references therein to "(except for the Noteholders)" were read as "(except for the Noteholders other than the Class Z Noteholders)".

3. SUPPLEMENTAL

Save as expressly amended by this Deed, the Existing Note Trust Deed shall remain in full force and effect and all rights, powers, obligations and immunities comprised therein and arising pursuant thereto shall remain in full force and effect notwithstanding this Deed. The Existing Note Trust Deed and this Deed shall henceforth be read and construed as one document and references in the Existing Note Trust Deed to "this Deed" shall be read as references to the Existing Note Trust Deed as amended by this Deed.

4. COUNTERPARTS

This Deed may be executed and delivered in any number of counterparts (including by facsimile), all of which, taken together, shall constitute one and the same deed and any party to this Deed or any trust deed supplemental hereto may enter into the same by executing and delivering a counterpart (including by facsimile).

5. RIGHTS OF THIRD PARTIES

A person who is not a party to this Deed has no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Deed except and to the extent (if any) that this Deed expressly provides for such Act to apply to any of its terms, but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

6. GOVERNING LAW

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

7. SUBMISSION TO JURISDICTION

The Issuer irrevocably agrees for the benefit of the Note Trustee and the Noteholders that the English courts have exclusive jurisdiction to settle any dispute which may arise out of or in connection with this Deed (including a dispute arising out of or in connection with this Deed) and accordingly submits to the exclusive jurisdiction of the English courts. The Issuer waives any objection to the courts of England on the grounds that they are an inconvenient or inappropriate forum. The Note Trustee and the Noteholders may take any suit, action or proceeding arising out of or in connection with this Deed (including a dispute arising out of or in connection with this Deed) (together referred to as **Proceedings**) against the Issuer in any other court of competent jurisdiction and concurrent Proceedings in any number of jurisdictions.

IN WITNESS WHEREOF this Deed has been executed as a deed by the Issuer and the Note Trustee and delivered on the date first stated on page 1.

The Issuer

EXECUTED and DELIVERED as a DEED by)
FOSSE MASTER ISSUER PLC)
acting by two directors)
per pro SFM Directors Limited and)
SFM Directors (No. 2) Limited)

The Note Trustee

EXECUTED and DELIVERED as a DEED by)
LAW DEBENTURE TRUST COMPANY)
OF NEW YORK)
acting by its authorised signatory)

APPENDIX 1

SUPPLEMENTAL TERMS AND CONDITIONS

SCHEDULE 5

TERMS AND CONDITIONS OF THE NOTES

The following are the terms and conditions (the **Conditions**, and any reference to a **Condition** shall be construed accordingly) of the Notes in the form (subject to amendment) which will be incorporated by reference into each Global Note and each Definitive Note, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer and the relevant Dealer(s) and/or Manager(s) at the time of issue but, if not so permitted and agreed, such Definitive Note will have endorsed thereon or attached thereto such Conditions. The Final Terms in relation to each Series and Class of Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Conditions, replace or modify these Conditions for the purpose of such Notes. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and each Definitive Note.

The Notes are constituted by the Note Trust Deed. The security for the Notes is created pursuant to, and on the terms set out in, the Issuer Deed of Charge. By the Paying Agent and Agent Bank Agreement, provision is made for, *inter alia*, the payment of principal and interest in respect of the Notes.

References herein to the **Notes** shall, unless the context otherwise requires, be references to all the Notes issued by the Issuer and constituted by the Note Trust Deed and shall mean:

- (a) in relation to any Notes of a Series and Class represented by a Global Note, units of the lowest Specified Denomination in the Specified Currency in each case of such Series and Class;
- (b) any Global Note; and
- (c) any Definitive Note issued in exchange for a Global Note.

Notes constituted by the Note Trust Deed are issued in series (each a **Series**) and each Series comprises one or more classes of Notes. Each Series of Notes is subject to the applicable Final Terms. The Final Terms in relation to each Series and Class of Notes (or the relevant provisions thereof) will be endorsed upon, or attached to, such Notes and will supplement these Conditions in respect of such Notes and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Conditions, replace or modify these Conditions for the purpose of such Notes. References to the **applicable Final Terms** are, in relation to a Series and Class of Notes, to the Final Terms (or the relevant provisions thereof) attached to or endorsed on such Notes.

The statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Note Trust Deed, the Issuer Deed of Charge and the Paying Agent and Agent Bank Agreement.

Copies of the Note Trust Deed, the Issuer Deed of Charge, the Paying Agent and Agent Bank Agreement and each of the other Transaction Documents are available for inspection during normal business hours at the registered office of the Note Trustee, being 400 Madison Avenue – 4th Floor, New York, New York 10017 and at the registered office of the Issuer, being at 35 Great St. Helen's, London EC3A 6AP and the specified office for the time being of (a) the Principal Paying Agent, being at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB and (b) the U.S. Paying Agent, being at 14th Floor, 388 Greenwich Street, New York, New York 10013. Copies of the Final Terms of each Series of Notes are obtainable by Noteholders during normal business hours at the registered office of the Issuer and the specified office for

the time being of (i) the Principal Paying Agent and (ii) the U.S. Paying Agent and any Noteholder must produce evidence satisfactory to the relevant Paying Agent as to its holding of Notes and identity.

The Holders of any Series and Class of Notes are entitled to the benefit of, are bound by, and are deemed to have notice of all the provisions of, and definitions contained or incorporated in, the Note Trust Deed, the Issuer Deed of Charge, the Paying Agent and Agent Bank Agreement, each of the other Transaction Documents and the applicable Final Terms and to have notice of each other Final Terms relating to each other Series and Class of Notes.

A glossary of definitions appears in **Condition 19**.

References herein to the Class A Noteholders, the Class B Noteholders, the Class M Noteholders, the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders shall, in each case and unless specified otherwise, be references to the Holders of the Notes of all Series of the applicable Class.

References herein to the Class A Notes, the Class B Notes, the Class M Notes, the Class C Notes, the Class D Notes or the Class Z Notes shall, in each case and unless specified otherwise, be references to the Notes of all Series of the applicable Class.

1. FORM, DENOMINATION, REGISTER, TITLE AND TRANSFERS

1.1 Form and Denomination

Each Series and Class of Notes will be issued in the Specified Currency and in the Specified Denomination. Each Series and Class of Rule 144A Notes will be initially represented by one or more Rule 144A Global Notes, which, in the aggregate, will represent the Principal Amount Outstanding from time to time of such Series and Class of Rule 144A Notes. Each Series and Class of Reg S Notes will be initially represented by one or more Reg S Global Notes which, in the aggregate, will represent the Principal Amount Outstanding from time to time of such Series and Class of the Reg S Notes.

Each Reg S Global Note will be deposited with, and registered in the name of a nominee of, a common depositary for Euroclear and Clearstream, Luxembourg. Each Rule 144A Global Note will be deposited with a custodian for, and registered in the name of Cede & Co. (or such other name as may be requested by an authorised representative of DTC) as nominee of, DTC. Each Global Note will be numbered serially with an identifying number which will be recorded on the relevant Global Note and in the Register.

Each Series and Class of Notes may be Fixed Rate Notes, Floating Rate Notes, Zero Coupon Notes or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms.

Each Series and Class of Notes may be Bullet Redemption Notes, Scheduled Redemption Notes, Pass-Through Notes or a combination of any of the foregoing, depending upon the Redemption/Payment Basis shown in the applicable Final Terms.

Global Notes will be exchanged for Notes in definitive registered form (**Definitive Notes**) only under certain limited circumstances as described in the relevant Global Note. If Definitive Notes are issued, they will be serially numbered and issued in an aggregate principal amount equal to the Principal Amount Outstanding of the relevant Global Note and in registered form only.

The Notes (in either global or definitive form) will be issued in such denominations as specified in the applicable Final Terms, save that the minimum denomination of each Note will be such as may be allowed or required from time to time by the relevant central bank or regulatory authority (or

equivalent body) or any laws or regulations applicable to the relevant currency and save that the minimum denomination of each Rule 144A Note will be issued in minimum denominations of \$100,000 and in integral multiples of \$1,000 in excess thereof (or its equivalent in any other currency as at the date of issue of such Notes), and each Reg S Note will be issued in minimum denominations of £50,000 (or, in the case of Notes denominated in sterling with a minimum maturity of less than 366 days, £100,000) and in integral multiples of £1,000 in excess thereof if denominated in sterling or €50,000 and in integral multiples of €1,000 in excess thereof if denominated in euro (or its equivalent in any other currency as at the date of issue of such Notes).

In the case of a Series and Class of Notes with more than one Specified Denomination, Notes of one Specified Denomination may not be exchanged for Notes of such Series and Class of another Specified Denomination.

1.2 Register

The Registrar will maintain the Register in respect of the Notes in accordance with the provisions of the Paying Agent and Agent Bank Agreement. In these Conditions, the **Holder** of a Note means the person in whose name such Note is for the time being registered in the Register (or, in the case of a joint holding, the first named thereof). A Note will be issued to each Noteholder in respect of its registered holding. Each Note will be numbered serially with an identifying number which will be recorded in the Register.

1.3 Title

The Holder of each Note shall (to the fullest extent permitted by applicable law) be treated by the Issuer, the Note Trustee, the Issuer Security Trustee, the Agent Bank and any Agent as the absolute owner of such Note for all purposes (including the making of any payments) regardless of any notice of ownership, theft or loss or any trust or other interest therein or of any writing thereon (other than the endorsed form of transfer).

1.4 Transfers

Title to the Notes shall pass by and upon registration in the Register. Subject as provided otherwise in this **Condition 1.4**, a Note may be transferred upon surrender of the relevant Note, with the endorsed form of transfer duly completed, at the Specified Office of the Registrar or the Transfer Agent, together with such evidence as the Registrar or (as the case may be) such Transfer Agent may reasonably require to prove the title of the transferor and the authority of the individuals who have executed the form of transfer; provided, however, that a Note may only be transferred in the specified denominations. Where not all the Notes represented by the surrendered Note are the subject of the transfer, a new Note in respect of the balance of the Notes will be issued to the transferor.

Within five Business Days of such surrender of a Note, the Registrar will register the transfer in question and deliver a new Note of a like principal amount to the Notes transferred to each relevant Holder at its Specified Office or (as the case may be) the Specified Office of the Transfer Agent or (at the request and risk of any such relevant Holder) by uninsured first class mail (and by airmail if the Holder is overseas) to the address specified for such purpose by such relevant Holder.

The transfer of a Note will be effected without charge by the Registrar, but subject to payment of (or the giving of such indemnity as the Registrar may require for) any tax or other governmental charges which may be imposed in relation to it.

Noteholders may not require transfers of Notes to be registered during the period of 15 days ending on the due date for any payment of principal or interest in respect of the Notes.

All transfers of Notes and entries on the Register are subject to the detailed regulations concerning the transfer of Notes scheduled to the Paying Agent and Agent Bank Agreement. The regulations may be changed by the Issuer with the prior written approval of the Note Trustee and the Registrar. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Noteholder who requests in writing a copy of such regulations.

2. STATUS, PRIORITY AND SECURITY

2.1 Status

The Notes of each Series and Class are direct, secured and (in the case of the Class Z Notes only, subject as provided in Condition 10) unconditional obligations of the Issuer.

Subject to the provisions of **Conditions 4** and **5** and subject to the other payment conditions set out in the applicable Final Terms and the other Transaction Documents:

- (a) the Class A Notes of each Series will rank *pari passu* without any preference or priority among themselves and with the Class A Notes of each other Series but in priority to the Class B Notes, the Class M Notes, the Class C Notes, the Class D Notes and the Class Z Notes of any Series;
- (b) the Class B Notes of each Series will rank *pari passu* without any preference or priority among themselves and with the Class B Notes of each other Series but in priority to the Class M Notes, the Class C Notes, the Class D Notes and the Class Z Notes of any Series;
- (c) the Class M Notes of each Series will rank *pari passu* without any preference or priority among themselves and with the Class M Notes of each other Series but in priority to the Class C Notes, the Class D Notes and the Class Z Notes of any Series;
- (d) the Class C Notes of each Series will rank *pari passu* without any preference or priority among themselves and with the Class C Notes of each other Series but in priority to the Class D Notes and the Class Z Notes of any Series;
- (e) the Class D Notes of each Series will rank *pari passu* without any preference or priority among themselves and with the Class D Notes of each other Series but in priority to the Class Z Notes of any Series; and
- (f) the Class Z Notes of each Series will rank *pari passu* without any preference or priority among themselves and with the Class Z Notes of each other Series.

2.2 Conflict between the classes of Notes

The Note Trust Deed contains provisions requiring the Note Trustee to have regard to the interests of the Class A Noteholders, the Class B Noteholders, the Class M Noteholders, the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders equally as regards all powers, trusts, authorities, duties and discretions of the Note Trustee under these Conditions or any of the Transaction Documents (except where expressly provided otherwise), but requiring the Note Trustee to have regard (except as expressly provided otherwise):

- (a) for so long as there are any Class A Notes outstanding (of any Series), only to the interests of the Class A Noteholders if, in the opinion of the Note Trustee, there is or may be a conflict between the interests of the Class A Noteholders and the interests of the Class B Noteholders and/or the interests of the Class M Noteholders and/or the interests of the Class

C Noteholders and/or the interests of the Class D Noteholders and/or the interests of the Class Z Noteholders (of that Series or of any other Series);

- (b) subject to (a) above and for so long as there are any Class B Notes outstanding (of any Series), only to the interests of the Class B Noteholders if, in the opinion of the Note Trustee, there is or may be a conflict between the interests of the Class B Noteholders and the interests of the Class M Noteholders and/or the interests of the Class C Noteholders and/or the interests of the Class D Noteholders and/or the interests of the Class Z Noteholders (of that Series or of any other Series);
- (c) subject to (a) and (b) above and for so long as there are any Class M Notes outstanding (of any Series), only to the interests of the Class M Noteholders if, in the opinion of the Note Trustee, there is or may be a conflict between the interests of the Class M Noteholders and the interests of the Class C Noteholders and/or the interests of the Class D Noteholders and/or the interests of the Class Z Noteholders (of that Series or of any other Series);
- (d) subject to (a), (b) and (c) above and for so long as there are any Class C Notes outstanding (of any Series), only to the interests of the Class C Noteholders if, in the opinion of the Note Trustee, there is or may be a conflict between the interests of the Class C Noteholders and the interests of the Class D Noteholders and/or the interests of the Class Z Noteholders (of that Series or of any other Series); and
- (e) subject to (a), (b), (c) and (d) above and for so long as there are any Class D Notes outstanding (of any Series), only to the interests of the Class D Noteholders if, in the opinion of the Note Trustee, there is or may be a conflict between the interests of the Class D Noteholders and the interests of the Class Z Noteholders (of that Series or of any other Series).

The Note Trust Deed also contains provisions:

- (i) limiting the powers of the Class B Noteholders, the Class M Noteholders, the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders (in each case, of any Series), *inter alia*, to request or direct the Note Trustee to take any action or to pass an effective Extraordinary Resolution according to the effect thereof on the interests of the Class A Noteholders (of that Series or of any other Series). Except in certain circumstances described in **Condition 11**, the Note Trust Deed contains no such limitation on the powers of the Class A Noteholders, the exercise of which will be binding on the Class B Noteholders, the Class M Noteholders, the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders respectively, irrespective of the effect thereof on their respective interests;
- (ii) limiting the powers of the Class M Noteholders, the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders (in each case, of any Series), *inter alia*, to request or direct the Note Trustee to take any action or to pass an effective Extraordinary Resolution according to the effect thereof on the interests of the Class B Noteholders (of that Series or of any other Series). Except in certain circumstances described above and in **Condition 11**, the Note Trust Deed contains no such limitation on the powers of the Class B Noteholders, the exercise of which will be binding on the Class M Noteholders, the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders, respectively, irrespective of the effect thereof on their respective interests;
- (iii) limiting the powers of the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders (in each case, of any Series), *inter alia*, to request or direct the Note Trustee to take any action or to pass an effective Extraordinary Resolution according to the effect

thereof on the interests of the Class M Noteholders (of that Series or of any other Series). Except in certain circumstances described above and in **Condition 11**, the Note Trust Deed contains no such limitation on the powers of the Class M Noteholders, the exercise of which will be binding on the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders irrespective of the effect thereof on their respective interests;

- (iv) limiting the powers of the Class D Noteholders and the Class Z Noteholders (of any Series), *inter alia*, to request or direct the Note Trustee to take any action or to pass an effective Extraordinary Resolution according to the effect thereof on the interests of the Class C Noteholders (of that Series or of any other Series). Except in certain circumstances described above and in **Condition 11**, the Note Trust Deed contains no such limitation on the powers of the Class C Noteholders, the exercise of which will be binding on the Class D Noteholders and the Class Z Noteholders irrespective of the effect thereof on their respective interests; and
- (v) limiting the powers of the Class Z Noteholders (of any Series), *inter alia*, to request or direct the Note Trustee to take any action or to pass an effective Extraordinary Resolution according to the effect thereof on the interests of the Class D Noteholders (of that Series or of any other Series). Except in certain circumstances described above and in **Condition 11**, the Note Trust Deed contains no such limitation on the powers of the Class D Noteholders, the exercise of which will be binding on the Class Z Noteholders irrespective of the effect thereof on their respective interests.

The Note Trustee and the Issuer Security Trustee shall be entitled to assume, for the purpose of exercising any right, power, trust, authority, duty or discretion under or in relation to these Conditions or any of the Transaction Documents, without further investigation or inquiry, that such exercise will not be materially prejudicial to the interests of the Noteholders (or any Series and Class thereof), if each of the Rating Agencies rating the relevant Series and Class has confirmed in writing that the then current ratings of the applicable Series and Class of Notes would not be reduced, withdrawn or qualified by such exercise.

2.3 Security

As security for, *inter alia*, the payment of all monies payable in respect of the Notes, the Issuer has entered into the Issuer Deed of Charge creating the Issuer Security in favour of the Issuer Security Trustee for itself and on trust for, *inter alios*, the Note Trustee and the Noteholders.

3. COVENANTS

Save with the prior written consent of the Note Trustee or unless provided in or contemplated under these Conditions or any of the Transaction Documents to which the Issuer is a party, the Issuer shall not, so long as any Note remains outstanding:

3.1 Negative Pledge

create or permit to subsist any mortgage, standard security, pledge, lien, charge or other security interest whatsoever (unless arising by operation of law), upon the whole or any part of its assets (including any uncalled capital) or its undertakings, present or future except where the same is given in connection with the issue of a Series;

3.2 Disposal of Assets

sell, assign, transfer, lend, lease or otherwise dispose of, or deal with, or grant any option or present or future right to acquire all or any of its properties, assets, or undertakings or any interest, estate, right, title or benefit therein or thereto or agree or attempt or purport to do any of the foregoing;

3.3 Equitable Interest

permit any person other than itself and the Issuer Security Trustee (as to itself and on behalf of the Issuer Secured Creditors) to have any equitable or beneficial interest in any of its assets or undertakings or any interest, estate, right, title or benefit therein;

3.4 Bank Accounts

have an interest in any bank account, other than the Issuer Bank Accounts, except in connection with the issue of a Series where such bank account is immediately charged in favour of the Issuer Security Trustee pursuant to the Issuer Deed of Charge;

3.5 Restrictions on Activities

carry on any business other than as described in the prospectus (as revised, supplemented and/or amended from time to time) relating to the issue of the Notes and the related activities described therein or as contemplated in the Transaction Documents relating to the issue of the Notes;

3.6 Borrowings

incur any indebtedness in respect of borrowed money whatsoever or give any guarantee or indemnity in respect of any indebtedness or obligation of any person, except where the same is incurred or given or the Issuer becomes so obligated in connection with the issue of a Series;

3.7 Merger

consolidate or merge with any other person or convey or transfer substantially all of its properties or assets to any other person;

3.8 Waiver or Consent

permit the validity or effectiveness of any of the Note Trust Deed or the Issuer Deed of Charge or the priority of the security interests created thereby to be amended, terminated, postponed, waived or discharged, or permit any other person whose obligations form part of the Issuer Security to be released from such obligations;

3.9 Employees or premises

have any employees or premises or subsidiaries;

3.10 Dividends and Distributions

pay any dividend or make any other distribution to its shareholders (other than as provided in the Transaction Documents) or issue any further shares or alter any rights attaching to its shares as at the date of the Issuer Deed of Charge;

3.11 Purchase Notes

purchase or otherwise acquire any Note or Notes; or

3.12 United States activities

engage in any activities in the United States (directly or through agents), or derive any income from United States sources as determined under United States income tax principles, or hold any property if doing so would cause it to be engaged in a trade or business within the United States as determined under United States income tax principles.

4. INTEREST

4.1 Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest on its Principal Amount Outstanding from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest payable, subject as provided in these Conditions, in arrear on the Interest Payment Date(s) in each year specified for such Note in the applicable Final Terms up to (and including) the Final Maturity Date.

Except as provided in the applicable Final Terms, the amount of interest payable in respect of any Fixed Rate Note on each Interest Payment Date for a Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified for such Note in the applicable Final Terms, amount to the Broken Amount so specified.

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

If interest is required to be calculated in respect of any Fixed Rate Note for a period other than a Fixed Interest Period, such interest shall be calculated by applying the Rate of Interest specified for such Note in the applicable Final Terms to the Principal Amount Outstanding on such Global Note, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention and then apportioning the resulting total between the Noteholders in respect of such Global Note, *pari passu* without preference or priority amongst themselves.

Day Count Fraction means, in respect of the calculation of an amount of interest for any Fixed Rate Note in accordance with this **Condition 4.1**:

- (a) if “Actual/Actual (ICMA)” is specified for such Note in the applicable Final Terms:
 - (i) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date for such Notes (or, if none, the Interest Commencement Date) to (but excluding) the relevant Interest Payment Date (the **Accrual Period**) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (A) the number of days in such Determination Period and (B) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or
 - (ii) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
 - (A) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the

number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and

(B) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (I) the number of days in such Determination Period and (II) the number of Determination Dates that would occur in one calendar year; and

(b) if “30/360” is specified for such Note in the applicable Final Terms, the number of days in the period from (and including) the most recent Interest Payment Date for such Note (or, if none, the Interest Commencement Date) to (but excluding) the relevant Interest Payment Date (such number of days being calculated on the basis of a year of 360 days with twelve 30-day months) divided by 360.

As used in these Conditions, **Determination Period** means each period from and including a Determination Date (as defined in the applicable Final Terms) to but excluding the next Determination Date (including where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date).

4.2 Interest on Floating Rate Notes

(a) *Interest Payment Dates*

Each Floating Rate Note bears interest on its Principal Amount Outstanding from (and including) the Interest Commencement Date and such interest will be payable in arrear on the Interest Payment Date(s) in each year specified for such Note in the applicable Final Terms. Such interest will be payable in respect of each Floating Interest Period.

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

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

- (i) the “Following Business Day Convention”, the Interest Payment Date for such Note shall be postponed to the next day which is a Business Day; or
- (ii) the “Modified Following Business Day Convention”, the Interest Payment Date for such Note shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (iii) the “Preceding Business Day Convention”, the Interest Payment Date for such Note shall be brought forward to the immediately preceding Business Day.

In these Conditions, **Business Day** means a day which is both:

- (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency

deposits) in London, New York and any Additional Business Centre specified in the applicable Final Terms; and

- (ii) a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET2) System which was launched on 19 November 2007 or any successor thereto (the **TARGET System**) is open; and
- (iii) in relation to any sum payable in a Specified Currency other than sterling, dollar or euro, 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 the principal financial centre of the country of the relevant Specified Currency (if other than London, New York and any Additional Business Centre) and which, if the Specified Currency is Australian or New Zealand dollars, shall be Sydney and Auckland, respectively.

(b) Rate of Interest

The Rate of Interest payable from time to time in respect of a Floating Rate Note will be determined in the manner specified for such Note in the applicable Final Terms.

(i) ISDA Determination for Floating Rate Notes

Where “ISDA Determination” is specified for such Note in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated for such Note in the applicable Final Terms) the Margin (if any). For the purposes of this **subparagraph (i), ISDA Rate** for an Interest Period means a rate equal to the Floating Rate that would be determined by the Agent Bank or other person specified in the applicable Final Terms under an interest rate swap transaction if the Agent Bank or that other person were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (A) the Floating Rate Option is as specified for such Note in the applicable Final Terms;
- (B) the Designated Maturity is the period specified for such Note in the applicable Final Terms; and
- (C) the relevant Reset Date is either (i) if the applicable Floating Rate Option is based on LIBOR, USD-LIBOR or EURIBOR for a currency, the first day of that Interest Period, or (ii) in any other case, as specified for such Note in the applicable Final Terms.

For the purposes of this **subparagraph (i), Floating Rate, Calculation Agent, Floating Rate Option, Designated Maturity and Reset Date** have the meanings given to those terms in the ISDA Definitions.

(ii) Screen Rate Determination for Floating Rate Notes

Where “Screen Rate Determination” is specified for a Floating Rate Note in the applicable Final Terms as the manner in which the Rate of Interest is to be determined for such Note, the Rate of Interest for each Interest Period will, subject as provided below, be either:

- (A) the offered quotation (if there is only one quotation on the Relevant Screen Page); or

(B) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 a.m. (London time, in the case of LIBOR or USD-LIBOR, or Brussels time, in the case of EURIBOR) on the Interest Determination Date in question plus or minus the Margin (if any), all as determined by the Agent Bank. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Agent Bank for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

The Paying Agent and Agent Bank Agreement contains provisions for determining the Rate of Interest pursuant to this **subparagraph (ii)** in the event that the Relevant Screen Page is not available or if, in the case of (A) above, no such offered quotation appears or, in the case of (B) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph.

If the Reference Rate from time to time in respect of a Floating Rate Note is specified for such Note in the applicable Final Terms as being other than LIBOR, USD-LIBOR or EURIBOR, the Rate of Interest in respect of such Note will be determined as provided for such Note in the applicable Final Terms.

(c) *Minimum Rate of Interest and/or Maximum Rate of Interest*

If the applicable Final Terms specifies a Minimum Rate of Interest for a Floating Rate Note for any Interest Period, then, in the event that the Rate of Interest for such Note in respect of such Interest Period determined in accordance with the provisions of **paragraph (b) above** is less than such Minimum Rate of Interest, the Rate of Interest for such Note for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Final Terms specifies a Maximum Rate of Interest for such Note for any Interest Period, then, in the event that the Rate of Interest for such Note in respect of such Interest Period determined in accordance with the provisions of **paragraph (b) above** is greater than such Maximum Rate of Interest, the Rate of Interest for such Note for such Interest Period shall be such Maximum Rate of Interest.

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

The Agent Bank will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period.

The Agent Bank will calculate the amount of interest payable on the Floating Rate Notes in respect of each Specified Denomination or in respect of each Global Note (each an **Interest Amount**) for the relevant Interest Period. Each Interest Amount shall be calculated by applying the Rate of Interest to the Principal Amount Outstanding of each Global Note, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub unit being rounded upwards or otherwise in accordance with applicable market convention and then apportioning the resulting total between the Noteholders in respect of such Global Note, *pari passu* without preference or priority amongst themselves.

Day Count Fraction means, in respect of the calculation of an amount of interest for a Floating Rate Note in accordance with this **Condition 4.2(d)** for any Interest Period:

- (i) if “Actual/365 or Actual/Actual (ISDA)” is specified for such Note in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (ii) if “Actual/365 (Fixed)” is specified for such Note in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;
- (iii) if “Actual/365 (Sterling)” is specified for such Note in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (iv) if “Actual/360” is specified for such Note in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;
- (v) if “30/360”, “360/360” or “Bond Basis” is specified for such Note in the applicable Final Terms, the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with twelve 30-day months (unless (a) the last day of the Interest Period is the 31st day of a month but the first day of the Interest Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (b) the last day of the Interest Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)); and
- (vi) if “30E/360” or “Eurobond Basis” is specified for such Note in the applicable Final Terms, the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with twelve 30-day months, without regard to the date of the first day or last day of the Interest Period unless, in the case of the final Interest Period, the Final Maturity Date is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month).

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

The Agent Bank will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Note Trustee, the Issuer Security Trustee, the Issuer Cash Manager, the Paying Agents, the Registrar and to any stock exchange or other relevant competent authority or quotation system on which the relevant Floating Rate Notes are for the time being listed, quoted and/or traded or by which they have been admitted to listing and to be published in accordance with **Condition 14** as soon as possible after their determination but in no event later than the fourth Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. Any such amendment or alternative arrangements will be promptly notified to the Note Trustee and each stock exchange or other relevant authority on which the relevant Floating Rate Notes are for the time being listed or by which they have been admitted to listing and to Noteholders in accordance with **Condition 14**.

(f) Determination or Calculation by Note Trustee

If for any reason at any relevant time, the Agent Bank defaults in its obligation to determine the Rate of Interest for a Floating Rate Note or the Agent Bank defaults in its obligation to calculate any Interest Amount for such Note in accordance with **subparagraph (b)(i) or (ii) above** or as otherwise specified for such Note in the applicable Final Terms, as the case may be, and in each case in accordance with **paragraph (d) above**, the Note Trustee (or an agent on its behalf) shall determine the Rate of Interest at such rate as, in its absolute discretion (having such regard as it shall think fit to the foregoing provisions of this Condition, but subject always to any Minimum Rate of Interest or Maximum Rate of Interest specified for such Note in the applicable Final Terms), it shall deem fair and reasonable in all the circumstances or, as the case may be, the Note Trustee (or an agent on its behalf) shall calculate the Interest Amount(s) in such manner as it shall deem fair and reasonable in all the circumstances and each such determination or calculation shall be deemed to have been made by the Agent Bank or the Calculation Agent, as the case may be.

(g) Certificates to be final

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this **Condition 4.2**, whether by the Agent Bank or the Calculation Agent or the Note Trustee (or an agent on its behalf) shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Issuer Cash Manager, the Principal Paying Agent, the Calculation Agent, the other Paying Agents, the Note Trustee and all Noteholders and (in the absence of wilful default or bad faith) no liability to the Issuer or the Noteholders shall attach to the Agent Bank or the Calculation Agent or the Note Trustee in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

4.3 Accrual of interest

Interest (if any) will cease to accrue on each Note (or in the case of the redemption of part only of a Note, that part only of such Note) on the due date for redemption thereof unless, upon due presentation thereof, payment of principal is improperly withheld or refused in which event, interest will continue to accrue until the earlier of:

- (a) the date on which all amounts due in respect of such Note have been paid; and
- (b) the seventh day after notice is duly given by the Principal Paying Agent or the U.S. Paying Agent (as the case may be) to the holder thereof that such payment will be made, provided that subsequently, payment is in fact made.

4.4 Deferred Interest

To the extent that, subject to and in accordance with the relevant Issuer Priority of Payments, the funds available to the Issuer to pay interest on any Series and Class of Notes (other than the most senior Class of Notes of any Series then outstanding) on an Interest Payment Date (after discharging the Issuer's liabilities of a higher priority) are insufficient to pay the full amount of such interest, payment of the shortfall attributable to such Series and Class of Notes (**Deferred Interest**) will not then fall due but will instead be deferred until the first Interest Payment Date for such Notes thereafter on which sufficient funds are available (after allowing for the Issuer's liabilities of a higher priority and subject to and in accordance with the relevant Issuer Priority of Payments) to fund the payment of such Deferred Interest to the extent of such available funds.

Such Deferred Interest will accrue interest (**Additional Interest**) at the rate of interest applicable from time to time to the applicable Series and Class of Notes and payment of any Additional Interest will also be deferred until the first Interest Payment Date for such Notes thereafter on which funds are available (after allowing for the Issuer's liabilities of a higher priority subject to and in accordance with the relevant Issuer Priority of Payments) to the Issuer to pay such Additional Interest to the extent of such available funds.

Amounts of Deferred Interest and Additional Interest shall not be deferred beyond the Final Maturity Date of the applicable Series and Class of Notes, when such amounts will become due and payable.

Payments of interest due on an Interest Payment Date in respect of the most senior Class of Notes of any Series then outstanding will not be deferred. In the event of the delivery of a Note Acceleration Notice (as described in **Condition 9**), the amount of interest in respect of such Notes that was due but not paid on such Interest Payment Date will itself bear interest at the applicable rate until both the unpaid interest and the interest on that interest are paid as provided in the Note Trust Deed.

5. REDEMPTION AND MANDATORY TRANSFER

5.1 Final Redemption

Unless previously redeemed in full as provided in this **Condition 5**, the Issuer shall redeem a Series and Class of Notes at their Redemption Amount together with all accrued interest on the Final Maturity Date in respect of such Notes.

The Issuer may not redeem such Notes in whole or in part prior to their Final Maturity Date except as provided in **Conditions 5.2, 5.4 or 5.5 below**, but without prejudice to **Condition 9**.

5.2 Mandatory Redemption of the Notes in Part

On each Interest Payment Date, other than an Interest Payment Date on which a Series and Class of Notes are to be redeemed under **Conditions 5.1, 5.4 or 5.5**, the Issuer shall repay principal in respect of such Notes in an amount equal to the amount (if any) repaid on the corresponding Loan Tranche Payment Date in respect of the related Loan Tranche and pursuant to the Intercompany Loan Agreement converted, where the Specified Currency for such Notes is not Sterling, into the Specified Currency at the Specified Currency Exchange Rate for such Notes.

To the extent that there are insufficient funds available to the Issuer to repay the amount due to be paid on such Interest Payment Date, the Issuer will be required to repay the shortfall, to the extent that it receives funds therefor (and subject to the terms of the Issuer Deed of Charge and the Issuer Cash Management Agreement) on subsequent Interest Payment Dates in respect of such Notes.

5.3 Note Principal Payments and Principal Amount Outstanding

The principal amount redeemable (the **Note Principal Payment**) in respect of each Note of a particular Series and Class on any Interest Payment Date under **Condition 5.2 above** shall be a proportion of the amount required as at that Interest Payment Date to be applied in redemption of such Series and Class of Notes on such date equal to the proportion that the Principal Amount Outstanding of the relevant Note bears to the aggregate Principal Amount Outstanding of such Series and Class of Notes rounded down to the nearest sub-unit of the Specified Currency; provided always that no such Note Principal Payment may exceed the Principal Amount Outstanding of the relevant Note.

On each Interest Determination Date the Issuer shall determine (or cause the Agent Bank to determine) (a) the amount of any Note Principal Payment payable in respect of each Note of the relevant Series and Class on the immediately following Interest Payment Date and (b) the Principal Amount Outstanding of each such Note which shall be the Specified Denomination less (in each case) the aggregate amount of all Note Principal Payments in respect of such Note that has been paid since the relevant Closing Date and on or prior to that Interest Determination Date (the **Principal Amount Outstanding**) and (c) the fraction expressed as a decimal to the fifth decimal point (the **Pool Factor**), of which the numerator is the Principal Amount Outstanding of that Note (as referred to in (b) above) and the denominator is the Specified Denomination. Each determination by or on behalf of the Issuer of any Note Principal Payment of a Note, the Principal Amount Outstanding of a Note and the Pool Factor shall in each case (in the absence of wilful default, bad faith or manifest error) be final and binding on all persons.

The Issuer will cause each determination of the Note Principal Payment and the Principal Amount Outstanding and the Pool Factor in respect of a Series and Class of Notes to be notified forthwith, and in any event not later than 1.00 p.m. (London time) on the Business Day immediately succeeding the Interest Determination Date, to the Note Trustee, the Issuer Security Trustee, the Paying Agents, the Registrar, the Agent Bank and (for so long as such Notes are listed on one or more stock exchanges) the relevant stock exchanges, and will cause notice of each determination of the Note Principal Payment and the Principal Amount Outstanding to be given to Noteholders in accordance with **Condition 14** by no later than the Business Day after the relevant Interest Payment Date.

If the Issuer does not at any time for any reason determine (or cause the Agent Bank to determine) or if the Agent Bank does not at any time for any reason determine a Note Principal Payment, the Principal Amount Outstanding or the Pool Factor in accordance with the preceding provisions of this **Condition 5.3**, such Note Principal Payment and/or Principal Amount Outstanding and/or Pool Factor may be determined by the Note Trustee in accordance with this **Condition 5.3** in the manner the Note Trustee in its discretion considers fair and reasonable in the circumstances, having regard to this **Condition 5.3**, and each such determination or calculation shall be deemed to have been made by the Issuer. Any such determination shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Agent Bank and the Noteholders.

5.4 Optional Redemption in Full

Provided a Note Acceleration Notice has not been served and subject to the provisos below, upon giving not more than 60 nor less than 30 days' prior notice (or, in the case of (c) below, not more than 30 days nor less than 5 days' prior notice) to the Note Trustee and the Noteholders in accordance with **Condition 14**, the Issuer may redeem a Series and Class of Notes at their aggregate Redemption Amount together with any accrued and unpaid interest in respect thereof on the following dates:

- (a) the date specified as the Step-Up Date for such Notes in the applicable Final Terms and on any Interest Payment Date for such Notes thereafter;
- (b) on such Interest Payment Date on which the aggregate Principal Amount Outstanding of such Notes and all other Classes of Notes of the same Series is less than 10 per cent. of the aggregate Principal Amount Outstanding of such Series of Notes as at the Closing Date on which such Series of Notes were issued; or
- (c) the date specified as the Optional Redemption Date for such Notes in the applicable Final Terms and on each Interest Payment Date for such Notes thereafter,

provided that (in either of the cases above), on or prior to giving any such notice, the Issuer shall have provided to the Note Trustee a certificate signed by two directors of the Issuer to the effect that (i) it will have the funds, not subject to any interest of any other person, required to redeem such Notes as aforesaid and any amounts required to be paid in priority to or *pari passu* with such Notes outstanding in accordance with the terms and conditions of the Issuer Deed of Charge and the Issuer Cash Management Agreement, and (ii) the Repayment Tests will be satisfied following the making of such redemptions, and further provided that (in the case of (c) above only) each of the Rating Agencies has confirmed that the then current ratings of each Series and Class of Notes then outstanding for which it provides a rating would not be reduced, withdrawn or qualified by such redemption.

5.5 Optional Redemption for Tax and other Reasons

Provided a Note Acceleration Notice has not been served, if the Issuer at any time satisfies the Note Trustee immediately prior to the giving of the notice referred to below that on the next Interest Payment Date either:

- (a) the Issuer would by virtue of a change in the law or regulations of the United Kingdom or any other jurisdiction (or the application or interpretation thereof) be required to deduct or withhold from any payment of principal or interest or any other amount under a Series and Class of Notes any amount for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature (other than where the relevant Holder or beneficial owner has some connection with the relevant jurisdiction other than the holding of the Notes); or
- (b) Funding 1 would be required to deduct or withhold from amounts due in respect of the Loan Tranche under the Intercompany Loan Agreement which was funded by such Notes any amount for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature; and
- (c) in relation to either the events described in (a) and (b) above, such obligation of the Issuer or Funding 1 (as the case may be) cannot be avoided by the Issuer or Funding 1 (as the case may be) taking reasonable measures available to the Issuer or Funding 1 (as the case may be),

then the Issuer shall use its reasonable endeavours to arrange the substitution of a company incorporated in another jurisdiction approved by the Note Trustee as principal debtor under such Notes and/or as lender of such Loan Tranche as the case may be, upon the Note Trustee (1) being satisfied that such substitution will not be materially prejudicial to the interests of Noteholders and (2) receiving a certificate signed by two directors of the Issuer or Funding 1, as the case may be, certifying that such substitution would enable the Issuer or Funding 1, as the case may be, to make payments of principal and interest under the relevant Series or Class of Notes or under the Intercompany Loan, as the case may be, without such deduction or withholding, and upon the Issuer Security Trustee being satisfied that (A) the position of the Issuer Secured Creditors (other than the Noteholders) will not thereby be adversely affected as confirmed in writing by such Issuer Secured Creditors to the Issuer Security Trustee, and (B) such substitution would not require registration of any new security under United States securities laws or materially increase the disclosure requirements under United States law or the costs of issuance as certified by the Issuer to the Issuer Security Trustee in writing. Only if the Issuer is unable to arrange a substitution will the Issuer be entitled to redeem the Notes as described in this **Condition 5.5**.

Subject to the proviso below, if the Issuer is unable to arrange a substitution as described above and, as a result, one or more of the events described in (a) or (b) above (as the case may be) is continuing, then the Issuer may, having given not more than 60 nor less than 30 days' notice to the Note Trustee and the Noteholders in accordance with **Condition 14**, redeem all (but not some only) of such Notes on the immediately succeeding Interest Payment Date for such Notes at their aggregate Redemption Amount together with any accrued and unpaid interest in respect thereof provided that (in either case), prior to giving any such notice, the Issuer shall have provided to the Note Trustee:

- (i) a certificate signed by two directors of the Issuer stating the circumstances referred to in (a) or (b) and (c) above prevail and setting out details of such circumstances; and
- (ii) an opinion in form and substance satisfactory to the Note Trustee of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to deduct or withhold such amounts as a result of such change or amendment.

The Note Trustee shall be entitled to accept such certificate and opinion as sufficient evidence of the satisfaction of the circumstance set out in (a) or (b) and (c) above, in which event they shall be conclusive and binding on the Noteholders. The Issuer may only redeem such Notes as aforesaid, if on or prior to giving such notice, the Issuer shall have provided to the Note Trustee a certificate signed by two directors of the Issuer to the effect that (A) it will have the funds, not subject to any interest of any other person, required to redeem such Notes as aforesaid and any amounts required to be paid in priority to or *pari passu* with such Notes outstanding in accordance with the terms and conditions of the Issuer Deed of Charge and the Issuer Cash Management Agreement, and (B) the Repayment Tests will be satisfied following the making of such redemptions.

In addition to the foregoing, if at any time the Issuer delivers a certificate to Funding 1, the Note Trustee and the Issuer Security Trustee to the effect that it would be unlawful for the Issuer to make, fund or allow to remain outstanding a Loan Tranche under the Intercompany Loan Agreement, then the Issuer may require Funding 1 to prepay the relevant Loan Tranche on a Loan Tranche Payment Date subject to and in accordance with the provisions of the Intercompany Loan Agreement to the extent necessary to cure such illegality and the Issuer may redeem all (but not some only) of the relevant Notes at their Redemption Amount together with any accrued interest upon giving not more than 60 nor less than 30 days' (or such shorter period as may be required under any relevant law) prior written notice to the Issuer Security Trustee, the Funding 1 Security Trustee, the Note Trustee, the relevant Issuer Swap Provider(s) and the Noteholders in accordance with **Condition 14**, provided that, prior to giving any notice, the Issuer shall have provided to the Note Trustee a certificate signed by two directors of the Issuer to the effect that it will have the funds, not subject to the interest of any other person, required to redeem the relevant Notes as provided above and any amount to be paid in priority to or *pari passu* with the relevant Notes. Such monies received by the Issuer shall be used to redeem the relevant Notes in full, together with any accrued and unpaid interest, on the equivalent Interest Payment Date.

5.6 Reserved

5.7 Redemption Amounts

For the purposes of this **Condition 5**, **Redemption Amount** means, in respect of any Series and Class of Notes, the amount specified in relation to such Notes in the applicable Final Terms or, if not so specified:

- (a) in respect of each Note (other than a Zero Coupon Note), the Principal Amount Outstanding of such Note; and

- (b) in respect of each Zero Coupon Note, an amount (the **Amortised Face Amount**) calculated in accordance with the following formula:

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

where:

RP = the Reference Price;

AY = the Accrual Yield expressed as a decimal; and

y = a fraction, the numerator of which is equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the first Closing Date of the applicable Series and Class of Notes to (but excluding) the date fixed for redemption or, as the case may be, the date upon which such Note becomes due and payable and the denominator of which is 360.

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to **Condition 5.1, 5.2, 5.4, 5.5 or 5.6 above** or upon its becoming due and repayable as provided in **Condition 9** is improperly withheld or refused, the amount due and repayable in respect of such Note shall be the amount calculated as provided in **paragraph (b) above** as though the reference therein to the date fixed for the redemption or, as the case may be, the date upon which such Note becomes due and payable were replaced by reference to the date which is the earlier of:

- (i) the date on which all amounts due in respect of such Note have been paid; and
- (ii) the date on which the full amount of the monies payable in respect of such Note has been received by the Principal Paying Agent or the Note Trustee or the Registrar and notice to that effect has been given to the Noteholders in accordance with **Condition 14**.

5.8 Mandatory Transfer of Remarketable Notes

- (a) The Remarketable Notes shall be transferred in accordance with **paragraph (b) below** on each relevant Mandatory Transfer Date prior to the occurrence of a Mandatory Transfer Termination Event (as confirmed by the Remarketing Agent or Tender Agent by the provision of a Conditional Purchaser Confirmation to the Issuer and the Principal Paying Agent) in exchange for payment of the Mandatory Transfer Price, and the Issuer will procure payment of the Mandatory Transfer Price to the Holders of the Remarketable Notes on the relevant Mandatory Transfer Date, provided that the Issuer shall not be liable for the failure to make payment of the Mandatory Transfer Price to the extent that such failure is a result of the failure of the Remarketing Agent or the Conditional Purchaser to perform its obligations under the relevant agreements.
- (b) Subject to **paragraph (a) above**, all the Noteholders' interests in the Remarketable Notes shall be transferred on the relevant Mandatory Transfer Date to the account of the Remarketing Agent on behalf of the relevant purchasers or as otherwise notified by or on behalf of the Remarketing Agent prior to such date or, if Definitive Notes are then issued with respect to the Remarketable Notes, the Remarketable Notes will be registered in the name of the Remarketing Agent or as otherwise notified by or on behalf of the Remarketing Agent by the Registrar and the Register will be amended accordingly with effect from the relevant Mandatory Transfer Date.

6. PAYMENTS

6.1 Payment of Interest and Principal

Payments of principal shall be made by cheque in the Specified Currency, drawn on a Designated Bank, or upon application by a Holder of the relevant Note to the Specified Office of the Principal Paying Agent not later than the fifth Business Day before the Record Date (as defined in **Condition 6.7**), by transfer to a Designated Account maintained by the payee with a Designated Bank and (in the case of final redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note at the Specified Office of any Paying Agent.

Payments of interest shall be made by cheque in the Specified Currency drawn on a Designated Bank, or upon application by a Holder of the relevant Note to the Specified Office of the Principal Paying Agent not later than the fifth Business Day before the Record Date, by transfer to a Designated Account maintained by the payee with a Designated Bank and (in the case of interest payable on final redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note at the Specified Office of any Paying Agent.

6.2 Laws and Regulations

Payments of principal and interest in respect of the Notes are subject in all cases to any fiscal or other laws and regulations applicable thereto. Noteholders will not be charged commissions or expenses on payments.

6.3 Payment of Interest following a failure to pay Principal

If payment of principal is improperly withheld or refused on or in respect of any Note or part thereof, the interest which continues to accrue in respect of such Note in accordance with **Condition 4** will be paid in accordance with this **Condition 6**.

6.4 Change of Agents

The initial Principal Paying Agent, the Registrar, the Transfer Agent and the US Paying Agents are listed in these Conditions. The Issuer reserves the right, subject to the prior written approval of the Note Trustee, at any time to vary or terminate the appointment of the Principal Paying Agent, the Registrar, the Transfer Agent and the U.S. Paying Agent and to appoint additional or other Paying Agents. The Issuer will at all times maintain a Paying Agent with a Specified Office in London and a U.S. Paying Agent with a Specified Office in New York and a Registrar. Except where otherwise provided in the Note Trust Deed, the Issuer will cause at least 30 days' notice of any change in or addition to the Paying Agents, the Transfer Agent or the Registrar or their Specified Offices to be given in accordance with **Condition 14** and will notify the Rating Agencies of such change or addition. For as long as any Note is outstanding, the Issuer will endeavour to maintain a Paying Agent in a member state of the European Union that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to such Directive.

6.5 No payment on non-Business Day

Where payment is to be made by transfer to a Designated Account, payment instructions (for value the due date or, if the due date is not a Business Day, for value the next succeeding Business Day) will be initiated and, where payment is to be made by cheque, the cheque will be mailed (a) (in the case of payments of principal and interest payable on redemption) on the later of the due date for payment and the day on which the relevant Note is surrendered (or, in the case of part payment only, endorsed) at the Specified Office of a Paying Agent and (b) (in the case of payments of interest

payable other than on redemption) on the due date for payment. A Holder of a Note shall not be entitled to any interest or other payment in respect of any delay in payment resulting from (i) the due date for a payment not being a Business Day or (ii) a cheque mailed in accordance with this **Condition 6.5** arriving after the due date for payment or being lost in the mail.

6.6 Partial Payment

If a Paying Agent makes a partial payment in respect of any Note, the Issuer shall procure and the Registrar will ensure that the amount and date of such payment are noted on the Register and, in the case of partial payment upon presentation of a Note, that a statement indicating the amount and date of such payment is endorsed on the relevant Note.

6.7 Record Date

Each payment in respect of a Note will be made to the persons shown as the Holder in the Register at the opening of business in the place of the Registrar's Specified Office on the fifteenth day before the due date for such payment (the **Record Date**). Where payment in respect of a Note is to be made by cheque, the cheque will be mailed to the address shown as the address of the Holder in the Register at the opening of business on the relevant Record Date.

6.8 Payment of Interest

Subject as provided otherwise in these Conditions, if interest is not paid in respect of a Note of any Class on the date when due and payable (other than because the due date is not a Business Day) or by reason of non-compliance with **Condition 6.1**, then such unpaid interest shall itself bear interest at the Rate of Interest applicable from time to time to such Note until such interest and interest thereon are available for payment and notice thereof has been duly given in accordance with **Condition 14**.

7. PRESCRIPTION

Claims against the Issuer for payment of interest and principal on redemption shall be prescribed and become void if the relevant Notes are not surrendered for payment within a period of 10 years from the relevant date in respect thereof. After the date on which a payment under a Note becomes void in its entirety, no claim may be made in respect thereof. In this **Condition 7**, the **relevant date**, in respect of a payment under a Note, is the date on which the payment in respect thereof first becomes due or (if the full amount of the monies payable in respect of those payments under all the Notes due on or before that date has not been duly received by the Principal Paying Agent, the U.S. Paying Agent or the Note Trustee (as the case may be) on or prior to such date) the date on which the full amount of such monies having been so received or notice to that effect is duly given to Noteholders in accordance with **Condition 14**.

8. TAXATION

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

9. EVENTS OF DEFAULT

9.1 Class A Noteholders

The Note Trustee in its absolute discretion may (and if so requested in writing by the Holders of not less than 25 per cent. in aggregate Principal Amount Outstanding of the Class A Notes (which for this purpose and the purpose of any Extraordinary Resolution referred to in this **Condition 9.1** means the Class A Notes of all Series constituted by the Note Trust Deed) or if so directed by or pursuant to an Extraordinary Resolution passed at a meeting of the Holders of the Class A Notes shall), subject in each case to being indemnified and/or secured to its satisfaction, give notice (a **Class A Note Acceleration Notice**) to the Issuer, the Issuer Security Trustee and the Funding 1 Security Trustee of a Note Event of Default (as defined below) declaring (in writing) the Class A Notes and all other Notes to be due and repayable (and they shall forthwith become due and repayable) at any time after the happening of any of the following events which is continuing or unwaived:

- (a) default being made for a period of three Business Days in the payment of any amount of principal of the Class A Notes of any Series when and as the same ought to be paid in accordance with these Conditions or default being made for a period of three Business Days in the payment of any amount of interest on the Class A Notes of any Series when and as the same ought to be paid in accordance with these Conditions; or
- (b) the Issuer failing duly to perform or observe any other obligation binding upon it under the Class A Notes of any Series, the Note Trust Deed, the Issuer Deed of Charge or any other Transaction Document and, in any such case (except where the Note Trustee certifies that, in its opinion, such failure is incapable of remedy, in which case no notice will be required), such failure is continuing unremedied for a period of 20 days following the service by the Note Trustee on the Issuer of notice requiring the same to be remedied and the Note Trustee has certified that the failure to perform or observe is materially prejudicial to the interests of the Holders of the Class A Notes of such Series; or
- (c) the Issuer, otherwise than for the purposes of such amalgamation or reconstruction as is referred to in **subparagraph (d) below**, ceases or threatens to cease to carry on its business or a substantial part of its business or the Issuer is deemed unable to pay its debts within the meaning of Section 123(1)(a), (b), (c) or (d) of the Insolvency Act 1986 (as amended, modified or re-enacted) or becomes unable to pay its debts as they fall due or the value of its assets falls to less than the amount of its liabilities (taking into account for both these purposes its contingent and prospective liabilities) or otherwise becomes insolvent; or
- (d) an order being made or an effective resolution being passed for the winding-up of the Issuer except a winding-up for the purposes of or pursuant to an amalgamation, restructuring or merger the terms of which have previously been approved by the Note Trustee in writing or by an Extraordinary Resolution of the Holders of the Class A Notes; or
- (e) proceedings being otherwise initiated against the Issuer under any applicable liquidation, insolvency, composition, reorganisation or other similar laws (including, but not limited to, presentation of a petition for an administration order, the filing of documents with the court for an administration or the service of a notice of intention to appoint an administrator) and (except in the case of presentation of a petition for an administration order) such proceedings are not, in the sole opinion of the Note Trustee, being disputed in good faith with a reasonable prospect of success, or an administration order being granted or the appointment of an administrator takes effect or an administrative receiver or other receiver, liquidator or other similar official being appointed in relation to the Issuer or in relation to the whole or any substantial part of the undertaking or assets of the Issuer, or an encumbrancer taking

possession of the whole or any substantial part of the undertaking or assets of the Issuer, or a distress, execution, diligence or other process being levied or enforced upon or sued out against the whole or any substantial part of the undertaking or assets of the Issuer and such possession or process (as the case may be) not being discharged or not otherwise ceasing to apply within 30 days, or the Issuer initiating or consenting to the foregoing proceedings relating to itself under applicable liquidation, insolvency, composition, reorganisation or other similar laws or making a conveyance or assignment for the benefit of its creditors generally or a composition or similar arrangement with the creditors or takes steps with a view to obtaining a moratorium in respect of its indebtedness, including without limitation, the filing of documents with the court; or

- (f) if an Intercompany Loan Acceleration Notice is served under the Intercompany Loan Agreement while the Class A Notes of any Series are outstanding.

9.2 Class B Noteholders

This **Condition 9.2** shall have no effect if, and for as long as, any Class A Notes of any Series are outstanding. Subject thereto, for so long as any Class B Notes are outstanding, the Note Trustee in its absolute discretion may (and if so requested in writing by the Holders of not less than 25 per cent. in aggregate Principal Amount Outstanding of the Class B Notes (which for this purpose and the purpose of any Extraordinary Resolution referred to in this **Condition 9.2**, means the Class B Notes of all Series constituted by the Note Trust Deed) or if so directed by or pursuant to an Extraordinary Resolution passed at a meeting of the Holders of the Class B Notes shall), subject in each case to it being indemnified and/or secured to its satisfaction, give notice (a **Class B Note Acceleration Notice**) to the Issuer, the Issuer Security Trustee and the Funding 1 Security Trustee of a Note Event of Default (as defined below) and declaring (in writing) the Class B Notes and all other Notes to be due and repayable (and they shall forthwith become due and repayable) at any time after the happening of any of the following events:

- (a) default being made for a period of three Business Days in the payment of any amount of principal of the Class B Notes of any Series when and as the same ought to be paid in accordance with these Conditions or default being made for a period of three Business Days in the payment of any amount of interest on the Class B Notes of any Series when and as the same ought to be paid in accordance with these Conditions; or
- (b) the occurrence of any of the events in **Condition 9.1(b), (c), (d), (e) or (f) above** provided that the references in **Condition 9.1(b), Condition 9.1(d) and Condition 9.1(f)** to Class A Notes shall be read as references to Class B Notes.

9.3 Class M Noteholders

This **Condition 9.3** shall have no effect if, and for as long as, any Class A Notes or Class B Notes of any Series are outstanding. Subject thereto, for so long as any Class M Notes are outstanding, the Note Trustee in its absolute discretion may (and if so requested in writing by the Holders of not less than 25 per cent. in aggregate Principal Amount Outstanding of the Class M Notes (which for this purpose and the purpose of any Extraordinary Resolution referred to in this **Condition 9.3**, means the Class M Notes of all Series constituted by the Note Trust Deed) or if so directed by or pursuant to an Extraordinary Resolution passed at a meeting of the Holders of the Class M Notes shall), subject in each case to it being indemnified and/or secured to its satisfaction, give notice (a **Class M Note Acceleration Notice**) to the Issuer, the Issuer Security Trustee and the Funding 1 Security Trustee of a Note Event of Default (as defined below) and declaring (in writing) the Class M Notes and all other Notes to be due and repayable (and they shall forthwith become due and repayable) at any time after the happening of any of the following events:

- (a) default being made for a period of three Business Days in the payment of any amount of principal of the Class M Notes of any Series when and as the same ought to be paid in accordance with these Conditions or default being made for a period of three Business Days in the payment of any amount of interest on the Class M Notes of any Series when and as the same ought to be paid in accordance with these Conditions; or
- (b) the occurrence of any of the events in **Condition 9.1(b), (c), (d), (e) or (f) above** provided that the references in **Condition 9.1(b), Condition 9.1(d) and Condition 9.1(f)** to Class A Notes shall be read as references to Class M Notes.

9.4 Class C Noteholders

This **Condition 9.4** shall have no effect if, and for as long as, any Class A Notes, Class B Notes or Class M Notes of any Series are outstanding. Subject thereto, for so long as any Class C Notes are outstanding, the Note Trustee in its absolute discretion may (and if so requested in writing by the Holders of not less than 25 per cent. in aggregate Principal Amount Outstanding of the Class C Notes (which for this purpose and the purpose of any Extraordinary Resolution referred to in this **Condition 9.4**, means the Class C Notes of all Series constituted by the Note Trust Deed) or if so directed by or pursuant to an Extraordinary Resolution passed at a meeting of the Holders of the Class C Notes shall), subject in each case to it being indemnified and/or secured to its satisfaction, give notice (a **Class C Note Acceleration Notice**) to the Issuer, the Issuer Security Trustee and the Funding 1 Security Trustee of a Note Event of Default (as defined below) and declaring (in writing) the Class C Notes and all other Notes to be due and repayable (and they shall forthwith become due and repayable) at any time after the happening of any of the following events:

- (a) default being made for a period of three Business Days in the payment of any amount of principal of the Class C Notes of any Series when and as the same ought to be paid in accordance with these Conditions or default being made for a period of three Business Days in the payment of any amount of interest on the Class C Notes of any Series when and as the same ought to be paid in accordance with these Conditions; or
- (b) the occurrence of any of the events in **Condition 9.1(b), (c), (d), (e) or (f) above** provided that the references in **Condition 9.1(b), Condition 9.1(d) and Condition 9.1(f)** to Class A Notes shall be read as references to Class C Notes.

9.5 Class D Noteholders

This **Condition 9.5** shall have no effect if, and for as long as, any Class A Notes, Class B Notes, Class M Notes or Class C Notes of any Series are outstanding. Subject thereto, for so long as any Class D Notes are outstanding, the Note Trustee in its absolute discretion may (and if so requested in writing by the Holders of not less than 25 per cent. in aggregate Principal Amount Outstanding of the Class D Notes (which for this purpose and the purpose of any Extraordinary Resolution referred to in this **Condition 9.5**, means the Class D Notes of all Series constituted by the Note Trust Deed) or if so directed by or pursuant to an Extraordinary Resolution passed at a meeting of the Holders of the Class D Notes shall), subject in each case to it being indemnified and/or secured to its satisfaction, give notice (a **Class D Note Acceleration Notice**) to the Issuer, the Issuer Security Trustee and the Funding 1 Security Trustee of a Note Event of Default (as defined below) and declaring (in writing) the Class D Notes to be due and repayable (and they shall forthwith become due and repayable) at any time after the happening of any of the following events:

- (a) default being made for a period of three Business Days in the payment of any amount of principal of the Class D Notes of any Series when and as the same ought to be paid in accordance with these Conditions or default being made for a period of three Business Days

in the payment of any amount of interest on the Class D Notes of any Series when and as the same ought to be paid in accordance with these Conditions; or

- (b) the occurrence of any of the events in **Condition 9.1(b), (c), (d), (e) or (f) above** provided that the references in **Condition 9.1(b), Condition 9.1(d) and Condition 9.1(f)** to Class A Notes shall be read as references to Class D Notes.

9.6 Class Z Noteholders

This **Condition 9.6** shall have no effect if, and for as long as, any Class A Notes, Class B Notes, Class M Notes, Class C Notes or Class D Notes of any Series are outstanding. Subject thereto, for so long as any Class Z Notes are outstanding, the Note Trustee in its absolute discretion may (and if so requested in writing by the Holders of not less than 25 per cent. in aggregate Principal Amount Outstanding of the Class Z Notes (which for this purpose and the purpose of any Extraordinary Resolution referred to in this **Condition 9.6**, means the Class Z Notes of all Series constituted by the Note Trust Deed) or if so directed by or pursuant to an Extraordinary Resolution passed at a meeting of the Holders of the Class Z Notes shall), subject in each case to it being indemnified and/or secured to its satisfaction, give notice (a **Class Z Note Acceleration Notice**) to the Issuer, the Issuer Security Trustee and the Funding 1 Security Trustee of a Note Event of Default (as defined below) and declaring (in writing) the Class Z Notes to be due and repayable (and they shall forthwith become due and repayable) at any time after the happening of any of the following events:

- (a) default being made for a period of three Business Days in the payment of any amount of principal of the Class Z Notes of any Series when and as the same ought to be paid in accordance with these Conditions or default being made for a period of three Business Days in the payment of any amount of interest on the Class Z Notes of any Series when and as the same ought to be paid in accordance with these Conditions; or
- (b) the occurrence of any of the events in **Condition 9.1(b), (c), (d), (e) or (f) above** provided that the references in **Condition 9.1(b), Condition 9.1(d) and Condition 9.1(f)** to Class A Notes shall be read as references to Class Z Notes.

9.7 Following Service of a Note Acceleration Notice

In these Conditions, a **Note Acceleration Notice** means any of the Class A Note Acceleration Notice, the Class B Note Acceleration Notice, the Class M Note Acceleration Notice, the Class C Note Acceleration Notice, the Class D Note Acceleration Notice and the Class Z Note Acceleration Notice. For the avoidance of doubt, upon any Note Acceleration Notice being given by the Note Trustee in accordance with **Condition 9.1, 9.2, 9.3, 9.4, 9.5 or 9.6** all Notes shall immediately become due, without further action, notice or formality at their Principal Amount Outstanding together with accrued interest (or, in the case of a Zero Coupon Note, at its Redemption Amount, calculated in accordance with **Condition 5.7**).

10. ENFORCEMENT OF NOTES

10.1 Enforcement

The Note Trustee may, at its discretion and without notice at any time and from time to time, take such steps and institute such proceedings against the Issuer or any other person as it may think fit to enforce the provisions of the Notes, the Note Trust Deed (including these Conditions) or any of the other Transaction Documents to which it is a party and the Note Trustee may, at its discretion at any time after the Issuer Security has become enforceable (including after the service of a Note Acceleration Notice in accordance with **Condition 9**), instruct the Issuer Security Trustee to take

such steps as it may think fit to enforce the Issuer Security. The Note Trustee shall not be bound to take such steps or institute such proceedings or give such instructions unless:

- (a) (subject in all cases to restrictions contained in the Note Trust Deed to protect the interests of any higher ranking Class of Noteholders) it shall have been so directed by an Extraordinary Resolution of the Class A Noteholders, the Class B Noteholders, the Class M Noteholders, the Class C Noteholders, the Class D Noteholders or the Class Z Noteholders (which for this purpose and the purpose of a request in writing as referred to below in this **Condition 10.1**, means the Holders of all Series of the Class A Notes, the Class B Notes, the Class M Notes, the Class C Notes, the Class D Notes or the Class Z Notes (as applicable)) or so requested in writing by the Holders of at least one quarter in aggregate Principal Amount Outstanding of the Class A Notes, Class B Notes, Class M Notes, Class C Notes, Class D Notes or Class Z Notes (as applicable) of all Series; and
- (b) it shall have been indemnified and/or secured to its satisfaction.

The Issuer Security Trustee shall not be bound to and shall not take such steps or take any such other action unless it is so directed by the Note Trustee and indemnified and/or secured to its satisfaction.

Amounts available for distribution after enforcement of the Issuer Security shall be distributed in accordance with the terms of the Issuer Deed of Charge.

No Noteholder may institute any proceedings against the Issuer to enforce its rights under or in respect of the Notes, the Note Trust Deed or the Issuer Deed of Charge unless (i) the Note Trustee or the Issuer Security Trustee, as applicable, has become bound to institute proceedings and has failed to do so within 30 days of becoming so bound and (ii) such failure is continuing; provided that, no Class B Noteholder, Class M Noteholder, Class C Noteholder, Class D Noteholder or Class Z Noteholder will be entitled to commence proceedings for the winding up or administration of the Issuer unless there are no outstanding Notes of a Class with higher priority, or if Notes of a class with higher priority are outstanding, there is consent of Noteholders of not less than one quarter of the aggregate principal amount of the Notes outstanding (as defined in the Note Trust Deed) of the Class or Classes of Notes with higher priority or pursuant to an Extraordinary Resolution of the Holders of such Class of Notes. Notwithstanding the foregoing and notwithstanding any other provision of the Note Trust Deed, the right of any Noteholder to receive payment of principal and interest on its Notes on or after the due date for such principal or interest, or to institute suit for the enforcement of payment of that principal or interest, may not be impaired or affected without the consent of that Noteholder.

Notwithstanding any other Condition or any provision of any Transaction Document, all obligations of the Issuer to the Class Z Noteholders are limited in recourse to the Funding 1 Security (the **Issuer Charged Assets**). If:

- (a) there are no Issuer Charged Assets remaining which are capable of being realised or otherwise converted into cash;
- (b) all amounts available from the Issuer Charged Assets have been applied to meet or provide for the relevant obligations specified in, and in accordance with, the provisions of the Issuer Deed of Charge; and
- (c) there are insufficient amounts available from the Issuer Charged Assets to pay in full, in accordance with the provisions of the Issuer Deed of Charge, amounts outstanding under the Class Z Notes (including payments of principal, premium (if any) and interest),

then the Class Z Noteholders shall have no further claim against the Issuer in respect of any amounts owing to them which remain unpaid (including, for the avoidance of doubt, payments of principal, premium (if any) and/or interest in respect of the Class Z Notes) and such unpaid amounts shall be deemed to be discharged in full and any relevant payment rights shall be deemed to cease.

10.2 Post-Enforcement Call Option

In the event that:

- (a) the Issuer Security is enforced and the Issuer Security Trustee determines that (i) the proceeds of such enforcement, after distribution of such proceeds to the persons entitled thereto ranking in priority to the Notes under the Issuer Deed of Charge and to the Noteholders (to the extent entitled thereto), are insufficient to pay in full all principal and interest and other amounts whatsoever due in respect of the Notes and all other claims ranking *pari passu* therewith (ii) such proceeds of enforcement have been so distributed in accordance with the terms of the Issuer Deed of Charge and (iii) there are no further assets available to pay principal and interest and other amounts whatsoever due in respect of the Notes; or
- (b) within 20 days following the Final Maturity Date of the latest maturing Note, the Issuer Security Trustee certifies that there is no further amount outstanding under the Intercompany Loan Agreement,

then the Note Trustee is required (without any liability on its part to any person or any warranty as to due authority), at the request of the Post-Enforcement Call Option Holder, for a nominal amount, to transfer or (as the case may be) procure transfer of all (but not some only) of the Notes to the Post-Enforcement Call Option Holder pursuant to the option granted to it by the Note Trustee (as agent for the Noteholders) under the terms of the Post-Enforcement Call Option Agreement. Immediately upon such transfer, no such former Noteholder shall have any further interest in the Notes. Each of the Noteholders acknowledges that the Note Trustee has the authority and the power to bind the Noteholders in accordance with the terms and conditions set out in the Post-Enforcement Call Option Agreement and each Noteholder, by subscribing for or purchasing Notes, agrees to be so bound. The Note Trustee shall give notice of the exercise of such option to the Noteholders in accordance with **Condition 14**.

11. MEETINGS OF NOTEHOLDERS, MODIFICATIONS AND WAIVER

11.1 Meetings of Noteholders

The Note Trust Deed contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any provision of these Conditions or the provisions of any of the Transaction Documents.

(a) *Class A Notes*

In respect of the Class A Notes, the Note Trust Deed provides that, subject to **Condition 11.2**:

- (i) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class A Notes of one Class only shall be deemed to have been duly passed if passed at a meeting of the Holders of the Class A Notes of that Class;
- (ii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class A Notes of any two or more Classes but does not give rise to a conflict

of interest between the Holders of any such two or more Classes of Class A Notes, shall be deemed to have been duly passed if passed at a single meeting of the Holders of such two or more Classes of Class A Notes; and

- (iii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class A Notes of any two or more Classes and gives or may give rise to a conflict of interest between the Holders of any such Classes of Class A Notes, shall be deemed to have been duly passed only if, in lieu of being passed at a single meeting of the Holders of such two or more Classes of Class A Notes, it shall be passed at separate meetings of the Holders of each such Class of Class A Notes.

(b) Class B Notes

In respect of the Class B Notes, the Note Trust Deed provides that, subject to **Condition 11.2**:

- (i) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class B Notes of one Class only shall be deemed to have been duly passed if passed at a meeting of the Holders of the Class B Notes of that Class;
- (ii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class B Notes of any two or more Classes but does not give rise to a conflict of interest between the Holders of any such two or more Classes of Class B Notes, shall be deemed to have been duly passed if passed at a single meeting of the Holders of such two or more Classes of Class B Notes; and
- (iii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class B Notes of any two or more Classes and gives or may give rise to a conflict of interest between the Holders of any such Classes of Class B Notes, shall be deemed to have been duly passed only if, in lieu of being passed at a single meeting of the Holders of such two or more Classes of Class B Notes, it shall be passed at separate meetings of the Holders of each such Class of Class B Notes.

(c) Class M Notes

In respect of the Class M Notes, the Note Trust Deed provides that, subject to **Condition 11.2**:

- (i) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class M Notes of one Class only shall be deemed to have been duly passed if passed at a meeting of the Holders of the Class M Notes of that Class;
- (ii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class M Notes of any two or more Classes but does not give rise to a conflict of interest between the Holders of any such two or more Classes of Class M Notes, shall be deemed to have been duly passed if passed at a single meeting of the Holders of such two or more Classes of Class M Notes; and
- (iii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class M Notes of any two or more Classes and gives or may give rise to a conflict of interest between the Holders of any such Classes of Class M Notes, shall be deemed to have been duly passed only if, in lieu of being passed at a single meeting of the Holders of such two or more Classes of Class M Notes, it shall be passed at separate meetings of the Holders of each such Class of Class M Notes.

(d) Class C Notes

In respect of the Class C Notes, the Note Trust Deed provides that, subject to **Condition 11.2**:

- (i) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class C Notes of one Class only shall be deemed to have been duly passed if passed at a meeting of the Holders of the Class C Notes of that Class;
- (ii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class C Notes of any two or more Classes but does not give rise to a conflict of interest between the Holders of any such two or more Classes of Class C Notes, shall be deemed to have been duly passed if passed at a single meeting of the Holders of such two or more Classes of Class C Notes; and
- (iii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class C Notes of any two or more Classes and gives or may give rise to a conflict of interest between the Holders of any such Classes of Class C Notes, shall be deemed to have been duly passed only if, in lieu of being passed at a single meeting of the Holders of such two or more Classes of Class C Notes, it shall be passed at separate meetings of the Holders of each such Class of Class C Notes.

(e) Class D Notes

In respect of the Class D Notes, the Note Trust Deed provides that, subject to **Condition 11.2**:

- (i) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class D Notes of one Class only shall be deemed to have been duly passed if passed at a meeting of the Holders of the Class D Notes of that Class;
- (ii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class D Notes of any two or more Classes but does not give rise to a conflict of interest between the Holders of any such two or more Classes of Class D Notes, shall be deemed to have been duly passed if passed at a single meeting of the Holders of such two or more Classes of Class D Notes; and
- (iii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class D Notes of any two or more Classes and gives or may give rise to a conflict of interest between the Holders of any such Classes of Class D Notes, shall be deemed to have been duly passed only if, in lieu of being passed at a single meeting of the Holders of such two or more Classes of Class D Notes, it shall be passed at separate meetings of the Holders of each such Class of Class D Notes.

(f) Class Z Notes

In respect of the Class Z Notes, the Note Trust Deed provides that, subject to **Condition 11.2**:

- (i) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class Z Notes of one Class only shall be deemed to have been duly passed if passed at a meeting of the Holders of the Class Z Notes of that Class;
- (ii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class Z Notes of any two or more Classes but does not give rise to a conflict of interest between the Holders of any such two or more Classes of Class Z Notes, shall be deemed to have been duly passed if passed at a single meeting of the Holders of such two or more Classes of Class Z Notes; and

- (iii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class Z Notes of any two or more Classes and gives or may give rise to a conflict of interest between the Holders of any such Classes of Class Z Notes, shall be deemed to have been duly passed only if, in lieu of being passed at a single meeting of the Holders of such two or more Classes of Class Z Notes, it shall be passed at separate meetings of the Holders of each such Class of Class Z Notes.

The quorum for any meeting of the Holders of any Series and Class of Notes or of any Class of Notes of more than one Series convened to consider a resolution (except for the purpose of passing an Extraordinary Resolution or a Programme Resolution) will be one or more persons holding or representing not less than one-twentieth of the aggregate Principal Amount Outstanding of such Series and Class of Notes or such Class of Notes of more than one Series or, at any adjourned meeting, one or more persons being or representing Noteholders of such Series and Class of Notes or such Class of Notes for the time being outstanding of more than one Series, whatever the aggregate Principal Amount Outstanding of the relevant Notes for the time being outstanding so held or represented. A **resolution** means a resolution (excluding an Extraordinary Resolution or a Programme Resolution) passed at a meeting of Noteholders duly convened and held in accordance with the provisions of the Note Trust Deed by a simple majority of the persons voting thereat upon a show of hands or if a poll is duly demanded by a simple majority of the votes cast on such poll.

Subject as provided in the following paragraph, the quorum at any meeting of the Holders of any Series and Class of Notes or of any Class of Notes of more than one Series of Notes convened to consider an Extraordinary Resolution will be one or more persons holding or representing not less than 50 per cent. of the aggregate Principal Amount Outstanding of such Series and Class of Notes or such Class of Notes of more than one Series or, at any adjourned meeting, one or more persons being or representing Noteholders of such Series and Class of Notes or such Class of Notes of more than one Series of Notes, whatever the aggregate Principal Amount Outstanding of the relevant Notes so held or represented.

The quorum at any meeting of the Noteholders for passing an Extraordinary Resolution which includes the sanctioning of a modification which would have the effect of altering the amount or timing of payments of principal on the Notes of such Series and Class or of such Class or the rate, the day or the timing of payments of interest thereon or of the currency of payment of the Notes of such Series and Class or of such Class or altering the priority of payments or altering the quorum or majority required in relation to any resolution (each a **Basic Terms Modification**, as more fully defined in the Note Trust Deed) shall be one or more persons holding or representing not less than 75 per cent. of the aggregate Principal Amount Outstanding of the Notes of the relevant Series and Class or of the Class of Notes of more than one Series of Notes or, at any adjourned and reconvened meeting, not less than 25 per cent. of the aggregate Principal Amount Outstanding of the Notes of the relevant Series and Class or of the Class of Notes of more than one Series of Notes.

An Extraordinary Resolution passed at any meeting of Noteholders shall be binding on all of the Noteholders of the relevant Series and Class or of the Class of Notes of more than one Series of Notes whether or not they are present or represented at the meeting.

In connection with any meeting of Noteholders where the relevant Notes (or any of them) are not denominated in Sterling, the Principal Amount Outstanding of any Note not denominated in Sterling shall be converted into Sterling at the relevant Specified Currency Exchange Rate.

A resolution signed by or on behalf of all the Noteholders of the relevant Series and Class or of the relevant Class of more than one Series of Notes who for the time being are entitled to receive notice of a meeting under the Note Trust Deed shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Holders of such Series and Class or of the relevant Class of more than one Series of Notes.

11.2 Programme Resolution

Notwithstanding the provisions of **Condition 11.1**, any Extraordinary Resolution of the Noteholders of any Class to direct the Note Trustee to give a Note Acceleration Notice pursuant to **Condition 9** or take any enforcement action or instruct the Issuer Security Trustee to enforce the Issuer Security pursuant to **Condition 10** (a **Programme Resolution**) shall only be capable of being passed at a single meeting of the Noteholders of all Series of such Class of Notes. The quorum at any such meeting for passing a Programme Resolution shall be one or more persons holding or representing not less than 50 per cent. of the aggregate Principal Amount Outstanding of the Notes of such Class or, at any adjourned and reconvened meeting, one or more persons being or representing Noteholders of such Class of Notes, whatever the aggregate Principal Amount Outstanding of such Class of Notes so held or represented by them.

A Programme Resolution passed at any meeting of all Series of any Class of Notes shall be binding on all Noteholders of all Series of that Class of Notes, whether or not they are present or represented at the meeting.

11.3 Limitations on Noteholders

Subject as provided in **Condition 11.4**:

- (a) an Extraordinary Resolution of the Class A Noteholders of any Series shall be binding on all Class B Noteholders, all Class M Noteholders, all Class C Noteholders, all Class D Noteholders and all Class Z Noteholders, in each case, of that Series or of any other Series irrespective of the effect upon them;
- (b) no Extraordinary Resolution of the Class B Noteholders of any Series shall take effect for any purpose while any Class A Notes (of that Series or of any other Series) remain outstanding unless it shall have been sanctioned by an Extraordinary Resolution of the Class A Noteholders of each Series or the Note Trustee is of the opinion that it would not be materially prejudicial to the interests of the Class A Noteholders of any Series (as applicable) and subject hereto and to **Condition 11.4**, an Extraordinary Resolution of the Class B Noteholders of any Series will be binding on all Class M Noteholders all Class C Noteholders, all Class D Noteholders and all Class Z Noteholders, in each case, of that or of any other Series irrespective of the effect upon them;
- (c) no Extraordinary Resolution of the Class M Noteholders of any Series shall take effect for any purpose while any Class A Notes or Class B Notes (in each case, of that Series or of any other Series) remain outstanding unless it shall have been sanctioned by an Extraordinary Resolution of the Class A Noteholders and an Extraordinary Resolution of the Class B Noteholders, in each case of each Series or the Note Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class A Noteholders and/or the Class B Noteholders of any Series (as applicable) and subject hereto and to **Condition 11.4**, an Extraordinary Resolution of the Class M Noteholders of any Series will be binding on all Class C Noteholders, all Class D Noteholders and all Class Z Noteholders, in each case, of that or of any other Series irrespective of the effect upon them;
- (d) no Extraordinary Resolution of the Class C Noteholders of any Series shall take effect for any purpose while any Class A Notes, Class B Notes or Class M Notes (in each case, of that Series or of any other Series) remain outstanding unless it shall have been sanctioned by an Extraordinary Resolution of the Class A Noteholders, an Extraordinary Resolution of the Class B Noteholders and an Extraordinary Resolution of the Class M Noteholders, in each case of each Series or the Note Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class A Noteholders, the Class B Noteholders

and/or the Class M Noteholders of any Series (as applicable) and subject hereto and to **Condition 11.4**, an Extraordinary Resolution of the Class C Noteholders of any Series will be binding on all Class D Noteholders and all Class Z Noteholders of that or of any other Series irrespective of the effect upon them;

- (e) no Extraordinary Resolution of Class D Noteholders of any Series shall take effect for any purpose while any Class A Notes, Class B Notes, Class M Notes or Class C Notes (in each case, of that Series or of any other Series) remain outstanding unless it shall have been sanctioned by an Extraordinary Resolution of the Class A Noteholders, an Extraordinary Resolution of the Class B Noteholders, an Extraordinary Resolution of the Class M Noteholders and an Extraordinary Resolution of the Class C Noteholders, in each case of each Series or the Note Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class A Noteholders, the Class B Noteholders, the Class M Noteholders and/or the Class C Noteholders of any Series (as applicable) and subject hereto and to **Condition 11.4**, an Extraordinary Resolution of the Class D Noteholders of any Series will be binding on all Class Z Noteholders of that or of any other Series irrespective of the effect upon them; and
- (f) no Extraordinary Resolution of Class Z Noteholders of any Series shall take effect for any purpose while any Class A Notes, Class B Notes, Class M Notes, Class C Notes or Class D Notes (in each case, of that Series or of any other Series) remain outstanding unless it shall have been sanctioned by an Extraordinary Resolution of the Class A Noteholders, an Extraordinary Resolution of the Class B Noteholders, an Extraordinary Resolution of the Class M Noteholders, an Extraordinary Resolution of the Class C Noteholders and an Extraordinary Resolution of the Class D Noteholders, in each case of each Series or the Note Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class A Noteholders, the Class B Noteholders, the Class M Noteholders, the Class C Noteholders and/or the Class D Noteholders of any Series (as applicable).

11.4 Approval of Modifications and Waivers by Noteholders

No Extraordinary Resolution of the Noteholders of any one or more Series of Class A Notes to sanction a modification of, or any waiver or authorisation of any breach or proposed breach of, any of the provisions of the Transaction Documents or the Conditions of the Notes shall take effect unless it has been sanctioned by an Extraordinary Resolution of the Class B Noteholders, an Extraordinary Resolution of the Class M Noteholders, an Extraordinary Resolution of the Class C Noteholders, an Extraordinary Resolution of the Class D Noteholders and an Extraordinary Resolution of the Class Z Noteholders, in each case of each Series, or the Note Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class B Noteholders, the Class M Noteholders, the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders of any Series.

No Extraordinary Resolution of the Noteholders of any one or more Series of Class B Notes to sanction a modification of, or any waiver or authorisation of any breach or proposed breach of, any of the provisions of the Transaction Documents or the Conditions of the Notes shall take effect unless it has been sanctioned by an Extraordinary Resolution of the Class M Noteholders, an Extraordinary Resolution of the Class C Noteholders, an Extraordinary Resolution of the Class D Noteholders and an Extraordinary Resolution of the Class Z Noteholders, in each case of each Series, or the Note Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class M Noteholders, the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders of any Series.

No Extraordinary Resolution of the Noteholders of any one or more Series of Class M Notes to sanction a modification of, or any waiver or authorisation of any breach or proposed breach of, any

of the provisions of the Transaction Documents or the Conditions of the Notes shall take effect unless it has been sanctioned by an Extraordinary Resolution of the Class C Noteholders, an Extraordinary Resolution of the Class D Noteholders and an Extraordinary Resolution of the Class Z Noteholders, in each case of each Series, or the Note Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders of any Series.

No Extraordinary Resolution of the Noteholders of any one or more Series of Class C Notes to sanction a modification of, or any waiver or authorisation of any breach or proposed breach of, any of the provisions of the Transaction Documents or the Conditions of the Notes shall take effect unless it has been sanctioned by an Extraordinary Resolution of the Class D Noteholders and an Extraordinary Resolution of the Class Z Noteholders of each Series, or the Note Trustee is of the opinion that it would not be materially prejudicial to the interests of the Class D Noteholders and the Class Z Noteholders of any Series.

No Extraordinary Resolution of the Noteholders of any one or more Series of Class D Notes to sanction a modification of, or any waiver or authorisation of any breach or proposed breach of, any of the provisions of the Transaction Documents or the Conditions of the Notes shall take effect unless it has been sanctioned by an Extraordinary Resolution of the Class Z Noteholders of each Series, or the Note Trustee is of the opinion that it would not be materially prejudicial to the interests of the Class Z Noteholders of any Series.

11.5 Modifications and Determinations by Note Trustee

The Note Trustee, may, without the consent of the Noteholders:

- (a) agree to any modification (other than a Basic Terms Modification) of, or to the waiver or authorisation of any breach or proposed breach of, the Conditions of any Series and Class of Notes or any of the Transaction Documents which is not in the opinion of the Note Trustee, materially prejudicial to the interests of the Noteholders of any Series and Class of Notes; or
- (b) determine that any Note Event of Default shall not be treated as such provided that it is not in the opinion of the Note Trustee materially prejudicial to the interests of the Holders of the most senior Class of Notes then outstanding; or
- (c) agree to any modification (including a Basic Terms Modification) of these Conditions or any of the Transaction Documents which, in the opinion of the Note Trustee, is of a formal, minor or technical nature or is to correct a manifest error or proven error established as such to the satisfaction of the Note Trustee or is to comply with the mandatory provisions of law; or
- (d) agree to any modification of any of these Conditions or any Transaction Documents as expressly provided for in the Transaction Documents.

For the avoidance of doubt, the Note Trustee shall be entitled to assume, without further investigation or inquiry, that such modification, waiver, determination or authorisation will not be materially prejudicial to the interests of the Noteholders or any Class or Series thereof if each of the Rating Agencies rating the relevant Series and/or Class of Notes has confirmed in writing that the then current ratings of the applicable Series and/or Class of Notes for which it provides a rating would not be reduced, withdrawn or qualified by such modification, waiver, determination or authorisation. Any such modification, waiver, authorisation or determination shall be binding on the Noteholders and, unless the Note Trustee agrees otherwise, any such modification shall be notified to the Noteholders and the Rating Agencies in accordance with **Condition 14** as soon as practicable thereafter.

11.6 Redenomination

The Note Trustee may agree, without the consent of the Holders of the Sterling Notes on or after the Specified Date (as defined below), to such modifications to the Sterling Notes and the Note Trust Deed in respect of redenomination of such Notes in euro and associated reconventioning, renominatisation and related matters in respect of such Notes as may be proposed by the Issuer (and confirmed by an independent financial institution approved by the Note Trustee to be in conformity with then applicable market conventions) and to provide for redemption at the euro equivalent of the Sterling principal amount of the Sterling Notes. For these purposes, **Specified Date** means the date on which the United Kingdom participates in the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended by the Treaty on European Union, or otherwise participates in European economic and monetary union in a manner with an effect similar to such third stage.

Any such modification shall be binding on the Holders of the Sterling Notes and, unless the Note Trustee agrees otherwise, any such modification shall be notified to such Noteholders in accordance with **Condition 14** as soon as practicable thereafter.

11.7 Exercise of Note Trustee's Functions

Where the Note Trustee is required, in connection with the exercise of its powers, trusts, authorities, duties and discretions under these Conditions or any Transaction Document, to have regard to the interests of the Noteholders of any Class, it shall have regard to the interests of such Noteholders as a class and, in particular but without prejudice to the generality of the foregoing, the Note Trustee shall not have regard to, or be in any way liable for, the consequences of such exercise for individual Noteholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory. In connection with any such exercise, the Note Trustee shall not be entitled to require, and no Noteholder shall be entitled to claim, from the Issuer or any other person, any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders.

12. INDEMNIFICATION OF THE NOTE TRUSTEE AND THE ISSUER SECURITY TRUSTEE

The Note Trust Deed, the Issuer Deed of Charge and the Funding 1 Deed of Charge set out certain provisions for the benefit of the Note Trustee, the Issuer Security Trustee and the Funding 1 Security Trustee. The following is a summary of such provisions and is subject to the more detailed provisions of the Note Trust Deed, the Issuer Deed of Charge and the Funding 1 Deed of Charge.

The Transaction Documents contain provisions governing the responsibility (and relief from responsibility) of the Note Trustee, the Issuer Security Trustee and the Funding 1 Security Trustee and providing for their indemnification in certain circumstances, including, among others, provisions relieving the Issuer Security Trustee, the Note Trustee and the Funding 1 Security Trustee from taking enforcement proceedings or enforcing the Issuer Security and/or the Funding 1 Security, as the case may be, unless indemnified to its satisfaction.

The Note Trustee, the Issuer Security Trustee and the Funding 1 Security Trustee and their related companies are entitled to enter into business transactions with the Issuer, any member of the Alliance & Leicester's group of companies, the Issuer Cash Manager and/or the related companies of any of them and to act as note trustee or security trustee for the holders of any new notes and/or any other person who is a party to any Transaction Document or whose obligations are comprised in the Issuer Security or the Funding 1 Security and/or any of its subsidiary or associated companies without accounting for any profit resulting therefrom.

Neither the Note Trustee, the Issuer Security Trustee nor the Funding 1 Security Trustee will be responsible for any loss, expense or liability which may be suffered as a result of any assets comprised in the Issuer Security or the Funding 1 Security, or any deeds or documents of title thereto, being uninsured or inadequately insured or being held by clearing organisations or their operators or by intermediaries such as banks, brokers or other similar persons on behalf of the Note Trustee or the Issuer Security Trustee or the Funding 1 Security Trustee, as applicable.

Furthermore, the Note Trustee, the Issuer Security Trustee and the Funding 1 Security Trustee will be relieved of liability for making searches or other inquiries in relation to the assets comprising the Issuer Security and Funding 1 Security. The Note Trustee, the Issuer Security Trustee and the Funding 1 Security Trustee do not have any responsibility in relation to the legality and the enforceability of the trust arrangements and the related Issuer Security and Funding 1 Security. Neither the Note Trustee, the Issuer Security Trustee nor the Funding 1 Security Trustee will be obliged to take any action that might result in its incurring personal liabilities. Neither the Note Trustee, the Issuer Security Trustee nor the Funding 1 Security Trustee is obliged to monitor or investigate the performance of any other person under the Transaction Documents and is entitled to assume, until it has actual knowledge to the contrary, that all such persons are properly performing their duties, unless it receives express notice to the contrary.

Neither the Note Trustee, the Issuer Security Trustee nor the Funding 1 Security Trustee will be responsible for any deficiency that may arise because it is liable to tax in respect of the proceeds of any Issuer Security or any Funding 1 Security.

Law Debenture Trust Company of New York (the **Initial Trustee**) is acting as Note Trustee under the Note Trust Deed and as Issuer Security Trustee under the Issuer Deed of Charge and as Funding 1 Security Trustee under the Funding 1 Deed of Charge (and while doing so the Initial Trustee and any successor which acts in all such capacities are referred to in this Condition as the **Trustee**). No entity may act as a trustee in any such capacity unless it is also the Trustee or unless the Trustee agrees otherwise or unless the Trustee resigns its office as trustee in one or more of such capacities. In its capacity as Trustee, the Trustee will not be liable to any Noteholder for any loss which he may suffer by reason of any conflict which may arise between the interests of the Noteholders and any other person to whom the Trustee owes duties as a result of the Trustee acting in all such capacities.

Neither the Initial Trustee nor any of its successors has any responsibility to Noteholders, the Issuer Secured Creditors or the Funding 1 Secured Creditors for the validity, sufficiency or enforceability of the Issuer Security and the Funding 1 Security (which the Initial Trustee has not investigated) and shall accept such title and interest as any chargor or mortgagor has without responsibility for investing the same or any defect there may be therein. Neither the Initial Trustee nor any of its successors are responsible for monitoring the performance by any person of its obligations to the Issuer, Funding 1, any Further Funding Companies or any obligor and each may assume until it has actual knowledge to the contrary that such obligations are being duly performed.

13. REPLACEMENT OF NOTES

If Definitive Notes are lost, stolen, mutilated, defaced or destroyed, the Noteholder can replace them at the Specified Office of any Paying Agent subject to all applicable laws and stock exchange requirements. The Noteholder will be required both to pay the expenses of producing a replacement and to comply with the Issuer's, the Registrar's and the Paying Agents' reasonable requests for evidence and indemnity.

If a Global Note is lost, stolen, mutilated, defaced or destroyed, the Issuer will deliver a replacement Global Note to the registered holder upon receipt of satisfactory evidence and surrender of any defaced or mutilated Global Note. A replacement will only be made upon payment of the expenses

for a replacement and compliance with the Issuer's, Registrar's and Paying Agents' reasonable requests as to evidence and indemnity.

Defaced or mutilated Notes must be surrendered before replacements will be issued.

14. NOTICE TO NOTEHOLDERS

14.1 Publication of Notice

Any notice to Noteholders shall be validly given if such notice is:

- (a) sent to them by first class mail (or its equivalent) or (if posted to a non-UK address) by airmail at the respective addresses on the Register; and
- (b) published in *The Financial Times*;

or, if any of such newspaper set out above shall cease to be published or timely publication therein shall not be practicable, in a leading English language daily newspaper having general circulation in the United Kingdom provided that if, at any time, the Issuer procures that the information concerned in such notice shall be published on the Relevant Screen, publication in the newspaper set out above or such other newspaper or newspapers shall not be required with respect to such information.

14.2 Date of Publication

Any notices so published shall be deemed to have been given on the fourth day after the date of posting, or as the case may be, on the date of such publication or, if published more than once on different dates, on the first date on which publication shall have been made in the newspaper or newspapers in which (or on the Relevant Screen on which) publication is required.

14.3 Global Notes

While the Notes are represented by Global Notes, any notice to Noteholders will be validly given if such notice is provided in accordance with **Condition 14.1** or (at the option of the Issuer) if delivered to DTC (in the case of the Rule 144A Notes) or Euroclear and/or Clearstream, Luxembourg (in the case of the Reg S Notes) or (if specified in the applicable Final Terms) if delivered through any **Alternative Clearing System** specified therein. Any notice delivered to the DTC and/or Euroclear and/or Clearstream, Luxembourg and/or such Alternative Clearing System will be deemed to be given on the day of such delivery.

14.4 Note Trustee's Discretion to Select Alternative Method

The Note Trustee shall be at liberty to sanction some other method of giving notice to the Noteholders or any Series or Class or category of them if, in its opinion, such other method is reasonable having regard to market practice then prevailing and to the requirements of the stock exchanges on which the Notes are then admitted for trading and provided that notice of such other method is given to the Noteholders in such manner as the Note Trustee shall require.

15. NOTES ISSUES

The Issuer shall (subject to satisfaction of the Issuance Tests) be at liberty, without the consent of the Noteholders, to create and issue Notes from time to time.

16. RATING AGENCIES

If:

- (a) a confirmation of rating or other response by a Rating Agency is a condition to any action or step under any Transaction Document; and
- (b) a written request for such confirmation or response is delivered to each Rating Agency by the Issuer (copied to the Note Trustee and/or the Issuer Security Trustee and/or the Funding 1 Security Trustee, as applicable) and either one or more Rating Agency (each a **Non-Responsive Rating Agency**) indicates that it does not consider such confirmation or response necessary in the circumstances or within 30 days of delivery of such request elicits no confirmation or response and/or such request elicits no statement by such Rating Agency that such confirmation or response could not be given; and
- (c) at least one Rating Agency gives such a confirmation or response based on the same facts,

then such condition shall be deemed to be modified with respect to the facts set out in the request referred to in (b) so that there shall be no requirement for the confirmation or response from the Non-Responsive Rating Agency.

The Note Trustee and/or the Issuer Security Trustee and/or the Funding 1 Security Trustee, as applicable, shall be entitled to treat as conclusive a certificate by any director, officer or employee of the Issuer, Funding 1, the Seller, any investment bank or financial adviser acting in relation to the Notes as to any matter referred to in (b) in the absence of manifest error or the Note Trustee and/or the Issuer Security Trustee and/or the Funding 1 Security Trustee, as applicable, having facts contradicting such certificates specifically drawn to his attention and the Note Trustee and/or the Issuer Security Trustee and/or the Funding 1 Security Trustee, as applicable, shall not be responsible for any loss, liability, costs, damages, expenses or inconvenience that may be caused as a result.

17. GOVERNING LAW AND JURISDICTION

The Transaction Documents and the Notes (and any non-contractual obligations arising out of or in connection with them) are governed by English law unless specifically stated to the contrary. Certain provisions in the Transaction Documents relating to property situated in Scotland are governed by Scots law. Certain provisions in the Transaction Documents relating to property situated in Northern Ireland are governed by Northern Irish law. Unless specifically stated to the contrary:

- (a) the courts of England are to have non-exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Notes and the Transaction Documents; and
- (b) the Issuer and the other parties to the Transaction Documents irrevocably submit to the non-exclusive jurisdiction of the courts of England.

18. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

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

19. DEFINITIONS

Unless otherwise defined in these Conditions or unless the context otherwise requires, in these Conditions the following words shall have the following meanings and any other capitalised terms used in these Conditions shall have the meanings ascribed to them or incorporated in the Note Trust Deed or the Master Definitions and Construction Schedule. The provisions of **Clause 2** (Interpretation and Construction) of the Master Definitions and Construction Schedule are incorporated into and shall apply to these Conditions.

Additional Business Centre means, in respect of any Series and Class of Notes, each place specified as such for such Notes in the applicable Final Terms;

Agents means the Paying Agents, the Transfer Agent, the Registrar and the Agent Bank;

Agent Bank means Citibank, N.A., London Branch in its capacity as agent bank at its Specified Office or such other person for the time being acting as agent bank under the Paying Agent and Agent Bank Agreement;

Alliance & Leicester means Alliance & Leicester plc (registered number 03263713), a public limited company incorporated under the laws of England and Wales, whose registered office is at Carlton Park, Narborough, Leicester LE19 0AL;

Basel II Framework means the regulatory capital framework described in the Basel Committee on Banking Supervision's publication, Basel II: The International Convergence of Capital Measurement and Capital Standards: a Revised Framework;

Broken Amount means, in respect of any Series and Class of Notes, the amount specified as such (if any) for such Notes in the applicable Final Terms;

Business Day means a day that is a London Business Day, a New York Business Day and a TARGET Business Day;

Cash Management Agreement means the cash management agreement entered into on the Initial Closing Date between the Cash Manager, the Mortgages Trustee, Funding 1 and the Funding 1 Security Trustee (as the same may be amended, restated, novated and/or supplemented from time to time);

Cash Manager means Alliance & Leicester acting, pursuant to the Cash Management Agreement, as agent for the Mortgages Trustee, Funding 1 and the Funding 1 Security Trustee (amongst others) to, *inter alia*, manage all cash transactions and maintain certain ledgers on behalf of the Mortgages Trustee, Funding 1 and the Funding 1 Security Trustee (which expression shall include such other person as may be appointed from time to time as Cash Manager pursuant to the Cash Management Agreement);

Class or **class** means, in relation to the Notes of any Series and the Noteholders, the Class A Notes, the Class B Notes, the Class M Notes, the Class C Notes, the Class D Notes or the Class Z Notes, as the context requires, and the respective holders thereof;

Class A Noteholders means the Holders of the Class A Notes;

Class A Notes means Notes of any Series designated as such (or a sub-class of such) in the applicable Final Terms;

Class B Noteholders means the Holders of the Class B Notes;

Class B Notes means Notes of any Series designated as such (or a sub-class of such) in the applicable Final Terms;

Class C Noteholders means the Holders of the Class C Notes;

Class C Notes means Notes of any Series designated as such (or a sub-class of such) in the applicable Final Terms;

Class D Noteholders means the Holders of the Class D Notes;

Class D Notes means Notes of any Series designated as such (or a sub-class of such) in the applicable Final Terms;

Class M Noteholders means the Holders of the Class M Notes;

Class M Notes means Notes of any Series designated as such (or a sub-class of such) in the applicable Final Terms;

Class Z Noteholders means the Holders of the Class Z Notes;

Class Z Notes means Notes of any Series designated as such (or a sub-class of such) in the applicable Final Terms;

Clearstream, Luxembourg means Clearstream Banking, société anonyme;

Closing Date has the meaning given to it in the applicable Final Terms;

Conditional Purchaser means, in respect of any Series and Class of Remarketable Notes, the Conditional Purchaser specified in the applicable Final Terms;

Conditional Purchaser Confirmation means, in respect of any Series and Class of Remarketable Notes, the confirmation given by the Remarketing Agent or the Tender Agent to the Issuer and the Principal Paying Agent that the Conditional Purchaser has purchased an interest in or has had transferred to it or on its behalf an interest in all such Remarketable Notes;

Corporate Services Agreement means the agreement dated the Initial Closing Date between (amongst others) the Corporate Services Provider, Funding 1, Holdings, Alliance & Leicester and the Funding 1 Security Trustee for the provision by the Corporate Services Provider of certain corporate services and personnel to Funding 1 and Holdings (as the same may be amended, restated, novated and/or supplemented from time to time);

Corporate Services Provider means Structured Finance Management Limited or such other person or persons for the time being acting as corporate services provider to Funding 1 and Holdings under the Corporate Services Agreement;

Dealers means the institutions specified as such in the applicable Final Terms;

Definitive Notes means the note certificates representing the Notes while in definitive form;

Designated Account means the account maintained by a Holder with a Designated Bank and identified as such in the Register;

Designated Bank means (in the case of payment in a Specified Currency other than euro) a bank in the principal financial centre of the country of such Specified Currency and (in the case of a payment in euro) any bank which processes payments in euro;

Determination Date means, in respect of any Series and Class of Notes, the date(s) specified as such (if any) for such Notes in the applicable Final Terms;

Dollars, U.S.\$, U.S. Dollars or \$ means the lawful currency for the time being of the United States of America;

DTC means The Depository Trust Company;

EURIBOR means the Euro-zone inter-bank offered rate;

Euro, euro or € means the currency of the member states of the European Union that adopt the single currency in accordance with the Treaty of Rome of 25 March 1957, establishing the European Community, as amended from time to time;

Euroclear means Euroclear Bank S.A./N.V.;

Extraordinary Resolution means a resolution passed at a meeting of the Noteholders of a particular Class, Series or Series and Class duly convened and held in accordance with the provisions of the Note Trust Deed by a majority consisting of not less than three-fourths of the persons voting thereat upon a show of hands or if a poll is duly demanded by a majority consisting of not less than three-fourths of the votes cast on such poll;

FSA means the Financial Services Authority;

Final Maturity Date means, in respect of any Series and Class of Notes, the date specified as such for such Notes in the applicable Final Terms;

Final Terms means, in relation to any Series of Notes, the final terms issued in relation to such Series of Notes as a supplement to these Conditions and giving details of, *inter alia*, the amount and price of such Series of Notes and which forms a part of the prospectus in relation to such Series of Notes;

Fixed Coupon Amount means, in respect of any Series and Class of Notes, the amount specified as such (if any) for such Notes in the applicable Final Terms;

Funding 1 means Fosse Funding (No. 1) Limited;

Funding 1 Account Bank means the bank at which the Funding 1 Bank Accounts are maintained from time to time (being, as at 23 November 2009, Santander UK plc acting through its offices at 2 Triton Square, Regent's Place, London NW1 3AN and, thereafter, such other replacement account banks as Funding 1 may choose with the prior written approval of the Funding 1 Security Trustee in accordance with the Funding 1 Bank Account Agreement);

Funding 1 Bank Account Agreement means the agreement entered into on the Initial Closing Date between (amongst others) the Funding 1 Account Bank and Funding 1, which governs the operation of the Funding 1 Bank Accounts (as the same may be amended, restated, novated and/or supplemented from time to time);

Funding 1 Bank Accounts means the Funding 1 GIC Account and the Funding 1 Transaction Account and such other bank account(s) held in the name of Funding 1 with the approval of the Funding 1 Security Trustee from time to time;

Funding 1 Deed of Charge means the deed of charge entered into on the Initial Closing Date between, among others, Funding 1, the Funding 1 Security Trustee, the Issuer and the Note Trustee and each deed of accession or supplement entered into in connection therewith;

Funding 1 GIC Account means the account in the name of Funding 1 held at the Funding 1 Account Bank and maintained subject to the terms of the Funding 1 Bank Account Agreement and the Funding 1 Deed of Charge or such additional or replacement account as may for the time being be in place;

Funding 1 Interest Payment Date means, in relation to a Loan Tranche, the Quarter Dates specified in the Final Terms in each year (or, if such day is not a Business Day, the next succeeding Business Day) or, following the occurrence of a Pass-Through Trigger Event, the 18th day of each calendar month in each year (or, if such day is not a Business Day, the next succeeding Business Day);

Funding 1 Secured Creditors means the Funding 1 Security Trustee, the Funding 1 Swap Provider, the Cash Manager, the Funding 1 Account Bank, the Seller, the Corporate Services Provider, each Start Up Loan Provider, the Issuer and any other entity that accedes to the terms of the Funding 1 Deed of Charge from time to time;

Funding 1 Security means the security created under the Funding 1 Deed of Charge;

Funding 1 Security Trustee means Law Debenture Trust Company of New York and its successors or any other security trustee under the Funding 1 Deed of Charge;

Funding 1 Start-Up Loan Agreements means the Funding 1 start-up loan agreement entered into on or about the Initial Closing Date between Funding 1, the Funding 1 Start-Up Loan Provider and the Funding 1 Security Trustee and each other start-up loan agreement entered into in connection with the issuance of a Series of Notes (as each of the same may be amended, restated, novated and/or supplemented from time to time);

Funding 1 Swap Agreement means the ISDA Master Agreement and Schedule entered into on the Initial Closing Date between Funding 1, the Funding 1 Swap Provider and the Funding 1 Security Trustee and any confirmation documented thereunder from time to time between Funding 1, the Funding 1 Swap Provider and the Funding 1 Security Trustee (as each of the same may be amended, restated, novated or supplemented from time to time);

Funding 1 Swap Provider means Alliance & Leicester (or, on and from the Transfer Date (if applicable), Santander UK) acting in its capacity as the Funding 1 Swap Provider pursuant to the Funding 1 Swap Agreement;

Funding 1 Transaction Account means the account in the name of Funding 1 held with the Funding 1 Account Bank and maintained subject to the terms of the Funding 1 Bank Account Agreement and the Funding 1 Deed of Charge or such additional or replacement account as may for the time being be in place;

Funding Companies means Funding 1 and each Further Funding Company (if any);

Further Funding Company means any funding entity (other than Funding 1) established in the future by Holdings;

Global Notes means the Rule 144A Global Notes and the Reg S Global Notes;

Holdings means Fosse (Master Issuer) Holdings Limited (registered number 5925689), a limited company incorporated under the laws of England and Wales, whose registered office is at 35 Great St. Helen's, London EC3A 6AP;

Initial Closing Date means 28 November 2006;

Intercompany Loan means, at any time, the aggregate of all Loan Tranches advanced under the Intercompany Loan Agreement;

Intercompany Loan Agreement means the loan agreement entered into on the Initial Closing Date between, amongst others, Funding 1, the Issuer and the Funding 1 Security Trustee (as the same may be amended, restated, novated and/or supplemented from time to time);

Interest Commencement Date means, in respect of any Series and Class of Notes, the Closing Date of such Notes or such other date as may be specified as such for such Notes in the applicable Final Terms;

Interest Determination Date means the date two Business Days prior to each Interest Payment Date;

Interest Payment Date means, in respect of a Series and Class of Notes (other than Monthly Payment Notes), the Quarterly Interest Payment Dates and (in the case of Monthly Payment Notes) the Monthly Interest Payment Dates, subject, in each case, to the applicable Final Terms;

ISDA Definitions means the 2000 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Closing Date of the first Series of Notes;

Issuer means Fosse Master Issuer plc;

Issuer Account Bank means Alliance & Leicester or such other person for the time being acting as account bank to the Issuer under the Issuer Bank Account Agreement;

Issuer Bank Accounts means the Issuer Transaction Account, the Issuer Share Capital Account and any other account opened and maintained by the Issuer with the Issuer Account Bank pursuant to the Transaction Documents (including without limitation the Issuer GIC Account);

Issuer Bank Account Agreement means the bank account agreement entered into on the Initial Closing Date between the Issuer, the Issuer Cash Manager, the Issuer Account Bank and the Issuer Security Trustee (as the same may be amended, restated, novated and/or supplemented from time to time);

Issuer Cash Management Agreement means the cash management agreement dated the Initial Closing Date between, amongst others, the Issuer Cash Manager, the Issuer and the Issuer Security Trustee (as the same may be amended, restated, novated and/or supplemented from time to time);

Issuer Cash Manager means Alliance & Leicester or such other person or persons for the time being acting, under the Issuer Cash Management Agreement, as agent, *inter alia*, for the Issuer;

Issuer Corporate Services Agreement means the agreement entered into on or about the Initial Closing Date and made between (amongst others) the Issuer Corporate Services Provider and the Issuer for the provision by the Issuer Corporate Services Provider of certain corporate services and personnel to the Issuer (as the same may be amended, restated, novated and/or supplemented from time to time);

Issuer Corporate Services Provider means Structured Finance Management Limited or such other person or persons for the time being acting as corporate services provider to the Issuer under the Issuer Corporate Services Agreement;

Issuer Deed of Charge means the deed of charge entered into on the Initial Closing Date between, among others, the Issuer and the Issuer Security Trustee and each deed of accession or supplement entered into in connection therewith;

Issuer Priority of Payments means the Issuer Pre-acceleration Revenue Priority of Payments, the Issuer Pre-acceleration Principal Priority of Payments, the Issuer Post-acceleration Principal Priority of Payments or the Issuer Priority of Payments following an intercompany loan acceleration notice, as the case may be, each as set out in the Issuer Cash Management Agreement or the Issuer Deed of Charge (as the case may be);

Issuer Secured Creditors means the Issuer Security Trustee, the Note Trustee, the Issuer Swap Providers, the Issuer Corporate Services Provider, the Issuer Account Bank, the Issuer Cash Manager, the Paying Agents, the Agent Bank, the Exchange Rate Agent, the Transfer Agent, the Registrar and the Noteholders and any new Issuer Secured Creditor who accedes to the Issuer Deed of Charge from time to time under a deed of accession or a supplemental deed;

Issuer Security means the security created by the Issuer pursuant to the Issuer Deed of Charge;

Issuer Security Trustee means Law Debenture Trust Company of New York and its successors or any other security trustee under the Issuer Deed of Charge;

Issuer Swap Agreement means the ISDA master agreements, schedules and confirmations relating to the currency and/or interest rate swaps to be entered into on or prior to each Closing Date between the Issuer, the applicable Issuer Swap Provider and the Issuer Security Trustee in connection with the Notes (as each of the same may be amended, restated, novated and/or supplemented from time to time);

Issuer Swap Providers means in respect of a Series and Class of Notes, the institutions identified in the applicable Final Terms;

LIBOR means the London inter-bank offered rate;

Loan means each loan referenced by its loan identifier number and comprising the aggregate of all principal sums, interest, costs, charges, expenses and other monies (including all Further Advances) due or owing with respect to that loan under the relevant Mortgage Conditions by a Borrower on the security of a Mortgage from time to time outstanding or, as the context may require, the Borrower's obligations in respect of the same;

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

Mandatory Transfer Date means, in respect of any Series and Class of Remarketable Notes, the Interest Payment Date specified as such for such Remarketable Notes in the applicable Final Terms;

Mandatory Transfer Price means, in respect of any Series and Class of Remarketable Notes, the Principal Amount Outstanding of such Remarketable Notes on the relevant Mandatory Transfer Date following the application of Note Principal Payments on such date;

Mandatory Transfer Termination Event shall occur in respect of any Series and Class of Remarketable Notes if the Conditional Purchaser has purchased an interest in all such Remarketable Notes;

Managers means the entities specified as such in the applicable Final Terms;

Margin means, in respect of any Series and Class of Notes, the amount specified as such for such Notes in the applicable Final Terms and, in the case of Remarketable Notes, shall include the Reset Margin;

Maximum Reset Margin means, in respect of any Series and Class of Remarketable Notes, the amount specified as such for such Remarketable Notes in the applicable Final Terms;

Maximum Rate of Interest means, in respect of any Series and Class of Notes, the rate of interest specified as such for such Notes in the applicable Final Terms;

Minimum Rate of Interest means, in respect of any Series and Class of Notes, the rate of interest specified as such for such Notes in the applicable Final Terms;

Money Market Notes means Notes which will be “Eligible Securities” within the meaning of Rule 2a-7 under the United States Investment Company Act of 1940, as amended;

Monthly Dates means the 18th day of each calendar month in each year (or, if such day is not a Business Day, the next succeeding Business Day);

Monthly Interest Payment Dates means, in respect of any Monthly Payment Notes, the Monthly Dates specified in the applicable Final Terms for the payment of interest and/or principal subject, in each case, to the appropriate Business Day Convention, if any, specified in the applicable Final Terms;

Monthly Payment Notes means either Money Market Notes or any other Notes in respect of which Monthly Interest Payment Dates are specified in the applicable Final Terms;

Mortgage Sale Agreement means the mortgage sale agreement entered into on the Initial Closing Date and made between the Seller, Funding 1, the Mortgages Trustee and the Funding 1 Security Trustee in relation to the sale of Loans to the Mortgages Trustee from time to time (as the same may be amended, restated, novated and/or supplemented from time to time);

Mortgages Trust Deed means the mortgages trust deed entered into between (amongst others) the Mortgages Trustee, Funding 1 and the Seller on or about the Initial Closing Date (as the same may be amended, restated, novated and/or supplemented from time to time);

Mortgages Trustee means Fosse Trustee Limited (registered number 94410), a private company with limited liability incorporated in Jersey, Channel Islands, whose registered office is at 22 Grenville Street, St. Helier, Jersey JE4 8PX, Channel Islands;

Mortgages Trustee Account Bank means the bank at which the Mortgages Trustee GIC Account is maintained from time to time (being, as at 23 November 2009, Santander UK plc acting through its offices at 2 Triton Square, Regent's Place, London NW1 3AN and, thereafter, such other replacement account bank as the Mortgages Trustee may appoint in accordance with the Transaction Documents);

Mortgages Trustee Bank Account Agreement means the agreement entered into on or about the Initial Closing Date between (amongst others) the Mortgages Trustee Account Bank; and the Mortgages Trustee which governs the operation of the Mortgages Trustee GIC Account (as the same may be amended restated, novated and/or supplemented from time to time);

Mortgages Trustee Corporate Services Agreement means the agreement entered into on or about the Initial Closing Date between the Mortgages Trustee Corporate Services Provider, Alliance & Leicester and the Mortgages Trustee for the provision by the Mortgages Trustee Corporate Services Provider of certain corporate services to the Mortgages Trustee (as the same may be amended, restated, novated and/or supplemented from time to time);

Mortgages Trustee Corporate Services Provider means Mourant & Co. Limited or such other person or persons for the time being acting as corporate services provider to the Mortgages Trustee under the Mortgages Trustee Corporate Services Agreement;

Mortgages Trustee GIC Account means the account in the name of the Mortgages Trustee maintained with the Mortgages Trustee Account Bank pursuant to the Mortgages Trustee Bank Account Agreement or such additional or replacement bank account of the Mortgages Trustee as may for the time being be in place (as the same may be amended, restated, novated and/or supplemented from time to time);

New York Business Day means a day (other than a Saturday or a Sunday) on which banks are open for general business (including dealings in foreign currency) in the city of New York;

Note Event of Default means the occurrence of an event of default by the Issuer as specified in **Condition 9**;

Note Trust Deed means the trust deed entered into on the Initial Closing Date between the Issuer and the Note Trustee, and each supplemental deed entered into in connection therewith;

Note Trustee means Law Debenture Trust Company of New York and its successors or any further or other note trustee under the Note Trust Deed, as trustee for the Noteholders;

Noteholders means the Holders for the time being of the Notes;

Notes means any Global Notes or Definitive Notes;

Pass-Through Trigger Event means any of the following events:

- (a) a Trigger Event;
- (b) the service of a Note Acceleration Notice by the Note Trustee on the Issuer; or
- (c) the service of an Intercompany Loan Acceleration Notice by the Funding 1 Security Trustee on Funding 1;

Paying Agent and Agent Bank Agreement means the paying agent and agent bank agreement entered into on the Initial Closing Date between, among others, the Issuer, the Paying Agents, the Transfer Agent, the Registrar, the Agent Bank and the Issuer Security Trustee (as the same may be amended, restated, novated and/or supplemented from time to time);

Paying Agents means the Principal Paying Agent and the U.S. Paying Agent, together with any further or other paying agents for the time being appointed under the Paying Agent and Agent Bank Agreement;

PECOH Corporate Services Provider means Structured Finance Management Limited or such other person or persons for the time being acting as corporate services provider to the Post Enforcement Call Option Holder under the PECO Corporate Services Agreement;

Post-Enforcement Call Option Agreement means the post-enforcement call option agreement entered into on the Initial Closing Date between the Issuer, the Post-Enforcement Call Option Holder and the Note Trustee (as the same may be amended, restated, novated and/or supplemented from time to time);

Post-Enforcement Call Option Holder or PECO means Fosse PECO Limited;

Post-Enforcement Call Option Holder Corporate Services Agreement or PECOHO Corporate Services Agreement means the agreement entered into on the Initial Closing Date between (amongst others) the PECOHO Corporate Services Provider, PECOHO and the Note Trustee for the provision by the PECOHO Corporate Services Provider of certain corporate services and personnel to PECOHO (as the same may be amended, restated, novated and/or supplemented from time to time);

Principal Amount Outstanding has the meaning indicated in **Condition 5.3**;

Principal Paying Agent means Citibank, N.A., London Branch in its capacity as principal paying agent at its Specified Office or such other person for the time being acting as principal paying agent under the Paying Agent and Agent Bank Agreement;

Programme Agreement means the agreement entered into on or around the Initial Closing Date between (amongst others) the Issuer, and the Dealers named therein (or deemed named therein) (as the same may be amended, restated, novated and/or supplemented from time to time);

Quarter Dates means the 18th day of any of the following dates (or any one of such dates occurring annually or two of such dates occurring semi-annually) as specified in the Final Terms for the payment of interest and/or principal on the Notes and any corresponding Loan Tranche:

- (a) January, April, July and October; or
- (b) February, May, August and November; or
- (c) March, June, September and December;

Quarterly Interest Payment Dates means, in respect of a Series and Class of Notes (other than Monthly Payment Notes), the Quarter Dates specified in the Final Terms for the payment of interest and/or principal until the occurrence of a Pass-Through Trigger Event and, following such occurrence, the Monthly Dates, subject, in each case, to the appropriate Business Day Convention, if any, specified in the applicable Final Terms;

Rate of Interest and Rates of Interest means, in respect of any Series and Class of Notes, the rate or rates (expressed as a percentage per annum) of interest payable in respect of such Notes specified in the applicable Final Terms or calculated and determined in accordance with the applicable Final Terms;

Rating Agencies means Standard & Poor's Rating Services, a division of The McGraw-Hill Companies Inc., Moody's Investors Service Limited and Fitch Ratings Ltd.;

Reference Price means, in respect of any Series and Class of Notes, the price specified as such for such Notes in the applicable Final Terms;

Reference Rate means, in respect of any Series and Class of Notes, the rate specified as such for such Notes in the applicable Final Terms;

Reg S means Regulation S under the United States Securities Act of 1933, as amended;

Reg S Notes means each Series and Class of Notes that are sold outside the United States to non-U.S. persons in reliance on Reg S;

Reg S Global Notes means the note certificates representing the Reg S Notes while in global form;

Register means the register of Noteholders kept by the Registrar and which records the identity of each Noteholder and the number of Notes that each Noteholder owns;

Registrar means Citibank, N.A., London Branch in its capacity as registrar at its Specified Office or such other person for the time being acting as registrar under the Paying Agent and Agent Bank Agreement;

Relevant Screen means a page of the Reuters service or Bloomberg service, or any other medium for electronic display of data as may be previously approved in writing by the Note Trustee and has been notified to Noteholders in the manner set out in **Condition 14**;

Relevant Screen Page means, in respect of any Series and Class of Notes, the screen page specified as such for such Notes in the applicable Final Terms;

Remarketing Agent means, in respect of any Series and Class of Remarketable Notes, the Remarketing Agent specified in the applicable Final Terms, or such other agent appointed to act as remarketing agent under the terms of the relevant Remarketing Agreement;

Remarketing Agreement means, in respect of any Series and Class of Remarketable Notes, the agreement between the Issuer and the Remarketing Agent pursuant to which the Remarketing Agent agrees to use reasonable efforts to identify third party purchasers for such Remarketable Notes on each Mandatory Transfer Date prior to the occurrence of a Mandatory Transfer Termination Event (as the same may be amended, restated, novated and/or supplemented from time to time);

Remarketable Notes means any Series and Class of Notes identified as such in the applicable Final Terms;

Repayment Tests means Rules 1 and 2 under the Funding 1 Pre-acceleration principal priority of payments as set out in the Funding 1 Deed of Charge;

Reset Margin means, in respect of any Series and Class of Remarketable Notes, (i) for each Reset Period a percentage not exceeding the Maximum Reset Margin determined by the Remarketing Agent in accordance with the Remarketing Agreement or (ii) if the Remarketing Agreement has been terminated, the Maximum Reset Margin;

Reset Period means, in respect of any Series and Class of Remarketable Notes, the period commencing on the first Mandatory Transfer Date specified in the applicable Final Terms up to but excluding the next Mandatory Transfer Date and thereafter the period from each Mandatory Transfer Date up to but excluding the next Mandatory Transfer Date;

Rule 144A Global Notes means the note certificates representing the Rule 144A Notes while in global form;

Rule 144A Notes means each Series and Class of Notes which are sold in the United States only to qualified institutional buyers within the meaning of Rule 144A under the United States Securities Act of 1933, as amended;

Scottish Declaration of Trust means each declaration of trust in relation to Scottish Loans and their Related Security granted by the Seller in favour of the Mortgages Trustee pursuant to the Mortgage Sale Agreement;

Scottish Loan means a Loan secured by a standard security over a Property located in Scotland;

Seller means Alliance & Leicester;

Series means, in relation to the Notes, all Notes (of any Class) issued on a given day and designated as such;

Series and Class means a particular Class of Notes of a given Series or, where such Class of such Series comprises more than one sub-class, **Series and Class** means any sub-class of such Class;

Servicer means Alliance & Leicester, or such other person as may from time to time be appointed as servicer of the Portfolio pursuant to the Servicing Agreement;

Servicing Agreement means the agreement entered into on the Initial Closing Date between the Servicer, the Mortgages Trustee, the Funding 1 Security Trustee, Funding 1, and the Seller pursuant to which the Servicer agrees to administer the Loans and their Related Security comprised in the Portfolio (as the same may be amended, restated, novated and/or supplemented from time to time);

Specified Currency means, in respect of any Series and Class of Notes, the currency or currencies specified as such for such Notes in the applicable Final Terms;

Specified Currency Exchange Rate means, in relation to a Series and Class of Notes, the exchange rate specified in the Issuer Swap Agreement relating to such Series and Class of Notes or, if the Issuer Swap Agreement has been terminated, the applicable spot rate;

Specified Denomination means, in respect of any Series and Class of Notes, the denomination specified as such for such Notes in the applicable Final Terms which shall be in the case of Rule 144A Notes a minimum of \$100,000 (or its equivalent in any other currency as at the date of issue of such Notes) and in the case of Reg S Notes a minimum of £50,000 if denominated in sterling (or, in the case of notes denominated in sterling with a minimum maturity of less than 366 days, £100,000) or €50,000 or more (or its equivalent in any other currency as at the date of issue of such Notes) if denominated in a currency other than sterling;

Specified Office means, as the context may require, in relation to any of the Agents, the office specified against the name of such Agent in the Paying Agent and Agent Bank Agreement or such other specified office as may be notified to the Issuer and the Note Trustee pursuant to the Paying Agent and Agent Bank Agreement;

Step-Up Date means:

- (a) in respect of any Loan Tranche, the Funding 1 Interest Payment Date on which the interest rate payable in respect of the relevant Loan Tranche made under the Intercompany Loan increases by a pre-determined amount; and
- (b) in respect of any Notes, the date on which the interest rate payable by the Issuer in respect of those Notes increases by a pre-determined amount;

Sterling, Pounds Sterling or £ means the lawful currency for the time being of the United Kingdom of Great Britain and Northern Ireland;

Sterling Notes means each Series and Class of Notes denominated in Sterling;

Subscription Agreement means an agreement supplemental to the Programme Agreement in or substantially in the form set out in the Programme Agreement or such other form as may be agreed between the Issuer, Managers and the Dealers;

sub-Unit means, with respect to any currency other than Sterling, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to Sterling, one pence;

TARGET Business Day means a day on which the Trans-European Automated Real-time Gross settlement Express (known as TARGET2) system which was launched on 19 November 2007, or any successor thereto, is open;

Tender Agent means, in respect of any Series and Class of Remarketable Notes, the Tender Agent specified in the applicable Final Terms;

Transfer Date means, in respect of a Transaction Document, the date (if applicable) that the bank business transfer scheme under Part VII of the Financial Services and Markets Act 2000 (the **Part VII Scheme**) providing for the transfer of all of Alliance & Leicester's business, and all related assets and liabilities, to Santander UK becomes effective or any later date on which the relevant Transaction Document is transferred in accordance with the Part VII Scheme;

Transaction Documents means the Cash Management Agreement, the Funding 1 Bank Account Agreement, the Corporate Services Agreement, the Controlling Beneficiary Deed, the Funding 1 Deed of Charge, each Funding 1 Deed of Charge Deed of Accession, the Funding 1 Swap Agreement, the Intercompany Loan Agreement, the Issuer Deed of Charge, each Issuer Deed of Charge Deed of Accession, the Master Definitions and Construction Schedule, the Issuer Bank Account Agreement, the Issuer Cash Management Agreement, the Issuer Corporate Services Agreement, the Issuer Master Definitions and Construction Schedule, each Issuer Swap Agreement and any related Issuer Swap Guarantees, the Mortgage Sale Agreement, the Mortgages Trust Deed, the Mortgages Trustee Bank Account Agreement, the Mortgages Trustee Corporate Services Agreement, the Post-Enforcement Call Option Holder Corporate Services Agreement, the Paying Agent and Agent Bank Agreement, the Post-Enforcement Call Option Agreement, the Programme Agreement, each Scottish Declaration of Trust, the Servicing Agreement, each Funding 1 Start-Up Loan Agreement, each Subscription Agreement, the Note Trust Deed, each Loan Tranche Supplement, each Conditional Purchase Agreement, each Remarketing Agreement, any other deeds of accession or supplemental deeds relating to any such documents and any other agreement or document from time to time designated as such by the Issuer and Note Trustee and/or the Issuer Security Trustee and/or the Funding 1 Security Trustee;

Transfer Agent means Citibank, N.A., London Branch in its capacity as transfer agent at its Specified Office or such other person for the time being acting as transfer agent under the Paying Agent and Agent Bank Agreement;

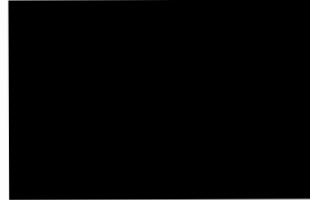
USD-LIBOR means the London inter-bank offered rate for deposits in U.S. dollars; and

U.S. Paying Agent means Citibank, N.A., New York Branch acting in its capacity as U.S. paying agent through its New York office or such other person for the time being acting as U.S. paying agent under the Paying Agent and Agent Bank Agreement.

SIGNATORIES

The Issuer

EXECUTED and DELIVERED as a DEED by)
FOSSE MASTER ISSUER PLC)
acting by two directors)
per pro SFM Directors Limited and)
SFM Directors (No. 2) Limited)



The Note Trustee

EXECUTED and DELIVERED as a DEED by)
LAW DEBENTURE TRUST COMPANY)
OF NEW YORK)
acting by its authorised signatory)
)

SIGNATORIES

The Issuer

EXECUTED and DELIVERED as a DEED by)
FOSSE MASTER ISSUER PLC)
acting by two directors)
per pro SFM Directors Limited and)
SFM Directors (No. 2) Limited)

The Note Trustee

EXECUTED and DELIVERED as a DEED by)
LAW DEBENTURE TRUST COMPANY)
OF NEW YORK)
acting by its authorised signatory)



EXECUTION VERSION

SUPPLEMENTAL NOTE TRUST DEED

21 APRIL 2011

FOSSE MASTER ISSUER PLC

LAW DEBENTURE TRUST COMPANY OF NEW YORK

**relating to a
Residential Mortgage Backed Note Programme**

ALLEN & OVERY

Allen & Overy LLP

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THIS SUPPLEMENTAL NOTE TRUST DEED is made on 21 April 2011

BETWEEN:

- (1) **FOSSE MASTER ISSUER PLC** (registered number 5925693) whose registered office is at 35 Great St. Helen's, London, EC3A 6AP (the **Issuer**); and
- (2) **LAW DEBENTURE TRUST COMPANY OF NEW YORK**, acting through its offices at 400 Madison Avenue – 4th Floor, New York, New York 10017 (acting in its capacity as **Note Trustee**, which expression shall include such company and all other persons and companies for the time being acting as note trustee under this Deed).

WHEREAS:

- (A) This Deed is supplemental to the Note Trust Deed made between the parties hereto dated 28 November 2006 as supplemented and amended on 1 August 2007, 21 August 2008, 11 March 2010 and 9 September 2010 (herein after referred to as the **Existing Note Trust Deed**).
- (B) The Issuer and the Note Trustee have agreed to enter into this Deed to, among other things, permit Global Notes to be held under the NSS.

NOW THIS DEED WITNESSES as follows:

1. INTERPRETATION AND CONSTRUCTION

- 1.1 The master definitions and construction schedule signed by, amongst others, the Issuer and dated 28 November 2006 (as the same may be amended, restated, varied, supplemented and/or novated from time to time with the consent of the parties this Deed, including on 1 August 2007, 20 December 2007, 23 November 2009, 11 March 2010 and the date hereof) (the **Master Definitions and Construction Schedule**) and the issuer master definitions and construction schedule, signed by, amongst others, the parties to this Deed and dated on 28 November 2006 (as the same may be amended, restated, varied, supplemented and/or novated from time to time with the consent of the parties thereto, including on 1 August 2007, 20 December 2007, 23 November 2009, 11 March 2010 and the date hereof) (the **Issuer Master Definitions and Construction Schedule**) are expressly and specifically incorporated into this Deed and, accordingly, the expressions defined in the Master Definitions and Construction Schedule and the Issuer Master Definitions and Construction Schedule shall, except where the context otherwise requires and save where otherwise defined herein, have the same meanings in this Deed, including the recitals thereto.
- 1.2 This Deed will be construed in accordance with the rules of construction set out in the Issuer Master Definitions and Construction Schedule.

2. AMENDMENT OF THE EXISTING NOTE TRUST DEED

With effect from the date hereof the Existing Note Trust Deed is modified in such manner as would result in the Existing Note Trust Deed as so modified being in the form set out in the Appendix 1 to this Deed.

3. SUPPLEMENTAL

Save as expressly amended by this Deed, the Existing Note Trust Deed shall remain in full force and effect and all rights, powers, obligations and immunities comprised therein and arising pursuant thereto shall remain in full force and effect notwithstanding this Deed. The Existing Note Trust Deed and this Deed shall henceforth be read and construed as one document and references in the

Existing Note Trust Deed to "this Deed" shall be read as references to the Existing Note Trust Deed as amended by this Deed.

4. COUNTERPARTS

This Deed may be executed and delivered in any number of counterparts (including by facsimile), all of which, taken together, shall constitute one and the same deed and any party to this Deed or any trust deed supplemental hereto may enter into the same by executing and delivering a counterpart (including by facsimile).

5. RIGHTS OF THIRD PARTIES

A person who is not a party to this Deed has no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Deed except and to the extent (if any) that this Deed expressly provides for such Act to apply to any of its terms, but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

6. GOVERNING LAW

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

7. SUBMISSION TO JURISDICTION

The Issuer irrevocably agrees for the benefit of the Note Trustee and the Noteholders that the English courts have exclusive jurisdiction to settle any dispute which may arise out of or in connection with this Deed (including a dispute arising out of or in connection with this Deed) and accordingly submits to the exclusive jurisdiction of the English courts. The Issuer waives any objection to the courts of England on the grounds that they are an inconvenient or inappropriate forum. The Note Trustee and the Noteholders may take any suit, action or proceeding arising out of or in connection with this Deed (including a dispute arising out of or in connection with this Deed) (together referred to as **Proceedings**) against the Issuer in any other court of competent jurisdiction and concurrent Proceedings in any number of jurisdictions.

IN WITNESS WHEREOF this Deed has been executed as a deed by the Issuer and the Note Trustee and delivered on the date first stated on page 1.

The Issuer

EXECUTED and **DELIVERED** as a **DEED** by
FOSSE MASTER ISSUER PLC
acting by two directors
per pro SFM Directors Limited and
SFM Directors (No. 2) Limited

)
)
)
)



The Note Trustee

EXECUTED and DELIVERED as a DEED by)
LAW DEBENTURE TRUST COMPANY)
OF NEW YORK)
acting by its authorised signatory [REDACTED])

By: [REDACTED]
Duly authorised attorney/signatory

Name: [REDACTED]
in the presence of [REDACTED]

Witness: [REDACTED]
Name: [REDACTED]
Address: [REDACTED]

APPENDIX 1
NOTE TRUST DEED

**NOTE TRUST DEED AS SUPPLEMENTED AND AMENDED ON 1
AUGUST 2007, 21 AUGUST 2009, 11 MARCH 2010, 9
SEPTEMBER 2010 AND 21 APRIL 2011**

DATED 28 NOVEMBER 2006

FOSSE MASTER ISSUER PLC

LAW DEBENTURE TRUST COMPANY OF NEW YORK

relating to a

Residential Mortgage Backed Note Programme

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THIS NOTE TRUST DEED is made on 28 November 2006 as supplemented and amended on 1 August 2007, 21 August 2009, 11 March 2010, 9 September 2010 and 21 April 2011

BETWEEN:

- (1) **FOSSE MASTER ISSUER PLC** (registered number 5925693) whose registered office is at 35 Great St. Helen's, London, EC3A 6AP (the **Issuer**); and
- (2) **LAW DEBENTURE TRUST COMPANY OF NEW YORK**, acting through its offices at 767 Madison Avenue – 4th Floor, New York, New York 10017 (acting in its capacity as **Note Trustee**, which expression shall include such company and all other persons and companies for the time being acting as note trustee under this Deed).

WHEREAS:

- (A) By a resolution of a duly authorised Board of Directors of the Issuer passed on 20 November 2006, the Issuer has resolved to establish the Programme pursuant to which the Issuer may from time to time issue Notes as set out herein.
- (B) The Note Trustee has agreed to act as trustee of these presents for the benefit of the Noteholders upon and subject to the terms and conditions of these presents.

NOW THIS NOTE TRUST DEED WITNESSES AND IT IS AGREED AND DECLARED:

1. DEFINITIONS

- 1.1 The master definitions and construction schedule signed by, amongst others, the Issuer and dated 28 November 2006 (as the same may be amended, restated, varied, supplemented and/or novated from time to time with the consent of the parties to this Deed, including on 20 December 2007, 23 November 2009, 11 March 2010 and 21 April 2011) (the **Master Definitions and Construction Schedule**) and the issuer master definitions and construction schedule, signed by, amongst others, the parties to this Deed and dated on 28 November 2006 (as the same may be amended, restated, varied, supplemented and/or novated from time to time with the consent of the parties to this Deed, including on 20 December 2007, 23 November 2009, 11 March 2010 and 21 April 2011) (the **Issuer Master Definitions and Construction Schedule**) are expressly and specifically incorporated into this Deed and, accordingly, the expressions defined in the Master Definitions and Construction Schedule and the Issuer Master Definitions and Construction Schedule shall, except where the context otherwise requires and save where otherwise defined herein, have the same meanings in this Deed, including the recitals thereto.
- 1.2
 - (a) All references in these presents to interest in respect of the Notes or to any monies payable by the Issuer under these presents shall be deemed to include a reference to any Additional Interest which may be payable under **Condition 4.4** or, if applicable, under any undertaking or covenant given pursuant to **Clause 2.2**.
 - (b) All references in these presents to **£, sterling** or **pounds sterling** shall be construed as references to the lawful currency or currency unit for the time being of the United Kingdom of Great Britain and Northern Ireland. All references to **€, EUR, euro** or **Euro** shall be construed as references to the single currency introduced at the third stage of European Economic and Monetary Union pursuant to the Treaty on the functioning of the European Union, as amended from time to time. All references to **\$, U.S.\$** or **U.S. dollars** shall be construed as references to the lawful currency or currency unit for the time being of the United States of America.

- (c) All references in this Deed to **these presents** means this Deed, the schedules hereto, the Notes, the Conditions, any deed expressed to be supplemental hereto or thereto and the Issuer Deed of Charge and the schedules thereto, all as from time to time supplemented or modified in accordance with the provisions contained in this Deed and/or where applicable, therein contained.
- (d) All references in these presents to guarantees or to an obligation being guaranteed shall be deemed to include respectively references to indemnities or to an indemnity being given in respect thereof.
- (e) All references in these presents to any action, remedy or method of proceeding for the enforcement of the rights of creditors shall be deemed to include, in respect of any jurisdiction other than England, references to such action, remedy or method of proceeding for the enforcement of the rights of creditors available or appropriate in such jurisdiction as shall most nearly approximate to such action, remedy or method of proceeding described or referred to in these presents.
- (f) All references in these presents to taking proceedings against the Issuer shall be deemed to include references to proving in the winding up of the Issuer.
- (g) All references in these presents to DTC, Euroclear and Clearstream, Luxembourg, shall be deemed to include references to any other or additional clearing system as may be approved in writing by the Note Trustee or as may otherwise be specified in the applicable Final Terms.
- (h) Unless the context otherwise requires, words or expressions used in these presents shall bear the same meanings as in the Companies Act 2006.
- (i) Wherever in this Deed there is a requirement for the consent of, or a request from, the Noteholders, then, for so long as any of the Notes is represented by a Global Note registered in the name of DTC or its nominee, DTC may appoint proxies (which it may effect by and under an omnibus proxy or such other form of proxy as it shall designate which may be mailed to the Issuer) in accordance with and in the form used by DTC as part of its usual procedures from time to time. Any proxy so appointed may give the relevant consent or, as the case may be, make the relevant request in accordance with this Deed.

2. COVENANT TO REPAY AND TO PAY INTEREST ON NOTES

- 2.1 The Notes will be issued in Series and Classes in an aggregate nominal amount from time to time and for the purposes of determining such aggregate nominal amount **clause 12** of the Programme Agreement shall apply. Each Series will comprise one or more Class A Notes, Class B Notes, Class M Notes, Class C Notes, Class D Notes and/or Class Z Notes issued on the relevant Closing Date.

By not later than 5.00 p.m. (London time) on the second London Business Day preceding each proposed Closing Date, the Issuer shall deliver or cause to be delivered to the Note Trustee a copy of the applicable Final Terms and drafts of all legal opinions to be given in relation to the relevant Issue and shall notify the Note Trustee in writing without delay of the relevant Closing Date and the nominal amount of the Notes to be issued. Upon the issue and authentication of the relevant Notes, such Notes shall become constituted by these presents without further formality.

Before the first issue of Notes occurring after each anniversary of this Note Trust Deed and on such other occasions as the Note Trustee so requests (on the basis that the Note Trustee considers it necessary in view of a change (or a proposed change which is reasonably likely to result in an actual change) in English law affecting the Issuer, these presents, the Programme Agreement or the Paying

Agent and Agent Bank Agreement or the Note Trustee has other grounds), the Issuer will procure that (a) further legal opinion(s) (relating, if applicable, to any such change or proposed change) in such form and with such content as the Note Trustee may require from the legal advisers specified in the Programme Agreement or such other legal advisers as the Note Trustee may require is/are delivered to the Note Trustee. Whenever such a request is made with respect to any Notes to be issued, the receipt of such opinion in a form satisfactory to the Note Trustee shall be a further condition precedent to the issue of those Notes.

2.2 The Issuer covenants with the Note Trustee that it will, as and when the Notes of any Series and Class or any instalment of principal in respect thereof becomes due to be redeemed, or on such earlier date as the same or any part thereof may become due and repayable thereunder, in accordance with the Conditions, unconditionally pay or procure to be paid to or to the order of the Note Trustee in euro, U.S. dollars or sterling, as applicable, in London or New York City, as applicable, in immediately available funds the principal amount of such Series and Class of the amount of such instalment becoming due for redemption on that date and (except in the case of Zero Coupon Notes) shall in the meantime and until redemption in full of the Notes (both before and after any judgment or other order of a court of competent jurisdiction) unconditionally pay or procure to be paid to or to the order of the Note Trustee as aforesaid interest (which shall accrue from day to day) on the Principal Amount Outstanding of such Series and Class of the Notes outstanding at the rates set out in or (as the case may be) calculated from time to time in accordance with **Condition 4** and on the dates provided for in the Conditions **PROVIDED THAT:**

- (a) every payment of principal or interest in respect of the Notes to or to the account of the Principal Paying Agent, in the manner provided in the Paying Agent and Agent Bank Agreement, shall operate in satisfaction *pro tanto* of the relative covenant by the Issuer in this **Clause 2.2** in relation to such Series and Class of the Notes except to the extent that there is default in the subsequent payment thereof in accordance with the Conditions to the relevant Noteholders;
- (b) in any case where payment of principal is not made to the Note Trustee or the Principal Paying Agent on or before the due date, interest shall continue to accrue on the principal amount of such Series and Class of Notes (except in the case of Zero Coupon Notes) (both before and after any judgment or other order of a court of competent jurisdiction) at the rates aforesaid (or, if higher, the rate of interest on judgment debts for the time being provided by English law) up to and including the date which the Note Trustee determines to be the date on and after which payment is to be made to the Noteholders in respect thereof as stated in a notice given to the Noteholders in accordance with **Condition 14** (such date to be not later than 30 days after the day on which the whole of such principal amount, together with an amount equal to the interest which has accrued and is to accrue pursuant to this proviso up to and including that date, has been received by the Note Trustee or the Principal Paying Agent);
- (c) in any case where payment of the whole or any part of the principal amount of any Note is improperly withheld or refused upon due presentation thereof (other than in circumstances contemplated by proviso (b) above) interest shall accrue on that principal amount of such Series and Class of such Note (except in the case of any Zero Coupon Note) payment of which has been so withheld or refused (both before and after any judgment or other order of a court of competent jurisdiction) at the rates aforesaid (or, if higher, the rate of interest on judgment debts for the time being provided by English law) from and including the date of such withholding or refusal up to and including the date on which, upon further presentation of the relevant Note, payment of the full amount (including interest as aforesaid) in euro, U.S. dollars or sterling, as applicable, payable in respect of such Note is made or (if earlier) the seventh day after notice is given to the relevant Noteholder (either individually or in accordance with **Condition 14** that the full amount (including interest as aforesaid) in euro,

U.S. dollars or sterling, as applicable, payable in respect of such Note is available for payment, provided that, upon further presentation thereof being duly made, such payment is made; and

- (d) notwithstanding any other provision of this Deed, the right of any Noteholder to receive payment of principal and interest on the Notes, on or after the respective due dates expressed in the Notes, or to bring suit for the enforcement of any such payment on or after such respective dates, shall not be impaired or affected without the consent of the Noteholder.

The Issuer shall pay Additional Interest in accordance with **Condition 4.4**.

The Note Trustee will hold the benefit of the covenants contained in this Clause on trust for the Noteholders and itself in accordance with this Deed.

2.3 At any time after a Potential Note Event of Default or a Note Event of Default shall have occurred or the Notes or any of them shall otherwise have become due and repayable or Definitive Notes have not been issued when so required in accordance with this Deed and the relative Global Notes, the Note Trustee may and shall, if directed by an Extraordinary Resolution of the Noteholders and subject to it being indemnified and/or secured to its satisfaction:

- (a) by notice in writing to the Issuer, the Principal Paying Agent, the U.S. Paying Agent, the Transfer Agent and the Registrar require the Principal Paying Agent, the U.S. Paying Agent, the Transfer Agent and the Registrar pursuant to the Paying Agent and Agent Bank Agreement and by notice in writing to the Issuer to:
 - (i) act thereafter as Principal Paying Agent, U.S. Paying Agent, Transfer Agent and Registrar of the Note Trustee in relation to payments to be made by or on behalf of the Note Trustee under the provisions of this Deed *mutatis mutandis* on the terms provided in the Paying Agent and Agent Bank Agreement (save that the Note Trustee's liability under any provisions thereof for the indemnification, remuneration and payment of out-of-pocket expenses of the Paying Agents, the Transfer Agent and the Registrar shall be limited to the amounts for the time being held by the Note Trustee on the trusts of these presents relating to the Notes and available for such purpose) and thereafter to hold all Notes and all sums, documents and records held by them in respect of Notes on behalf of the Note Trustee; or
 - (ii) deliver up all Notes and all sums, documents and records held by them in respect of the Notes to the Note Trustee or as the Note Trustee shall direct in such notice provided that such notice shall be deemed not to apply to any documents or records which the relevant Paying Agent or the Registrar, as the case may be, is obliged not to release by any law or regulation; and/or
- (b) by notice in writing to the Issuer require it to make all subsequent payments in respect of the Notes to or to the order of the Note Trustee and not to the Principal Paying Agent; with effect from the issue of any such notice to the Issuer and until such notice is withdrawn **Clause 2.2(a)** relating to the Notes shall cease to have effect.

2.4 If any Series and Class of Floating Rate Notes become immediately due and repayable under **Condition 10**, the rate and/or amount of interest payable in respect of them will be calculated by the Agent Bank at the same intervals as if such Notes had not become due and repayable, the first of which will commence on the expiry of the Interest Period during which the Notes of the relevant Series and Class become so due and repayable *mutatis mutandis* in accordance with the provisions of **Condition 4** except that the rates of interest need not be published.

- 2.5 All payments in respect of, under and in connection with these presents and Series and Class of the Notes to the relevant Noteholders shall be made in the relevant Specified Currency.
- 2.6 The Issuer shall be at liberty from time to time (but subject always to the provisions of these presents) without the consent of the Noteholders to create and issue Notes having terms and conditions the same as any Series and Class of Notes (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 Notes of a particular Series and Class.
- 2.7 Each Series and Class of the Notes shall form a separate Series or Class and accordingly, unless for any purpose the Note Trustee in its absolute discretion shall otherwise determine, the provisions of this Clause and of **Clauses 3 to 21** (both inclusive) and **Schedule 3 and 6** shall apply *mutatis mutandis* separately and independently to each Series and Class of the Notes and in such Clauses and Schedule the expressions Notes and Noteholders shall (where appropriate) be construed accordingly so that each Series shall be constituted by a separate trust and that, unless expressly provided, events affecting one Series shall not affect any other.

3. FORM AND ISSUE OF NOTES

- 3.1 The Issuer may, without the consent of the Noteholders, raise funds, from time to time, on any date by the creation and issue of a Series comprising one or more Classes of Notes, provided that the following tests and conditions (the **Issuance Tests**) are satisfied:
- (a) there shall be no debit balance on the Funding 1 Principal Deficiency Ledger (other than on the NR Principal Deficiency Sub-Ledger) which shall not be cured on the next Funding 1 Interest Payment Date;
 - (b) no Note Event of Default shall have occurred which is continuing as at the applicable Closing Date or will occur as a consequence of such issuance;
 - (c) no Note Acceleration Notice as at the applicable Closing Date has been served on the Issuer;
 - (d) no Intercompany Loan Acceleration Notice has as at the applicable Closing Date been served on Funding 1;
 - (e) the General Reserve Fund is as at the applicable Closing Date funded up to the General Required Reserve Amount;
 - (f) the Liquidity Reserve Fund (if applicable) is fully funded up to the Liquidity Reserve Fund Required Amount;
 - (g) each of the applicable Transaction Documents has been executed by the relevant parties to those documents;
 - (h) the Issuer delivers a solvency certificate to the Note Trustee on the applicable Closing Date;
 - (i) the Rating Agencies have provided written confirmation that (i) such Series of Notes have been assigned the required note issuance ratings and (ii) their ratings of the notes then outstanding will not be reduced, qualified or withdrawn as a consequence of such issuance;
 - (j) on the applicable Closing Date and after giving effect to the issuance of such Series of Notes on such Closing Date, the Class A Available Subordinated Amount is equal to or greater than the Class A Required Subordinated Amount;

- (k) on the applicable Closing Date and after giving effect to the issuance of such Series of Notes on such Closing Date, the Class B Available Subordinated Amount is equal to or greater than the Class B Required Subordinated Amount;
 - (l) on the applicable Closing Date and after giving effect to the issuance of such Series of Notes on such Closing Date, the Class M Available Subordinated Amount is equal to or greater than the Class M Required Subordinated Amount;
 - (m) on the applicable Closing Date and after giving effect to the issuance of such Series of Notes on such Closing Date, the Class C Available Subordinated Amount is equal to or greater than the Class C Required Subordinated Amount; and
 - (n) on the applicable Closing Date and after giving effect to the issuance of such Series of Notes on such Closing Date, the Class D Available Subordinated Amount is equal to or greater than the Class D Required Subordinated Amount.
- 3.2 (a) Each Series and Class of the Rule 144A Notes will be initially offered and sold in the United States to qualified institutional buyers (as defined in Rule 144A under the Securities Act (**Rule 144A**)) in reliance on Rule 144A. Each Series and Class of Rule 144A Notes will initially be represented by a Rule 144A Global Note in registered form, in each case without coupons or talons attached and which, in aggregate, will represent the aggregate Principal Amount Outstanding of such Rule 144A Notes.
- (b) Each Series and Class of the Reg S Notes will be initially offered and sold outside the United States to non-U.S. persons in reliance on Regulation S (**Reg S**) under the Securities Act. Each Series and Class of Reg S Notes will initially be represented by a Reg S Global Note in registered form, in each case without coupons or talons attached and which, in aggregate, will represent the aggregate Principal Amount Outstanding of such Reg S Notes.
- 3.3 The Global Notes shall be printed or typed in, or substantially in, the form set out in **Schedule 1** and may be executed in facsimile, which the Issuer shall deposit with the DTC Custodian (or a nominee of the DTC Custodian) or the Common Depository (or a nominee of the Common Depository) (as the case may be) or, in the case of the Global Notes held under the NSS, the Common Safekeeper (or a nominee of the Common Safekeeper). Each Global Note shall represent such of the outstanding Notes of the relevant Series and Class as shall be specified therein and each shall provide that it shall represent the aggregate Principal Amount Outstanding of the relevant Series and Class of Notes from time to time endorsed thereon and that the aggregate Principal Amount Outstanding of the Notes represented thereby may from time to time be reduced or increased, as appropriate, to reflect exchanges, redemptions, purchases and transfers of interests therein in accordance with the terms of this Deed and the Paying Agent and Agent Bank Agreement. Any endorsement of a Global Note to reflect the amount of any increase or decrease in the Principal Amount Outstanding of any Series and Class of Notes represented thereby shall be made by the Registrar in accordance with **Clause 5**. Title to the Global Notes shall pass by and upon the registration in the Register in respect thereof in accordance with the provisions of these presents. The Global Notes shall be issuable only in registered form without coupons or talons attached and signed manually by a person duly authorised by the Issuer on behalf of the Issuer and shall be authenticated by or on behalf of the Registrar and in the case of the Global Notes held under the NSS, effectuated by the Common Safekeeper. The Global Notes so executed and authenticated (and if applicable, effectuated) shall be binding and valid obligations of the Issuer, notwithstanding that such duly authorised person no longer holds that office at the time the Registrar authenticates the relevant Global Note.
- 3.4 The Global Notes shall be issued by the Issuer to Cede & Co., as nominee for DTC, in respect of each Rule 144A Global Note and to Citivic Nominees Limited, as nominee for the Common Depository, in respect of each Reg S Global Note, or to the Common Safekeeper or its nominee in

the case of the Global Notes held under the NSS, on terms that the DTC Custodian and the Common Depositary and, in the case of the Global Notes held under the NSS, the Common Safekeeper or its nominee shall, respectively, hold the same for the account of the persons who would otherwise be entitled to receive the Definitive Notes and the successors in title to such persons appearing in the records of DTC, Euroclear and Clearstream, Luxembourg for the time being. Upon the issuance of each such Global Notes, DTC, Euroclear and Clearstream, Luxembourg shall credit, on their respective internal book-entry registration and transfer systems, the accounts of holders of Book-Entry Interests with the respective interests owned by such Noteholders.

- 3.5 The provisions of the Applicable Procedures of the Euroclear System and Terms and Conditions Governing Use of Euroclear and the General Terms and Conditions of Clearstream, Luxembourg and Customer Handbook of Clearstream, Luxembourg shall be applicable to interests in the Reg S Global Notes that are held through Euroclear and Clearstream, Luxembourg.
- 3.6 The Issuer shall issue Definitive Notes only if any of the following applies while any Series and Class of Notes are represented by a Global Note at any time after the fortieth day following the later of the date of the issue of such Global Note and the commencement of the offering of the relevant Notes:
- (a) (in the case of any Rule 144A Global Notes) DTC has notified the Issuer that it is at any time unwilling or unable to continue as depositary with respect to such Rule 144A Global Notes or is at any time unwilling or unable to continue as, or ceases to be, a clearing agency registered under the Exchange Act, and a successor to DTC registered as a clearing agency under the Exchange Act is not able to be appointed by the Issuer within 90 days of such notification, or (in the case of the Reg S Global Notes) both Euroclear and Clearstream, Luxembourg are closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announce an intention permanently to cease business and do so cease to do business and no alternative clearing system satisfactory to the Note Trustee is available; or
 - (b) as a result of any amendment to, or change in, the laws or regulations of the United Kingdom (or of any political sub-division thereof) or of any authority therein or thereof having power to tax or in the interpretation or administration by a revenue authority or a court or administration of such laws or regulations which becomes effective on or after the date of issue of such Global Note, the Issuer or any Paying Agent is or will be required to make any deduction or withholding from any payment in respect of such Notes which would not be required were the Notes in definitive form.

If required by this **Clause 3.6**, the Issuer shall, at its sole cost and expense within 30 days of the occurrence of the relevant event, issue Definitive Notes of the same Class as the Series and Class of Notes represented by the relevant Global Note in exchange for the whole (or the remaining part(s) outstanding) of the relevant Global Note. If Definitive Notes are issued, the beneficial interests represented by the Reg S Global Notes of each Series and Class shall be exchanged by the Issuer for Definitive Notes of that Series and Class (such exchanged Reg S Global Notes, the **Reg S Definitive Notes**) and the beneficial interests represented by the Rule 144A Global Note of each Series and Class shall be exchanged by the Issuer for Definitive Notes of that Series and Class (such exchanged Rule 144A Notes, the **Rule 144A Definitive Notes**).

- 3.7 The Definitive Notes shall be printed or typed in, or substantially in, the form set out in **Schedule 2** in the denomination and transferable in units specified for such Notes in the applicable Final Terms, shall be serially numbered and shall be endorsed with a form of transfer in the form or substantially in the form also set out in **Schedule 2**. Title to the Definitive Notes shall pass by and upon the registration in the Register in respect thereof in accordance with the provisions of these presents. The Definitive Notes shall be issuable only in registered form without coupons or talons attached

and signed manually or in facsimile by a person duly authorised by or on behalf of the Issuer and shall be authenticated by or on behalf of the Registrar. Each Note so executed and authenticated shall be a binding and valid obligation of the Issuer notwithstanding that such duly authorised person (for whatever reason) no longer holds that office at the time the Registrar authenticates the Note.

- 3.8 If the Issuer is obliged to issue or procure the issue of any Definitive Notes pursuant to **Clause 3.6** but fails to do so within 30 days of the occurrence of the relevant event described in **Clause 3.6**, then the Issuer shall indemnify the Note Trustee, the registered holder of the relevant Global Note(s) and the relevant Noteholders and keep them indemnified against any and all loss or damage incurred by any of them if the amount received by the Note Trustee, the registered holder of such Global Note(s) or the relevant Noteholders in respect of the Notes is less than the amount that would have been received had Definitive Notes been issued in accordance with **Clause 3.6**. If and for so long as the Issuer discharges its obligations under this indemnity, the breach by the Issuer of the provisions of **Clause 3.6** shall be deemed to be cured *ab initio*.

4. **REPLACEMENT OF NOTES**

If a mutilated or defaced Global Note or Definitive Note is surrendered to the Registrar or Transfer Agent or if a Noteholder claims that a Global Note or Definitive Note has been lost, stolen or destroyed, the Issuer shall issue, and the Registrar shall authenticate, a replacement Global Note or Definitive Note, respectively, and in the case of a Global Note held under the NSS, the Common Safekeeper shall effectuate a replacement Global Note, on receipt of satisfactory evidence in accordance with **Condition 13**. An indemnity for an amount sufficient in the judgement of the Issuer and the Registrar to protect the Issuer and the Registrar from any loss which any of them may suffer if a Global Note or a Definitive Note is replaced may be required by the Issuer and the Registrar. The Issuer may charge such Noteholder for its costs in replacing such Note.

5. **REGISTER, TRANSFER AND EXCHANGE OF NOTES**

5.1 **Transfer and Exchange of Global Notes**

Notwithstanding any other provisions of this Note Trust Deed or the Notes, transfers and exchanges of interests in Global Notes shall be made only in accordance with the following provisions:

- (a) **Transfers from a Rule 144A Global Note to a Reg S Global Note.** If the holder of a beneficial interest in a Rule 144A Global Note of one Series or Class wishes at any time to transfer such interest to a person who wishes to take delivery thereof in the form of a beneficial interest in the Reg S Global Note of the same Series and Class such transfer may be effected, subject to the rules and procedures of DTC, Euroclear and Clearstream, Luxembourg, to the extent applicable (the **Applicable Procedures**) by the transferor giving a certificate to the Registrar in, or substantially in, the form set out in **Schedule 3** hereto. Upon receipt by the Registrar of the relevant certificate given by the transferor, the Registrar shall present the Global Notes of the relevant Series and Class to, or to the order of, the relevant Paying Agent which shall reduce the Principal Amount Outstanding of such Rule 144A Global Note and increase the Principal Amount Outstanding of the corresponding Reg S Global Note by the principal amount of the beneficial interest in such Rule 144A Global Note to be transferred, by annotation thereon.
- (b) **Transfers from a Reg S Global Note to a Rule 144A Global Note during the Distribution Compliance Period.** If the holder of a beneficial interest in a Reg S Global Note of one Series and Class wishes at any time during the Distribution Compliance Period to transfer such interest to a person who wishes to take delivery thereof in the form of a beneficial interest in the Rule 144A Global Note of the same Series and Class, such transfer may be effected, subject to the Applicable Procedures, by the transferor giving a certificate

to the Registrar in, or substantially in, the form set out in **Schedule 4** hereto. Upon receipt by the Registrar of the relevant certificate given by the transferor, the Registrar shall present the Global Note of the relevant Series and Class to, or to the order of, the relevant Paying Agent which shall reduce the Principal Amount Outstanding of such Reg S Global Note and increase the Principal Amount Outstanding of such Rule 144A Global Note by the principal amount of the beneficial interest in such Reg S Global Note to be so transferred, by annotation thereon.

- (c) **Transfers from a Reg S Global Note to a Rule 144A Global Note after the Distribution Compliance Period.** If the holder of a beneficial interest in a Reg S Global Note of one Series and Class wishes at any time after the Distribution Compliance Period to transfer such interest to a person who wishes to take delivery thereof in the form of a beneficial interest in the Rule 144A Global Note of the same Series and Class, such transfer may be effected subject only to the Applicable Procedures. The Registrar shall present the Global Note of the relevant Series and Class to, or to the order of, the relevant Paying Agent which shall reduce the Principal Amount Outstanding of such Reg S Global Note and increase the Principal Amount Outstanding of such Rule 144A Global Note by the principal amount of the beneficial interest in such Reg S Global Note to be so transferred, by annotation thereon.
- (d) **Exchanges of a Rule 144A Global Note for a Reg S Global Note.** If the holder of a beneficial interest in a Rule 144A Global Note of one Series and Class wishes at any time to exchange such interest for a beneficial interest in the Reg S Global Note of the same Series and Class, such exchange may be effected, subject to the Applicable Procedures, by the transferor giving a certificate to the Registrar in, or substantially in, the form set out in **Schedule 3** hereto. Upon receipt by the Registrar of the relevant certificate given by the holder of the beneficial interest, the Registrar shall present the Global Note of the relevant Series and Class to, or to the order of, the relevant Paying Agent which shall reduce the Principal Amount Outstanding of such Rule 144A Global Note and increase the Principal Amount Outstanding of the corresponding Reg S Global Note by the principal amount of the beneficial interest in such Rule 144A Global Note to be so exchanged, by annotation thereon.
- (e) **Exchanges of a Reg S Global Note for a Rule 144A Global Note.** If the holder of a beneficial interest in a Reg S Global Note of one Series and Class wishes at any time to exchange such interest for a beneficial interest in the Rule 144A Global Note of the same Series and Class, such exchange may be effected, subject to the Applicable Procedures, by the transferor giving a certificate to the Registrar in, or substantially in, the form set out in **Schedule 4** hereto. Upon receipt by the Registrar of the relevant certificate given by the holder of the beneficial interest, the Registrar shall present the Global Note of the relevant Series and Class to, or to the order of, the relevant Paying Agent which shall reduce the Principal Amount Outstanding of such Reg S Global Note and increase the Principal Amount Outstanding of the corresponding Rule 144A Global Note by the principal amount of the beneficial interest in such Reg S Global Note to be so exchanged, by annotation thereon.

5.2 Transfer and Exchange of Book-Entry Interests

The transfer and exchange of Book-Entry Interests shall be effected through DTC, Euroclear and/or Clearstream, Luxembourg, as the case may be, in accordance with these presents, the Paying Agent and Agent Bank Agreement and the procedures therefor of DTC, Euroclear and/or Clearstream, Luxembourg, as the case may be. Book-Entry Interests shall be subject to restrictions on transfer comparable to those set forth herein and in the Paying Agent and Agent Bank Agreement to the extent required by the Securities Act. The Note Trustee shall have no obligation to ascertain or to

monitor DTC's, Euroclear's or Clearstream, Luxembourg's compliance with any such restrictions on transfer nor shall it have any liabilities to any person for not so doing.

5.3 Transfer of Definitive Notes

Definitive Notes may be transferred in whole or in part in the principal amount specified in the applicable Final Terms or, in each case, in such other denominations as the Note Trustee shall determine and notify to the relevant Noteholders. When Definitive Notes are presented by a Noteholder to the Registrar with a request to register the transfer of such Definitive Notes, the Registrar shall register the transfer as requested only if such Definitive Notes are presented or surrendered for registration of transfer and are endorsed or accompanied by a written instrument of transfer in form satisfactory to the Registrar duly executed by such Noteholder or by his attorney duly authorised in writing and upon receipt of such certificates and other documents as shall be necessary to evidence compliance with the restrictions on transfer contained in this Deed and in the Paying Agent and Agent Bank Agreement. Thereupon, the Registrar shall request the Issuer to issue and the Registrar shall itself authenticate new Definitive Notes required to be issued in connection with such transfer. In the case of a transfer of part only of such Definitive Note, a new Definitive Note in respect of the balance not transferred will be issued to the transferor. All transfers of Definitive Notes are subject to any restrictions on transfer set forth on such Definitive Notes and the detailed regulations concerning transfers in the Paying Agent and Agent Bank Agreement.

5.4 Rule 144A Legend

Each Rule 144A Global Note and each Rule 144A Definitive Note issued in exchange therefore shall bear a legend in substantially the following form:

"THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE **SECURITIES ACT**), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF, THE HOLDER (A) REPRESENTS THAT IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) PURCHASING THE SECURITIES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QUALIFIED INSTITUTIONAL BUYERS; (B) AGREES THAT IT WILL NOT RESELL OR OTHERWISE TRANSFER THE SECURITIES EXCEPT IN ACCORDANCE WITH THE SUBSCRIPTION AGREEMENT AND, PRIOR TO THE DATE WHICH IS ONE YEAR AFTER THE LATER OF THE LAST ISSUE DATE FOR THE SERIES AND THE LAST DATE ON WHICH THE ISSUER OR AN AFFILIATE OF THE ISSUER WAS THE OWNER OF SUCH SECURITIES OTHER THAN (1) TO THE ISSUER OR ANY AFFILIATE THEREOF, (2) INSIDE THE UNITED STATES TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (3) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 903 OR RULE 904 UNDER THE SECURITIES ACT, (4) PURSUANT TO THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE) OR (5) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES AND ANY OTHER JURISDICTION; (C) WITH RESPECT TO THE NOTES SPECIFIED IN THE APPLICABLE FINAL TERMS TO BE ERISA-ELIGIBLE, AGREES FOR THE BENEFIT OF THE ISSUER AND THE MANAGERS OF THE OFFERING OF THE NOTES OUTSIDE THE UNITED STATES THAT IT WILL OFFER,

RESELL, PLEDGE OR OTHERWISE TRANSFER THIS NOTE, ONLY TO A PURCHASER WITH RESPECT TO WHOM (X) NO PART OF THE ASSETS USED TO PURCHASE THIS NOTE CONSTITUTES ASSETS OF ANY EMPLOYEE BENEFIT PLAN, OTHER PLAN OR INDIVIDUAL RETIREMENT ACCOUNT SUBJECT TO TITLE I OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED (ERISA), OR SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE CODE) OR A GOVERNMENTAL, CHURCH OR FOREIGN PLAN SUBJECT TO FEDERAL, STATE OR FOREIGN LAWS SUBSTANTIALLY SIMILAR TO SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE (**SIMILAR LAW**), OR (Y) PART OR ALL OF THE ASSETS USED TO PURCHASE THIS NOTE CONSTITUTE ASSETS OF AN EMPLOYEE BENEFIT PLAN, OTHER PLAN OR INDIVIDUAL RETIREMENT ACCOUNT SUBJECT TO TITLE I OF ERISA OR SECTION 4975 OF THE CODE OR A GOVERNMENTAL, CHURCH OR FOREIGN PLAN IF AND ONLY IF THE USE OF SUCH ASSETS WILL NOT CONSTITUTE, CAUSE OR RESULT IN THE OCCURRENCE OF A NON-EXEMPT PROHIBITED TRANSACTION UNDER ERISA OR SECTION 4975 OF THE CODE OR A VIOLATION OF ANY SIMILAR LAW PROVIDED THAT THE AGREEMENT OF THE HOLDER HEREOF IS SUBJECT TO ANY REQUIREMENT OF LAW THAT THE DISPOSITION OF THE PURCHASER'S PROPERTY SHALL AT ALL TIMES BE AND REMAIN WITHIN ITS CONTROL. IF THE NOTE REPRESENTED HEREBY IS NOT SPECIFIED IN THE APPLICABLE FINAL TERMS AS ERISA-ELIGIBLE, THE HOLDER HEREOF, BY PURCHASING OR ACCEPTING THIS NOTE, AGREES FOR THE BENEFIT OF THE ISSUER AND THE MANAGERS OF THE OFFERING OF THE NOTES THAT NO PART OF THE ASSETS USED TO PURCHASE THIS NOTE CONSTITUTES ASSETS OF ANY EMPLOYEE BENEFIT PLAN, OTHER PLAN OR INDIVIDUAL RETIREMENT ACCOUNT SUBJECT TO TITLE I OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED, OR SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED; AND (D) AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.

THIS NOTE AND RELATED DOCUMENTATION MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME TO MODIFY THE RESTRICTIONS ON AND PROCEDURES UNDERTAKEN OR REPRESENTED BY THE HOLDER, FOR RESALES AND OTHER TRANSFERS OF THIS NOTE TO REFLECT ANY CHANGE IN APPLICABLE LAW OR REGULATION (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO RESALES OR OTHER TRANSFERS OR RESTRICTED SECURITIES GENERALLY. THE HOLDER OF THIS NOTE AND ANY BENEFICIAL OWNER OF ANY INTEREST HEREIN SHALL BE DEEMED, BY ITS ACCEPTANCE OR PURCHASE HEREOF, TO HAVE AGREED TO ANY SUCH AMENDMENT OR SUPPLEMENT (EACH OF WHICH SHALL BE CONCLUSIVE AND BINDING ON THE HOLDER HEREOF AND ALL FUTURE HOLDERS OF THIS NOTE AND ANY NOTES ISSUED IN EXCHANGE OR SUBSTITUTION HEREFOR, WHETHER OR NOT ANY NOTATION THEREOF IS MADE HEREON) AND AGREES TO TRANSFER THIS NOTE ONLY IN ACCORDANCE WITH ANY SUCH AMENDMENT OR SUPPLEMENT IN ACCORDANCE WITH APPLICABLE LAW IN EFFECT AT THE DATE OF SUCH TRANSFER. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT FOR RESALES OF THIS NOTE"

5.5 Regulation S Legend

Each Reg S Global Note and each Reg S Definitive Note issued in exchange therefore shall bear a legend in substantially the following form:

"THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE SECURITIES ACT), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND, AS A MATTER OF U.S. LAW (1) AS PART OF THEIR DISTRIBUTION AT ANY TIME OR (2) PRIOR TO THE DATE THAT IS 40 DAYS AFTER THE LATER OF THE COMMENCEMENT OF THE OFFERING OF THE NOTES AND THE CLOSING DATE, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, A U.S. PERSON (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT) EXCEPT PURSUANT TO AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. THE HOLDER HEREOF, BY PURCHASING OR ACCEPTING THIS NOTE, AGREES FOR THE BENEFIT OF THE ISSUER AND THE MANAGERS OF THE OFFERING OF THE NOTES OUTSIDE THE UNITED STATES THAT NO PART OF THE ASSETS USED TO PURCHASE THIS NOTE CONSTITUTES ASSETS OF ANY EMPLOYEE BENEFIT PLAN, OTHER PLAN OR INDIVIDUAL RETIREMENT ACCOUNT SUBJECT TO TITLE I OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED, OR SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED."

5.6 Cancellation and/or Adjustment of Global Notes

At such time as all Book-Entry Interests in respect of a Global Note have been exchanged for Definitive Notes, such Global Note shall be returned to or retained and cancelled by the Registrar as set out in the Paying Agent and Agent Bank Agreement. At any time prior to such cancellation, if any Book-Entry Interest is exchanged for an interest in another Global Note, the principal amount of Notes represented by such Global Note shall be reduced accordingly and an endorsement shall be made on such Global Note by the Registrar to reflect such reduction.

5.7 General Provisions Relating to all Transfers and Exchanges

- (a) To permit registrations of transfers and exchanges of Notes, the Issuer shall execute and the Registrar shall authenticate Global Notes and Definitive Notes and, in the case of Global Notes held under the NSS, the Common Safekeeper shall effectuate Global Notes, upon a written order signed by an officer of the Issuer.
- (b) No service fee shall be charged to a Noteholder for any registration of a Definitive Note on transfer or exchange but the Issuer may require payment of a sum sufficient to cover any stamp or transfer tax or similar governmental charge payable in connection therewith (other than any such stamp or transfer taxes or similar governmental charge payable upon exchange or transfer pursuant to **Condition 13**) and the Registrar may require an indemnity in respect of such tax or charge.
- (c) All Global Notes and Definitive Notes issued upon any registration of transfer or exchange of Global Notes or Definitive Notes shall be the valid obligations of the Issuer, evidencing the same debt and entitled to the same benefits under this Deed, as the Global Notes or Definitive Notes surrendered upon such registration of transfer or exchange.

5.8 Register of Notes

The Issuer shall at all times ensure that the Registrar maintains in London, or at such other place as the Note Trustee may agree in writing, a register (the **Register**) in respect of the Notes showing the amount of the Global Notes or Definitive Notes, as the case may be, from time to time outstanding and the dates of issue and all subsequent transfers and changes of ownership thereof and the names and addresses of the holders of the Global Notes or the Definitive Notes. Subject to and without

prejudice to **Clause 1.2(i)**, so long as DTC or its nominee, or the Common Depositary or its nominee, or the Common Safekeeper in the case of Global Notes held under the NSS or its nominee, as the case may be, is the registered holder of a Global Note, DTC or the Common Depositary or the Common Safekeeper, as the case may be, will be considered the sole registered holder of such Global Note for all purposes under this Note Trust Deed. Each Note, whether in global or definitive form, shall have an identifying serial number which shall be entered on the Register. The Note Trustee and the holders of such Notes or any of them and any person authorised by it or any of them may at all reasonable times during office hours inspect the Register and take copies of or extracts from it.

6. FEES, DUTIES AND TAXES

- (a) The Issuer will pay any stamp duty, issue, registration, documentary or other taxes of a similar nature and duties payable in the United Kingdom, Belgium, Luxembourg or the United States, including interest and penalties, on or in connection with (a) the execution and delivery of these presents and the Issuer Transaction Documents to which it is a party and any documents executed pursuant thereto, (b) the constitution and original issue of the Notes and (c) any action in any jurisdiction taken by or on behalf of the Note Trustee or the Issuer Security Trustee or (where permitted under these presents so to do) any Noteholder to enforce the Notes.
- (b) The Issuer hereby confirms that the obtaining of a tax advantage (as defined in section 1139 of the Corporation Tax Act 2010) for any person is not the main or one of the main purposes of the Issuer for entering into or remaining party to the Issuer Transaction Documents to which it is a party.

7. APPLICATION OF MONEYS RECEIVED BY THE TRUSTEE

If, any moneys are received by the Note Trustee, such sums shall be applied in accordance with the Issuer Priority of Payments set forth in the Issuer Deed of Charge or the Issuer Cash Management Agreement (as the case maybe).

8. COVENANT OF COMPLIANCE

The Issuer covenants with the Note Trustee that it will comply with and perform and observe all the provisions of these presents, the Notes, the Issuer Deed of Charge, the Paying Agent and Agent Bank Agreement and the documents executed pursuant thereto and the other Issuer Transaction Documents which are expressed to be binding on it. The Conditions shall be binding on the Issuer, the Noteholders, the Note Trustee and all persons claiming through or under any of them. The Note Trustee shall be entitled to enforce the obligations of the Issuer under the Notes and the Conditions and to exercise any other rights, powers, trusts, authorities, duties and discretions conferred upon the Note Trustee in the Conditions as if the same were set out and contained in this Deed, which shall be read and construed as one document with the Notes. The Note Trustee shall hold the benefit of this covenant upon trust for itself and the Noteholders according to its and their respective interests. The provisions of **Schedule 3** and **Schedule 4** shall have effect in the same manner as if herein set forth.

9. CANCELLATION OF NOTES AND RECORDS

- 9.1 The Issuer shall procure that all Notes (a) redeemed, (b) being mutilated or defaced, surrendered and replaced pursuant to **Condition 13** or (c) exchanged as provided in these presents shall forthwith be cancelled by or on behalf of the Issuer and a certificate stating:
 - (a) the aggregate principal amount of Notes which have been redeemed;
 - (b) the serial numbers of Notes of each Class so redeemed;

- (c) the aggregate amount of interest paid (and the due dates of such payments) on Notes of each Series and Class; and
- (d) the aggregate principal amounts of Notes of each Series and Class which have been so exchanged and replaced and the serial numbers of such Notes in definitive form,

shall be given to the Note Trustee by or on behalf of the Issuer as soon as possible and in any event within four months after the date of such redemption, purchase, cancellation, exchange or replacement, as the case may be. The Note Trustee may accept without further investigation or inquiry such certificate as conclusive evidence of such redemption, purchase, exchange or replacement *pro tanto* of the Notes or payment of interest thereon and of cancellation of the relative Notes.

- 9.2 The Issuer shall procure that the Registrar shall keep a full and complete record of all Notes and of their redemption, cancellation, payment or exchange (as the case may be) and of all replacement Notes issued in substitution for lost, stolen, mutilated, defaced or destroyed Notes. The Issuer shall procure that the Registrar shall at all reasonable times make such record available to the Issuer and the Note Trustee.
- 9.3 All records and certificates maintained pursuant to this Clause shall make a distinction between Definitive Notes and Global Notes.

10. ENFORCEMENT

- 10.1 The Note Trustee may, at its discretion and without notice at any time and from time to time, take such steps and institute such proceedings against the Issuer or any other person as it may think fit to enforce the provisions of the Notes, this Note Trust Deed (including the Conditions) or any of the other Transaction Documents to which it is a party and the Note Trustee may, at its discretion at any time after the Issuer Security has become enforceable (including after the service of a Note Acceleration Notice in accordance with **Condition 9**), instruct the Issuer Security Trustee to take such steps as it may think fit to enforce the Issuer Security. The Note Trustee shall not be bound to take such steps or institute such proceedings or give such instructions except as provided in **Condition 10.1**.
- 10.2 Unless the contrary be proved to the satisfaction of the Note Trustee, proof that as regards any specified Note the Issuer has made default in paying any amount due in respect of such Note shall be sufficient evidence that the same default has been made as regards all other Notes in respect of which the relevant amount is due and payable.
- 10.3 References in **Clauses 2.2(b)** and **2.2(c)** or the provisions of any trust deed supplemental to this Deed corresponding to **Clauses 2.2(b)** and **2.2(c)** to the rates aforesaid shall, in the event of such Notes having become due and repayable, with effect from the expiry of the Interest Period during which such Notes become due and repayable, be construed as references to rates of interest calculated *mutatis mutandis* in accordance with the Conditions except that no notices need be published in respect thereof.

11. PROCEEDINGS, ACTIONS AND INDEMNIFICATION

- 11.1 The Note Trustee shall not be bound to take any proceedings or give any directions mentioned in **Clause 10.1** or any other action in relation to these presents, the Notes or any documents executed pursuant thereto or any of the other Transaction Documents unless (a) respectively directed or requested to do so by an Extraordinary Resolution of the Class A Noteholders, the Class B Noteholders, the Class M Noteholders, the Class C Noteholders, the Class D Noteholders or the Class Z Noteholders, as the case may be, or in writing by the holders of at least one-quarter in

aggregate Principal Amount Outstanding of the Class A Notes, the Class B Notes, the Class M Notes, the Class C Notes, the Class D Notes or the Class Z Notes, as the case may be, for the time being, outstanding and (b) it shall be indemnified and/or secured to its satisfaction against all liabilities, actions, proceedings, claims and demands to which it may be or become liable and all costs, charges, damages and expenses which may be incurred by it in connection therewith, and the terms of such indemnity may include the provisions of a fighting fund, non-recourse loan or other similar arrangement **PROVIDED THAT:**

- (a) the Note Trustee shall not be obliged to act at the direction or request of the Class B Noteholders as aforesaid unless either the Note Trustee is of the sole opinion that to do so would not be materially prejudicial to the interests of the Class A Noteholders or such action is sanctioned by an Extraordinary Resolution of the Class A Noteholders;
- (b) the Note Trustee shall not be obliged to act at the direction or request of the Class M Noteholders as aforesaid unless (i) either the Note Trustee is of the sole opinion that to do so would not be materially prejudicial to the interests of the Class A Noteholders or such action is sanctioned by an Extraordinary Resolution of the Class A Noteholders and (ii) either the Note Trustee is of the sole opinion that to do so would not be materially prejudicial to the interests of the Class B Noteholders or such action is sanctioned by an Extraordinary Resolution of the Class B Noteholders;
- (c) the Note Trustee shall not be obliged to act at the direction or request of the Class C Noteholders as aforesaid unless (i) either the Note Trustee is of the sole opinion that to do so would not be materially prejudicial to the interests of the Class A Noteholders or such action is sanctioned by an Extraordinary Resolution of the Class A Noteholders; (ii) either the Note Trustee is of the sole opinion that to do so would not be materially prejudicial to the interests of the Class B Noteholders or such action is sanctioned by an Extraordinary Resolution of the Class B Noteholders; and (iii) either the Note Trustee is of the sole opinion that to do so would not be materially prejudicial to the interests of the Class M Noteholders or such action is sanctioned by an Extraordinary Resolution of the Class M Noteholders;
- (d) the Note Trustee shall not be obliged to act at the direction or request of the Class D Noteholders as aforesaid unless (i) either the Note Trustee is of the sole opinion that to do so would not be materially prejudicial to the interests of the Class A Noteholders or such action is sanctioned by an Extraordinary Resolution of the Class A Noteholders; (ii) either the Note Trustee is of the sole opinion that to do so would not be materially prejudicial to the interests of the Class B Noteholders or such action is sanctioned by an Extraordinary Resolution of the Class B Noteholders; (iii) either the Note Trustee is of the sole opinion that to do so would not be materially prejudicial to the interests of the Class M Noteholders or such action is sanctioned by an Extraordinary Resolution of the Class M Noteholders; and (iv) either the Note Trustee is of the sole opinion that to do so would not be materially prejudicial to the interests of the Class C Noteholders or such action is sanctioned by an Extraordinary Resolution of the Class C Noteholders;
- (e) the Note Trustee shall not be obliged to act at the direction or request of the Class Z Noteholders as aforesaid unless (i) either the Note Trustee is of the sole opinion that to do so would not be materially prejudicial to the interests of the Class A Noteholders or such action is sanctioned by an Extraordinary Resolution of the Class A Noteholders; (ii) either the Note Trustee is of the sole opinion that to do so would not be materially prejudicial to the interests of the Class B Noteholders or such action is sanctioned by an Extraordinary Resolution of the Class B Noteholders; (iii) either the Note Trustee is of the sole opinion that to do so would not be materially prejudicial to the interests of the Class M Noteholders or such action is sanctioned by an Extraordinary Resolution of the Class M Noteholders; (iv) either the Note Trustee is of the sole opinion that to do so would not be materially prejudicial to the

interests of the Class C Noteholders or such action is sanctioned by an Extraordinary Resolution of the Class C Noteholders; and (v) either the Note Trustee is of the sole opinion that to do so would not be materially prejudicial to the interests of the Class D Noteholders or such action is sanctioned by an Extraordinary Resolution of the Class D Noteholders; and

- (f) the Note Trustee shall only be obliged to give a Note Acceleration Notice at the direction or request of the most senior class of Noteholders as aforesaid.

- 11.2 Save as provided below, only the Note Trustee may enforce the provisions of these presents, the Conditions or the Notes. No Noteholder shall be entitled to proceed directly against the Issuer or any other party to any of the Issuer Transaction Documents unless the Note Trustee, having become bound as aforesaid to institute proceedings, fails to do so within 30 days of becoming so bound and such failure is continuing, provided that no Class B Noteholder, Class M Noteholder, Class C Noteholder, Class D Noteholder or Class Z Noteholder will be entitled to commence proceedings for the winding up or administration of the Issuer unless there are no outstanding Notes of a Class with higher priority or, if Notes of a Class with higher priority are outstanding, there is consent of Noteholders of not less than one quarter of the aggregate principal amount of the Notes outstanding of the Class or Classes of Notes with higher priority or pursuant to an Extraordinary Resolution of the Holders of such Class or Classes of Notes.

12. DISCHARGE OF PAYMENT

Any payment to be made in respect of the Notes by the Issuer or the Note Trustee may be made in accordance with the Conditions and any payment so made shall be a good discharge of the relevant payment obligation of the Issuer or, as the case may be, the Note Trustee.

13. PARTIAL PAYMENTS

Upon presentation and surrender to the Registrar of a Definitive Note that is redeemed in part, the Registrar shall authenticate for the holder a new Definitive Note equal in principal amount to the principal amount of the unredeemed portion of the Definitive Note surrendered. Upon presentation of a Global Note (that is not a Global Note in NSS form) that is redeemed in part, the Registrar shall make a notation on **Part I** of the Schedule thereto to reduce the aggregate principal amount of such Global Note to an amount equal to the aggregate principal amount of the unredeemed portion of the Global Note presented.

14. COVENANTS BY THE ISSUER

So long as any of the Notes remains outstanding the Issuer covenants with the Note Trustee that it shall:

- (a) **Conduct:** at all times carry on and conduct its affairs in a proper and efficient manner and in accordance with its constitutive documents and all laws and regulations applicable to it;
- (b) **Information:** give or procure to be given to the Note Trustee such opinions, certificates, information and evidence as the Note Trustee shall require and in such form as it shall require, including without limitation the procurement by the Issuer of all such certificates called for by the Note Trustee pursuant to this Deed or any other Transaction Document to which it is a party for the purpose of the discharge or exercise of the duties, trusts, powers, authorities and discretions vested in it under these presents or by operation of law;
- (c) **Accounts for Stock Exchange:** cause to be prepared and certified by the Auditors of the Issuer in respect of each Financial Period, accounts in such form as will comply with all relevant legal and accounting requirements and all requirements for the time being of any

stock exchange, competent listing authority and/or quotation system on or by which the Notes are listed, quoted and/or traded;

- (d) **Books and Records:** at all times keep proper books of account and allow the Note Trustee and any person appointed by the Note Trustee free access to such books of account at all reasonable times during normal business hours;
- (e) **Noteholder Information:** send to the Note Trustee (in addition to any copies to which it may be entitled as a holder of any securities of the Issuer) two copies in English of every balance sheet, profit and loss account, report, circular and notice of general meeting and every other document issued or sent to its shareholders as a class together with any of the foregoing, and every document issued or sent to holders of securities other than its shareholders (including the Noteholders) as soon as practicable after the issue or publication thereof;
- (f) **Notice of Note Event of Default:** give notice in writing to the Note Trustee of the occurrence of any Note Event of Default, any Potential Note Event of Default or any matter it concludes, acting reasonably, to be likely to give rise to a Note Event of Default immediately upon becoming aware thereof, including the status of any such default or matter and what action the Issuer is taking or proposes to take with respect thereto, and without waiting for the Note Trustee to take any action;
- (g) **Notice of Satisfaction of Conditions to Issue of the Notes:** prior to the issue of any Notes, certify in writing to the Note Trustee that all the conditions to issue and the Issuance Tests of such Notes are satisfied (and where the Issuer has waived one or more such conditions) specifying the same in such certificate, which certificate shall be conclusive and binding on the Note Trustee and the Noteholders;
- (h) **Notice of Deferral of Payments:** as soon as practicable after becoming aware that any part of a payment of interest on the Notes will be deferred or that a payment previously deferred will be made in accordance with **Condition 4**, give notice thereof to the Noteholders in accordance with **Condition 14** and, for so long as the Notes are listed on the official list of the United Kingdom Listing Authority and admitted to trading on the London Stock Exchange's regulated market, in accordance with the listing rules of the United Kingdom Listing Authority and the rules of the London Stock Exchange;
- (i) **Certificates Relating to Financial Information:** give to the Note Trustee (i) within 14 days after demand by the Note Trustee therefor and (ii) (without the necessity for any such demand) promptly after the publication of its audited accounts in respect of each Financial Period commencing with the financial period first ending after the date hereof and in any event not later than 120 days after the end of each such financial period a certificate signed by two directors of the Issuer to the effect that as at a date not more than five days before delivering such certificate (the **certification date**) there did not exist and had not existed since the certification date of the previous certificate (or in the case of the first such certificate the date hereof) any Note Event of Default or any Potential Note Event of Default (or if such exists or existed, specifying the same) and that during the period from and including the certification date of the last such certificate (or in the case of the first such certificate the date hereof) to and including the certification date of such certificate the Issuer has complied, to the best of such directors' knowledge and belief, with all its obligations contained in these presents and each of the Issuer Transaction Documents to which it is a party or (if such is not the case) specifying the respects in which it has not so complied;

- (j) **Further Assurances:** at all times execute and do all such further documents, acts and things as may be necessary at any time or times in the opinion of the Note Trustee to give effect to these presents and the other Issuer Transaction Documents only in so far as permitted by law;
- (k) **Agent Bank, Reference Banks etc.:** at all times maintain an Agent Bank, four Reference Banks, a Paying Agent, a Transfer Agent and a Registrar in accordance with the Conditions;
- (l) **Notification of Non-Payment:** procure the Principal Paying Agent (or any other relevant Paying Agent) to notify the Note Trustee forthwith in the event that (i) the Principal Paying Agent (or other relevant Paying Agent) does not, on or before the due date for any payment in respect of any of the Notes, receive unconditionally pursuant to the Paying Agent and Agent Bank Agreement, as applicable, payment of the full amount in the requisite currency of the monies payable on such due date on all such Notes, or (ii) there are insufficient funds in euro, U.S. dollars, or sterling, as the case may be, available to the Principal Paying Agent to discharge the amount of the monies payable on such due date;
- (m) **Notification of Late Unconditional Payment:** in the event of any unconditional payment to the Principal Paying Agent, any other relevant Paying Agent, or the Note Trustee of any sum due in respect of any of the Notes being made after the due date for payment thereof forthwith give or procure to be given notice to the relevant Noteholders in accordance with **Condition 14** that such payment has been made;
- (n) **Listing:** use reasonable endeavours to maintain the listing of the Notes on the official list of the United Kingdom Listing Authority and to maintain the admission to trading of the Notes on the London Stock Exchange's regulated market or, if it is unable to do so having used reasonable endeavours, use reasonable endeavours to obtain and maintain a quotation, listing and admission to trading of the Notes on or by such other stock exchanges, competent listing authorities and/or quotation systems as the Issuer may decide (with the prior written approval of the Note Trustee) and shall also upon obtaining a quotation, listing and admission to trading of such Notes on or by such other stock exchanges, competent listing authorities and/or quotation systems enter into a trust deed supplemental to this Deed to effect such consequential amendments to this Deed as the Note Trustee may require or as shall be requisite to comply with the requirements of any such stock exchange, competent listing authority and/or quotation system;
- (o) **Change of Agent Bank, Reference Banks, etc.:** give notice to the Noteholders in accordance with **Condition 14** of any appointment, resignation or removal of any Agent Bank, Reference Banks, Paying Agent, Transfer Agent or Registrar (other than the appointment of the initial Agent Bank, Reference Banks, Paying Agents, Transfer Agent and Registrar) after, except in the case of resignation, having obtained the prior written approval of the Note Trustee (such approval not to be unreasonably withheld or delayed) thereto or any change of any Paying Agent's, Agent Bank's, Transfer Agent's or Registrar's specified office and (except as provided by the Paying Agent and Agent Bank Agreement or the Conditions) at least 30 days prior to such event taking effect; **PROVIDED ALWAYS THAT** so long as any of the Notes remains outstanding in the case of the termination of the appointment of the Agent Bank, Transfer Agent or the Registrar or so long as any of the Notes remains outstanding in the case of the termination of the appointment of the Principal Paying Agent no such termination shall take effect until a new Agent Bank, Transfer Agent, Registrar or Principal Paying Agent, as the case may be, has been appointed on terms previously approved in writing by the Note Trustee;
- (p) **Pre-Approval of Notices:** obtain the prior written approval of the Note Trustee to, and promptly give to the Note Trustee and the Rating Agencies two copies of, the form of every notice given to the Noteholders in accordance with **Condition 14** (such approval, unless so

expressed, not to constitute approval for the purposes of Section 21 of the Financial Services and Markets Act 2000 the (FSMA) of a communication within the meaning of Section 21 of the FSMA);

- (q) **Availability of Meeting Materials:** from time to time as required or contemplated by this Deed or as reasonably requested by the Note Trustee, make available through the Paying Agents, or otherwise, such documents as may be required by the Noteholders in connection with meetings of Noteholders;
- (r) **Compliance with Paying Agent and Agent Bank Agreement and other Issuer Transaction Documents:** use its best endeavours to procure that the Agent Bank, the Paying Agents, the Transfer Agent and the Registrar comply with and perform all their respective obligations under the Paying Agent and Agent Bank Agreement and the other Issuer Transaction Documents and (in the case of the Paying Agents, the Transfer Agent and the Registrar) any notice given by the Note Trustee pursuant to **Clause 2.3(a)** and not make any amendment or modification to the Paying Agent and Agent Bank Agreement or any other Issuer Transaction Documents or agree to waive or authorise any breach thereof without the prior written approval of the Note Trustee;
- (s) **Exercise of Redemption Rights:** in the event that Funding 1 elects to prepay any Loan Tranche in whole or in part under the Intercompany Loan Agreement, the Issuer shall exercise its right to redeem the corresponding Series and Class/es of Notes in the same respective aggregate principal amounts as such Loan Tranches on the same Interest Payment Date under **Condition 5.4, Condition 5.5** or **Condition 5.6**, as applicable;
- (t) **Redemption Requirements:** not give notice of its election to redeem all or any part of any Series and Class/es of Notes pursuant to **Condition 5.4, 5.5** or **5.6** unless it shall first have:
 - (i) given prior written notice to the Note Trustee of its intention so to do in accordance with the Paying Agent and Agent Bank Agreement; and
 - (ii) delivered to the Note Trustee a certificate signed by two directors of the Issuer certifying that the Issuer will have the necessary funds on the Interest Payment Date on which redemption is to occur (the **redemption date**) to discharge all amounts required under the Issuer Deed of Charge to be paid in priority to such Series and Class/es of Notes on the redemption date, and to redeem such Series and/ or Class/es of Notes in whole or, as the case may be, in part; and that all such funds will on such redemption date be subject to the security constituted by the Issuer Deed of Charge and not subject to the interest of any other person,

provided always that the provisions of this sub-clause are subject to and without prejudice to the provisions of **Clause 14(i)**;

- (u) **United States Reporting Requirements:** file with the Note Trustee copies of the annual reports and of the information, documents, and other reports (or copies of such portions of any of the foregoing as the SEC may by rules and regulations prescribe) which the Issuer is required to file with the SEC pursuant to Section 13 or 15(d) of the Exchange Act within 15 days after it files them with the SEC;
- (v) **Interest in Issuer Charged Property:** ensure that, save as permitted in these presents, the Issuer Deed of Charge, the Conditions and the other Issuer Transaction Documents, no person other than the Issuer and the Issuer Security Trustee shall have any equitable interest in the Issuer Charged Property;

- (w) **Maintenance of Issuer Cash Manager:** ensure that there is at all times a cash manager appointed in accordance with the provisions of the Issuer Cash Management Agreement;
- (x) **United Kingdom and United States Tax Status:** ensure that it is at all times solely resident in the United Kingdom for United Kingdom tax purposes and has no branch, business establishment or other fixed establishment outside the United Kingdom; and furthermore, ensure that it will not engage in any activities in the United States (directly or through agents), will not derive any income from United States sources as determined under United States income tax principles, and will not hold any property if doing so would cause it to be engaged or deemed to be engaged in a trade or business within the United States as determined under United States income tax principles;
- (y) **Pre-Enforcement Payments:** ensure that amounts standing to the credit of the Issuer Transaction Account will be applied by the Issuer in or towards satisfaction of such of the obligations set out in the Issuer Cash Management Agreement as may be, at any given time, then due and payable (in each case only if and to the extent that payments or provisions of a higher order of priority which are also due and payable or are likely to fall due at that time or prior to the next succeeding Interest Payment Date have been made or provided for in full);
- (z) **Availability of Information:** make available for inspection by Noteholders at the specified office of the Registrar during normal business hours on any Business Day copies of each balance sheet and profit and loss account sent to the Note Trustee pursuant to **Clause 14(e)**, this Deed, and the other Issuer Transaction Documents and promptly provide the Registrar, the Paying Agents, the Agent Bank, the Note Trustee, the Issuer Security Trustee and the Noteholders with the information specified in **Condition 5.3**;
- (aa) **Ratings:** furnish, or procure that there is furnished, from time to time, any and all documents, instruments, information and undertakings that may be reasonably necessary in order to maintain the current ratings of the Notes by the Rating Agencies (save that when any such document, instrument, information and/or undertaking is not within the possession or control of the Issuer, the Issuer agrees only to use its best efforts to furnish, or procure that there is furnished, from time to time any such documents, instruments, information and undertakings as may be reasonably necessary in order to maintain the current ratings of the Notes by the Rating Agencies);
- (bb) **Calculations:** do, or procure that there are done on its behalf, all calculations required pursuant to the Conditions;
- (cc) **DTC, Euroclear and Clearstream, Luxembourg:** use its reasonable endeavours to procure that DTC, Euroclear and/or Clearstream, Luxembourg (as the case may be) issue(s) any certificate or other document requested by the Note Trustee acting reasonably pursuant to these presents as soon as practicable after such request;
- (dd) **Information Regarding Noteholders:** furnish or cause to be furnished to the Note Trustee on 30 June and 31 December of each year, commencing 31 December 2006 and at such other times as the Note Trustee may request in writing, all information in the possession or control of the Issuer or of the Registrar as to the names and addresses of the Noteholders;
- (ee) **Authorised Signatories:** upon the execution of this Deed and thereafter forthwith upon any change of the same, deliver to the Note Trustee (with a copy to the Principal Paying Agent and the Registrar) a list of the Authorised Signatories of the Issuer, together with certified specimen signatures of the same;

- (ff) **Notes of the Issuer:** in order to enable the Note Trustee to ascertain the nominal amount of the Notes of each Series and Class for the time being outstanding for any of the purposes referred to in the proviso to the definition of **outstanding** in the Issuer Master Definitions and Construction Schedule, deliver to the Note Trustee as soon as practicable upon being so requested in writing by the Note Trustee a certificate in writing signed by two Authorised Signatories setting out the total number and aggregate nominal amount of the Notes of each Series and Class issued which:
 - (i) up to and including the date of such certificate have been purchased by the Issuer, any Subsidiary of the Issuer, Funding 1, the Mortgages Trustee or the Seller or any holding company of any of them or any other Subsidiary of such holding company and cancelled; and
 - (ii) are at the date of such certificate held by, for the benefit of, or on behalf of, the Issuer, any Subsidiary of the Issuer, Funding 1, the Mortgages Trustee or the Seller or any holding company of any of them or any other Subsidiary of such holding company;
- (gg) **New Issuance:** notify the Note Trustee five London Business Days prior to the relevant Closing Date of any new Series and Class of Notes if the form of terms and conditions of such Notes are different from the Conditions attached hereto as **Schedule 3**; and
- (hh) **Issuer Profit Amount:** consider from time to time the level of the Issuer Profit Amount and if the Issuer determines that a change in such level is appropriate in all the circumstances, then the Issuer shall certify to the Note Trustee, with a copy to the Rating Agencies and Funding 1, that its tax position shall not be adversely affected thereby; and
- (ii) **Shares and dividends:** the Issuer shall not (i) declare or pay any dividend or make any other distribution in respect of any of its shares other than, for so long as the Holdings Loan Agreement is still outstanding, by making a dividend to Holdings for the purpose of Holdings repaying the Holdings Loan Agreement, (ii) issue any further shares or alter any rights attaching to its issued shares as at the date hereof or (iii) repay or redeem any of its share capital.

15. ISSUER REPRESENTATIONS

The Issuer represents to the Note Trustee that:

- (a) it shall not carry on any business or engage in any activity whatsoever which is not incidental to or necessary in connection with any of the activities in which the Issuer Transaction Documents provide or envisage that it will be engaged;
- (b) its assets constitute "financial assets" as defined in the Taxation of Securitisation Companies Regulations 2006 (the **Regulations**);
- (c) in respect of each accounting period of the Issuer, the only amounts retained by the Issuer have been and will be (i) amounts reasonably required to provide for losses or expenses arising from its business or to maintain or enhance its creditworthiness and (ii) its profit;
- (d) to the extent that amounts are received by the Issuer pursuant to any Issuer Transaction Document, the Issuer has and has had a corresponding obligation to pay out an equal amount by way of cost or expense owing to a third party less an amount equal to the Issuer's profit; and

- (e) it has elected into the permanent regime for securitisation companies established under the Regulations within the requisite time limits therefor and in the form required by the Regulations.

16. THE POST-ENFORCEMENT CALL OPTION

- (a) The provisions of this **Clause 16** shall only apply in relation to Notes issued by the Issuer prior to 21 April 2011 (other than Class Z Notes).
- (b) Authorisation and acceptance: Each Noteholder by accepting a Note agrees to the terms of this **Clause 16, Condition 10.2 (Post-Enforcement Call Option)**, which applies to Notes issued by the Issuer prior to 21 April 2011 (other than Class Z Notes), and the Post-Enforcement Call Option Agreement and authorises the Note Trustee as its representative to enter into and perform its obligations under the Post-Enforcement Call Option Agreement.
- (c) Agreement to be bound: The Note Trustee shall on the date of this Trust Deed enter into the Post-Enforcement Call Option Agreement in order to acknowledge that the Note Trustee (on behalf of the (for the avoidance of doubt, present and future) Noteholders) is bound by, and the Notes are issued subject to the Post-Enforcement Call Agreement. Upon the exercise of the Post-Enforcement Call Option by the Post-Enforcement Call Option Holder no Noteholder shall have any further rights or interests in respect of the Notes and the unpaid interest, principal and other amounts (if any) in respect of the Notes shall be due and payable to the Post-Enforcement Call Option Holder.
- (d) Certification: The Note Trustee shall, for the purposes of **Condition 10.2 (Post-Enforcement Call Option)** which applies to Notes issued by the Issuer prior to 21 April 2011 (other than Class Z Notes), give written notice to the Post Enforcement Call Option Holder and the Issuer when it has determined, in its sole opinion and discretion, that all amounts outstanding under the Notes have become due and payable and that the Issuer Security Trustee has determined in its sole opinion and discretion that (i) the proceeds of enforcement of the Issuer Security, after distribution of such proceeds to the persons entitled thereto ranking in priority to the Notes under the Issuer Deed of Charge and to the Noteholders (to the extent entitled thereto), are insufficient to pay in full all principal and interest and other amounts whatsoever due in respect of the Notes and all other claims ranking *pari passu* therewith (ii) such proceeds of enforcement have been so distributed in accordance with the terms of the Issuer Deed of Charge and (iii) there are no further assets available to pay principal and interest and other amounts whatsoever due in respect of the Notes.

17. REMUNERATION AND INDEMNIFICATION OF THE NOTE TRUSTEE

- 17.1 The Issuer shall pay to the Note Trustee remuneration for its services as trustee as from the date of this Deed, such remuneration to be at such rate and to be paid on such dates as may from time to time be agreed in writing between the Issuer and the Note Trustee. The rate of remuneration in force from time to time may upon the final redemption of the whole of the Notes of any Series and Class be reduced by such amount as shall be agreed in writing between the Issuer and the Note Trustee, such reduced remuneration to be calculated from such date as shall be agreed as aforesaid. Such remuneration shall accrue from day to day and be payable (in priority to payments to the Noteholders) up to and including the date when, all the Notes having become due for redemption, the redemption monies and interest thereon to the date of redemption have been paid to the Principal Paying Agent or, as the case may be, the Note Trustee **PROVIDED THAT** if upon due presentation of any Note or any cheque payment of the monies due in respect thereof is improperly withheld or refused, remuneration will commence again to accrue until payment to Noteholders is made.
- 17.2 In the event of the occurrence of a Note Event of Default or the Note Trustee in its absolute discretion considering it necessary, or being requested by the Issuer to undertake duties which the Note Trustee and the Issuer agree to be of an exceptional nature or otherwise outside the scope of the

normal duties of the Note Trustee under this Deed, the Issuer shall pay to the Note Trustee such additional remuneration as shall be agreed between them.

- 17.3 The Issuer shall pay to the Note Trustee in addition an amount equal to the amount of any value added tax or similar tax chargeable in respect of its remuneration under this Deed against production of a valid tax invoice.
- 17.4 In the event of the Note Trustee and the Issuer failing to agree:
- (a) (in a case to which **sub-clause 17.1 above** applies) upon the amount of the remuneration; or
 - (b) (in a case to which **sub-clause 17.2 above** applies) upon whether such duties shall be of an exceptional nature or otherwise outside the scope of the normal duties of the Note Trustee under this Deed, or upon such additional remuneration,

such matters shall be determined by a merchant or investment bank (acting as an expert and not as an arbitrator) selected by the Note Trustee and approved by the Issuer or, failing such approval, nominated (on the application of the Note Trustee) by the President for the time being of The Law Society of England and Wales (the expenses involved in such nomination and the fees of such merchant or investment bank being payable by the Issuer) and the determination of any such merchant or investment bank shall be final and binding upon the Note Trustee and the Issuer.

- 17.5 In addition to remuneration hereunder, the Issuer shall on written request pay (on an indemnity basis) all other costs, charges and expenses which the Note Trustee may properly incur in relation to the negotiation, preparation and execution of, the exercise of its powers and the performance of its duties under, and in any other manner in relation to, this Deed and any other Transaction Document to which the Note Trustee is a party, including but not limited to travelling and legal expenses properly incurred and any stamp, issue, registration, documentary and other similar taxes or duties paid or payable by the Note Trustee in connection with any action taken or contemplated by or on behalf of the Note Trustee for enforcing, or for any other purpose in relation to, this Deed or any of the other Issuer Transaction Documents.
- 17.6 All amounts payable pursuant to **sub-clause 17.2 above** and/or **Clause 18(m)** shall be payable by the Issuer on the date specified in a written demand by the Note Trustee and in the case of payments actually made by the Note Trustee prior to such demand shall (if not paid within three days after such demand and the Note Trustee so requires) carry interest at the rate of 3 per cent. per annum above the mean base rate from time to time of the Reference Banks from the date specified in such demand, and in all other cases shall (if not paid on the date specified in such demand or, if later, within three days after such demand and, in either case, the Note Trustee so requires) carry interest at such rate from the date specified in such demand. All remuneration payable to the Note Trustee shall carry interest at such rate from the due date therefor.
- 17.7 Unless otherwise specifically stated in any discharge of this Deed, the provisions of this Clause and **Clause 18(m)** shall continue in full force and effect notwithstanding such discharge.
- 17.8 The Note Trustee shall be entitled in its absolute discretion to determine in respect of which Series and Class of Notes any liabilities incurred under this Deed have been incurred or to allocate any such liabilities between the Notes of any Series and Class.
- 17.9 Notwithstanding anything else herein contained, the Note Trustee may refrain from taking any action or exercising any right, power, authority or discretion vested in it under this Deed or any other agreement relating to the transactions therein contemplated until it has been indemnified and/or secured to its satisfaction (whether by payment in advance or otherwise) against any and all actions, charges, claims, costs, damages, demands, expenses, liabilities, losses and proceedings (including

legal and other professional fees) which might be brought, made or conferred against or suffered, incurred or sustained by it as a result and nothing contained herein shall require the Note Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties or the exercise of any right, power, authority or discretion hereunder if it has reasonable grounds for believing the repayment of such funds or adequate indemnity against, or security for, such risk or liability is not assured to it.

18. SUPPLEMENT TO TRUSTEE ACTS

Section 1 of the Trustee Act 2000 shall not apply to the duties of the Note Trustee in relation to the trusts constituted by these presents. Where there are any inconsistencies between the Trustee Act and the provisions of these presents, the provisions of these presents shall, to the extent allowed by law, prevail and, in the case of any such inconsistency with the Trustee Act 2000, the provisions of these presents shall constitute a restriction or exclusion for the purposes of that Act.

The Note Trustee shall have all the powers conferred upon trustees by the Trustee Act 1925 and the Trustee Act 2000 of England and Wales and by way of supplement thereto it is expressly declared as follows:

- (a) **Expert Advice or Opinion:** the Note Trustee may in relation to these presents or the other Issuer Transaction Documents act on the advice or opinion of or any information obtained from any lawyer, valuer, accountant, surveyor, banker, broker, auctioneer or other expert whether obtained by the Issuer, the Note Trustee, the Principal Paying Agent, the Registrar or otherwise and shall not be responsible for any liability occasioned by so acting in good faith; any such advice, opinion or information may be sent or obtained by letter, telex, telegram, facsimile transmission, e-mail or cable and the Note Trustee shall not be liable for acting on any advice, opinion or information purporting to be conveyed by any such letter, telex, telegram, facsimile transmission, e-mail or cable although the same shall contain some error or shall not be authentic;
- (b) **Certificate as Sufficient Evidence:** the Note Trustee may call for and shall be at liberty to accept as sufficient evidence of any fact or matter or the expediency of any transaction or thing a certificate signed by any two directors of the Issuer as to that fact or to the effect that, in their opinion that act is expedient and the Note Trustee shall not be bound in any such case to call for further evidence or be responsible for any liability that may be occasioned by it or any other person acting on such certificate;
- (c) **Custody of Documents:** the Note Trustee shall be at liberty to hold these presents and any other documents relating thereto or any other Issuer Transaction Documents or to deposit them in any part of the world with any banker or banking company or company whose business includes undertaking the safe custody of documents or lawyer or firm of lawyers considered by the Note Trustee to be of good repute and the Note Trustee shall not be responsible for or required to insure against any liability incurred in connection with any such holding or deposit and may pay all sums required to be paid on account of or in respect of any such deposit;
- (d) **Application of Proceeds:** the Note Trustee shall not be responsible for the receipt or application of the proceeds of the issue of any of the Notes by the Issuer, the exchange of any Global Note for another Global Note or Definitive Notes or the exchange of any Definitive Note for another Definitive Note or the delivery of any Global Note or Definitive Notes to the person(s) entitled to it or them;
- (e) **Assumption of No Default:** the Note Trustee shall not be bound to give notice to any person of the execution of any documents comprised or referred to in these presents or to

take any steps to ascertain whether any Note Event of Default or Potential Note Event of Default has happened and, until it shall have actual written notice pursuant to these presents to the contrary, the Note Trustee shall be entitled to assume that no Note Event of Default or Potential Note Event of Default has occurred and that the Issuer is observing and performing all of its obligations under these presents;

- (f) **Condition to Issue of Notes:** the Note Trustee shall have no obligation to monitor or determine whether the conditions to issue of any Notes or the Issuance Tests have been satisfied and shall rely without liability to any person on a certification provided by the Issuer as to their satisfaction or waiver;
- (g) **Absolute Discretion:** save as expressly otherwise provided in this Deed, the Note Trustee shall have absolute and uncontrolled discretion as to the exercise or non-exercise of its trusts, powers, authorities and discretions under these presents (the exercise or non-exercise of which as between the Note Trustee and the Noteholders shall be conclusive and binding on the Noteholders), shall not be responsible for any liability which may result from their exercise or non-exercise;
- (h) **Reliance on Extraordinary Resolution:** the Note Trustee shall not be liable to any person by reason of having acted upon any Extraordinary Resolution in writing or any Extraordinary Resolution or other resolution purporting to have been passed at any meeting of the holders of Notes of all or any Series and/or Class/es in respect whereof minutes have been made and signed even though subsequent to its acting it may be found that there was some defect in the constitution of the meeting or the passing of the resolution or (in the case of an Extraordinary Resolution in writing) that not all relevant Noteholders had signed the Extraordinary Resolution or that for any reason the resolution was not valid or binding upon such Noteholders;
- (i) **Reliance on Notice of Prepayment:** without prejudice to the right of the Note Trustee to require and/or accept any other evidence, the Note Trustee may accept as conclusive evidence of the matters certified therein a certificate signed by two directors of the Issuer under **Clause 14(t)(ii)**. The Note Trustee shall have no responsibility to the Noteholders or any other person for guaranteeing or ensuring that the Issuer's liabilities in respect of the Notes and any other amounts are in fact discharged on the due date and shall have no liability to the Noteholders or any other person for any failure by the Issuer to discharge or pay such liabilities and other amounts;
- (j) **Issuer Charged Property:** the Note Trustee may accept without enquiry, requisition or objection such title as the Issuer may have to the Issuer Charged Property or any part thereof from time to time and shall not be bound to investigate or make any enquiry into the title of the Issuer to the Issuer Charged Property or any part thereof from time to time whether or not any default or failure is or was known to the Note Trustee or might be, or might have been, discovered upon examination, inquiry or investigation and whether or not capable of remedy. Notwithstanding the generality of the foregoing, each Noteholder shall be solely responsible for making its own independent appraisal of and investigation into the financial condition, creditworthiness, condition, affairs, status and nature of the Issuer, and the Note Trustee shall not at any time have any responsibility for the same and each Noteholder shall not rely on the Note Trustee in respect thereof;
- (k) **Reliance on Certificates or Confirmations:** subject to **Clause 18**, the Note Trustee shall be entitled to rely without investigation or enquiry on a certificate or confirmation of the Agent Bank, any Paying Agent, any Rating Agency or any Reference Bank in respect of every matter and circumstance for which a certificate or confirmation of the Agent Bank, any Paying Agent, any Rating Agency or any Reference Bank is expressly provided for

under these presents, the Conditions or any other Issuer Transaction Document and to call for and rely upon a certificate or confirmation of the Agent Bank, any Paying Agent, any Rating Agency or any Reference Bank or any other person as to any other fact or matter *prima facie* within the knowledge of the Agent Bank, any Paying Agent, any Rating Agency or any Reference Bank or such other person, as sufficient evidence thereof and the Note Trustee shall not be bound in any such case to call for further evidence or be responsible for any loss, liability, costs, damages, expenses or inconvenience that may be occasioned by its failing so to do or the exercise or non-exercise by the Note Trustee of any of its powers, duties and discretions hereunder;

- (l) **Notes Not Authentic:** the Note Trustee shall not be liable to any person by reason of having accepted as valid or not having rejected any Note purporting to be such and subsequently found to be forged or not authentic;
- (m) **Indemnity:** subject to **Clause 18**, without prejudice to the right of indemnity by law given to trustees, the Issuer shall indemnify the Note Trustee and keep it or him indemnified against all Liabilities to which it or he may be or become subject or which may be incurred by it or him in the proper execution or purported proper execution of any of its or his trusts, powers, authorities and discretions under these presents or any other Issuer Transaction Document or its or his functions under any such appointment or in respect of any other matter or thing done or omitted in any way relating to these presents or any other Issuer Transaction Document or any such appointment (including any Agent/Delegate Liabilities). The Issuer will on demand by such agent or delegate indemnify it against such Agent/Delegate Liabilities. The Contracts (Rights of Third Parties) Act applies to this **Clause 18(m)**;
- (n) **No Disclosure Obligation:** unless and to the extent ordered so to do by a court of competent jurisdiction, the Note Trustee shall not be required to disclose to any Noteholder any information (including, without limitation, information of a confidential, financial or price sensitive nature) made available to the Note Trustee by the Issuer or any other person in connection with these presents or any other Issuer Transaction Document and no Noteholder shall be entitled to take any action to obtain from the Note Trustee any such information;
- (o) **Currency Conversion:** where it is necessary or desirable for any purpose in connection with these presents to convert any sum from one currency to another it shall be converted (unless otherwise provided by these presents or required by law) at such rate or rates, in accordance with such method and as at such date for the determination of such rate of exchange, as may be agreed by the Note Trustee in consultation with the Issuer and any rate, method and date so agreed shall be binding on the Issuer and the Noteholders;
- (p) **Certificate in respect of Material Prejudice:** the Note Trustee may certify whether or not any of the conditions, events and acts set out in **Condition 9** (each of which conditions, events and acts shall, unless the Note Trustee in its absolute discretion shall otherwise determine, for all the purposes of these presents be deemed to include the circumstances resulting therein and the consequences resulting therefrom) is in its opinion materially prejudicial to the interests of the Noteholders of the relevant Series and/or Class or Classes and any such certificate shall be conclusive and binding upon the Issuer and the Noteholders;
- (q) **Determination by Note Trustee:** the Note Trustee as between itself and the Noteholders may determine all questions and doubts arising in relation to any of the provisions of this Deed. Every such determination, whether or not relating in whole or in part to the acts or proceedings of the Note Trustee, shall be conclusive and shall bind the Note Trustee and the Noteholders;

- (r) **Interests of Noteholders:** in connection with the exercise or execution by the Note Trustee of any of its trusts, duties, rights, powers, authorities and discretions under these presents and the other Issuer Transaction Documents:
- (i) where it is required to have regard to the interests of the Noteholders of any Class, it shall have regard to the interests of such Noteholders as a class and, in particular but without prejudice to the generality of the foregoing, shall not have regard to, or be in any way liable for, the consequences of any exercise thereof for individual Noteholders of any Series or Class resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory, and the Note Trustee shall not be entitled to require, nor shall any Noteholder be entitled to claim, from the Issuer or any other person, any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders;
 - (ii) except where expressly provided otherwise, it shall have regard to the interests of the Class A Noteholders, the Class B Noteholders, the Class M Noteholders, the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders equally **PROVIDED THAT** (A) if in the opinion of the Note Trustee there is a conflict between the interests of the Class A Noteholders, on the one hand and the interests of the Class B Noteholders and/or the Class M Noteholders and/or the Class C Noteholders and/or the Class D Noteholders and/or the Class Z Noteholders on the other hand, the Note Trustee shall have regard only to the interests of the Class A Noteholders; (B) if in the opinion of the Note Trustee there is a conflict between the interests of the Class B Noteholders on the one hand and the Class M Noteholders and/or the Class C Noteholders and/or the Class D Noteholders and/or the Class Z Noteholders on the other hand, the Note Trustee shall have regard only to the interests of the Class B Noteholders; (C) if in the opinion of the Note Trustee there is a conflict between the interests of the Class M Noteholders on the one hand and the Class C Noteholders and/or the Class D Noteholders and/or the Class Z Noteholders on the other hand, the Note Trustee shall have regard only to the interests of the Class M Noteholders; (D) if in the opinion of the Note Trustee there is a conflict between the interests of the Class C Noteholders on the one hand and the Class D Noteholders and/or the Class Z Noteholders on the other hand, the Note Trustee shall have regard only to the interests of the Class C Noteholders; and (E) if in the opinion of the Note Trustee there is a conflict between the interests of the Class D Noteholders on the one hand and the Class Z Noteholders on the other hand, the Note Trustee shall have regard only to the interests of the Class D Noteholders, but so that this proviso shall not apply in the case of powers, authorities or discretions in relation to which it is expressly stated that they may be exercised by the Note Trustee only if in its opinion the interests of all the Noteholders would not be materially prejudiced thereby **PROVIDED FURTHER** that when considering the interests of the Class A Noteholders, Class B Noteholders, Class M Noteholders, Class C Noteholders, Class D Noteholders and Class Z Noteholders as contemplated above, the Note Trustee shall have regard to the interests of all Class A Noteholders, Class B Noteholders, Class M Noteholders, Class C Noteholders, Class D Noteholders and Class Z Noteholders as a Class, provided that if, in relation to any matter, in the opinion of the Note Trustee there is a conflict between the interests of a Class of the Class A Noteholders, Class B Noteholders, Class M Noteholders, Class C Noteholders, Class D Noteholders or Class Z Noteholders on the one hand and the interests of another Class of the Class A Noteholders, Class B Noteholders, Class M Noteholders, Class C Noteholders, Class D Noteholders or Class Z Noteholders on the other hand, the Note Trustee shall not be obliged to do anything

under this Note Trust Deed or the Conditions in relation to such matter, unless directed to do so by an Extraordinary Resolution of the holders of each such Class of the Class A Notes, each such Class of the Class B Notes, each such Class of the Class M Notes, each such Class of the Class C Notes, each such Class of the Class D Notes and each such Class of the Class Z Notes for the time being outstanding; and

- (iii) it shall not have regard to, or be in any way liable for, the consequences of any exercise thereof for any other Issuer Secured Creditor or any other person,
- (s) **Rating Confirmation:** subject to **Condition 16** and **Clause 21.4**, the Note Trustee shall be entitled to assume, without further investigation or inquiry, for the purpose of exercising or performing any right, power, trust, authority, duty or discretion under or in relation to these presents or any other Issuer Transaction Document (including, without limitation, any consent, approval, modification, waiver, authorisation or determination referred to in **Clause 20**), that such exercise will not be materially prejudicial to the interests of the Noteholders or any Series and/or Class thereof, if each of the Rating Agencies rating the relevant Series and/or Class of Notes has confirmed in writing (whether or not such confirmation is addressed to, or provides that it may be relied upon by, the Note Trustee and irrespective of the method by which such confirmation is conveyed) (i) that the then current rating by it of the relevant Series and/or Class of Notes would not be downgraded, withdrawn or qualified by such exercise or performance and/or (ii) if the original rating of the relevant Series and/or Class of Notes has been downgraded previously, that such exercise or performance will not prevent the restoration of such original rating of such Series and/or Class of Notes. The provisions of **Clause 18.4** shall apply to this sub-clause. The Note Trustee shall be entitled to rely on such Rating Agency confirmation, without liability to any person;
- (t) **Certificate of Principal Amount Outstanding:** the Note Trustee may call for any certificate or other document to be issued by DTC, Euroclear or Clearstream, Luxembourg as to the Principal Amount Outstanding of Notes represented by a Global Note standing to the account of any person. Any such certificate or other document shall (in the absence of manifest error) be conclusive and binding for all purposes. The Note Trustee shall not be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by DTC, Euroclear or Clearstream, Luxembourg and subsequently found to be forged or not authentic;
- (u) **Notes held in clearing systems:** so long as any Global Notes are held by or on behalf of a Clearing System, in considering the interests of Noteholders, the Note Trustee may have regard to any information provided to it by such clearing system or its operator as to the identity (either individually or by category) of its accountholders or participants with entitlements to any such Global Note and may consider such interests on the basis that such accountholders or participants were the holders thereof;
- (v) **Professional Charges:** any trustee of these presents being a lawyer, accountant, broker or other person engaged in any profession or business shall be entitled to charge and be paid all usual professional and other charges for business transacted and acts done by him or his firm in connection with the trusts of these presents and also his reasonable charges in addition to disbursements for all other work and business done and all time spent by him or his firm in connection with matters arising in connection with these presents;
- (w) **Power of Attorney:** the Note Trustee may whenever it thinks fit (acting reasonably) delegate by power of attorney or otherwise to any person or persons or fluctuating body of persons (whether being a joint trustee of these presents or not) all or any of its trusts, powers, authorities and discretions under these presents. Such delegation may be made upon such

terms (including power to sub-delegate) and subject to such conditions and regulations as the Note Trustee may in the interests of the Noteholders think fit;

- (x) **Delegation:** the Note Trustee may in the conduct of the trusts of these presents instead of acting personally employ and pay an agent (whether being a lawyer or other professional person) to transact or conduct, or concur in transacting or conducting, any business and to do, or concur in doing, all acts required to be done in connection with these presents. The Note Trustee shall not be in any way responsible for any liability incurred by reason of any misconduct or default on the part of any such agent or be bound to supervise the proceedings or acts of any such agent;
- (y) **Ratings:** the Note Trustee shall have no responsibility for the maintenance of any rating of any of the Notes by the Rating Agencies or any other person;
- (z) **Nominees:** in relation to any asset held by it under this Note Trust Deed, the Trustee may appoint any person to act as its nominee on any terms;
- (aa) **No Requirement to Perform Illegal Acts, etc.:** no provision of these presents shall require the Note Trustee to do anything which may be illegal or contrary to applicable law or regulation or expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties, or in the exercise of any of its rights or powers or otherwise in connection with these presents, any other Issuer Transaction Document or the Notes (including, without limitation, forming any opinion or employing any legal, financial or other adviser), if it shall believe that repayment of such funds or adequate indemnity against such risk or liability is not assured to it;
- (bb) **Responsibility for agents etc:** if the Note Trustee exercises reasonable care in selecting any custodian, agent, delegate or nominee appointed under this **Clause 18** (an **Appointee**), it will not have any obligation to supervise the Appointee or be responsible for any loss, liability, cost, claim, action, demand or expense incurred by reason of the Appointee's misconduct or default or the misconduct or default of any substitute appointed by the Appointee;
- (cc) **Notes held by the Issuer:** in the absence of knowledge or express notice to the contrary, the Note Trustee may assume without enquiry (other than requesting a certificate under **Clause 14(gg)**) that no Notes are for the time being held by, for the benefit, or on behalf of the Issuer, any Subsidiary of the Issuer, by Funding 1, the Mortgages Trustee or the Seller or any holding company of any of them or any other such Subsidiary of such holding company.
- (dd) **Responsibility for Reports etc.:** the Note Trustee has no responsibility to verify or monitor the contents of, or (if applicable) to check any calculations contained in, any reports, information, documents, Officers' Certificate and Opinions of Counsel delivered to the Note Trustee in accordance with **Clauses 14(u), (ee)**, or **Clause 29**, and is under no obligation to inform Noteholders of the contents of any such reports, information, documents, Officers' Certificate and Opinions of Counsel, other than allowing Noteholders upon reasonable notice, to inspect such reports, information, documents, Officers' Certificate and Opinions of Counsel;
- (ee) **Auditors Reports and Certificates:** any certificate or report of the Auditors other experts or financial advisers called for by or provided to the Note Trustee in accordance with or for the purposes of these presents may be relied upon by the Note Trustee without further investigation or enquiry as sufficient evidence of the facts stated therein notwithstanding that such certificate or report and/or any engagement letter or other document entered into by the

Note Trustee in connection therewith contains a monetary or other limit on the liability of the Auditors other experts or financial advisers in respect thereof;

- (ff) **Limitation of Liability:** subject to **Clause 19** the Note Trustee shall not be responsible for the genuineness, validity, effectiveness or suitability of any of the Issuer Transaction Documents or any other documents entered into in connection therewith or any other document or any obligation or rights created or purported to be created thereby or pursuant thereto or any security or the priority thereof constituted or purported to be constituted thereby or pursuant thereto, nor shall it be responsible or liable to any person because of any invalidity of any provision of such documents or the unenforceability thereof, whether arising from statute, law or decisions of any court and (without prejudice to the generality of the foregoing) the Note Trustee shall not have any responsibility for or have any duty to make any investigation in respect of or in any way be liable whatsoever for:
- (i) the nature, status, creditworthiness or solvency of the Issuer or Funding 1 or any other person or entity who has at any time provided any security or support whether by way of guarantee, charge or otherwise in respect of any advance made to the Issuer;
 - (ii) the execution, delivery, legality, validity, adequacy, admissibility in evidence or enforceability of any Issuer Transaction Document or any other document entered into in connection therewith;
 - (iii) the title, ownership, value, sufficiency, enforceability or existence of any Issuer Charged Property or any security (howsoever described) relating thereto;
 - (iv) the registration, filing, protection or perfection of any security (howsoever described) relating to the Issuer Charged Property or the priority of the security (howsoever described) thereby created whether in respect of any initial advance or any subsequent advance or any other sums or liabilities;
 - (v) the scope or accuracy of any representations, warranties or statements made by or on behalf of the Issuer or Funding 1 or any other person or entity who has at any time provided the same in any Issuer Transaction Document or in any document entered into in connection therewith;
 - (vi) the performance or observance by the Issuer or Funding 1 or any other person of any provisions of any Issuer Transaction Document or any document entered into in connection therewith or the fulfilment or satisfaction of any conditions contained therein or relating thereto or as to the existence or occurrence at any time of any default, event of default or similar event howsoever described contained therein or any waiver or consent which has at any time been granted in relation to any of the foregoing;
 - (vii) the existence, accuracy or sufficiency of any legal or other opinions, searches, reports, certificates, valuations or investigations delivered or obtained or required to be delivered or obtained at any time in connection with any Issuer Charged Property or Issuer Transaction Document;
 - (viii) the title of the Issuer to any Issuer Charged Property;
 - (ix) the suitability, adequacy or sufficiency of any applicable criteria for any advances under the Intercompany Loan Agreement or the legality or recoverability or

enforceability thereof or the priority of any security (howsoever described) in relation thereto;

- (x) the failure by the Issuer to obtain or comply with any licence, consent or other authority in connection with the Issuer Charged Property or the Issuer Transaction Documents or the making of any advances in connection therewith or the failure to effect or procure registration of or to give notice to any person in relation to or otherwise protect the security (howsoever described) created or purported to be created by or pursuant to any of the Issuer Charged Property or the Issuer Transaction Documents or other documents entered into in connection therewith;
 - (xi) the failure to call for delivery of documents of title to or require any transfers, legal mortgages, charges or other further assurances in relation to any of the assets that are the subject matter of any of the Issuer Transaction Documents or any other document;
 - (xii) any assets comprised in the security (howsoever described) created by the Issuer Deed of Charge, or any deeds or documents of title thereto, being uninsured or inadequately insured or being held by or to the order of other parties to the Issuer Transaction Documents, clearing organisations or their operators or by intermediaries such as banks, brokers, depositories, warehousemen or other similar persons whether or not on behalf of the Note Trustee;
 - (xiii) any accounts, books, records or files maintained by the Issuer or any other person in respect of any of the Issuer Charged Property or Issuer Transaction Documents; or
 - (xiv) any other matter or thing relating to or in any way connected with any Issuer Charged Property or any Issuer Transaction Document or any document entered into in connection therewith whether or not similar to the foregoing; and
- (gg) the Note Trustee may or may not act and rely on (and shall have no liability to Noteholders for doing so) certificates or reports provided by any accountant or other expert whether or not addressed to the Note Trustee and whether or not such certificate or report or any engagement letter or other document entered into by the Note Trustee and such accountant or other expert (whether by reference to a monetary cap or by reference to the methodology to be employed in producing the same).

19. NOTE TRUSTEE'S LIABILITY

None of the provisions of these presents shall, in any case in which the Note Trustee has failed to show the degree of care and diligence required of it as trustee of these presents, having regard to the provisions of these presents and any of the other Issuer Transaction Documents to which the Note Trustee is a party conferring on the Note Trustee any powers, authorities or discretions, relieve or indemnify the Note Trustee against any liabilities which by virtue of any rule of law would otherwise attach to it in respect of any wilful misconduct, breach of duty, negligence or breach of trust of which it may be guilty in relation to its duties under these presents or its breach of the terms of this Deed.

20. NOTE TRUSTEE CONTRACTING WITH THE ISSUER

Neither the Note Trustee nor any director or officer or holding company or associated company of a corporation acting as a trustee under these presents shall by reason of its or his fiduciary position be in any way precluded from:

- (a) entering into or being interested in any contract or financial or other transaction or arrangement with the Issuer or any other party to the Issuer Transaction Documents or any person or body corporate associated with the Issuer or any other party to the Issuer Transaction Documents (including without limitation any contract, transaction or arrangement of a banking or insurance nature or any contract, transaction or arrangement in relation to the making of loans or the provision of financial facilities or financial advice to, or the purchase, placing or underwriting of or the subscribing or procuring subscriptions for or otherwise acquiring, holding or dealing with, or acting as paying agent in respect of, the Notes or any other notes, bonds, stocks, shares, debenture stock, debentures or other securities of, the Issuer or any other party to the Issuer Transaction Documents or any person or body corporate associated as aforesaid); or
- (b) accepting or holding the trusteeship of any other trust deed constituting or securing any other notes issued by or relating to the Issuer or any other party to the Issuer Transaction Documents or any such person or body corporate so associated or any other office of profit under the Issuer or any other party to the Issuer Transaction Documents or any such person or body corporate so associated,

and shall be entitled to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such contract, transaction or arrangement as is referred to in (a) above or, as the case may be, any such trusteeship or office of profit as is referred to in (b) above without regard to the interests of the Noteholders and notwithstanding that the same may be contrary or prejudicial to the interests of the Noteholders and shall not be responsible for any liability occasioned to the Noteholders thereby and shall be entitled to retain and shall not be in any way liable to account for any profit made or share of brokerage or commission or remuneration or other amount or benefit received thereby or in connection therewith.

Where any holding company, subsidiary or associated company of the Note Trustee or any director or officer of the Note Trustee acting other than in such capacity as director or officer has any information, the Note Trustee shall not thereby be deemed also to have knowledge of such information and, unless it shall have express notice pursuant to this Deed of such information, shall not be responsible for any loss suffered by Noteholders resulting from the Note Trustee's failing to take such information into account in acting or refraining from acting under or in relation to these presents.

21. WAIVER, AUTHORISATION AND DETERMINATION

21.1 Waiver and determination

The Note Trustee may, without the consent or sanction of the Noteholders and without prejudice to its rights in respect of any subsequent breach, from time to time and at any time but, unless otherwise specified, only if and in so far as, in the case of (a), (c) and (d) below, in its opinion the interests of the holders of each Series and/or Class of Notes shall not be materially prejudiced thereby and in the case of (d) below in its opinion the interests of the holders of the most senior class of Notes then outstanding shall not be materially prejudiced thereby:

- (a) waive or authorise (other than a waiver or authorisation, the subject of which falls within the definition of a Basic Terms Modification) any breach or proposed breach by the Issuer or any other person of any of the covenants or provisions contained in these presents or any of the other Issuer Transaction Documents;
- (b) determine that any Note Event of Default shall not be treated as such for the purposes of these presents;

- (c) direct the Issuer Security Trustee to waive or authorise (other than a waiver or authorisation, the subject of which falls within the definition of a Basic Terms Modification) any breach or proposed breach by the Issuer or any other person of any of the covenants or provisions contained in any of the Issuer Transaction Documents; or
- (d) direct the Issuer Security Trustee to direct the Funding 1 Security Trustee to waive or authorise any breach or proposed breach by Funding 1 or any other person of any of the covenants or provisions contained in any Issuer Transaction Documents;

PROVIDED ALWAYS THAT the Note Trustee shall not exercise any powers conferred on it by this Clause in contravention of any express direction given by Extraordinary Resolution of any class of Notes or by a request under **Condition 9** or **10** but so that no such direction or request shall affect any waiver, authorisation or determination previously given or made. Any such waiver, authorisation or determination may be given or made on such terms and subject to such conditions (if any) as the Note Trustee may determine, shall be binding on the Noteholders and, if, but only if, the Note Trustee shall so require, shall be notified by the Issuer to the Noteholders in accordance with **Condition 14** as soon as practicable thereafter.

21.2 Modification

- (a) The Note Trustee may without the consent or sanction of the Noteholders at any time and from time to time:
 - (i) concur with the Issuer or any other person;
 - (ii) direct the Issuer Security Trustee to concur with the Issuer or any other person; or
 - (iii) direct the Issuer Security Trustee to direct the Funding 1 Security Trustee to concur with Funding 1 or any other person,

in making any modification (except a Basic Terms Modification (as defined in **paragraph 5** of **Schedule 6** hereto)) to these presents or any of the other Issuer Transaction Documents which in the sole opinion of the Note Trustee it may be proper to make PROVIDED THAT the Note Trustee is of the opinion that such modification will not be materially prejudicial to the interests of the holders of any Series and/or Class of Notes or any modification to these presents or any of the other Issuer Transaction Documents if in the sole opinion of the Note Trustee such modification is of a formal, minor or technical nature or is necessary to correct a manifest error or is to comply with the mandatory provisions of law (and for the avoidance of doubt, the Note Trustees shall be entitled to assume, without further investigation or inquiry, that such modification, waiver or authorisation will not be materially prejudicial to the interests of the Noteholders if each of the Rating Agencies has confirmed in writing that the then current ratings of the applicable Series and/or Classes of Rated Notes would not be adversely affected by such modification, waiver or authorisation (it being acknowledged that none of the Rating Agencies has any obligation to provide such confirmation at any time and that, pursuant to Condition 16, the confirmation of one of the Rating Agencies may be sufficient for such purpose) PROVIDED ALWAYS THAT the Note Trustee shall not exercise any powers conferred on it by this Clause in contravention of any express direction given by Extraordinary Resolution of any class of Notes or by a request under **Condition 9** or **10** but so that no such direction or request shall affect any modification previously made. Any such modification may be made on such terms and subject to such conditions (if any) as the Note Trustee may determine, shall be binding upon the Noteholders and, unless the Note Trustee agrees otherwise, shall be notified by the Issuer to the Noteholders and the Rating Agencies in accordance with **Condition 14** as soon as practicable thereafter.

- (b) So long as any of the Notes are rated by the Rating Agencies, the Issuer shall notify the Rating Agencies in writing as soon as reasonably practicable thereafter of any modification to the provisions of these presents, the Notes or any of the other Issuer Transaction Documents. The Note Trustee may also agree, without the consent of the Noteholders, to a change of the laws governing the Notes and/or the Issuer Transaction Documents (and to any consequential amendments deriving therefrom) **PROVIDED THAT** such change and consequential amendments would not, in the opinion of the Note Trustee, be materially prejudicial to the interests of the holders of any Series or Class/es of Notes.
- (c) In addition, the Note Trustee shall give its consent to any modifications to any Issuer Transaction Document or direct the Issuer Security Trustee to give its consent to such modifications or to direct the Funding 1 Security Trustee to give its consent to such modifications (other than a Basic Terms Modification), that are requested by Funding 1 (or the Cash Manager on its behalf) or the Issuer (or the Issuer Cash Manager on its behalf) provided that Funding 1 (or the Cash Manager on its behalf) or the Issuer (or the Issuer Cash Manager on its behalf) certifies to the Note Trustee, the Issuer Security Trustee and/or the Funding 1 Security Trustee (as applicable) in writing that such modifications are required in order to accommodate (among other things):
- (i) any Loan Tranches to be advanced to Funding 1 under the Intercompany Loan and/or the issue of any Notes by the Issuer;
 - (ii) New Intercompany Loan Agreements of Funding 1 or any Further Funding Companies and/or the issue of New Notes by New Issuers;
 - (iii) the addition of other relevant secured creditors of the Issuer Secured Creditors, Funding 1 Secured Creditors, any New Issuer or any Further Funding Company;
 - (iv) the accession of New Beneficiaries to the Mortgages Trust Deed;
 - (v) the issue (directly or indirectly) of debt by Funding 1 and/or any Further Funding Company (other than as referred to in **paragraphs (i) and (ii) above**);
 - (vi) the sale of New Loan Types or Mortgages to the Mortgages Trustee;
 - (vii) changes to the General Reserve Required Amount and/or any additional amounts for the purposes of an Arrears or Step-up Trigger Event and/or the Liquidity Reserve Fund Required Amount and/or the manner in which these are funded;
 - (viii) the establishment of the Funding 1 Liquidity Facility; and/or
 - (ix) changes to the Asset Trigger Events and Non-Asset Trigger Events.
- (d) The Note Trustee shall only be required to agree or consent to the modifications set out in **paragraph (c) above** if the Note Trustee is satisfied that:
- (i) in respect of the matters listed in **paragraphs (c)(i), (c)(iv) and (c)(vi) above**, Funding 1, the Cash Manager, the Issuer and/or the Issuer Cash Manager has certified to the Note Trustee in writing that the conditions precedent to:
 - (A) Notes being issued by the Issuer and/or Loan Tranches being made available to Funding 1 (as set out in Condition 15 and Clause 3 of the Intercompany Loan Agreement);

- (B) the assignment of New Loans to the Mortgages Trustee (as set out in Clause 4 of the Mortgage Sale Agreement);
- (C) the inclusion of a New Beneficiary of the Mortgages Trust (as set out in Clause 17 of the Mortgages Trust Deed),

have been satisfied; and

- (ii) in respect of the matters listed in **paragraphs (c)(i) to (c)(ix)** above, the Note Trustee has received written confirmation from each of the Rating Agencies that as a result of the relevant modifications the then current ratings of the Rated Notes will not be downgraded, withdrawn or qualified (it being acknowledged that none of the Rating Agencies has any obligation to provide such confirmation at any time).

21.3 Consent

The Note Trustee may give, or direct the Issuer Security Trustee or the Funding 1 Security Trustee to give, or direct the Issuer Security Trustee to direct the Funding 1 Security Trustee to give, any consent or approval for the purposes of these presents or any other Issuer Transaction Document if, in its opinion, the interests of all classes of the Noteholders will not be materially prejudiced thereby. For the avoidance of doubt, the Note Trustee shall not have any duty to the Noteholders in relation to such matters other than that which is contained in this Clause. Any such consent or approval may be given on such terms and subject to such conditions (if any) as the Note Trustee thinks fit and notwithstanding anything to the contrary in these presents or any other Issuer Transaction Document may be given retrospectively.

21.4 Rating Agencies

If:

- (a) a confirmation of rating or other response by a Rating Agency is a condition to any action or step under any Issuer Transaction Document; and
- (b) a written request for such confirmation or response is delivered to each Rating Agency by the Issuer (copied to the Note Trustee) and either one or more Rating Agency (each a **Non-Responsive Rating Agency**) indicates that it does not consider such confirmation or response necessary in the circumstances or within 30 days of delivery of such request elicits no confirmation or response and/or such request elicits no statement by such Rating Agency that such request could not be given; and
- (c) at least one Rating Agency gives such a confirmation or response based on the same facts,

then such condition shall be deemed to be modified with respect to the facts set out in the request referred to in **paragraph (b) above** so that there shall be no requirement for the confirmation or response from the Non-Responsive Rating Agency.

The Note Trustee shall be entitled to treat as conclusive a certificate by any director, officer or employee of the Issuer, Funding 1, the Seller, any investment bank or financial adviser acting in relation to the Notes as to any matter referred to in **paragraph (b)** (above) in the absence of manifest error or the Note Trustee having facts contradicting such certificates specifically drawn to his attention and the Note Trustee shall not be responsible for any loss, liability, costs, damages, expenses or inconvenience that may be caused as a result of treating such certificate as conclusive.

21.5 Breach

Any breach of or failure by the Issuer to comply with any such terms and conditions as are referred to in **sub-clauses 21.1, 21.2 and 21.3** of this Clause shall constitute a default by the Issuer in the performance or observance of a covenant or provision binding on it under or pursuant to these presents.

22. ENTITLEMENT TO TREAT NOTEHOLDER AS ABSOLUTE OWNER

The Issuer, the Note Trustee, the Paying Agents, the Transfer Agent and the Registrar may (to the fullest extent permitted by applicable laws) deem and treat the registered holder of any Note or of a particular principal amount of the Notes as the absolute owner of such Note or principal amount, as the case may be, for all purposes (whether or not such Note or principal amount shall be overdue and notwithstanding any notice of ownership thereof or of trust or other interest with regard thereto, any notice of loss or theft thereof or any writing thereon), and the Issuer, the Note Trustee, the Paying Agents, the Transfer Agent and the Registrar shall not be affected by any notice to the contrary. All payments made to any such registered holder of a Definitive Note or Global Note shall be valid and, to the extent of the sums so paid, effective to satisfy and discharge the liability for the monies payable in respect of such Note or principal amount, as the case may be.

23. CURRENCY INDEMNITY

The Issuer shall indemnify the Note Trustee, every appointee of the Note Trustee and the Noteholders and keep them indemnified against:

- (a) any liability incurred by any of them arising from the non-payment by the Issuer of any amount due to the Note Trustee or the Noteholders under these presents by reason of any variation in the rates of exchange between those used for the purposes of calculating the amount due under a judgment or order in respect thereof and those prevailing at the date of actual payment by the Issuer; and
- (b) any deficiency arising or resulting from any variation in rates of exchange between (i) the date as of which the local currency equivalent of the amounts due or contingently due under these presents (other than this Clause) is calculated for the purposes of any bankruptcy, insolvency or liquidation of the Issuer and (ii) the final date for ascertaining the amount of claims in such bankruptcy, insolvency or liquidation. The amount of such deficiency shall be deemed not to be reduced by any variation in rates of exchange occurring between the said final date and the date of any distribution of assets in connection with any such bankruptcy, insolvency or liquidation.

The above indemnity (and the indemnities given by the Issuer in **Clause 17.5** and **Clause 18(m)**) shall constitute obligations of the Issuer separate and independent from its obligations under the other provisions of these presents and the Notes and shall apply irrespective of any indulgence granted by the Note Trustee or the Noteholders from time to time and shall continue in full force and effect notwithstanding the judgment or filing of any proof or proofs in any bankruptcy, insolvency or liquidation of the Issuer for a liquidated sum or sums in respect of amounts due under these presents (other than this Clause). Any such deficiency as aforesaid shall be deemed to constitute a loss suffered by the Noteholders and no proof or evidence of any actual loss shall be required by the Issuer or its liquidator or liquidators.

24. ELIGIBILITY AND DISQUALIFICATION; NEW NOTE TRUSTEE

24.1 Eligibility and Disqualification

This Deed shall always have a Note Trustee that meets the requirements of Section 26(a)(1) of the U.S. Investment Company Act of 1940; is not an affiliate (as defined in Rule 405 of the Securities Act) of the Issuer or of any person involved in the organisation or operation of the Issuer; does not offer or provide credit or credit enhancement to the Issuer; and has executed an agreement or instrument concerning the Notes containing provisions to the effect set forth in Section 26(a)(3) of the U.S. Investment Company Act of 1940. If at any time the Note Trustee shall cease to be eligible in accordance with the provisions of this **Clause 24.1**, the Note Trustee shall resign promptly in the manner and with the effect specified in **Clause 25**.

24.2 New Note Trustee

Subject to **Clause 24.1** the power to appoint a new trustee of these presents shall be vested in the Issuer but no person shall be appointed who shall not previously have been approved by an Extraordinary Resolution of the Class A Noteholders, the Class B Noteholders, the Class M Noteholders, the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders. One or more persons may hold office as trustee or trustees of these presents but such trustee or trustees shall be or include a Trust Corporation. Whenever there shall be more than two trustees of these presents the majority of such trustees shall be competent to execute and exercise all the duties, powers, trusts, authorities and discretions vested in the Note Trustee by these presents provided that a Trust Corporation shall be included in such majority. Any appointment of a new trustee of these presents shall as soon as practicable thereafter be notified by the Issuer to the Principal Paying Agent, the Transfer Agent, the Registrar, the Noteholders and the Rating Agencies.

24.3 Separate and Co-Trustees

Notwithstanding the provisions of **sub-clause 24.2 above**, the Note Trustee may, upon giving prior notice to the Issuer (but without requiring the consent of the Issuer or the Noteholders), appoint any person established or resident in any jurisdiction (whether a Trust Corporation or not) to act either as a separate trustee or as a co-trustee jointly with the Note Trustee:

- (a) if the Note Trustee considers such appointment to be in the interests of the Noteholders;
- (b) for the purposes of conforming to any legal requirements, restrictions or conditions in any jurisdiction in which any particular act or acts is or are to be performed; or
- (c) for the purposes of obtaining a judgment in any jurisdiction or the enforcement in any jurisdiction of either a judgment already obtained or any of the provisions of these presents or any of the other Issuer Transaction Documents against the Issuer or any other party thereto.

The Issuer irrevocably appoints the Note Trustee to be its attorney in its name and on its behalf to execute any such instrument of appointment. Such a person shall (subject always to the provisions of these presents) have such trusts, powers, authorities and discretions (not exceeding those conferred on the Note Trustee by these presents) and such duties and obligations as shall be conferred or imposed by the instrument of appointment. The Note Trustee shall have power in like manner to remove any such person. Such reasonable remuneration as the Note Trustee may pay to any such person, together with any attributable costs, charges and expenses incurred by it in performing its function as such separate trustee or co-trustee, shall for the purposes of this Deed be treated as costs, charges and expenses incurred by the Note Trustee.

25. NOTE TRUSTEE'S RETIREMENT AND REMOVAL

A trustee of this Deed may retire at any time on giving not less than three months' prior written notice to the Issuer without giving any reason and without being responsible for any costs incurred by reason of such retirement. The Noteholders may by Extraordinary Resolution of each Class of Noteholders remove any trustee or trustees for the time being of these presents. The Issuer undertakes that in the event of the only trustee of these presents which is a Trust Corporation giving notice under this Clause or being removed by Extraordinary Resolution of each Class of Noteholders it will use its best endeavours to procure that a new trustee of these presents being a Trust Corporation is appointed as soon as reasonably practicable thereafter. The retirement or removal of any such trustee shall not become effective until a successor trustee being a Trust Corporation is appointed. If a successor trustee being a trust corporation has not been appointed within 60 days after the date of the notice of retirement of the Note Trustee, then the retiring Note Trustee may appoint its own successor trustee being a trust corporation (provided that such successor trustee is acceptable to the Rating Agencies and agrees to be bound by the terms of the Issuer Transaction Documents, and further provided that the Rating Agencies confirm that the current ratings of the Rated Notes shall not be downgraded, withdrawn or qualified as a result of such appointment (it being acknowledged that none of the Rating Agencies has any obligation to provide such confirmation at any time).

26. NOTE TRUSTEE'S POWERS TO BE ADDITIONAL

The powers conferred upon the Note Trustee by these presents shall be in addition to any powers which may from time to time be vested in the Note Trustee by the general law or as a holder of any of the Notes.

27. NOTICES

27.1 Any notice or demand to the Issuer or the Note Trustee to be given, made or served for any purposes under these presents shall be in writing and shall be given, made or served by sending the same by pre-paid post (first class if inland, first class airmail if overseas) or facsimile transmission or by delivering it by hand to:

(a) **Issuer:**

Fosse Master Issuer plc
35 Great St. Helen's
London EC3A 6AP

For the attention of: The Directors
Facsimile: +44 (0)20 7398 6325

With a copy to:

Santander UK plc

2 Triton Square,
Regent's Place,
London NW1 3AN

For the attention of the Company Secretary
Facsimile: +44 (0)20 7756 5627

(b) **Note Trustee:**

Law Debenture Trust Company of New York
400 Madison Avenue – 4th Floor New York
New York 10017

For the attention of: Anthony Bocchino
Facsimile: +1 212 750 1361

or to such other address or facsimile number as shall have been notified (in accordance with this Clause) to the other party hereto and any notice or demand sent by post as aforesaid shall be deemed to have been given, made or served three days in the case of inland post or seven days in the case of overseas post after despatch and any notice or demand sent by facsimile transmission as aforesaid shall be deemed to have been given, made or served on receipt of successful transmission.

27.2 Notices to Noteholders

Any notice or communication mailed to Noteholders hereunder shall be transmitted by mail to all Noteholders of Definitive Notes, as the names and addresses of such Noteholders appear upon the Register.

28. RIGHTS OF THIRD PARTIES

A person who is not a party to this Deed has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Deed except and to the extent (if any) that this Deed expressly provides for such Act to apply to any of its terms, but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

29. CERTIFICATES AND OPINIONS

29.1 Certificate and Opinions as to Conditions Precedent

Upon any request or application by the Issuer to the Note Trustee to take any action under this Deed, the Issuer shall furnish to the Note Trustee:

- (a) an Officers' Certificate (which shall include the statements set forth in **Clause 29.2 below**) stating that, in the opinion of the signers, all conditions precedent, if any, provided for in this Deed or required by the Note Trustee pursuant to the terms of this Deed relating to the proposed action have been complied with; and
- (b) an Opinion of Counsel (which shall include the statements set forth in **Clause 29.2 below**) stating that, in the opinion of such counsel, all such conditions precedent, if any, provided for in this Deed or required by the Note Trustee pursuant to the terms of this Deed relating to the proposed action have been complied with.

29.2 Statements Required in Certificate and Opinion

Each certificate and opinion with respect to compliance with a condition or covenant provided for in this Deed shall include:

- (a) a statement that the person making such certificate or opinion has read such covenant or condition and the definitions relating thereto;
- (b) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

- (c) a statement that, in the opinion of such person, it or he has made such examination or investigation as is necessary to enable such person to express an informed opinion as to whether or not such covenant or condition has been complied with; and
- (d) a statement as to whether or not, in the opinion of such person, such covenant or condition has been complied with.

30. GOVERNING LAW

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

31. COUNTERPARTS

This Deed and any trust deed supplemental hereto may be executed and delivered in any number of counterparts, all of which, taken together, shall constitute one and the same deed and any party to this Deed or any trust deed supplemental hereto may enter into the same by executing and delivering a counterpart.

32. SUBMISSION TO JURISDICTION

The Issuer irrevocably agrees for the benefit of the Issuer Security Trustee and the other Issuer Secured Creditors that the English courts have exclusive jurisdiction to settle any dispute which may arise out of or in connection with these presents, the Notes and any non-contractual Obligation arising out of or in connection with them and accordingly submits to the exclusive jurisdiction of the English courts. The Issuer waives any objection to the courts of England on the grounds that they are an inconvenient or inappropriate forum. The Issuer Security Trustee and the other Issuer Secured Creditors may take any suit, action or proceeding arising out of or in connection with these presents, the Notes and any non-contractual Obligation arising out of or in connection with them (together referred to as **Proceedings**) against the Issuer in any other court of competent and concurrent Proceedings in any number of jurisdictions.

IN WITNESS WHEREOF this Deed has been executed as a deed by the Issuer and the Note Trustee and delivered on the date first stated on page 1.

SCHEDULE 1

FORMS OF GLOBAL NOTES

SERIES [●] CLASS [A]/[B]/[M]/[C]/[D]/[Z] [RULE 144A/REG S] GLOBAL NOTE

[THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE **SECURITIES ACT**), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF, THE HOLDER (A) REPRESENTS THAT IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) PURCHASING THE SECURITIES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QUALIFIED INSTITUTIONAL BUYERS; (B) AGREES THAT IT WILL NOT RESELL OR OTHERWISE TRANSFER THE SECURITIES EXCEPT IN ACCORDANCE WITH THE SUBSCRIPTION AGREEMENT AND, PRIOR TO THE DATE WHICH IS ONE YEAR AFTER THE LATER OF THE LAST ISSUE DATE FOR THE SERIES AND THE LAST DATE ON WHICH THE ISSUER OR AN AFFILIATE OF THE ISSUER WAS THE OWNER OF SUCH SECURITIES OTHER THAN (1) TO THE ISSUER OR ANY AFFILIATE THEREOF, (2) INSIDE THE UNITED STATES TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (3) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 903 OR RULE 904 UNDER THE SECURITIES ACT, (4) PURSUANT TO THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE) OR (5) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES AND ANY OTHER JURISDICTION; (C) WITH RESPECT TO THE NOTES SPECIFIED IN THE APPLICABLE FINAL TERMS TO BE ERISA-ELIGIBLE, AGREES FOR THE BENEFIT OF THE ISSUER AND THE MANAGERS OF THE OFFERING OF THE NOTES OUTSIDE THE UNITED STATES THAT IT WILL OFFER, RESELL, PLEDGE OR OTHERWISE TRANSFER THIS NOTE, ONLY TO A PURCHASER WITH RESPECT TO WHOM (X) NO PART OF THE ASSETS USED TO PURCHASE THIS NOTE CONSTITUTES ASSETS OF ANY EMPLOYEE BENEFIT PLAN, OTHER PLAN OR INDIVIDUAL RETIREMENT ACCOUNT SUBJECT TO TITLE I OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED (**ERISA**), OR SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE CODE) OR A GOVERNMENTAL, CHURCH OR FOREIGN PLAN SUBJECT TO FEDERAL, STATE OR FOREIGN LAWS SUBSTANTIALLY SIMILAR TO SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE (**SIMILAR LAW**), OR (Y) PART OR ALL OF THE ASSETS USED TO PURCHASE THIS NOTE CONSTITUTE ASSETS OF AN EMPLOYEE BENEFIT PLAN, OTHER PLAN OR INDIVIDUAL RETIREMENT ACCOUNT SUBJECT TO TITLE I OF ERISA OR SECTION 4975 OF THE CODE OR A GOVERNMENTAL, CHURCH OR FOREIGN PLAN IF AND ONLY IF THE USE OF SUCH ASSETS WILL NOT CONSTITUTE, CAUSE OR RESULT IN THE OCCURRENCE OF A NON-EXEMPT PROHIBITED TRANSACTION UNDER ERISA OR SECTION 4975 OF THE CODE OR A VIOLATION OF ANY SIMILAR LAW PROVIDED THAT THE AGREEMENT OF THE HOLDER HEREOF IS SUBJECT TO ANY REQUIREMENT OF LAW THAT THE DISPOSITION OF THE PURCHASER'S PROPERTY SHALL AT ALL TIMES BE AND REMAIN WITHIN ITS CONTROL. IF THE NOTE REPRESENTED HEREBY IS NOT SPECIFIED IN THE APPLICABLE FINAL TERMS AS ERISA-ELIGIBLE, THE HOLDER HEREOF, BY PURCHASING OR ACCEPTING THIS NOTE, AGREES FOR THE BENEFIT OF THE ISSUER AND THE MANAGERS OF THE OFFERING OF THE NOTES THAT NO PART OF THE ASSETS USED TO PURCHASE THIS NOTE CONSTITUTES ASSETS OF ANY

EMPLOYEE BENEFIT PLAN, OTHER PLAN OR INDIVIDUAL RETIREMENT ACCOUNT SUBJECT TO TITLE I OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED, OR SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED; AND (D) AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.

THIS NOTE AND RELATED DOCUMENTATION MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME TO MODIFY THE RESTRICTIONS ON AND PROCEDURES UNDERTAKEN OR REPRESENTED BY THE HOLDER, FOR RESALES AND OTHER TRANSFERS OF THIS NOTE TO REFLECT ANY CHANGE IN APPLICABLE LAW OR REGULATION (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO RESALES OR OTHER TRANSFERS OR RESTRICTED SECURITIES GENERALLY. THE HOLDER OF THIS NOTE AND ANY BENEFICIAL OWNER OF ANY INTEREST HEREIN SHALL BE DEEMED, BY ITS ACCEPTANCE OR PURCHASE HEREOF, TO HAVE AGREED TO ANY SUCH AMENDMENT OR SUPPLEMENT (EACH OF WHICH SHALL BE CONCLUSIVE AND BINDING ON THE HOLDER HEREOF AND ALL FUTURE HOLDERS OF THIS NOTE AND ANY NOTES ISSUED IN EXCHANGE OR SUBSTITUTION HEREFOR, WHETHER OR NOT ANY NOTATION THEREOF IS MADE HEREON) AND AGREES TO TRANSFER THIS NOTE ONLY IN ACCORDANCE WITH ANY SUCH AMENDMENT OR SUPPLEMENT IN ACCORDANCE WITH APPLICABLE LAW IN EFFECT AT THE DATE OF SUCH TRANSFER. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT FOR RESALES OF THIS NOTE]*

[THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE **SECURITIES ACT**), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND, AS A MATTER OF U.S. LAW (1) AS PART OF THEIR DISTRIBUTION AT ANY TIME OR (2) PRIOR TO THE DATE THAT IS 40 DAYS AFTER THE LATER OF THE COMMENCEMENT OF THE OFFERING OF THE NOTES AND THE CLOSING DATE, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, A U.S. PERSON (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT) EXCEPT PURSUANT TO AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. THE HOLDER HEREOF, BY PURCHASING OR ACCEPTING THIS NOTE, AGREES FOR THE BENEFIT OF THE ISSUER AND THE MANAGERS OF THE OFFERING OF THE NOTES OUTSIDE THE UNITED STATES THAT NO PART OF THE ASSETS USED TO PURCHASE THIS NOTE CONSTITUTES ASSETS OF ANY EMPLOYEE BENEFIT PLAN, OTHER PLAN OR INDIVIDUAL RETIREMENT ACCOUNT SUBJECT TO TITLE I OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED, OR SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED]**

* To appear only on the Rule 144 A Global Notes.

** To appear only on the Reg S Global Notes.

FOSSE MASTER ISSUER PLC

(Incorporated with limited liability in England with registered number 5925693)

SERIES [●] CLASS [A]/[B]/[M]/[C]/[D]/[Z] [RULE 144A/REG S] GLOBAL NOTE

representing up to

[●] Series [●] Class [A]/[B]/[M]/[C]/[D] Asset Backed Floating Rate Notes due [●]

(Initial aggregate principal amount of Series [●] Class [A]/[B]/[M]/[C]/[D] Global Notes: [●])

This Series [●] Class [A]/[B]/[M]/[C]/[D]/[Z] Global Note is issued without principal or interest coupons in respect of a duly authorised issue of Series [●] Class [A]/[B]/[M]/[C]/[D]/[Z] Notes of Fosse Master Issuer plc (the **Issuer**), designated as specified in the title hereof (the **Notes**), limited to the aggregate principal amount of up to [*Initial Principal Amount – words and figures*] [U.S. dollars/euro/pounds sterling] ([US\$/€/£][●]) and constituted by a Note Trust Deed dated 28 November 2006 as supplemented and amended on 1 August 2007, 21 August 2008, 11 March 2010 and 21 April 2011 (the **Note Trust Deed**) between the Issuer and Law Debenture Trust Company of New York, as trustee (the trustee for the time being thereof being herein called the **Note Trustee**). References herein to the Conditions (or to any particular numbered Condition) shall be to the Conditions (or that particular one of them) set out in **Schedule 5** to the Note Trust Deed. Terms used but not defined herein have the meanings ascribed to them in the master definitions and construction schedule signed by, amongst others, the Issuer and dated 28 November 2006 as amended and restated on 1 August 2007, 20 December 2007, 23 November 2009, 11 March 2010 and 21 April 2011 (the **Master Definitions and Construction Schedule**) and the issuer master definitions and construction schedule, signed by, amongst others, the parties to this Agreement and dated 28 November 2006 as amended and restated on 1 August 2007, 20 December 2007, 23 November 2009, 11 March 2010 and 21 April 2011 (the **Issuer Master Definitions and Construction Schedule**) (each as may be amended and/or restated from time to time with the consent of the parties to the Note Trust Deed), and the Note Trust Deed and this Global Note shall be construed in accordance with the interpretation provisions set out in **clause 2** of the Issuer Master Definitions and Construction Schedule. The aggregate principal amount from time to time of this Global Note shall be that amount not exceeding [US\$/€/£][*Currency and Initial Principal Amount*] as shall be shown by the latest entry duly made in the Schedule hereto.

This is to certify that:

[Cede & Co. as nominee on behalf of The Depository Trust Company]* [Citivic Nominees Limited as nominee on behalf of the Common Depository for both Euroclear and Clearstream, Luxembourg]** [the person whose name is entered in the Register]***

is/are the duly registered holder(s) of one of the Series [●] Class [A]/[B]/[M]/[C]/[D]/[Z] Global Notes. This Global Note is evidence of entitlement only. Title to the Global Notes passes only on due registration in the Register and only the registered holder is entitled to payment in respect of this Global Note.

1. **Promise to pay**

Subject as provided in this Global Note the Issuer promises to pay to the registered holder hereof the principal amount of this Global Note (being at the date hereof [*Initial Principal Amount – words and figures*] on the Interest Payment Date falling in [●] (or on such earlier date as the said principal amount may become repayable in accordance with the Conditions or the Note Trust Deed) and to pay interest monthly or quarterly, as the case may be, in arrear on each Interest Payment Date on the principal amount from time to time of this Global Note at the rates determined in accordance with

* To appear only on the Rule 144A Global Notes.

** To appear only on the Reg S Global Notes.

*** To be included if the Global Note is to be held under the NSS.

the Conditions together with such other amounts (if any) as may be payable, all subject to and in accordance with the Conditions and the provisions of the Note Trust Deed.

2. Exchange for Definitive Notes and purchases

This Global Note will be exchangeable (free of charge to the holder) for Definitive Notes only if (a) [The Depository Trust Company (**DTC**) has notified the Issuer that it is at any time unwilling or unable to continue as holder of this Global Note or is at any time unwilling or unable to continue as, or ceases to be, a clearing agency under the United States Securities Exchange Act of 1934, as amended (the **Exchange Act**), and a successor to DTC registered as a clearing agency under the Exchange Act is not able to be appointed by the Issuer within 90 days of such notification]* [both Euroclear Bank S.A./N.V. as operator of the Euroclear System (**Euroclear**) and Clearstream Banking, *société anonyme* (**Clearstream, Luxembourg**) are closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announce an intention permanently to cease business or do so and no alternative clearing system satisfactory to the Note Trustee is then available]**, or (b) as a result of any amendment to, or change in, the laws or regulations of the United Kingdom (or of any political subdivision thereof), or of any authority therein or thereof having power to tax, or in the interpretation or administration by a revenue authority or a court or administration of such laws or regulations which becomes effective on or after the Closing Date, the Issuer or any Paying Agent is or will be required to make any deduction or withholding from any payment in respect of the Notes which would not be required were the relevant Notes in definitive registered form. Thereupon the holder of this Global Note (acting on the instructions of (a) holder(s) of (a) Book-Entry Interest(s) (as defined in Section 3 hereof)) may give notice to the Issuer, and the Issuer may give notice to the Note Trustee and the Noteholders, of its intention to exchange this Global Note for [Rule 144A/Reg S] Definitive Notes on or after the Exchange Date (as defined below).

On or after the Exchange Date, the holder of this Global Note shall surrender this Global Note to or to the order of the Registrar. In exchange for this Global Note the Issuer will deliver, or procure the delivery of, Definitive Notes in registered form in denominations of [US\$200,000][€100,000][£100,000] each, plus integral multiples of [US\$1,000][€1,000][£1,000], or in such other denominations as the Note Trustee shall determine (which must be higher than [US\$200,000][€100,000][£100,000]) and notify to the relevant Noteholders, in exchange for the whole of this Global Note.

Exchange Date means a day specified in the notice requiring exchange falling not more than 60 days after that on which such notice is given and on which banks are open for business in the city in which the specified office of the Registrar is located and in the city in which the relevant clearing system is located.

Upon the cancellation of a part of this Global Note in accordance with the Note Trust Deed, the Conditions and the Paying Agent and Agent Bank Agreement, the portion of the principal amount hereof so exchanged or so purchased and cancelled shall be endorsed by or on behalf of the Registrar on behalf of the Issuer on **Part 2** of the Schedule hereto, whereupon the principal amount hereof shall be increased or, as the case may be, reduced for all purposes by the amount so exchanged or so purchased and cancelled and endorsed. Upon the exchange of the whole of this Global Note for Definitive Notes, this Global Note shall be surrendered to or to the order of the Registrar and cancelled and, if the holder of this Global Note requests, returned to it together with any relevant Definitive Notes.

3. **Payments**

Until the entire principal amount of this Global Note has been extinguished, this Global Note shall be entitled to the benefit of and be bound by the Conditions, the Note Trust Deed and the Issuer Deed of Charge. Payments of principal and interest in respect of Notes represented by this Global Note will be made in accordance with the Conditions. Upon any payment of principal or interest on this Global Note the amount so paid shall be endorsed by or on behalf of the Registrar on behalf of the Issuer on **Part 1** of the Schedule hereto.

Upon any payment of principal and endorsement of such payment on **Part 1** of the Schedule hereto, the principal amount of this Global Note shall be reduced for all purposes by the principal amount so paid and endorsed.

All payments of any amounts payable and paid to the registered holder of this Global Note shall be valid and, to the extent of the sums so paid, effectual to satisfy and discharge the liability for the monies payable hereon.

4. **[DTC**

References herein to DTC shall be deemed to include references to any other clearing system approved by the Note Trustee.]^{*}

5. **Euroclear, Clearstream, Luxembourg**

References herein to Euroclear and/or Clearstream, Luxembourg shall be deemed to include references to any other clearing system approved by the Note Trustee.]^{**}

6. **Authentication [and effectuation]**¹

This Global Note shall not be or become valid or obligatory for any purpose unless and until authenticated by or on behalf of the Registrar/[and effectuated by the entity appointed as Common Safekeeper by Euroclear or Clearstream, Luxembourg]².

7. **[Tax Treatment**

The Issuer will treat the Notes as indebtedness for US federal income tax purposes. Each holder of a Note, by the acceptance hereof, agrees to treat this Note for US federal income tax purposes as indebtedness.]³

8. **Governing law**

This Global Note (and any non-contractual obligations arising out of or in connection with it) is governed by, and shall be construed in accordance with, the laws of England and Wales and the Issuer has in the Note Trust Deed submitted to the non exclusive jurisdiction of the courts of England for all purposes in connection with this Global Note.

^{*} To appear only on the Rule 144A Global Notes.

^{**} To appear only on the Reg S Global Notes.

¹ To be included if Global Notes are to be held under the NSS.

² To be included if Global Notes are to be held under the NSS.

³ Delete for Reg S Notes.

9. Contracts (Rights of Third Parties) Act 1999

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

IN WITNESS WHEREOF the Issuer has caused this Global Note to be signed manually or in facsimile by a person duly authorised on its behalf.

FOSSE MASTER ISSUER PLC

By: _____
(Duly authorised) per pro SFM Directors Limited, as Director

Issued in London, England on [●].

Certificate of authentication

This Global Note is duly authenticated without recourse, warranty or liability.

Duly authorised
for and on behalf of
CITIBANK, N.A.
as Registrar

[This Global Note is duly effectuated without recourse, warranty or liability.

Duly authorised
for and on behalf of
[●]
as Common Safekeeper]⁴

⁴ To be included if Global Notes are to be held under the NSS.

PART 1⁵

PAYMENTS OF PRINCIPAL AND INTEREST

The following payments on this Global Note have been made:

Date Made	Interest Paid	Principal Paid	Remaining principal amount of this Global Note following such payment	Notation made on behalf of the Issuer
	<i>[specified currency]</i>	<i>[specified currency]</i>	<i>[specified currency]</i>	
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

⁵ To be included if the Global Note is not to be held under the NSS.

SCHEDULE 2

FORM OF DEFINITIVE NOTES

SERIES [●] CLASS [A]/[B]/[M]/[C]/[D]/[Z] [RULE 144A/REG S] DEFINITIVE NOTE

[US\$][€][£] [●]

[ISIN:]

[SERIES]

[SERIAL NO.]

[THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE **SECURITIES ACT**), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF, THE HOLDER (A) REPRESENTS THAT IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) PURCHASING THE SECURITIES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QUALIFIED INSTITUTIONAL BUYERS; (B) AGREES THAT IT WILL NOT RESELL OR OTHERWISE TRANSFER THE SECURITIES EXCEPT IN ACCORDANCE WITH THE SUBSCRIPTION AGREEMENT AND, PRIOR TO THE DATE WHICH IS ONE YEAR AFTER THE LATER OF THE LAST ISSUE DATE FOR THE SERIES AND THE LAST DATE ON WHICH THE ISSUER OR AN AFFILIATE OF THE ISSUER WAS THE OWNER OF SUCH SECURITIES OTHER THAN (1) TO THE ISSUER OR ANY AFFILIATE THEREOF, (2) INSIDE THE UNITED STATES TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (3) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 903 OR RULE 904 UNDER THE SECURITIES ACT, (4) PURSUANT TO THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE) OR (5) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES AND ANY OTHER JURISDICTION; (C) WITH RESPECT TO THE NOTES SPECIFIED IN THE APPLICABLE FINAL TERMS TO BE ERISA-ELIGIBLE, AGREES FOR THE BENEFIT OF THE ISSUER AND THE MANAGERS OF THE OFFERING OF THE NOTES OUTSIDE THE UNITED STATES THAT IT WILL OFFER, RESELL, PLEDGE OR OTHERWISE TRANSFER THIS NOTE, ONLY TO A PURCHASER WITH RESPECT TO WHOM (X) NO PART OF THE ASSETS USED TO PURCHASE THIS NOTE CONSTITUTES ASSETS OF ANY EMPLOYEE BENEFIT PLAN, OTHER PLAN OR INDIVIDUAL RETIREMENT ACCOUNT SUBJECT TO TITLE I OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED (**ERISA**), OR SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE CODE) OR A GOVERNMENTAL, CHURCH OR FOREIGN PLAN SUBJECT TO FEDERAL, STATE OR FOREIGN LAWS SUBSTANTIALLY SIMILAR TO SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE (**SIMILAR LAW**), OR (Y) PART OR ALL OF THE ASSETS USED TO PURCHASE THIS NOTE CONSTITUTE ASSETS OF AN EMPLOYEE BENEFIT PLAN, OTHER PLAN OR INDIVIDUAL RETIREMENT ACCOUNT SUBJECT TO TITLE I OF ERISA OR SECTION 4975 OF THE CODE OR A GOVERNMENTAL, CHURCH OR FOREIGN PLAN IF AND ONLY IF THE USE OF SUCH ASSETS WILL NOT CONSTITUTE, CAUSE OR RESULT IN THE OCCURRENCE OF A NON-EXEMPT PROHIBITED TRANSACTION UNDER ERISA OR SECTION 4975 OF THE CODE OR A VIOLATION OF ANY SIMILAR LAW PROVIDED THAT THE AGREEMENT OF THE HOLDER HEREOF IS SUBJECT TO ANY REQUIREMENT OF LAW THAT THE DISPOSITION OF THE PURCHASER'S PROPERTY SHALL AT ALL TIMES BE AND REMAIN WITHIN ITS CONTROL. IF THE NOTE

REPRESENTED HEREBY IS NOT SPECIFIED IN THE APPLICABLE FINAL TERMS AS ERISA-ELIGIBLE, THE HOLDER HEREOF, BY PURCHASING OR ACCEPTING THIS NOTE, AGREES FOR THE BENEFIT OF THE ISSUER AND THE MANAGERS OF THE OFFERING OF THE NOTES THAT NO PART OF THE ASSETS USED TO PURCHASE THIS NOTE CONSTITUTES ASSETS OF ANY EMPLOYEE BENEFIT PLAN, OTHER PLAN OR INDIVIDUAL RETIREMENT ACCOUNT SUBJECT TO TITLE I OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED, OR SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED; AND (D) AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.

THIS NOTE AND RELATED DOCUMENTATION MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME TO MODIFY THE RESTRICTIONS ON AND PROCEDURES UNDERTAKEN OR REPRESENTED BY THE HOLDER, FOR REALES AND OTHER TRANSFERS OF THIS NOTE TO REFLECT ANY CHANGE IN APPLICABLE LAW OR REGULATION (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO REALES OR OTHER TRANSFERS OR RESTRICTED SECURITIES GENERALLY. THE HOLDER OF THIS NOTE AND ANY BENEFICIAL OWNER OF ANY INTEREST HEREIN SHALL BE DEEMED, BY ITS ACCEPTANCE OR PURCHASE HEREOF, TO HAVE AGREED TO ANY SUCH AMENDMENT OR SUPPLEMENT (EACH OF WHICH SHALL BE CONCLUSIVE AND BINDING ON THE HOLDER HEREOF AND ALL FUTURE HOLDERS OF THIS NOTE AND ANY NOTES ISSUED IN EXCHANGE OR SUBSTITUTION HEREFOR, WHETHER OR NOT ANY NOTATION THEREOF IS MADE HEREON) AND AGREES TO TRANSFER THIS NOTE ONLY IN ACCORDANCE WITH ANY SUCH AMENDMENT OR SUPPLEMENT IN ACCORDANCE WITH APPLICABLE LAW IN EFFECT AT THE DATE OF SUCH TRANSFER. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT FOR REALES OF THIS NOTE]*

[THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE **SECURITIES ACT**), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND, AS A MATTER OF U.S. LAW (1) AS PART OF THEIR DISTRIBUTION AT ANY TIME OR (2) PRIOR TO THE DATE THAT IS 40 DAYS AFTER THE LATER OF THE COMMENCEMENT OF THE OFFERING OF THE NOTES AND THE CLOSING DATE, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, A U.S. PERSON (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT) EXCEPT PURSUANT TO AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. THE HOLDER HEREOF, BY PURCHASING OR ACCEPTING THIS NOTE, AGREES FOR THE BENEFIT OF THE ISSUER AND THE MANAGERS OF THE OFFERING OF THE NOTES OUTSIDE THE UNITED STATES THAT NO PART OF THE ASSETS USED TO PURCHASE THIS NOTE CONSTITUTES ASSETS OF ANY EMPLOYEE BENEFIT PLAN, OTHER PLAN OR INDIVIDUAL RETIREMENT ACCOUNT SUBJECT TO TITLE I OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED, OR SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED]**

* To appear only on the Rule 144 A Global Notes.

** To appear only on the Reg S Definitive Notes.

FOSSE MASTER ISSUER PLC

(Incorporated with limited liability in England with registered number [5925693])

**[US\$][€][£] [●] Series [●] Class [A]/[B]/[M]/[C]/[D]/[Z] Asset Backed Floating Rate Notes due [●]
(the Series [●] Class [A]/[B]/[M]/[C]/[D]/[Z] Notes)**

This Series [●] Class [A]/[B]/[M]/[C]/[D]/[Z] Note forms one of a series of notes constituted by a note trust deed (the **Note Trust Deed**) dated 28 November 2006 as supplemented and amended on 1 August 2007, 21 August 2008, 11 March 2010 and 21 April 2011 made between Fosse Master Issuer plc (the **Issuer**) and Law Debenture Trust Company of New York, as note trustee for the holders of the Series [●] Class [A]/[B]/[M]/[C]/[D] Notes (the **Note Trustee**) and issued as registered Series [●] Class [A]/[B]/[M]/[C]/[D] Notes in denominations of [US\$200,000][€100,000][£100,000] each, plus integral multiples of [US\$1,000][€1,000][£1,000], or in such other denominations (which must be higher than [●] as the Note Trustee shall determine and notify to the holders of the relevant Series [●] Class [A]/[B]/[M]/[C]/[D]/[Z] Notes.

THIS IS TO CERTIFY that [●]

is/are the registered holder(s) of one of the above-mentioned registered Series [●] Class [A]/[B]/[M]/[C]/[D]/[Z] Notes, such Series [●] Class [A]/[B]/[M]/[C]/[D]/[Z] Notes being in the denomination of [U.S. dollars/euro/pounds sterling] and is/are entitled on the Interest Payment Date falling in [●] (or on such earlier date as the principal sum hereinafter mentioned may become repayable in accordance with the terms and conditions of the Series [●] Class [A]/[B]/[M]/[C]/[D]/[Z] Notes (the **Conditions**) endorsed hereon) to the repayment of such principal sum of:

[US\$][€][£] [●]

together with such other amounts (if any) as may be payable, all subject to and in accordance with the Conditions and the provisions of the Note Trust Deed.

Interest is payable on the Principal Amount Outstanding (as defined in **Condition [●]**) endorsed hereon of this Series [●] Class [A]/[B]/[M]/[C]/[D]/[Z] Note at rates determined in accordance with the Conditions payable monthly or quarterly, as the case may be, in arrear on each Interest Payment Date and together with such other amounts (if any) as may be payable, all subject to and in accordance with the Conditions and the provisions of the Note Trust Deed.

IN WITNESS WHEREOF this registered Series [●] Class [A]/[B]/[M]/[C]/[D]/[Z] Note has been executed on behalf of the Issuer.

FOSSE MASTER ISSUER PLC

By: _____
per pro SFM Directors Limited, as Director

By: _____
per pro SFM Directors (No. 2) Limited, as Director

Dated

Certificate of authentication

This Series [●] Class [A]/[B]/[M]/[C]/[D]/[Z] Note is duly authenticated without recourse, warranty or liability.

Duly authorised
for and on behalf of
CITIBANK, N.A.
as Registrar

(REVERSE OF NOTE)

THE CONDITIONS

[In the form set out in **Schedule 5**]

FORM OF TRANSFER OF DEFINITIVE NOTE

FOR VALUE RECEIVED the undersigned hereby transfer(s) to

(Please print or type name and address (including postal code) of transferee)

[US\$][€][£] principal amount of this Series [●] Class [A]/[B]/[M]/[C]/[D]/[Z] Note and all rights hereunder, hereby irrevocably constituting and appointing _____ as attorney to transfer such principal amount of this Series [●] Class [A]/[B]/[M]/[C]/[D]/[Z] Note in the register maintained by or on behalf of **FOSSE MASTER ISSUER PLC** with full power of substitution.

Signature(s) _____

Date: _____

NOTES:

1. This form of transfer must be accompanied by such documents, evidence and information as may be required pursuant to the Note Trust Deed and the Paying Agent and Agent Bank Agreement (as defined in the Conditions) and must be executed under the hand of the transferor or, if the transferor is a corporation, either under its common seal or under the hand of two of its officers duly authorised in writing and, in such latter case, the document so authorising such officers must be delivered with this form of transfer.
2. The signature(s) on this form of transfer must correspond with the name(s) as it/they appear(s) on the face of this Series [●] Class [A]/[B]/[M]/[C]/[D]/[Z] Note in every particular, without alteration or enlargement or any change whatever.

SCHEDULE 3

FORM OF TRANSFER CERTIFICATE

RULE 144A GLOBAL NOTE TO REG S GLOBAL NOTE

Attention:

Re: FOSSE MASTER ISSUER PLC

Reference is hereby made to the Note Trust Deed dated as of 28 November 2006 as supplemented and amended on 1 August 2007, 21 August 2008, 11 March 2010 and 21 April 2011 (the **Note Trust Deed**) between Fosse Master Issuer plc (the **Issuer**) and Law Debenture Trust Company of New York, as Note Trustee. Capitalised terms used but not defined herein shall have the meanings given to them in the Note Trust Deed, the Master Definitions and Construction Schedule and the Issuer Master Definitions and Construction Schedule. Terms used in this certificate and not otherwise defined in the Note Trust Deed, the Master Definitions and Construction Schedule or the Issuer Master Definitions and Construction Schedule referred to in it have the meanings set forth in Regulation S under the Securities Act. This letter relates to US\$[●] aggregate principal amount of [●] Notes which are evidenced by the Rule 144A Global [●] Note (CUSIP No. [●]) and held by you on behalf of the undersigned (the **Transferor**). The Transferor has requested a transfer of such beneficial interest in the [●] Notes to a person who will take delivery thereof in the form of an equal aggregate principal amount of [●] Notes evidenced by the Reg S Global [●] Note (ISIN No. [●]), which amount, immediately after such transfer, is to be held with the Common Depositary through Euroclear or Clearstream, Luxembourg or both.

In connection with such request and in respect of such Notes, the Transferor does hereby certify that such transfer has been effected pursuant to and in accordance with Rule 903 or Rule 904 of Regulation S (**Regulation S**) under the United States Securities Act of 1933, as amended (the **Securities Act**) and accordingly the Transferor does hereby further certify that:

- (1) the offer of the [●] Notes was not made to a person in the United States or to or for the account or benefit of a U.S. person (as defined in Regulation S under the Securities Act);
- (2) either:
 - (A) at the time the buy order was originated, the transferee was outside the United States or the Transferor and any person acting on its behalf reasonably believed that the transferee was outside the United States; or
 - (B) the transaction was executed in, on or through the facilities of a designated offshore securities market and neither the Transferor nor any person acting on its behalf knows that the transaction was pre-arranged with a buyer in the United States;
- (3) no directed selling efforts have been made in the United States in contravention of the requirements of Rule 903(b) or 904(b) of Regulation S, as applicable; and
- (4) the transaction is not part of a plan or scheme to evade the registration requirements of the Securities Act.

This certificate and the statements contained herein are made for the benefit of the Issuer, the Managers and the Dealers. Dated: [Insert Name of Transferor]

By: _____

Name:

Title:

(If the transferor is a corporation, partnership or fiduciary, the title of the person signing on behalf of such transferor must be stated.)

SCHEDULE 4

FORM OF TRANSFER CERTIFICATE

REG S GLOBAL NOTE TO RULE 144A GLOBAL NOTE

Attention:

Re: FOSSE MASTER ISSUER PLC

Reference is hereby made to the Note Trust Deed dated as of 28 November 2006 as supplemented and amended on 1 August 2007, 21 August 2008, 11 March 2010 and 21 April 2011 (the **Note Trust Deed**) between Fosse Master Issuer plc (the **Issuer**) and Law Debenture Trust Company of New York, as Note Trustee. Capitalised terms used but not defined herein shall have the meanings given to them in the Note Trust Deed, the Master Definitions and Construction Schedule and the Issuer Master Definitions and Construction Schedule.

This letter relates to US\$ [●] aggregate principal amount of [●] Notes which are evidenced by the Reg S Global [●] Note (ISIN No. [●]) and held by you through Euroclear or Clearstream, Luxembourg or both who in turn is holding an interest therein on behalf of the undersigned (the **Transferor**). The Transferor has requested a transfer of such beneficial interest in the [●] Notes to a person who, during the Distribution Compliance Period, will take delivery thereof in the form of an equal aggregate principal amount of [●] Notes evidenced by the Rule 144A Global [●] Note (CUSIP No. [●]).

In connection with such request and in respect of such [●] Notes, the Transferor does hereby certify that such transfer has been effected pursuant to and in accordance with Rule 144A under the United States Securities Act of 1933, as amended, and accordingly the Transferor does hereby further certify that the [●] Notes are being transferred to a person that the Transferor reasonably believes is purchasing the [●] Notes for its own account, or for one or more accounts with respect to which such person exercises sole investment discretion, and such person and each such account is a "qualified institutional buyer" within the meaning of Rule 144A, in each case in a transaction meeting the requirements of Rule 144A and in accordance with any applicable securities laws of any state of the United States.

This certificate and the statements contained herein are made for the benefit of the Issuer, the Managers and the Dealers.

Dated:

[Insert Name of Transferor]

By: _____

Name:

Title:

SCHEDULE 5

TERMS AND CONDITIONS OF THE NOTES

The following are the terms and conditions (the **Conditions**, and any reference to a **Condition** shall be construed accordingly) of the Notes issued on or following 21 April 2011 in the form (subject to amendment) which will be incorporated by reference into each Global Note and each Definitive Note, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer and the relevant Dealer(s) and/or Manager(s) at the time of issue but, if not so permitted and agreed, such Definitive Note will have endorsed thereon or attached thereto such Conditions. The Final Terms in relation to each Series and Class of Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Conditions, replace or modify these Conditions for the purpose of such Notes. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and each Definitive Note.

The Notes are constituted by the Note Trust Deed. The security for the Notes is created pursuant to, and on the terms set out in, the Issuer Deed of Charge. By the Paying Agent and Agent Bank Agreement, provision is made for, *inter alia*, the payment of principal and interest in respect of the Notes.

References herein to the **Notes** shall, unless the context otherwise requires, be references to all the Notes issued by the Issuer and constituted by the Note Trust Deed and shall mean:

- (a) in relation to any Notes of a Series and Class represented by a Global Note, units of the lowest Specified Denomination in the Specified Currency in each case of such Series and Class;
- (b) any Global Note; and
- (c) any Definitive Note issued in exchange for a Global Note.

Notes constituted by the Note Trust Deed are issued in series (each a **Series**) and each Series comprises one or more classes of Notes. Each Series of Notes is subject to the applicable Final Terms. The Final Terms in relation to each Series and Class of Notes (or the relevant provisions thereof) will be endorsed upon, or attached to, such Notes and will supplement these Conditions in respect of such Notes and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Conditions, replace or modify these Conditions for the purpose of such Notes. References to the **applicable Final Terms** are, in relation to a Series and Class of Notes, to the Final Terms (or the relevant provisions thereof) attached to or endorsed on such Notes.

The statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Note Trust Deed, the Issuer Deed of Charge and the Paying Agent and Agent Bank Agreement.

Copies of the Note Trust Deed, the Issuer Deed of Charge, the Paying Agent and Agent Bank Agreement and each of the other Transaction Documents are available for inspection during normal business hours at the registered office of the Note Trustee, being 400 Madison Avenue – 4th Floor, New York, New York 10017 and at the registered office of the Issuer, being at 35 Great St. Helen's, London EC3A 6AP and the specified office for the time being of (a) the Principal Paying Agent, being at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB and (b) the U.S. Paying Agent, being at 14th Floor, 388 Greenwich Street, New York, New York 10013. Copies of the Final Terms of each Series of Notes are obtainable by Noteholders during normal business hours at the registered office of the Issuer and the specified office for the time being of (i) the Principal Paying Agent and (ii) the U.S. Paying Agent and any Noteholder must produce evidence satisfactory to the relevant Paying Agent as to its holding of Notes and identity.

The Holders of any Series and Class of Notes are entitled to the benefit of, are bound by, and are deemed to have notice of all the provisions of, and definitions contained or incorporated in, the Note Trust Deed, the Issuer Deed of Charge, the Paying Agent and Agent Bank Agreement, each of the other Transaction Documents and the applicable Final Terms and to have notice of each other Final Terms relating to each other Series and Class of Notes.

A glossary of definitions appears in **Condition 19**.

References herein to the Class A Noteholders, the Class B Noteholders, the Class M Noteholders, the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders shall, in each case and unless specified otherwise, be references to the Holders of the Notes of all Series of the applicable Class.

References herein to the Class A Notes, the Class B Notes, the Class M Notes, the Class C Notes, the Class D Notes or the Class Z Notes shall, in each case and unless specified otherwise, be references to the Notes of all Series of the applicable Class.

1. FORM, DENOMINATION, REGISTER, TITLE AND TRANSFERS

1.1 Form and Denomination

Each Series and Class of Notes will be issued in the Specified Currency and in the Specified Denomination. Each Series and Class of Rule 144A Notes will be initially represented by one or more Rule 144A Global Notes, which, in the aggregate, will represent the Principal Amount Outstanding from time to time of such Series and Class of Rule 144A Notes. Each Series and Class of Reg S Notes will be initially represented by one or more Reg S Global Notes which, in the aggregate, will represent the Principal Amount Outstanding from time to time of such Series and Class of the Reg S Notes.

Each Reg S Global Note, save for Global Notes to be held under the NSS, will be deposited with, and registered in the name of a nominee of, a common depositary for Euroclear and Clearstream, Luxembourg. Reg S Global Notes to be held under the NSS will be deposited with and registered in the name of the common safekeeper for Euroclear and Clearstream, Luxembourg. Each Rule 144A Global Note will be deposited with a custodian for, and registered in the name of Cede & Co. (or such other name as may be requested by an authorised representative of DTC) as nominee of, DTC. Each Global Note will be numbered serially with an identifying number which will be recorded on the relevant Global Note and in the Register.

Each Series and Class of Notes may be Fixed Rate Notes, Floating Rate Notes, Zero Coupon Notes or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms.

Each Series and Class of Notes may be Bullet Redemption Notes, Scheduled Redemption Notes, Pass-Through Notes or a combination of any of the foregoing, depending upon the Redemption/Payment Basis shown in the applicable Final Terms.

Global Notes will be exchanged for Notes in definitive registered form (**Definitive Notes**) only under certain limited circumstances as described in the relevant Global Note. If Definitive Notes are issued, they will be serially numbered and issued in an aggregate principal amount equal to the Principal Amount Outstanding of the relevant Global Note and in registered form only.

The Notes (in either global or definitive form) will be issued in such denominations as specified in the applicable Final Terms, save that the minimum denomination of each Note will be such as may be allowed or required from time to time by the relevant central bank or regulatory authority (or equivalent body) or any laws or regulations applicable to the relevant currency and save that the minimum denomination of each Rule 144A Note will be issued in minimum denominations of \$200,000 and in integral multiples of \$1,000 in excess thereof (or its equivalent in any other currency as at the date of issue of such Notes), and each Reg S Note will be issued in minimum denominations of £100,000 and in integral multiples of £1,000 in excess thereof if denominated in sterling or €100,000 and in integral multiples of €1,000 in excess thereof if denominated in euro (or its equivalent in any other currency as at the date of issue of such Notes).

In the case of a Series and Class of Notes with more than one Specified Denomination, Notes of one Specified Denomination may not be exchanged for Notes of such Series and Class of another Specified Denomination.

1.2 Register

The Registrar will maintain the Register in respect of the Notes in accordance with the provisions of the Paying Agent and Agent Bank Agreement. In these Conditions, the **Holder** of a Note means the person in whose name such Note is for the time being registered in the Register (or, in the case of a joint holding, the first named thereof). A Note will be issued to each Noteholder in respect of its registered holding. Each Note will be numbered serially with an identifying number which will be recorded in the Register.

1.3 Title

The Holder of each Note shall (to the fullest extent permitted by applicable law) be treated by the Issuer, the Note Trustee, the Issuer Security Trustee, the Agent Bank and any Agent as the absolute owner of such Note for all

purposes (including the making of any payments) regardless of any notice of ownership, theft or loss or any trust or other interest therein or of any writing thereon (other than the endorsed form of transfer).

1.4 Transfers

Title to the Notes shall pass by and upon registration in the Register. Subject as provided otherwise in this **Condition 1.4**, a Note may be transferred upon surrender of the relevant Note, with the endorsed form of transfer duly completed, at the Specified Office of the Registrar or the Transfer Agent, together with such evidence as the Registrar or (as the case may be) such Transfer Agent may reasonably require to prove the title of the transferor and the authority of the individuals who have executed the form of transfer; provided, however, that a Note may only be transferred in the specified denominations. Where not all the Notes represented by the surrendered Note are the subject of the transfer, a new Note in respect of the balance of the Notes will be issued to the transferor.

Within five Business Days of such surrender of a Note, the Registrar will register the transfer in question and deliver a new Note of a like principal amount to the Notes transferred to each relevant Holder at its Specified Office or (as the case may be) the Specified Office of the Transfer Agent or (at the request and risk of any such relevant Holder) by uninsured first class mail (and by airmail if the Holder is overseas) to the address specified for such purpose by such relevant Holder.

The transfer of a Note will be effected without charge by the Registrar, but subject to payment of (or the giving of such indemnity as the Registrar may require for) any tax or other governmental charges which may be imposed in relation to it.

Noteholders may not require transfers of Notes to be registered during the period of 15 days ending on the due date for any payment of principal or interest in respect of the Notes.

All transfers of Notes and entries on the Register are subject to the detailed regulations concerning the transfer of Notes scheduled to the Paying Agent and Agent Bank Agreement. The regulations may be changed by the Issuer with the prior written approval of the Note Trustee and the Registrar. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Noteholder who requests in writing a copy of such regulations.

2. STATUS, PRIORITY AND SECURITY

2.1 Status

The Notes of each Series and Class are direct, secured and unconditional obligations of the Issuer.

Subject to the provisions of **Conditions 4** and **5** and subject to the other payment conditions set out in the applicable Final Terms and the other Transaction Documents:

- (a) the Class A Notes of each Series will rank *pari passu* without any preference or priority among themselves and with the Class A Notes of each other Series but in priority to the Class B Notes, the Class M Notes, the Class C Notes, the Class D Notes and the Class Z Notes of any Series;
- (b) the Class B Notes of each Series will rank *pari passu* without any preference or priority among themselves and with the Class B Notes of each other Series but in priority to the Class M Notes, the Class C Notes, the Class D Notes and the Class Z Notes of any Series;
- (c) the Class M Notes of each Series will rank *pari passu* without any preference or priority among themselves and with the Class M Notes of each other Series but in priority to the Class C Notes, the Class D Notes and the Class Z Notes of any Series;
- (d) the Class C Notes of each Series will rank *pari passu* without any preference or priority among themselves and with the Class C Notes of each other Series but in priority to the Class D Notes and the Class Z Notes of any Series;
- (e) the Class D Notes of each Series will rank *pari passu* without any preference or priority among themselves and with the Class D Notes of each other Series but in priority to the Class Z Notes of any Series; and
- (f) the Class Z Notes of each Series will rank *pari passu* without any preference or priority among themselves and with the Class Z Notes of each other Series.

2.2 Conflict between the classes of Notes

The Note Trust Deed contains provisions requiring the Note Trustee to have regard to the interests of the Class A Noteholders, the Class B Noteholders, the Class M Noteholders, the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders equally as regards all powers, trusts, authorities, duties and discretions of the Note Trustee under these Conditions or any of the Transaction Documents (except where expressly provided otherwise), but requiring the Note Trustee to have regard (except as expressly provided otherwise):

- (a) for so long as there are any Class A Notes outstanding (of any Series), only to the interests of the Class A Noteholders if, in the opinion of the Note Trustee, there is or may be a conflict between the interests of the Class A Noteholders and the interests of the Class B Noteholders and/or the interests of the Class M Noteholders and/or the interests of the Class C Noteholders and/or the interests of the Class D Noteholders and/or the interests of the Class Z Noteholders (of that Series or of any other Series);
- (b) subject to (a) above and for so long as there are any Class B Notes outstanding (of any Series), only to the interests of the Class B Noteholders if, in the opinion of the Note Trustee, there is or may be a conflict between the interests of the Class B Noteholders and the interests of the Class M Noteholders and/or the interests of the Class C Noteholders and/or the interests of the Class D Noteholders and/or the interests of the Class Z Noteholders (of that Series or of any other Series);
- (c) subject to (a) and (b) above and for so long as there are any Class M Notes outstanding (of any Series), only to the interests of the Class M Noteholders if, in the opinion of the Note Trustee, there is or may be a conflict between the interests of the Class M Noteholders and the interests of the Class C Noteholders and/or the interests of the Class D Noteholders and/or the interests of the Class Z Noteholders (of that Series or of any other Series);
- (d) subject to (a), (b) and (c) above and for so long as there are any Class C Notes outstanding (of any Series), only to the interests of the Class C Noteholders if, in the opinion of the Note Trustee, there is or may be a conflict between the interests of the Class C Noteholders and the interests of the Class D Noteholders and/or the interests of the Class Z Noteholders (of that Series or of any other Series); and
- (e) subject to (a), (b), (c) and (d) above and for so long as there are any Class D Notes outstanding (of any Series), only to the interests of the Class D Noteholders if, in the opinion of the Note Trustee, there is or may be a conflict between the interests of the Class D Noteholders and the interests of the Class Z Noteholders (of that Series or of any other Series).

The Note Trust Deed also contains provisions:

- (i) limiting the powers of the Class B Noteholders, the Class M Noteholders, the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders (in each case, of any Series), *inter alia*, to request or direct the Note Trustee to take any action or to pass an effective Extraordinary Resolution according to the effect thereof on the interests of the Class A Noteholders (of that Series or of any other Series). Except in certain circumstances described in **Condition 11**, the Note Trust Deed contains no such limitation on the powers of the Class A Noteholders, the exercise of which will be binding on the Class B Noteholders, the Class M Noteholders, the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders respectively, irrespective of the effect thereof on their respective interests;
- (ii) limiting the powers of the Class M Noteholders, the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders (in each case, of any Series), *inter alia*, to request or direct the Note Trustee to take any action or to pass an effective Extraordinary Resolution according to the effect thereof on the interests of the Class B Noteholders (of that Series or of any other Series). Except in certain circumstances described above and in **Condition 11**, the Note Trust Deed contains no such limitation on the powers of the Class B Noteholders, the exercise of which will be binding on the Class M Noteholders, the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders, respectively, irrespective of the effect thereof on their respective interests;
- (iii) limiting the powers of the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders (in each case, of any Series), *inter alia*, to request or direct the Note Trustee to take any action or to pass an effective Extraordinary Resolution according to the effect thereof on the interests of the Class M Noteholders (of that Series or of any other Series). Except in certain circumstances described above and in **Condition 11**, the Note Trust Deed contains no such limitation on the powers of the Class M Noteholders, the exercise of which will be binding on the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders irrespective of the effect thereof on their respective interests;

- (iv) limiting the powers of the Class D Noteholders and the Class Z Noteholders (of any Series), *inter alia*, to request or direct the Note Trustee to take any action or to pass an effective Extraordinary Resolution according to the effect thereof on the interests of the Class C Noteholders (of that Series or of any other Series). Except in certain circumstances described above and in **Condition 11**, the Note Trust Deed contains no such limitation on the powers of the Class C Noteholders, the exercise of which will be binding on the Class D Noteholders and the Class Z Noteholders irrespective of the effect thereof on their respective interests; and
- (v) limiting the powers of the Class Z Noteholders (of any Series), *inter alia*, to request or direct the Note Trustee to take any action or to pass an effective Extraordinary Resolution according to the effect thereof on the interests of the Class D Noteholders (of that Series or of any other Series). Except in certain circumstances described above and in **Condition 11**, the Note Trust Deed contains no such limitation on the powers of the Class D Noteholders, the exercise of which will be binding on the Class Z Noteholders irrespective of the effect thereof on their respective interests.

The Note Trustee and the Issuer Security Trustee shall be entitled to assume, for the purpose of exercising any right, power, trust, authority, duty or discretion under or in relation to these Conditions or any of the Transaction Documents, without further investigation or inquiry, that such exercise will not be materially prejudicial to the interests of the Noteholders (or any Series and Class thereof), if each of the Rating Agencies rating the relevant Series and Class has confirmed in writing that the then current ratings of the applicable Series and Class of Notes would not be reduced, withdrawn or qualified by such exercise.

2.3 Security

As security for, *inter alia*, the payment of all monies payable in respect of the Notes, the Issuer has entered into the Issuer Deed of Charge creating the Issuer Security in favour of the Issuer Security Trustee for itself and on trust for, *inter alios*, the Note Trustee and the Noteholders.

3. COVENANTS

Save with the prior written consent of the Note Trustee or unless provided in or contemplated under these Conditions or any of the Transaction Documents to which the Issuer is a party, the Issuer shall not, so long as any Note remains outstanding:

3.1 Negative Pledge

create or permit to subsist any mortgage, standard security, pledge, lien, charge or other security interest whatsoever (unless arising by operation of law), upon the whole or any part of its assets (including any uncalled capital) or its undertakings, present or future except where the same is given in connection with the issue of a Series;

3.2 Disposal of Assets

sell, assign, transfer, lend, lease or otherwise dispose of, or deal with, or grant any option or present or future right to acquire all or any of its properties, assets, or undertakings or any interest, estate, right, title or benefit therein or thereto or agree or attempt or purport to do any of the foregoing;

3.3 Equitable Interest

permit any person other than itself and the Issuer Security Trustee (as to itself and on behalf of the Issuer Secured Creditors) to have any equitable or beneficial interest in any of its assets or undertakings or any interest, estate, right, title or benefit therein;

3.4 Bank Accounts

have an interest in any bank account, other than the Issuer Bank Accounts, except in connection with the issue of a Series where such bank account is immediately charged in favour of the Issuer Security Trustee pursuant to the Issuer Deed of Charge;

3.5 Restrictions on Activities

carry on any business other than as described in the prospectus (as revised, supplemented and/or amended from time to time) relating to the issue of the Notes and the related activities described therein or as contemplated in the Transaction Documents relating to the issue of the Notes;

3.6 Borrowings

incur any indebtedness in respect of borrowed money whatsoever or give any guarantee or indemnity in respect of any indebtedness or obligation of any person, except where the same is incurred or given or the Issuer becomes so obligated in connection with the issue of a Series;

3.7 Merger

consolidate or merge with any other person or convey or transfer substantially all of its properties or assets to any other person;

3.8 Waiver or Consent

permit the validity or effectiveness of any of the Note Trust Deed or the Issuer Deed of Charge or the priority of the security interests created thereby to be amended, terminated, postponed, waived or discharged, or permit any other person whose obligations form part of the Issuer Security to be released from such obligations;

3.9 Employees or premises

have any employees or premises or subsidiaries;

3.10 Dividends and Distributions

pay any dividend or make any other distribution to its shareholders (other than as provided in the Transaction Documents) or issue any further shares or alter any rights attaching to its shares as at the date of the Issuer Deed of Charge;

3.11 Purchase Notes

purchase or otherwise acquire any Note or Notes; or

3.12 United States activities

engage in any activities in the United States (directly or through agents), or derive any income from United States sources as determined under United States income tax principles, or hold any property if doing so would cause it to be engaged in a trade or business within the United States as determined under United States income tax principles.

4. INTEREST

4.1 Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest on its Principal Amount Outstanding from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest payable, subject as provided in these Conditions, in arrear on the Interest Payment Date(s) in each year specified for such Note in the applicable Final Terms up to (and including) the Final Maturity Date.

Except as provided in the applicable Final Terms, the amount of interest payable in respect of any Fixed Rate Note on each Interest Payment Date for a Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified for such Note in the applicable Final Terms, amount to the Broken Amount so specified.

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

If interest is required to be calculated in respect of any Fixed Rate Note for a period other than a Fixed Interest Period, such interest shall be calculated by applying the Rate of Interest specified for such Note in the applicable Final

Terms to the Principal Amount Outstanding on such Global Note, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention and then apportioning the resulting total between the Noteholders in respect of such Global Note, *pari passu* without preference or priority amongst themselves.

Day Count Fraction means, in respect of the calculation of an amount of interest for any Fixed Rate Note in accordance with this **Condition 4.1**:

- (a) if “Actual/Actual (ICMA)” is specified for such Note in the applicable Final Terms:
 - (i) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date for such Notes (or, if none, the Interest Commencement Date) to (but excluding) the relevant Interest Payment Date (the **Accrual Period**) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (A) the number of days in such Determination Period and (B) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or
 - (ii) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
 - (A) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
 - (B) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (I) the number of days in such Determination Period and (II) the number of Determination Dates that would occur in one calendar year; and
- (b) if “30/360” is specified for such Note in the applicable Final Terms, the number of days in the period from (and including) the most recent Interest Payment Date for such Note (or, if none, the Interest Commencement Date) to (but excluding) the relevant Interest Payment Date (such number of days being calculated on the basis of a year of 360 days with twelve 30-day months) divided by 360.

As used in these Conditions, **Determination Period** means each period from and including a Determination Date (as defined in the applicable Final Terms) to but excluding the next Determination Date (including where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date).

4.2 Interest on Floating Rate Notes

(a) Interest Payment Dates

Each Floating Rate Note bears interest on its Principal Amount Outstanding from (and including) the Interest Commencement Date and such interest will be payable in arrear on the Interest Payment Date(s) in each year specified for such Note in the applicable Final Terms. Such interest will be payable in respect of each Floating Interest Period.

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

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

- (i) the “Following Business Day Convention”, the Interest Payment Date for such Note shall be postponed to the next day which is a Business Day; or
- (ii) the “Modified Following Business Day Convention”, the Interest Payment Date for such Note shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar

month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or

- (iii) the “Preceding Business Day Convention”, the Interest Payment Date for such Note shall be brought forward to the immediately preceding Business Day.

In these Conditions, **Business Day** means a day which is both:

- (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London, New York and any Additional Business Centre specified in the applicable Final Terms; and
- (ii) a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET2) System which was launched on 19 November 2007 or any successor thereto (the **TARGET System**) is open; and
- (iii) in relation to any sum payable in a Specified Currency other than sterling, dollar or euro, 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 the principal financial centre of the country of the relevant Specified Currency (if other than London, New York and any Additional Business Centre) and which, if the Specified Currency is Australian or New Zealand dollars, shall be Sydney and Auckland, respectively.

(b) Rate of Interest

The Rate of Interest payable from time to time in respect of a Floating Rate Note will be determined in the manner specified for such Note in the applicable Final Terms.

- (i) ISDA Determination for Floating Rate Notes

Where “ISDA Determination” is specified for such Note in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated for such Note in the applicable Final Terms) the Margin (if any). For the purposes of this subparagraph (i), **ISDA Rate** for an Interest Period means a rate equal to the Floating Rate that would be determined by the Agent Bank or other person specified in the applicable Final Terms under an interest rate swap transaction if the Agent Bank or that other person were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (A) the Floating Rate Option is as specified for such Note in the applicable Final Terms;
- (B) the Designated Maturity is the period specified for such Note in the applicable Final Terms; and
- (C) the relevant Reset Date is either (i) if the applicable Floating Rate Option is based on LIBOR, USD-LIBOR or EURIBOR for a currency, the first day of that Interest Period, or (ii) in any other case, as specified for such Note in the applicable Final Terms.

For the purposes of this subparagraph (i), **Floating Rate**, **Calculation Agent**, **Floating Rate Option**, **Designated Maturity** and **Reset Date** have the meanings given to those terms in the ISDA Definitions.

- (ii) Screen Rate Determination for Floating Rate Notes

Where “Screen Rate Determination” is specified for a Floating Rate Note in the applicable Final Terms as the manner in which the Rate of Interest is to be determined for such Note, the Rate of Interest for each Interest Period will, subject as provided below, be either:

- (A) the offered quotation (if there is only one quotation on the Relevant Screen Page); or
- (B) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 a.m. (London time, in the case of LIBOR or USD-LIBOR, or Brussels time, in the case of EURIBOR) on the Interest Determination Date in question plus or minus the Margin (if any), all as determined by the Agent Bank. If five or more of such offered

quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Agent Bank for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

The Paying Agent and Agent Bank Agreement contains provisions for determining the Rate of Interest pursuant to this subparagraph (ii) in the event that the Relevant Screen Page is not available or if, in the case of (A) above, no such offered quotation appears or, in the case of (B) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph.

If the Reference Rate from time to time in respect of a Floating Rate Note is specified for such Note in the applicable Final Terms as being other than LIBOR, USD-LIBOR or EURIBOR, the Rate of Interest in respect of such Note will be determined as provided for such Note in the applicable Final Terms.

(c) Minimum Rate of Interest and/or Maximum Rate of Interest

If the applicable Final Terms specifies a Minimum Rate of Interest for a Floating Rate Note for any Interest Period, then, in the event that the Rate of Interest for such Note in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is less than such Minimum Rate of Interest, the Rate of Interest for such Note for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Final Terms specifies a Maximum Rate of Interest for such Note for any Interest Period, then, in the event that the Rate of Interest for such Note in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Note for such Interest Period shall be such Maximum Rate of Interest.

(d) Determination of Rate of Interest and calculation of Interest Amounts

The Agent Bank will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period.

The Agent Bank will calculate the amount of interest payable on the Floating Rate Notes in respect of each Specified Denomination or in respect of each Global Note (each an **Interest Amount**) for the relevant Interest Period. Each Interest Amount shall be calculated by applying the Rate of Interest to the Principal Amount Outstanding of each Global Note, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub unit being rounded upwards or otherwise in accordance with applicable market convention and then apportioning the resulting total between the Noteholders in respect of such Global Note, *pari passu* without preference or priority amongst themselves.

Day Count Fraction means, in respect of the calculation of an amount of interest for a Floating Rate Note in accordance with this **Condition 4.2(d)** for any Interest Period:

- (i) if “Actual/365 or Actual/Actual (ISDA)” is specified for such Note in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (ii) if “Actual/365 (Fixed)” is specified for such Note in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;
- (iii) if “Actual/365 (Sterling)” is specified for such Note in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (iv) if “Actual/360” is specified for such Note in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;
- (v) if “30/360”, “360/360” or “Bond Basis” is specified for such Note in the applicable Final Terms, the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with twelve 30-day months (unless (a) the last day of the Interest Period is the 31st day of a month but the first day of the Interest Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day

month, or (b) the last day of the Interest Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)); and

- (vi) if “30E/360” or “Eurobond Basis” is specified for such Note in the applicable Final Terms, the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with twelve 30-day months, without regard to the date of the first day or last day of the Interest Period unless, in the case of the final Interest Period, the Final Maturity Date is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month).

(e) Notification of Rate of Interest and Interest Amounts

The Agent Bank will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Note Trustee, the Issuer Security Trustee, the Issuer Cash Manager, the Paying Agents, the Registrar and to any stock exchange or other relevant competent authority or quotation system on which the relevant Floating Rate Notes are for the time being listed, quoted and/or traded or by which they have been admitted to listing and to be published in accordance with **Condition 14** as soon as possible after their determination but in no event later than the fourth Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. Any such amendment or alternative arrangements will be promptly notified to the Note Trustee and each stock exchange or other relevant authority on which the relevant Floating Rate Notes are for the time being listed or by which they have been admitted to listing and to Noteholders in accordance with **Condition 14**.

(f) Determination or Calculation by Note Trustee

If for any reason at any relevant time, the Agent Bank defaults in its obligation to determine the Rate of Interest for a Floating Rate Note or the Agent Bank defaults in its obligation to calculate any Interest Amount for such Note in accordance with subparagraph (b)(i) or (ii) above or as otherwise specified for such Note in the applicable Final Terms, as the case may be, and in each case in accordance with paragraph (d) above, the Note Trustee (or an agent on its behalf) shall determine the Rate of Interest at such rate as, in its absolute discretion (having such regard as it shall think fit to the foregoing provisions of this Condition, but subject always to any Minimum Rate of Interest or Maximum Rate of Interest specified for such Note in the applicable Final Terms), it shall deem fair and reasonable in all the circumstances or, as the case may be, the Note Trustee (or an agent on its behalf) shall calculate the Interest Amount(s) in such manner as it shall deem fair and reasonable in all the circumstances and each such determination or calculation shall be deemed to have been made by the Agent Bank or the Calculation Agent, as the case may be.

(g) Certificates to be final

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this **Condition 4.2**, whether by the Agent Bank or the Calculation Agent or the Note Trustee (or an agent on its behalf) shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Issuer Cash Manager, the Principal Paying Agent, the Calculation Agent, the other Paying Agents, the Note Trustee and all Noteholders and (in the absence of wilful default or bad faith) no liability to the Issuer or the Noteholders shall attach to the Agent Bank or the Calculation Agent or the Note Trustee in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

4.3 Accrual of interest

Interest (if any) will cease to accrue on each Note (or in the case of the redemption of part only of a Note, that part only of such Note) on the due date for redemption thereof, unless payment of principal is improperly withheld or refused in which event, interest will continue to accrue until the earlier of:

- (a) the date on which all amounts due in respect of such Note have been paid; and
- (b) the seventh day after notice is duly given by the Principal Paying Agent or the U.S. Paying Agent (as the case may be) to the holder thereof that such payment will be made, provided that subsequently, payment is in fact made.

4.4 Deferred Interest

To the extent that, subject to and in accordance with the relevant Issuer Priority of Payments, the funds available to the Issuer to pay interest on any Series and Class of Notes (other than the most senior Class of Notes of any Series then outstanding) on an Interest Payment Date (after discharging the Issuer's liabilities of a higher priority) are insufficient to pay the full amount of such interest, payment of the shortfall attributable to such Series and Class of Notes (**Deferred Interest**) will not then fall due but will instead be deferred until the first Interest Payment Date for such Notes thereafter on which sufficient funds are available (after allowing for the Issuer's liabilities of a higher priority and subject to and in accordance with the relevant Issuer Priority of Payments) to fund the payment of such Deferred Interest to the extent of such available funds.

Such Deferred Interest will accrue interest (**Additional Interest**) at the rate of interest applicable from time to time to the applicable Series and Class of Notes and payment of any Additional Interest will also be deferred until the first Interest Payment Date for such Notes thereafter on which funds are available (after allowing for the Issuer's liabilities of a higher priority subject to and in accordance with the relevant Issuer Priority of Payments) to the Issuer to pay such Additional Interest to the extent of such available funds.

Amounts of Deferred Interest and Additional Interest shall not be deferred beyond the Final Maturity Date of the applicable Series and Class of Notes, when such amounts will become due and payable.

Payments of interest due on an Interest Payment Date in respect of the most senior Class of Notes of any Series then outstanding will not be deferred. In the event of the delivery of a Note Acceleration Notice (as described in **Condition 9**), the amount of interest in respect of such Notes that was due but not paid on such Interest Payment Date will itself bear interest at the applicable rate until both the unpaid interest and the interest on that interest are paid as provided in the Note Trust Deed.

5. REDEMPTION AND MANDATORY TRANSFER

5.1 Final Redemption

Unless previously redeemed in full as provided in this **Condition 5**, the Issuer shall redeem a Series and Class of Notes at their Redemption Amount together with all accrued interest on the Final Maturity Date in respect of such Notes.

The Issuer may not redeem such Notes in whole or in part prior to their Final Maturity Date except as provided in **Conditions 5.2, 5.4 or 5.5** below, but without prejudice to **Condition 9**.

5.2 Mandatory Redemption of the Notes in Part

On each Interest Payment Date, other than an Interest Payment Date on which a Series and Class of Notes are to be redeemed under **Conditions 5.1, 5.4 or 5.5**, the Issuer shall repay principal in respect of such Notes in an amount equal to the amount (if any) repaid on the corresponding Loan Tranche Payment Date in respect of the related Loan Tranche and pursuant to the Intercompany Loan Agreement converted, where the Specified Currency for such Notes is not Sterling, into the Specified Currency at the Specified Currency Exchange Rate for such Notes.

To the extent that there are insufficient funds available to the Issuer to repay the amount due to be paid on such Interest Payment Date, the Issuer will be required to repay the shortfall, to the extent that it receives funds therefor (and subject to the terms of the Issuer Deed of Charge and the Issuer Cash Management Agreement) on subsequent Interest Payment Dates in respect of such Notes.

5.3 Note Principal Payments and Principal Amount Outstanding

The principal amount redeemable (the **Note Principal Payment**) in respect of each Note of a particular Series and Class on any Interest Payment Date under **Condition 5.2** above shall be a proportion of the amount required as at that Interest Payment Date to be applied in redemption of such Series and Class of Notes on such date equal to the proportion that the Principal Amount Outstanding of the relevant Note bears to the aggregate Principal Amount Outstanding of such Series and Class of Notes rounded down to the nearest sub-unit of the Specified Currency; provided always that no such Note Principal Payment may exceed the Principal Amount Outstanding of the relevant Note.

On each Interest Determination Date the Issuer shall determine (or cause the Agent Bank to determine) (a) the amount of any Note Principal Payment payable in respect of each Note of the relevant Series and Class on the immediately following Interest Payment Date and (b) the Principal Amount Outstanding of each such Note which shall be the Specified Denomination less (in each case) the aggregate amount of all Note Principal Payments in respect of such Note that has been paid since the relevant Closing Date and on or prior to that Interest Determination Date (the **Principal Amount Outstanding**) and (c) the fraction expressed as a decimal to the fifth decimal point (the **Pool Factor**), of which the numerator is the Principal Amount Outstanding of that Note (as referred to in (b) above) and the denominator is the Specified Denomination. Each determination by or on behalf of the Issuer of any Note Principal Payment of a Note, the Principal Amount Outstanding of a Note and the Pool Factor shall in each case (in the absence of wilful default, bad faith or manifest error) be final and binding on all persons.

The Issuer will cause each determination of the Note Principal Payment and the Principal Amount Outstanding and the Pool Factor in respect of a Series and Class of Notes to be notified forthwith, and in any event not later than 1.00 p.m. (London time) on the Business Day immediately succeeding the Interest Determination Date, to the Note Trustee, the Issuer Security Trustee, the Paying Agents, the Registrar, the Agent Bank and (for so long as such Notes are listed on one or more stock exchanges) the relevant stock exchanges, and will cause notice of each determination of the Note Principal Payment and the Principal Amount Outstanding to be given to Noteholders in accordance with **Condition 14** by no later than the Business Day after the relevant Interest Payment Date.

If the Issuer does not at any time for any reason determine (or cause the Agent Bank to determine) or if the Agent Bank does not at any time for any reason determine a Note Principal Payment, the Principal Amount Outstanding or the Pool Factor in accordance with the preceding provisions of this **Condition 5.3**, such Note Principal Payment and/or Principal Amount Outstanding and/or Pool Factor may be determined by the Note Trustee in accordance with this **Condition 5.3** in the manner the Note Trustee in its discretion considers fair and reasonable in the circumstances, having regard to this **Condition 5.3**, and each such determination or calculation shall be deemed to have been made by the Issuer. Any such determination shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Agent Bank and the Noteholders.

5.4 Optional Redemption in Full

Provided a Note Acceleration Notice has not been served and subject to the provisos below, upon giving not more than 60 nor less than 30 days' prior notice (or, in the case of (c) below, not more than 30 days nor less than 5 days' prior notice) to the Note Trustee and the Noteholders in accordance with **Condition 14**, the Issuer may redeem a Series and Class of Notes at their aggregate Redemption Amount together with any accrued and unpaid interest in respect thereof on the following dates:

- (a) the date specified as the Step-Up Date for such Notes in the applicable Final Terms and on any Interest Payment Date for such Notes thereafter;
- (b) on such Interest Payment Date on which the aggregate Principal Amount Outstanding of such Notes and all other Classes of Notes of the same Series is less than 10 per cent. of the aggregate Principal Amount Outstanding of such Series of Notes as at the Closing Date on which such Series of Notes were issued; or
- (c) the date specified as the Optional Redemption Date for such Notes in the applicable Final Terms and on each Interest Payment Date for such Notes thereafter,

provided that (in either of the cases above), on or prior to giving any such notice, the Issuer shall have provided to the Note Trustee a certificate signed by two directors of the Issuer to the effect that (i) it will have the funds, not subject to any interest of any other person, required to redeem such Notes as aforesaid and any amounts required to be paid in priority to or *pari passu* with such Notes outstanding in accordance with the terms and conditions of the Issuer Deed of Charge and the Issuer Cash Management Agreement, and (ii) the Repayment Tests will be satisfied following the making of such redemptions, and further provided that (in the case of (c) above only) each of the Rating Agencies has confirmed that the then current ratings of each Series and Class of Notes then outstanding for which it provides a rating would not be reduced, withdrawn or qualified by such redemption.

5.5 Optional Redemption for Tax and other Reasons

Provided a Note Acceleration Notice has not been served, if the Issuer at any time satisfies the Note Trustee immediately prior to the giving of the notice referred to below that on the next Interest Payment Date either:

- (a) the Issuer would by virtue of a change in the law or regulations of the United Kingdom or any other jurisdiction (or the application or interpretation thereof) be required to deduct or withhold from any payment of principal or interest or any other amount under a Series and Class of Notes any amount for or

on account of any present or future taxes, duties, assessments or governmental charges of whatever nature (other than where the relevant Holder or beneficial owner has some connection with the relevant jurisdiction other than the holding of the Notes); or

- (b) Funding 1 would be required to deduct or withhold from amounts due in respect of the Loan Tranche under the Intercompany Loan Agreement which was funded by such Notes any amount for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature; and
- (c) in relation to either the events described in (a) and (b) above, such obligation of the Issuer or Funding 1 (as the case may be) cannot be avoided by the Issuer or Funding 1 (as the case may be) taking reasonable measures available to the Issuer or Funding 1 (as the case may be),

then the Issuer shall use its reasonable endeavours to arrange the substitution of a company incorporated in another jurisdiction approved by the Note Trustee as principal debtor under such Notes and/or as lender of such Loan Tranche as the case may be, upon the Note Trustee (1) being satisfied that such substitution will not be materially prejudicial to the interests of Noteholders and (2) receiving a certificate signed by two directors of the Issuer or Funding 1, as the case may be, certifying that such substitution would enable the Issuer or Funding 1, as the case may be, to make payments of principal and interest under the relevant Series or Class of Notes or under the Intercompany Loan, as the case may be, without such deduction or withholding, and upon the Issuer Security Trustee being satisfied that (A) the position of the Issuer Secured Creditors (other than the Noteholders) will not thereby be adversely affected as confirmed in writing by such Issuer Secured Creditors to the Issuer Security Trustee, and (B) such substitution would not require registration of any new security under United States securities laws or materially increase the disclosure requirements under United States law or the costs of issuance as certified by the Issuer to the Issuer Security Trustee in writing. Only if the Issuer is unable to arrange a substitution will the Issuer be entitled to redeem the Notes as described in this **Condition 5.5**.

Subject to the proviso below, if the Issuer is unable to arrange a substitution as described above and, as a result, one or more of the events described in (a) or (b) above (as the case may be) is continuing, then the Issuer may, having given not more than 60 nor less than 30 days' notice to the Note Trustee and the Noteholders in accordance with **Condition 14**, redeem all (but not some only) of such Notes on the immediately succeeding Interest Payment Date for such Notes at their aggregate Redemption Amount together with any accrued and unpaid interest in respect thereof provided that (in either case), prior to giving any such notice, the Issuer shall have provided to the Note Trustee:

- (i) a certificate signed by two directors of the Issuer stating the circumstances referred to in (a) or (b) and (c) above prevail and setting out details of such circumstances; and
- (ii) an opinion in form and substance satisfactory to the Note Trustee of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to deduct or withhold such amounts as a result of such change or amendment.

The Note Trustee shall be entitled to accept such certificate and opinion as sufficient evidence of the satisfaction of the circumstance set out in (a) or (b) and (c) above, in which event they shall be conclusive and binding on the Noteholders. The Issuer may only redeem such Notes as aforesaid, if on or prior to giving such notice, the Issuer shall have provided to the Note Trustee a certificate signed by two directors of the Issuer to the effect that (A) it will have the funds, not subject to any interest of any other person, required to redeem such Notes as aforesaid and any amounts required to be paid in priority to or *pari passu* with such Notes outstanding in accordance with the terms and conditions of the Issuer Deed of Charge and the Issuer Cash Management Agreement, and (B) the Repayment Tests will be satisfied following the making of such redemptions.

In addition to the foregoing, if at any time the Issuer delivers a certificate to Funding 1, the Note Trustee and the Issuer Security Trustee to the effect that it would be unlawful for the Issuer to make, fund or allow to remain outstanding a Loan Tranche under the Intercompany Loan Agreement, then the Issuer may require Funding 1 to prepay the relevant Loan Tranche on a Loan Tranche Payment Date subject to and in accordance with the provisions of the Intercompany Loan Agreement to the extent necessary to cure such illegality and the Issuer may redeem all (but not some only) of the relevant Notes at their Redemption Amount together with any accrued interest upon giving not more than 60 nor less than 30 days' (or such shorter period as may be required under any relevant law) prior written notice to the Issuer Security Trustee, the Funding 1 Security Trustee, the Note Trustee, the relevant Issuer Swap Provider(s) and the Noteholders in accordance with **Condition 14**, provided that, prior to giving any notice, the Issuer shall have provided to the Note Trustee a certificate signed by two directors of the Issuer to the effect that it will have the funds, not subject to the interest of any other person, required to redeem the relevant Notes as provided above and any amount to be paid in priority to or *pari passu* with the relevant Notes. Such monies received by the Issuer shall be used to

redeem the relevant Notes in full, together with any accrued and unpaid interest, on the equivalent Interest Payment Date.

5.6 Reserved

5.7 Redemption Amounts

For the purposes of this **Condition 5**, **Redemption Amount** means, in respect of any Series and Class of Notes, the amount specified in relation to such Notes in the applicable Final Terms or, if not so specified:

- (a) in respect of each Note (other than a Zero Coupon Note), the Principal Amount Outstanding of such Note; and
- (b) in respect of each Zero Coupon Note, an amount (the **Amortised Face Amount**) calculated in accordance with the following formula:

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

where:

RP = the Reference Price;

AY = the Accrual Yield expressed as a decimal; and

y = a fraction, the numerator of which is equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the first Closing Date of the applicable Series and Class of Notes to (but excluding) the date fixed for redemption or, as the case may be, the date upon which such Note becomes due and payable and the denominator of which is 360.

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to **Condition 5.1, 5.2, 5.4, 5.5 or 5.6** above or upon its becoming due and repayable as provided in **Condition 9** is improperly withheld or refused, the amount due and repayable in respect of such Note shall be the amount calculated as provided in paragraph (b) above as though the reference therein to the date fixed for the redemption or, as the case may be, the date upon which such Note becomes due and payable were replaced by reference to the date which is the earlier of:

- (i) the date on which all amounts due in respect of such Note have been paid; and
- (ii) the date on which the full amount of the monies payable in respect of such Note has been received by the Principal Paying Agent or the Note Trustee or the Registrar and notice to that effect has been given to the Noteholders in accordance with **Condition 14**.

5.8 Mandatory Transfer of Remarketable Notes

- (a) The Remarketable Notes shall be transferred in accordance with paragraph (ii) below on each relevant Mandatory Transfer Date prior to the occurrence of a Mandatory Transfer Termination Event (as confirmed by the Remarketing Agent or Tender Agent by the provision of a Conditional Purchaser Confirmation to the Issuer and the Principal Paying Agent) in exchange for payment of the Mandatory Transfer Price, and the Issuer will procure payment of the Mandatory Transfer Price to the Holders of the Remarketable Notes on the relevant Mandatory Transfer Date, provided that the Issuer shall not be liable for the failure to make payment of the Mandatory Transfer Price to the extent that such failure is a result of the failure of the Remarketing Agent or the Conditional Purchaser to perform its obligations under the relevant agreements.
- (ii) Subject to paragraph (i) above, all the Noteholders' interests in the Remarketable Notes shall be transferred on the relevant Mandatory Transfer Date to the account of the Remarketing Agent on behalf of the relevant purchasers or as otherwise notified by or on behalf of the Remarketing Agent prior to such date or, if Definitive Notes are then issued with respect to the Remarketable Notes, the Remarketable Notes will be registered in the name of the Remarketing Agent or as otherwise notified by or on behalf of the Remarketing Agent by the Registrar and the Register will be amended accordingly with effect from the relevant Mandatory Transfer Date.

6. PAYMENTS

6.1 Payment of Interest and Principal

Payments of principal shall be made by cheque in the Specified Currency, drawn on a Designated Bank, or upon application by a Holder of the relevant Note to the Specified Office of the Principal Paying Agent not later than the fifth Business Day before the Record Date (as defined in **Condition 6.7**), by transfer to a Designated Account maintained by the payee with a Designated Bank and (in the case of final redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note at the Specified Office of any Paying Agent.

Payments of interest shall be made by cheque in the Specified Currency drawn on a Designated Bank, or upon application by a Holder of the relevant Note to the Specified Office of the Principal Paying Agent not later than the fifth Business Day before the Record Date, by transfer to a Designated Account maintained by the payee with a Designated Bank and (in the case of interest payable on final redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note at the Specified Office of any Paying Agent.

6.2 Laws and Regulations

Payments of principal and interest in respect of the Notes are subject in all cases to any fiscal or other laws and regulations applicable thereto. Noteholders will not be charged commissions or expenses on payments.

6.3 Payment of Interest following a failure to pay Principal

If payment of principal is improperly withheld or refused on or in respect of any Note or part thereof, the interest which continues to accrue in respect of such Note in accordance with **Condition 4** will be paid in accordance with this **Condition 6**.

6.4 Change of Agents

The initial Principal Paying Agent, the Registrar, the Transfer Agent and the US Paying Agents are listed in these Conditions. The Issuer reserves the right, subject to the prior written approval of the Note Trustee, at any time to vary or terminate the appointment of the Principal Paying Agent, the Registrar, the Transfer Agent and the U.S. Paying Agent and to appoint additional or other Paying Agents. The Issuer will at all times maintain a Paying Agent with a Specified Office in London and a U.S. Paying Agent with a Specified Office in New York and a Registrar. Except where otherwise provided in the Note Trust Deed, the Issuer will cause at least 30 days' notice of any change in or addition to the Paying Agents, the Transfer Agent or the Registrar or their Specified Offices to be given in accordance with **Condition 14** and will notify the Rating Agencies of such change or addition. For as long as any Note is outstanding, the Issuer will endeavour to maintain a Paying Agent in a member state of the European Union that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to such Directive.

6.5 No payment on non-Business Day

Where payment is to be made by transfer to a Designated Account, payment instructions (for value the due date or, if the due date is not a Business Day, for value the next succeeding Business Day) will be initiated and, where payment is to be made by cheque, the cheque will be mailed (a) (in the case of payments of principal and interest payable on redemption) on the later of the due date for payment and, where applicable, the day on which the relevant Note is surrendered (or, in the case of part payment only, endorsed) at the Specified Office of a Paying Agent and (b) (in the case of payments of interest payable other than on redemption) on the due date for payment. A Holder of a Note shall not be entitled to any interest or other payment in respect of any delay in payment resulting from (i) the due date for a payment not being a Business Day or (ii) a cheque mailed in accordance with this **Condition 6.5** arriving after the due date for payment or being lost in the mail.

6.6 Partial Payment

If a Paying Agent makes a partial payment in respect of any Note, the Issuer shall procure and the Registrar will ensure that the amount and date of such payment are noted on the Register and, in the case of partial payment upon presentation of a Note, that a statement indicating the amount and date of such payment is endorsed on the relevant Note.

6.7 Record Date

Each payment in respect of a Note will be made to the persons shown as the Holder in the Register (i) where the Note is in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) before the relevant due date; and (ii) where in definitive form, at the opening of business in the place of the Registrar's Specified Office on the fifteenth day before the due date for such payment (the **Record Date**). Where payment in respect of a Note is to be made by cheque, the cheque will be mailed to the address shown as the address of the Holder in the Register at the opening of business on the relevant Record Date.

6.8 Payment of Interest

Subject as provided otherwise in these Conditions, if interest is not paid in respect of a Note of any Class on the date when due and payable (other than because the due date is not a Business Day) or by reason of non-compliance with **Condition 6.1**, then such unpaid interest shall itself bear interest at the Rate of Interest applicable from time to time to such Note until such interest and interest thereon are available for payment and notice thereof has been duly given in accordance with **Condition 14**.

7. PRESCRIPTION

Claims against the Issuer for payment of interest and principal on redemption shall be prescribed and become void unless claims in respect of principal and/or interest are made within a period of 10 years from the relevant date in respect thereof. After the date on which a payment under a Note becomes void in its entirety, no claim may be made in respect thereof. In this **Condition 7**, the **relevant date**, in respect of a payment under a Note, is the date on which the payment in respect thereof first becomes due or (if the full amount of the monies payable in respect of those payments under all the Notes due on or before that date has not been duly received by the Principal Paying Agent, the U.S. Paying Agent or the Note Trustee (as the case may be) on or prior to such date) the date on which the full amount of such monies having been so received or notice to that effect is duly given to Noteholders in accordance with **Condition 14**.

8. TAXATION

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

9. EVENTS OF DEFAULT

9.1 Class A Noteholders

The Note Trustee in its absolute discretion may (and if so requested in writing by the Holders of not less than 25 per cent. in aggregate Principal Amount Outstanding of the Class A Notes (which for this purpose and the purpose of any Extraordinary Resolution referred to in this **Condition 9.1** means the Class A Notes of all Series constituted by the Note Trust Deed) or if so directed by or pursuant to an Extraordinary Resolution passed at a meeting of the Holders of the Class A Notes shall), subject in each case to being indemnified and/or secured to its satisfaction, give notice (a **Class A Note Acceleration Notice**) to the Issuer, the Issuer Security Trustee and the Funding 1 Security Trustee of a Note Event of Default (as defined below) declaring (in writing) the Class A Notes and all other Notes to be due and repayable (and they shall forthwith become due and repayable) at any time after the happening of any of the following events which is continuing or unwaived:

- (a) default being made for a period of three Business Days in the payment of any amount of principal of the Class A Notes of any Series when and as the same ought to be paid in accordance with these Conditions or default being made for a period of three Business Days in the payment of any amount of interest on the Class A Notes of any Series when and as the same ought to be paid in accordance with these Conditions; or
- (b) the Issuer failing duly to perform or observe any other obligation binding upon it under the Class A Notes of any Series, the Note Trust Deed, the Issuer Deed of Charge or any other Transaction Document and, in any such case (except where the Note Trustee certifies that, in its opinion, such failure is incapable of

remedy, in which case no notice will be required), such failure is continuing unremedied for a period of 20 days following the service by the Note Trustee on the Issuer of notice requiring the same to be remedied and the Note Trustee has certified that the failure to perform or observe is materially prejudicial to the interests of the Holders of the Class A Notes of such Series; or

- (c) the Issuer, otherwise than for the purposes of such amalgamation or reconstruction as is referred to in subparagraph (d) below, ceases or threatens to cease to carry on its business or a substantial part of its business or the Issuer is deemed unable to pay its debts within the meaning of Section 123(1)(a), (b), (c) or (d) of the Insolvency Act 1986 (as amended, modified or re-enacted) or becomes unable to pay its debts as they fall due or the value of its assets falls to less than the amount of its liabilities (taking into account for both these purposes its contingent and prospective liabilities) or otherwise becomes insolvent; or
- (d) an order being made or an effective resolution being passed for the winding-up of the Issuer except a winding-up for the purposes of or pursuant to an amalgamation, restructuring or merger the terms of which have previously been approved by the Note Trustee in writing or by an Extraordinary Resolution of the Holders of the Class A Notes; or
- (e) proceedings being otherwise initiated against the Issuer under any applicable liquidation, insolvency, composition, reorganisation or other similar laws (including, but not limited to, presentation of a petition for an administration order, the filing of documents with the court for an administration or the service of a notice of intention to appoint an administrator) and (except in the case of presentation of a petition for an administration order) such proceedings are not, in the sole opinion of the Note Trustee, being disputed in good faith with a reasonable prospect of success, or an administration order being granted or the appointment of an administrator takes effect or an administrative receiver or other receiver, liquidator or other similar official being appointed in relation to the Issuer or in relation to the whole or any substantial part of the undertaking or assets of the Issuer, or an encumbrancer taking possession of the whole or any substantial part of the undertaking or assets of the Issuer, or a distress, execution, diligence or other process being levied or enforced upon or sued out against the whole or any substantial part of the undertaking or assets of the Issuer and such possession or process (as the case may be) not being discharged or not otherwise ceasing to apply within 30 days, or the Issuer initiating or consenting to the foregoing proceedings relating to itself under applicable liquidation, insolvency, composition, reorganisation or other similar laws or making a conveyance or assignment for the benefit of its creditors generally or a composition or similar arrangement with the creditors or takes steps with a view to obtaining a moratorium in respect of its indebtedness, including without limitation, the filing of documents with the court; or
- (f) if an Intercompany Loan Acceleration Notice is served under the Intercompany Loan Agreement while the Class A Notes of any Series are outstanding.

9.2 Class B Noteholders

This **Condition 9.2** shall have no effect if, and for as long as, any Class A Notes of any Series are outstanding. Subject thereto, for so long as any Class B Notes are outstanding, the Note Trustee in its absolute discretion may (and if so requested in writing by the Holders of not less than 25 per cent. in aggregate Principal Amount Outstanding of the Class B Notes (which for this purpose and the purpose of any Extraordinary Resolution referred to in this **Condition 9.2**, means the Class B Notes of all Series constituted by the Note Trust Deed) or if so directed by or pursuant to an Extraordinary Resolution passed at a meeting of the Holders of the Class B Notes shall), subject in each case to it being indemnified and/or secured to its satisfaction, give notice (a **Class B Note Acceleration Notice**) to the Issuer, the Issuer Security Trustee and the Funding 1 Security Trustee of a Note Event of Default (as defined below) and declaring (in writing) the Class B Notes and all other Notes to be due and repayable (and they shall forthwith become due and repayable) at any time after the happening of any of the following events:

- (a) default being made for a period of three Business Days in the payment of any amount of principal of the Class B Notes of any Series when and as the same ought to be paid in accordance with these Conditions or default being made for a period of three Business Days in the payment of any amount of interest on the Class B Notes of any Series when and as the same ought to be paid in accordance with these Conditions; or
- (b) the occurrence of any of the events in **Condition 9.1(b)**, **(c)**, **(d)**, **(e)** or **(f)** above provided that the references in **Condition 9.1(b)**, **Condition 9.1(d)** and **Condition 9.1(f)** to Class A Notes shall be read as references to Class B Notes.

9.3 Class M Noteholders

This **Condition 9.3** shall have no effect if, and for as long as, any Class A Notes or Class B Notes of any Series are outstanding. Subject thereto, for so long as any Class M Notes are outstanding, the Note Trustee in its absolute discretion may (and if so requested in writing by the Holders of not less than 25 per cent. in aggregate Principal Amount Outstanding of the Class M Notes (which for this purpose and the purpose of any Extraordinary Resolution referred to in this **Condition 9.3**, means the Class M Notes of all Series constituted by the Note Trust Deed) or if so directed by or pursuant to an Extraordinary Resolution passed at a meeting of the Holders of the Class M Notes shall), subject in each case to it being indemnified and/or secured to its satisfaction, give notice (a **Class M Note Acceleration Notice**) to the Issuer, the Issuer Security Trustee and the Funding 1 Security Trustee of a Note Event of Default (as defined below) and declaring (in writing) the Class M Notes and all other Notes to be due and repayable (and they shall forthwith become due and repayable) at any time after the happening of any of the following events:

- (a) default being made for a period of three Business Days in the payment of any amount of principal of the Class M Notes of any Series when and as the same ought to be paid in accordance with these Conditions or default being made for a period of three Business Days in the payment of any amount of interest on the Class M Notes of any Series when and as the same ought to be paid in accordance with these Conditions; or
- (b) the occurrence of any of the events in **Condition 9.1(b)**, **(c)**, **(d)**, **(e)** or **(f)** above provided that the references in **Condition 9.1(b)**, **Condition 9.1(d)** and **Condition 9.1(f)** to Class A Notes shall be read as references to Class M Notes.

9.4 Class C Noteholders

This **Condition 9.4** shall have no effect if, and for as long as, any Class A Notes, Class B Notes or Class M Notes of any Series are outstanding. Subject thereto, for so long as any Class C Notes are outstanding, the Note Trustee in its absolute discretion may (and if so requested in writing by the Holders of not less than 25 per cent. in aggregate Principal Amount Outstanding of the Class C Notes (which for this purpose and the purpose of any Extraordinary Resolution referred to in this **Condition 9.4**, means the Class C Notes of all Series constituted by the Note Trust Deed) or if so directed by or pursuant to an Extraordinary Resolution passed at a meeting of the Holders of the Class C Notes shall), subject in each case to it being indemnified and/or secured to its satisfaction, give notice (a **Class C Note Acceleration Notice**) to the Issuer, the Issuer Security Trustee and the Funding 1 Security Trustee of a Note Event of Default (as defined below) and declaring (in writing) the Class C Notes and all other Notes to be due and repayable (and they shall forthwith become due and repayable) at any time after the happening of any of the following events:

- (a) default being made for a period of three Business Days in the payment of any amount of principal of the Class C Notes of any Series when and as the same ought to be paid in accordance with these Conditions or default being made for a period of three Business Days in the payment of any amount of interest on the Class C Notes of any Series when and as the same ought to be paid in accordance with these Conditions; or
- (b) the occurrence of any of the events in **Condition 9.1(b)**, **(c)**, **(d)**, **(e)** or **(f)** above provided that the references in **Condition 9.1(b)**, **Condition 9.1(d)** and **Condition 9.1(f)** to Class A Notes shall be read as references to Class C Notes.

9.5 Class D Noteholders

This **Condition 9.5** shall have no effect if, and for as long as, any Class A Notes, Class B Notes, Class M Notes or Class C Notes of any Series are outstanding. Subject thereto, for so long as any Class D Notes are outstanding, the Note Trustee in its absolute discretion may (and if so requested in writing by the Holders of not less than 25 per cent. in aggregate Principal Amount Outstanding of the Class D Notes (which for this purpose and the purpose of any Extraordinary Resolution referred to in this **Condition 9.5**, means the Class D Notes of all Series constituted by the Note Trust Deed) or if so directed by or pursuant to an Extraordinary Resolution passed at a meeting of the Holders of the Class D Notes shall), subject in each case to it being indemnified and/or secured to its satisfaction, give notice (a **Class D Note Acceleration Notice**) to the Issuer, the Issuer Security Trustee and the Funding 1 Security Trustee of a Note Event of Default (as defined below) and declaring (in writing) the Class D Notes to be due and repayable (and they shall forthwith become due and repayable) at any time after the happening of any of the following events:

- (a) default being made for a period of three Business Days in the payment of any amount of principal of the Class D Notes of any Series when and as the same ought to be paid in accordance with these Conditions or default being made for a period of three Business Days in the payment of any amount of interest on the

Class D Notes of any Series when and as the same ought to be paid in accordance with these Conditions;
or

- (b) the occurrence of any of the events in **Condition 9.1(b), (c), (d), (e) or (f)** above provided that the references in **Condition 9.1(b), Condition 9.1(d) and Condition 9.1(f)** to Class A Notes shall be read as references to Class D Notes.

9.6 Class Z Noteholders

This **Condition 9.6** shall have no effect if, and for as long as, any Class A Notes, Class B Notes, Class M Notes, Class C Notes or Class D Notes of any Series are outstanding. Subject thereto, for so long as any Class Z Notes are outstanding, the Note Trustee in its absolute discretion may (and if so requested in writing by the Holders of not less than 25 per cent. in aggregate Principal Amount Outstanding of the Class Z Notes (which for this purpose and the purpose of any Extraordinary Resolution referred to in this **Condition 9.6**, means the Class Z Notes of all Series constituted by the Note Trust Deed) or if so directed by or pursuant to an Extraordinary Resolution passed at a meeting of the Holders of the Class Z Notes shall), subject in each case to it being indemnified and/or secured to its satisfaction, give notice (a **Class Z Note Acceleration Notice**) to the Issuer, the Issuer Security Trustee and the Funding 1 Security Trustee of a Note Event of Default (as defined below) and declaring (in writing) the Class Z Notes to be due and repayable (and they shall forthwith become due and repayable) at any time after the happening of any of the following events:

- (a) default being made for a period of three Business Days in the payment of any amount of principal of the Class Z Notes of any Series when and as the same ought to be paid in accordance with these Conditions or default being made for a period of three Business Days in the payment of any amount of interest on the Class Z Notes of any Series when and as the same ought to be paid in accordance with these Conditions;
or
- (b) the occurrence of any of the events in **Condition 9.1(b), (c), (d), (e) or (f)** above provided that the references in **Condition 9.1(b), Condition 9.1(d) and Condition 9.1(f)** to Class A Notes shall be read as references to Class Z Notes.

9.7 Following Service of a Note Acceleration Notice

In these Conditions, a **Note Acceleration Notice** means any of the Class A Note Acceleration Notice, the Class B Note Acceleration Notice, the Class M Note Acceleration Notice, the Class C Note Acceleration Notice, the Class D Note Acceleration Notice and the Class Z Note Acceleration Notice. For the avoidance of doubt, upon any Note Acceleration Notice being given by the Note Trustee in accordance with **Condition 9.1, 9.2, 9.3, 9.4, 9.5 or 9.6** all Notes shall immediately become due, without further action, notice or formality at their Principal Amount Outstanding together with accrued interest (or, in the case of a Zero Coupon Note, at its Redemption Amount, calculated in accordance with **Condition 5.7**).

10. ENFORCEMENT OF NOTES

10.1 Enforcement

The Note Trustee may, at its discretion and without notice at any time and from time to time, take such steps and institute such proceedings against the Issuer or any other person as it may think fit to enforce the provisions of the Notes, the Note Trust Deed (including these Conditions) or any of the other Transaction Documents to which it is a party and the Note Trustee may, at its discretion at any time after the Issuer Security has become enforceable (including after the service of a Note Acceleration Notice in accordance with **Condition 9**), instruct the Issuer Security Trustee to take such steps as it may think fit to enforce the Issuer Security. The Note Trustee shall not be bound to take such steps or institute such proceedings or give such instructions unless:

- (a) (subject in all cases to restrictions contained in the Note Trust Deed to protect the interests of any higher ranking Class of Noteholders) it shall have been so directed by an Extraordinary Resolution of the Class A Noteholders, the Class B Noteholders, the Class M Noteholders, the Class C Noteholders, the Class D Noteholders or the Class Z Noteholders (which for this purpose and the purpose of a request in writing as referred to below in this Condition 10.1, means the Holders of all Series of the Class A Notes, the Class B Notes, the Class M Notes, the Class C Notes, the Class D Notes or the Class Z Notes (as applicable)) or so requested in writing by the Holders of at least one quarter in aggregate Principal Amount Outstanding of the Class A Notes, Class B Notes, Class M Notes, Class C Notes, Class D Notes or Class Z Notes (as applicable) of all Series; and

- (b) it shall have been indemnified and/or secured to its satisfaction.

The Issuer Security Trustee shall not be bound to and shall not take such steps or take any such other action unless it is so directed by the Note Trustee and indemnified and/or secured to its satisfaction.

Amounts available for distribution after enforcement of the Issuer Security shall be distributed in accordance with the terms of the Issuer Deed of Charge.

No Noteholder may institute any proceedings against the Issuer to enforce its rights under or in respect of the Notes, the Note Trust Deed or the Issuer Deed of Charge unless (i) the Note Trustee or the Issuer Security Trustee, as applicable, has become bound to institute proceedings and has failed to do so within 30 days of becoming so bound and (ii) such failure is continuing; provided that, no Class B Noteholder, Class M Noteholder, Class C Noteholder, Class D Noteholder or Class Z Noteholder will be entitled to commence proceedings for the winding up or administration of the Issuer unless there are no outstanding Notes of a Class with higher priority, or if Notes of a class with higher priority are outstanding, there is consent of Noteholders of not less than one quarter of the aggregate principal amount of the Notes outstanding (as defined in the Note Trust Deed) of the Class or Classes of Notes with higher priority or pursuant to an Extraordinary Resolution of the Holders of such Class of Notes. Notwithstanding the foregoing and notwithstanding any other provision of the Note Trust Deed, the right of any Noteholder to receive payment of principal and interest on its Notes on or after the due date for such principal or interest, or to institute suit for the enforcement of payment of that principal or interest, may not be impaired or affected without the consent of that Noteholder.

10.2 Limited Recourse

Notwithstanding any other Condition or any provision of any Transaction Document, all obligations of the Issuer to the Noteholders are limited in recourse to the property, assets and undertaking of the Issuer the subject of any Issuer Security (the **Issuer Charged Assets**). If:

- (a) there are no Issuer Charged Assets remaining which are capable of being realised or otherwise converted into cash;
- (b) all amounts available from the Issuer Charged Assets have been applied to meet or provide for the relevant obligations specified in, and in accordance with, the provisions of the Issuer Deed of Charge; and
- (c) there are insufficient amounts available from the Issuer Charged Assets to pay in full, in accordance with the provisions of the Issuer Deed of Charge, amounts outstanding under the Notes (including payments of principal, premium (if any) and interest),

then the Noteholders shall have no further claim against the Issuer in respect of any amounts owing to them which remain unpaid (including, for the avoidance of doubt, payments of principal, premium (if any) and/or interest in respect of the Notes) and such unpaid amounts shall be deemed to be discharged in full and any relevant payment rights shall be deemed to cease.

11. MEETINGS OF NOTEHOLDERS, MODIFICATIONS AND WAIVER

11.1 Meetings of Noteholders

The Note Trust Deed contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any provision of these Conditions or the provisions of any of the Transaction Documents.

(a) *Class A Notes*

In respect of the Class A Notes, the Note Trust Deed provides that, subject to **Condition 11.2**:

- (i) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class A Notes of one Class only shall be deemed to have been duly passed if passed at a meeting of the Holders of the Class A Notes of that Class;
- (ii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class A Notes of any two or more Classes but does not give rise to a conflict of interest between the Holders of any such two or more Classes of Class A Notes, shall be deemed to have been duly passed if passed at a single meeting of the Holders of such two or more Classes of Class A Notes; and

- (iii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class A Notes of any two or more Classes and gives or may give rise to a conflict of interest between the Holders of any such Classes of Class A Notes, shall be deemed to have been duly passed only if, in lieu of being passed at a single meeting of the Holders of such two or more Classes of Class A Notes, it shall be passed at separate meetings of the Holders of each such Class of Class A Notes.

(b) Class B Notes

In respect of the Class B Notes, the Note Trust Deed provides that, subject to **Condition 11.2**:

- (i) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class B Notes of one Class only shall be deemed to have been duly passed if passed at a meeting of the Holders of the Class B Notes of that Class;
- (ii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class B Notes of any two or more Classes but does not give rise to a conflict of interest between the Holders of any such two or more Classes of Class B Notes, shall be deemed to have been duly passed if passed at a single meeting of the Holders of such two or more Classes of Class B Notes; and
- (iii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class B Notes of any two or more Classes and gives or may give rise to a conflict of interest between the Holders of any such Classes of Class B Notes, shall be deemed to have been duly passed only if, in lieu of being passed at a single meeting of the Holders of such two or more Classes of Class B Notes, it shall be passed at separate meetings of the Holders of each such Class of Class B Notes.

(c) Class M Notes

In respect of the Class M Notes, the Note Trust Deed provides that, subject to **Condition 11.2**:

- (i) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class M Notes of one Class only shall be deemed to have been duly passed if passed at a meeting of the Holders of the Class M Notes of that Class;
- (ii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class M Notes of any two or more Classes but does not give rise to a conflict of interest between the Holders of any such two or more Classes of Class M Notes, shall be deemed to have been duly passed if passed at a single meeting of the Holders of such two or more Classes of Class M Notes; and
- (iii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class M Notes of any two or more Classes and gives or may give rise to a conflict of interest between the Holders of any such Classes of Class M Notes, shall be deemed to have been duly passed only if, in lieu of being passed at a single meeting of the Holders of such two or more Classes of Class M Notes, it shall be passed at separate meetings of the Holders of each such Class of Class M Notes.

(d) Class C Notes

In respect of the Class C Notes, the Note Trust Deed provides that, subject to **Condition 11.2**:

- (i) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class C Notes of one Class only shall be deemed to have been duly passed if passed at a meeting of the Holders of the Class C Notes of that Class;
- (ii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class C Notes of any two or more Classes but does not give rise to a conflict of interest between the Holders of any such two or more Classes of Class C Notes, shall be deemed to have been duly passed if passed at a single meeting of the Holders of such two or more Classes of Class C Notes; and
- (iii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class C Notes of any two or more Classes and gives or may give rise to a conflict of interest between the Holders of any such Classes of Class C Notes, shall be deemed to have been duly passed only if, in lieu of being passed at a single meeting of the Holders of such two or more Classes of Class C Notes, it shall be passed at separate meetings of the Holders of each such Class of Class C Notes.

(e) Class D Notes

In respect of the Class D Notes, the Note Trust Deed provides that, subject to **Condition 11.2**:

- (i) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class D Notes of one Class only shall be deemed to have been duly passed if passed at a meeting of the Holders of the Class D Notes of that Class;
- (ii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class D Notes of any two or more Classes but does not give rise to a conflict of interest between the Holders of any such two or more Classes of Class D Notes, shall be deemed to have been duly passed if passed at a single meeting of the Holders of such two or more Classes of Class D Notes; and
- (iii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class D Notes of any two or more Classes and gives or may give rise to a conflict of interest between the Holders of any such Classes of Class D Notes, shall be deemed to have been duly passed only if, in lieu of being passed at a single meeting of the Holders of such two or more Classes of Class D Notes, it shall be passed at separate meetings of the Holders of each such Class of Class D Notes.

(f) Class Z Notes

In respect of the Class Z Notes, the Note Trust Deed provides that, subject to **Condition 11.2**:

- (i) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class Z Notes of one Class only shall be deemed to have been duly passed if passed at a meeting of the Holders of the Class Z Notes of that Class;
- (ii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class Z Notes of any two or more Classes but does not give rise to a conflict of interest between the Holders of any such two or more Classes of Class Z Notes, shall be deemed to have been duly passed if passed at a single meeting of the Holders of such two or more Classes of Class Z Notes; and
- (iii) a resolution which, in the sole opinion of the Note Trustee, affects the interests of the Holders of the Class Z Notes of any two or more Classes and gives or may give rise to a conflict of interest between the Holders of any such Classes of Class Z Notes, shall be deemed to have been duly passed only if, in lieu of being passed at a single meeting of the Holders of such two or more Classes of Class Z Notes, it shall be passed at separate meetings of the Holders of each such Class of Class Z Notes.

The quorum for any meeting of the Holders of any Series and Class of Notes or of any Class of Notes of more than one Series convened to consider a resolution (except for the purpose of passing an Extraordinary Resolution or a Programme Resolution) will be one or more persons holding or representing not less than one-twentieth of the aggregate Principal Amount Outstanding of such Series and Class of Notes or such Class of Notes of more than one Series or, at any adjourned meeting, one or more persons being or representing Noteholders of such Series and Class of Notes or such Class of Notes for the time being outstanding of more than one Series, whatever the aggregate Principal Amount Outstanding of the relevant Notes for the time being outstanding so held or represented. A **resolution** means a resolution (excluding an Extraordinary Resolution or a Programme Resolution) passed at a meeting of Noteholders duly convened and held in accordance with the provisions of the Note Trust Deed by a simple majority of the persons voting thereat upon a show of hands or if a poll is duly demanded by a simple majority of the votes cast on such poll.

Subject as provided in the following paragraph, the quorum at any meeting of the Holders of any Series and Class of Notes or of any Class of Notes of more than one Series of Notes convened to consider an Extraordinary Resolution will be one or more persons holding or representing not less than 50 per cent. of the aggregate Principal Amount Outstanding of such Series and Class of Notes or such Class of Notes of more than one Series or, at any adjourned meeting, one or more persons being or representing Noteholders of such Series and Class of Notes or such Class of Notes of more than one Series of Notes, whatever the aggregate Principal Amount Outstanding of the relevant Notes so held or represented.

The quorum at any meeting of the Noteholders for passing an Extraordinary Resolution which includes the sanctioning of a modification which would have the effect of altering the amount or timing of payments of principal on the Notes of such Series and Class or of such Class or the rate, the day or the timing of payments of interest thereon or of the currency of payment of the Notes of such Series and Class or of such Class or altering the priority of payments or altering the quorum or majority required in relation to any resolution (each a **Basic Terms Modification**, as more fully defined in the Note Trust Deed) shall be one or more persons holding or representing not less than 75 per cent. of the aggregate Principal Amount Outstanding of the Notes of the relevant Series and Class or of the Class of Notes of more

than one Series of Notes or, at any adjourned and reconvened meeting, not less than 25 per cent. of the aggregate Principal Amount Outstanding of the Notes of the relevant Series and Class or of the Class of Notes of more than one Series of Notes.

An Extraordinary Resolution passed at any meeting of Noteholders shall be binding on all of the Noteholders of the relevant Series and Class or of the Class of Notes of more than one Series of Notes whether or not they are present or represented at the meeting.

In connection with any meeting of Noteholders where the relevant Notes (or any of them) are not denominated in Sterling, the Principal Amount Outstanding of any Note not denominated in Sterling shall be converted into Sterling at the relevant Specified Currency Exchange Rate.

A resolution signed by or on behalf of all the Noteholders of the relevant Series and Class or of the relevant Class of more than one Series of Notes who for the time being are entitled to receive notice of a meeting under the Note Trust Deed shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Holders of such Series and Class or of the relevant Class of more than one Series of Notes.

11.2 Programme Resolution

Notwithstanding the provisions of **Condition 11.1**, any Extraordinary Resolution of the Noteholders of any Class to direct the Note Trustee to give a Note Acceleration Notice pursuant to **Condition 9** or take any enforcement action or instruct the Issuer Security Trustee to enforce the Issuer Security pursuant to **Condition 10** (a **Programme Resolution**) shall only be capable of being passed at a single meeting of the Noteholders of all Series of such Class of Notes. The quorum at any such meeting for passing a Programme Resolution shall be one or more persons holding or representing not less than 50 per cent. of the aggregate Principal Amount Outstanding of the Notes of such Class or, at any adjourned and reconvened meeting, one or more persons being or representing Noteholders of such Class of Notes, whatever the aggregate Principal Amount Outstanding of such Class of Notes so held or represented by them.

A Programme Resolution passed at any meeting of all Series of any Class of Notes shall be binding on all Noteholders of all Series of that Class of Notes, whether or not they are present or represented at the meeting.

11.3 Limitations on Noteholders

Subject as provided in **Condition 11.4**:

- (a) an Extraordinary Resolution of the Class A Noteholders of any Series shall be binding on all Class B Noteholders, all Class M Noteholders, all Class C Noteholders, all Class D Noteholders and all Class Z Noteholders, in each case, of that Series or of any other Series irrespective of the effect upon them;
- (b) no Extraordinary Resolution of the Class B Noteholders of any Series shall take effect for any purpose while any Class A Notes (of that Series or of any other Series) remain outstanding unless it shall have been sanctioned by an Extraordinary Resolution of the Class A Noteholders of each Series or the Note Trustee is of the opinion that it would not be materially prejudicial to the interests of the Class A Noteholders of any Series (as applicable) and subject hereto and to **Condition 11.4**, an Extraordinary Resolution of the Class B Noteholders of any Series will be binding on all Class M Noteholders all Class C Noteholders, all Class D Noteholders and all Class Z Noteholders, in each case, of that or of any other Series irrespective of the effect upon them;
- (c) no Extraordinary Resolution of the Class M Noteholders of any Series shall take effect for any purpose while any Class A Notes or Class B Notes (in each case, of that Series or of any other Series) remain outstanding unless it shall have been sanctioned by an Extraordinary Resolution of the Class A Noteholders and an Extraordinary Resolution of the Class B Noteholders, in each case of each Series or the Note Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class A Noteholders and/or the Class B Noteholders of any Series (as applicable) and subject hereto and to **Condition 11.4**, an Extraordinary Resolution of the Class M Noteholders of any Series will be binding on all Class C Noteholders, all Class D Noteholders and all Class Z Noteholders, in each case, of that or of any other Series irrespective of the effect upon them;
- (d) no Extraordinary Resolution of the Class C Noteholders of any Series shall take effect for any purpose while any Class A Notes, Class B Notes or Class M Notes (in each case, of that Series or of any other Series) remain outstanding unless it shall have been sanctioned by an Extraordinary Resolution of the Class A Noteholders, an Extraordinary Resolution of the Class B Noteholders and an Extraordinary

Resolution of the Class M Noteholders, in each case of each Series or the Note Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class A Noteholders, the Class B Noteholders and/or the Class M Noteholders of any Series (as applicable) and subject hereto and to **Condition 11.4**, an Extraordinary Resolution of the Class C Noteholders of any Series will be binding on all Class D Noteholders and all Class Z Noteholders of that or of any other Series irrespective of the effect upon them;

- (e) no Extraordinary Resolution of Class D Noteholders of any Series shall take effect for any purpose while any Class A Notes, Class B Notes, Class M Notes or Class C Notes (in each case, of that Series or of any other Series) remain outstanding unless it shall have been sanctioned by an Extraordinary Resolution of the Class A Noteholders, an Extraordinary Resolution of the Class B Noteholders, an Extraordinary Resolution of the Class M Noteholders and an Extraordinary Resolution of the Class C Noteholders, in each case of each Series or the Note Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class A Noteholders, the Class B Noteholders, the Class M Noteholders and/or the Class C Noteholders of any Series (as applicable) and subject hereto and to **Condition 11.4**, an Extraordinary Resolution of the Class D Noteholders of any Series will be binding on all Class Z Noteholders of that or of any other Series irrespective of the effect upon them; and
- (f) no Extraordinary Resolution of Class Z Noteholders of any Series shall take effect for any purpose while any Class A Notes, Class B Notes, Class M Notes, Class C Notes or Class D Notes (in each case, of that Series or of any other Series) remain outstanding unless it shall have been sanctioned by an Extraordinary Resolution of the Class A Noteholders, an Extraordinary Resolution of the Class B Noteholders, an Extraordinary Resolution of the Class M Noteholders, an Extraordinary Resolution of the Class C Noteholders and an Extraordinary Resolution of the Class D Noteholders, in each case of each Series or the Note Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class A Noteholders, the Class B Noteholders, the Class M Noteholders, the Class C Noteholders and/or the Class D Noteholders of any Series (as applicable).

11.4 Approval of Modifications and Waivers by Noteholders

No Extraordinary Resolution of the Noteholders of any one or more Series of Class A Notes to sanction a modification of, or any waiver or authorisation of any breach or proposed breach of, any of the provisions of the Transaction Documents or the Conditions of the Notes shall take effect unless it has been sanctioned by an Extraordinary Resolution of the Class B Noteholders, an Extraordinary Resolution of the Class M Noteholders, an Extraordinary Resolution of the Class C Noteholders, an Extraordinary Resolution of the Class D Noteholders and an Extraordinary Resolution of the Class Z Noteholders, in each case of each Series, or the Note Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class B Noteholders, the Class M Noteholders, the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders of any Series.

No Extraordinary Resolution of the Noteholders of any one or more Series of Class B Notes to sanction a modification of, or any waiver or authorisation of any breach or proposed breach of, any of the provisions of the Transaction Documents or the Conditions of the Notes shall take effect unless it has been sanctioned by an Extraordinary Resolution of the Class M Noteholders, an Extraordinary Resolution of the Class C Noteholders, an Extraordinary Resolution of the Class D Noteholders and an Extraordinary Resolution of the Class Z Noteholders, in each case of each Series, or the Note Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class M Noteholders, the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders of any Series.

No Extraordinary Resolution of the Noteholders of any one or more Series of Class M Notes to sanction a modification of, or any waiver or authorisation of any breach or proposed breach of, any of the provisions of the Transaction Documents or the Conditions of the Notes shall take effect unless it has been sanctioned by an Extraordinary Resolution of the Class C Noteholders, an Extraordinary Resolution of the Class D Noteholders and an Extraordinary Resolution of the Class Z Noteholders, in each case of each Series, or the Note Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders of any Series.

No Extraordinary Resolution of the Noteholders of any one or more Series of Class C Notes to sanction a modification of, or any waiver or authorisation of any breach or proposed breach of, any of the provisions of the Transaction Documents or the Conditions of the Notes shall take effect unless it has been sanctioned by an Extraordinary Resolution of the Class D Noteholders and an Extraordinary Resolution of the Class Z Noteholders of each Series, or the Note Trustee is of the opinion that it would not be materially prejudicial to the interests of the Class D Noteholders and the Class Z Noteholders of any Series.

No Extraordinary Resolution of the Noteholders of any one or more Series of Class D Notes to sanction a modification of, or any waiver or authorisation of any breach or proposed breach of, any of the provisions of the Transaction Documents or the Conditions of the Notes shall take effect unless it has been sanctioned by an Extraordinary Resolution of the Class Z Noteholders of each Series, or the Note Trustee is of the opinion that it would not be materially prejudicial to the interests of the Class Z Noteholders of any Series.

11.5 Modifications and Determinations by Note Trustee

The Note Trustee, may, without the consent of the Noteholders:

- (a) agree to any modification (other than a Basic Terms Modification) of, or to the waiver or authorisation of any breach or proposed breach of, the Conditions of any Series and Class of Notes or any of the Transaction Documents which is not in the opinion of the Note Trustee, materially prejudicial to the interests of the Noteholders of any Series and Class of Notes; or
- (b) determine that any Note Event of Default shall not be treated as such provided that it is not in the opinion of the Note Trustee materially prejudicial to the interests of the Holders of the most senior Class of Notes then outstanding; or
- (c) agree to any modification (including a Basic Terms Modification) of these Conditions or any of the Transaction Documents which, in the opinion of the Note Trustee, is of a formal, minor or technical nature or is to correct a manifest error or proven error established as such to the satisfaction of the Note Trustee or is to comply with the mandatory provisions of law; or
- (d) agree to any modification of any of these Conditions or any Transaction Documents as expressly provided for in the Transaction Documents.

For the avoidance of doubt, the Note Trustee shall be entitled to assume, without further investigation or inquiry, that such modification, waiver, determination or authorisation will not be materially prejudicial to the interests of the Noteholders or any Class or Series thereof if each of the Rating Agencies rating the relevant Series and/or Class of Notes has confirmed in writing that the then current ratings of the applicable Series and/or Class of Notes for which it provides a rating would not be reduced, withdrawn or qualified by such modification, waiver, determination or authorisation. Any such modification, waiver, authorisation or determination shall be binding on the Noteholders and, unless the Note Trustee agrees otherwise, any such modification shall be notified to the Noteholders and the Rating Agencies in accordance with **Condition 14** as soon as practicable thereafter.

11.6 Redenomination

The Note Trustee may agree, without the consent of the Holders of the Sterling Notes on or after the Specified Date (as defined below), to such modifications to the Sterling Notes and the Note Trust Deed in respect of redenomination of such Notes in euro and associated reconventioning, renominatisation and related matters in respect of such Notes as may be proposed by the Issuer (and confirmed by an independent financial institution approved by the Note Trustee to be in conformity with then applicable market conventions) and to provide for redemption at the euro equivalent of the Sterling principal amount of the Sterling Notes. For these purposes, **Specified Date** means the date on which the United Kingdom participates in the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended, or otherwise participates in European economic and monetary union in a manner with an effect similar to such third stage.

Any such modification shall be binding on the Holders of the Sterling Notes and, unless the Note Trustee agrees otherwise, any such modification shall be notified to such Noteholders in accordance with **Condition 14** as soon as practicable thereafter.

11.7 Exercise of Note Trustee's Functions

Where the Note Trustee is required, in connection with the exercise of its powers, trusts, authorities, duties and discretions under these Conditions or any Transaction Document, to have regard to the interests of the Noteholders of any Class, it shall have regard to the interests of such Noteholders as a class and, in particular but without prejudice to the generality of the foregoing, the Note Trustee shall not have regard to, or be in any way liable for, the consequences of such exercise for individual Noteholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory. In connection with any such exercise, the Note Trustee shall not be entitled to require, and no Noteholder shall be entitled to claim, from the Issuer or any

other person, any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders.

12. INDEMNIFICATION OF THE NOTE TRUSTEE AND THE ISSUER SECURITY TRUSTEE

The Note Trust Deed, the Issuer Deed of Charge and the Funding 1 Deed of Charge set out certain provisions for the benefit of the Note Trustee, the Issuer Security Trustee and the Funding 1 Security Trustee. The following is a summary of such provisions and is subject to the more detailed provisions of the Note Trust Deed, the Issuer Deed of Charge and the Funding 1 Deed of Charge.

The Transaction Documents contain provisions governing the responsibility (and relief from responsibility) of the Note Trustee, the Issuer Security Trustee and the Funding 1 Security Trustee and providing for their indemnification in certain circumstances, including, among others, provisions relieving the Issuer Security Trustee, the Note Trustee and the Funding 1 Security Trustee from taking enforcement proceedings or enforcing the Issuer Security and/or the Funding 1 Security, as the case may be, unless indemnified to its satisfaction.

The Note Trustee, the Issuer Security Trustee and the Funding 1 Security Trustee and their related companies are entitled to enter into business transactions with the Issuer, any member of the Santander UK's group of companies, the Issuer Cash Manager and/or the related companies of any of them and to act as note trustee or security trustee for the holders of any new notes and/or any other person who is a party to any Transaction Document or whose obligations are comprised in the Issuer Security or the Funding 1 Security and/or any of its subsidiary or associated companies without accounting for any profit resulting therefrom.

Neither the Note Trustee, the Issuer Security Trustee nor the Funding 1 Security Trustee will be responsible for any loss, expense or liability which may be suffered as a result of any assets comprised in the Issuer Security or the Funding 1 Security, or any deeds or documents of title thereto, being uninsured or inadequately insured or being held by clearing organisations or their operators or by intermediaries such as banks, brokers or other similar persons on behalf of the Note Trustee or the Issuer Security Trustee or the Funding 1 Security Trustee, as applicable.

Furthermore, the Note Trustee, the Issuer Security Trustee and the Funding 1 Security Trustee will be relieved of liability for making searches or other inquiries in relation to the assets comprising the Issuer Security and Funding 1 Security. The Note Trustee, the Issuer Security Trustee and the Funding 1 Security Trustee do not have any responsibility in relation to the legality and the enforceability of the trust arrangements and the related Issuer Security and Funding 1 Security. Neither the Note Trustee, the Issuer Security Trustee nor the Funding 1 Security Trustee will be obliged to take any action that might result in its incurring personal liabilities. Neither the Note Trustee, the Issuer Security Trustee nor the Funding 1 Security Trustee is obliged to monitor or investigate the performance of any other person under the Transaction Documents and is entitled to assume, until it has actual knowledge to the contrary, that all such persons are properly performing their duties, unless it receives express notice to the contrary.

Neither the Note Trustee, the Issuer Security Trustee nor the Funding 1 Security Trustee will be responsible for any deficiency that may arise because it is liable to tax in respect of the proceeds of any Issuer Security or any Funding 1 Security.

Law Debenture Trust Company of New York (the **Initial Trustee**) is acting as Note Trustee under the Note Trust Deed and as Issuer Security Trustee under the Issuer Deed of Charge and as Funding 1 Security Trustee under the Funding 1 Deed of Charge (and while doing so the Initial Trustee and any successor which acts in all such capacities are referred to in this Condition as the **Trustee**). No entity may act as a trustee in any such capacity unless it is also the Trustee or unless the Trustee agrees otherwise or unless the Trustee resigns its office as trustee in one or more of such capacities. In its capacity as Trustee, the Trustee will not be liable to any Noteholder for any loss which he may suffer by reason of any conflict which may arise between the interests of the Noteholders and any other person to whom the Trustee owes duties as a result of the Trustee acting in all such capacities.

Neither the Initial Trustee nor any of its successors has any responsibility to Noteholders, the Issuer Secured Creditors or the Funding 1 Secured Creditors for the validity, sufficiency or enforceability of the Issuer Security and the Funding 1 Security (which the Initial Trustee has not investigated) and shall accept such title and interest as any chargor or mortgagor has without responsibility for investing the same or any defect there may be therein. Neither the Initial Trustee nor any of its successors are responsible for monitoring the performance by any person of its obligations to the Issuer, Funding 1, any Further Funding Companies or any obligor and each may assume until it has actual knowledge to the contrary that such obligations are being duly performed.

13. REPLACEMENT OF NOTES

If Definitive Notes are lost, stolen, mutilated, defaced or destroyed, the Noteholder can replace them at the Specified Office of any Paying Agent subject to all applicable laws and stock exchange requirements. The Noteholder will be required both to pay the expenses of producing a replacement and to comply with the Issuer's, the Registrar's and the Paying Agents' reasonable requests for evidence and indemnity.

If a Global Note is lost, stolen, mutilated, defaced or destroyed, the Issuer will deliver a replacement Global Note to the registered holder upon receipt of satisfactory evidence and surrender of any defaced or mutilated Global Note. A replacement will only be made upon payment of the expenses for a replacement and compliance with the Issuer's, Registrar's and Paying Agents' reasonable requests as to evidence and indemnity.

Defaced or mutilated Notes must be surrendered before replacements will be issued.

14. NOTICE TO NOTEHOLDERS

14.1 Publication of Notice

Any notice to Noteholders shall be validly given if such notice is:

- (a) sent to them by first class mail (or its equivalent) or (if posted to a non-UK address) by airmail at the respective addresses on the Register; and
- (b) published in *The Financial Times*;

or, if any of such newspaper set out above shall cease to be published or timely publication therein shall not be practicable, in a leading English language daily newspaper having general circulation in the United Kingdom provided that if, at any time, the Issuer procures that the information concerned in such notice shall be published on the Relevant Screen, publication in the newspaper set out above or such other newspaper or newspapers shall not be required with respect to such information.

14.2 Date of Publication

Any notices so published shall be deemed to have been given on the fourth day after the date of posting, or as the case may be, on the date of such publication or, if published more than once on different dates, on the first date on which publication shall have been made in the newspaper or newspapers in which (or on the Relevant Screen on which) publication is required.

14.3 Global Notes

While the Notes are represented by Global Notes, any notice to Noteholders will be validly given if such notice is provided in accordance with **Condition 14.1** or (at the option of the Issuer) if delivered to DTC (in the case of the Rule 144A Notes) or Euroclear and/or Clearstream, Luxembourg (in the case of the Reg S Notes) or (if specified in the applicable Final Terms) if delivered through any **Alternative Clearing System** specified therein. Any notice delivered to the DTC and/or Euroclear and/or Clearstream, Luxembourg and/or such Alternative Clearing System will be deemed to be given on the day of such delivery.

14.4 Note Trustee's Discretion to Select Alternative Method

The Note Trustee shall be at liberty to sanction some other method of giving notice to the Noteholders or any Series or Class or category of them if, in its opinion, such other method is reasonable having regard to market practice then prevailing and to the requirements of the stock exchanges on which the Notes are then admitted for trading and provided that notice of such other method is given to the Noteholders in such manner as the Note Trustee shall require.

15. NOTES ISSUES

The Issuer shall (subject to satisfaction of the Issuance Tests) be at liberty, without the consent of the Noteholders, to create and issue Notes from time to time.

16. RATING AGENCIES

If:

- (a) a confirmation of rating or other response by a Rating Agency is a condition to any action or step under any Transaction Document; and
- (b) a written request for such confirmation or response is delivered to each Rating Agency by or on behalf of the Issuer (copied to the Note Trustee and/or the Issuer Security Trustee and/or the Funding 1 Security Trustee, as applicable) and one or more of the Rating Agencies (each a **Non-Responsive Rating Agency**) indicates that it does not consider such confirmation or response necessary in the circumstances or within 30 days of delivery of such request elicits no confirmation or response and/or such request elicits no statement by such Rating Agency that such confirmation or response could not be given; and
- (c) at least one Rating Agency gives such a confirmation or response based on the same facts,

then such condition shall be deemed to be modified with respect to the facts set out in the request referred to in (b) so that there shall be no requirement for the confirmation or response from the Non-Responsive Rating Agency.

The Note Trustee and/or the Issuer Security Trustee and/or the Funding 1 Security Trustee, as applicable, shall be entitled to treat as conclusive a certificate by any director, officer or employee of the Issuer, Funding 1, the Seller, any investment bank or financial adviser acting in relation to the Notes as to any matter referred to in (b) in the absence of manifest error or the Note Trustee and/or the Issuer Security Trustee and/or the Funding 1 Security Trustee, as applicable, having facts contradicting such certificates specifically drawn to his attention and the Note Trustee and/or the Issuer Security Trustee and/or the Funding 1 Security Trustee, as applicable, shall not be responsible for any loss, liability, costs, damages, expenses or inconvenience that may be caused as a result.

17. GOVERNING LAW AND JURISDICTION

The Transaction Documents and the Notes (and any non-contractual obligations arising out of or in connection with them) are governed by English law unless specifically stated to the contrary. Certain provisions in the Transaction Documents relating to property situated in Scotland are governed by Scots law. Certain provisions in the Transaction Documents relating to property situated in Northern Ireland are governed by Northern Irish law. Unless specifically stated to the contrary:

- (a) the courts of England are to have non-exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Notes and the Transaction Documents; and
- (b) the Issuer and the other parties to the Transaction Documents irrevocably submit to the non-exclusive jurisdiction of the courts of England.

18. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

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

19. DEFINITIONS

Unless otherwise defined in these Conditions or unless the context otherwise requires, in these Conditions the following words shall have the following meanings and any other capitalised terms used in these Conditions shall have the meanings ascribed to them or incorporated in the Note Trust Deed or the Master Definitions and Construction Schedule. The provisions of **Clause 2** (Interpretation and Construction) of the Master Definitions and Construction Schedule are incorporated into and shall apply to these Conditions.

Additional Business Centre means, in respect of any Series and Class of Notes, each place specified as such for such Notes in the applicable Final Terms;

Agents means the Paying Agents, the Transfer Agent, the Registrar and the Agent Bank;

Agent Bank means Citibank, N.A., London Branch in its capacity as agent bank at its Specified Office or such other person for the time being acting as agent bank under the Paying Agent and Agent Bank Agreement;

Alliance & Leicester means Alliance & Leicester plc (registered number 03263713), a public limited company incorporated under the laws of England and Wales, whose registered office is at Carlton Park, Narborough, Leicester LE10 0AL;

Basel II Framework means the regulatory capital framework described in the Basel Committee on Banking Supervision's publication, Basel II: The International Convergence of Capital Measurement and Capital Standards: a Revised Framework;

Broken Amount means, in respect of any Series and Class of Notes, the amount specified as such (if any) for such Notes in the applicable Final Terms;

Business Day means a day that is a London Business Day, a New York Business Day and a TARGET Business Day;

Cash Management Agreement means the cash management agreement entered into on the Initial Closing Date between the Cash Manager, the Mortgages Trustee, Funding 1 and the Funding 1 Security Trustee (as the same may be amended, restated, novated and/or supplemented from time to time);

Cash Manager means Alliance & Leicester or (on and after the Part VII Effective Date) Santander UK acting, pursuant to the Cash Management Agreement, as agent for the Mortgages Trustee, Funding 1 and the Funding 1 Security Trustee (amongst others) to, *inter alia*, manage all cash transactions and maintain certain ledgers on behalf of the Mortgages Trustee, Funding 1 and the Funding 1 Security Trustee (which expression shall include such other person as may be appointed from time to time as Cash Manager pursuant to the Cash Management Agreement);

Class or **class** means, in relation to the Notes of any Series and the Noteholders, the Class A Notes, the Class B Notes, the Class M Notes, the Class C Notes, the Class D Notes or the Class Z Notes, as the context requires, and the respective holders thereof;

Class A Noteholders means the Holders of the Class A Notes;

Class A Notes means Notes of any Series designated as such (or a sub-class of such) in the applicable Final Terms;

Class B Noteholders means the Holders of the Class B Notes;

Class B Notes means Notes of any Series designated as such (or a sub-class of such) in the applicable Final Terms;

Class C Noteholders means the Holders of the Class C Notes;

Class C Notes means Notes of any Series designated as such (or a sub-class of such) in the applicable Final Terms;

Class D Noteholders means the Holders of the Class D Notes;

Class D Notes means Notes of any Series designated as such (or a sub-class of such) in the applicable Final Terms;

Class M Noteholders means the Holders of the Class M Notes;

Class M Notes means Notes of any Series designated as such (or a sub-class of such) in the applicable Final Terms;

Class Z Noteholders means the Holders of the Class Z Notes;

Class Z Notes means Notes of any Series designated as such (or a sub-class of such) in the applicable Final Terms;

Clearstream, Luxembourg means Clearstream Banking, société anonyme;

Closing Date has the meaning given to it in the applicable Final Terms;

Conditional Purchaser means, in respect of any Series and Class of Remarketable Notes, the Conditional Purchaser specified in the applicable Final Terms;

Conditional Purchaser Confirmation means, in respect of any Series and Class of Remarketable Notes, the confirmation given by the Remarketing Agent or the Tender Agent to the Issuer and the Principal Paying Agent that the Conditional Purchaser has purchased an interest in or has had transferred to it or on its behalf an interest in all such Remarketable Notes;

Corporate Services Agreement means the agreement dated the Initial Closing Date between (amongst others) the Corporate Services Provider, Funding 1, Holdings, Alliance & Leicester plc (which has been replaced by Santander UK since the Part VII Effective Date) and the Funding 1 Security Trustee for the provision by the Corporate Services Provider of certain corporate services and personnel to Funding 1 and Holdings (as the same may be amended, restated, novated and/or supplemented from time to time);

Corporate Services Provider means Structured Finance Management Limited or such other person or persons for the time being acting as corporate services provider to Funding 1 and Holdings under the Corporate Services Agreement;

Dealers means the institutions specified as such in the applicable Final Terms;

Definitive Notes means the note certificates representing the Notes while in definitive form;

Designated Account means the account maintained by a Holder with a Designated Bank and identified as such in the Register;

Designated Bank means (in the case of payment in a Specified Currency other than euro) a bank in the principal financial centre of the country of such Specified Currency and (in the case of a payment in euro) any bank which processes payments in euro;

Determination Date means, in respect of any Series and Class of Notes, the date(s) specified as such (if any) for such Notes in the applicable Final Terms;

Dollars, U.S.\$, U.S. Dollars or \$ means the lawful currency for the time being of the United States of America;

DTC means The Depository Trust Company;

EURIBOR means the Euro-zone inter-bank offered rate;

Euro, euro or € means the currency of the member states of the European Union that adopt the single currency in accordance with the Treaty of Rome of 25 March 1957, establishing the European Community, as amended from time to time;

Euroclear means Euroclear Bank S.A./N.V.;

Extraordinary Resolution means a resolution passed at a meeting of the Noteholders of a particular Class, Series or Series and Class duly convened and held in accordance with the provisions of the Note Trust Deed by a majority consisting of not less than three-fourths of the persons voting thereat upon a show of hands or if a poll is duly demanded by a majority consisting of not less than three-fourths of the votes cast on such poll;

FSA means the Financial Services Authority;

Final Maturity Date means, in respect of any Series and Class of Notes, the date specified as such for such Notes in the applicable Final Terms;

Final Terms means, in relation to any Series of Notes, the final terms issued in relation to such Series of Notes as a supplement to these Conditions and giving details of, *inter alia*, the amount and price of such Series of Notes and which forms a part of the prospectus in relation to such Series of Notes;

Fixed Coupon Amount means, in respect of any Series and Class of Notes, the amount specified as such (if any) for such Notes in the applicable Final Terms;

Funding 1 means Fosse Funding (No. 1) Limited;

Funding 1 Account Bank means the bank at which the Funding 1 Bank Accounts are maintained from time to time (being Santander UK plc acting through its offices at 2 Triton Square, Regent's Place, London NW1 3AN and, thereafter, such other replacement account banks as Funding 1 may choose with the prior written approval of the Funding 1 Security Trustee in accordance with the Funding 1 Bank Account Agreement);

Funding 1 Bank Account Agreement means the agreement entered into on the Initial Closing Date between (amongst others) the Funding 1 Account Bank and Funding 1, which governs the operation of the Funding 1 Bank Accounts (as the same may be amended, restated, novated and/or supplemented from time to time);

Funding 1 Bank Accounts means the Funding 1 GIC Account and the Funding 1 Transaction Account and such other bank account(s) held in the name of Funding 1 with the approval of the Funding 1 Security Trustee from time to time;

Funding 1 Deed of Charge means the deed of charge entered into on the Initial Closing Date between, among others, Funding 1, the Funding 1 Security Trustee, the Issuer and the Note Trustee and each deed of accession or supplement entered into in connection therewith;

Funding 1 GIC Account means the account in the name of Funding 1 held at the Funding 1 Account Bank and maintained subject to the terms of the Funding 1 Bank Account Agreement and the Funding 1 Deed of Charge or such additional or replacement account as may for the time being be in place;

Funding 1 Interest Payment Date means, in relation to a Loan Tranche, the Quarter Dates specified in the Final Terms in each year (or, if such day is not a Business Day, the next succeeding Business Day) or, following the occurrence of a Pass-Through Trigger Event, the 18th day of each calendar month in each year (or, if such day is not a Business Day, the next succeeding Business Day);

Funding 1 Secured Creditors means the Funding 1 Security Trustee, the Funding 1 Swap Provider, the Cash Manager, the Funding 1 Account Bank, the Seller, the Corporate Services Provider, each Start Up Loan Provider, the Issuer and any other entity that accedes to the terms of the Funding 1 Deed of Charge from time to time;

Funding 1 Security means the security created under the Funding 1 Deed of Charge;

Funding 1 Security Trustee means Law Debenture Trust Company of New York and its successors or any other security trustee under the Funding 1 Deed of Charge;

Funding 1 Start-Up Loan Agreements means the Funding 1 start-up loan agreement entered into on or about the Initial Closing Date between Funding 1, the Funding 1 Start-Up Loan Provider and the Funding 1 Security Trustee and each other start-up loan agreement entered into in connection with the issuance of a Series of Notes (as each of the same may be amended, restated, novated and/or supplemented from time to time);

Funding 1 Swap Agreement means the ISDA Master Agreement and Schedule entered into on the Initial Closing Date between Funding 1, the Funding 1 Swap Provider and the Funding 1 Security Trustee and any confirmation documented thereunder from time to time between Funding 1, the Funding 1 Swap Provider and the Funding 1 Security Trustee (as each of the same may be amended, restated, novated or supplemented from time to time);

Funding 1 Swap Provider means Santander UK acting in its capacity as the Funding 1 Swap Provider pursuant to the Funding 1 Swap Agreement;

Funding 1 Transaction Account means the account in the name of Funding 1 held with the Funding 1 Account Bank and maintained subject to the terms of the Funding 1 Bank Account Agreement and the Funding 1 Deed of Charge or such additional or replacement account as may for the time being be in place;

Funding Companies means Funding 1 and each Further Funding Company (if any);

Further Funding Company means any funding entity (other than Funding 1) established in the future by Holdings;

Global Notes means the Rule 144A Global Notes and the Reg S Global Notes;

Holdings means Fosse (Master Issuer) Holdings Limited (registered number 5925689), a limited company incorporated under the laws of England and Wales, whose registered office is at 35 Great St. Helen's, London EC3A 6AP;

Initial Closing Date means 28 November 2006;

Intercompany Loan means, at any time, the aggregate of all Loan Tranches advanced under the Intercompany Loan Agreement;

Intercompany Loan Agreement means the loan agreement entered into on the Initial Closing Date between, amongst others, Funding 1, the Issuer and the Funding 1 Security Trustee (as the same may be amended, restated, novated and/or supplemented from time to time);

Interest Commencement Date means, in respect of any Series and Class of Notes, the Closing Date of such Notes or such other date as may be specified as such for such Notes in the applicable Final Terms;

Interest Determination Date means the date two Business Days prior to each Interest Payment Date;

Interest Payment Date means, in respect of a Series and Class of Notes (other than Monthly Payment Notes), the Quarterly Interest Payment Dates and (in the case of Monthly Payment Notes) the Monthly Interest Payment Dates, subject, in each case, to the applicable Final Terms;

ISDA Definitions means the 2000 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Closing Date of the first Series of Notes;

Issuer means Fosse Master Issuer plc;

Issuer Account Bank means Santander UK or such other person for the time being acting as account bank to the Issuer under the Issuer Bank Account Agreement;

Issuer Bank Accounts means the Issuer Transaction Account, the Issuer Share Capital Account and any other account opened and maintained by the Issuer with the Issuer Account Bank pursuant to the Transaction Documents (including without limitation the Issuer GIC Account);

Issuer Bank Account Agreement means the bank account agreement entered into on the Initial Closing Date between the Issuer, the Issuer Cash Manager, the Issuer Account Bank and the Issuer Security Trustee (as the same may be amended, restated, novated and/or supplemented from time to time);

Issuer Cash Management Agreement means the cash management agreement dated the Initial Closing Date between, amongst others, the Issuer Cash Manager, the Issuer and the Issuer Security Trustee (as the same may be amended, restated, novated and/or supplemented from time to time);

Issuer Cash Manager means Santander UK or such other person or persons for the time being acting, under the Issuer Cash Management Agreement, as agent, *inter alia*, for the Issuer;

Issuer Charged Assets means the property, assets and undertakings of the Issuer the subject of any security created by the Issuer Deed of Charge;

Issuer Corporate Services Agreement means the agreement entered into on or about the Initial Closing Date and made between (amongst others) the Issuer Corporate Services Provider and the Issuer for the provision by the Issuer Corporate Services Provider of certain corporate services and personnel to the Issuer (as the same may be amended, restated, novated and/or supplemented from time to time);

Issuer Corporate Services Provider means Structured Finance Management Limited or such other person or persons for the time being acting as corporate services provider to the Issuer under the Issuer Corporate Services Agreement;

Issuer Deed of Charge means the deed of charge entered into on the Initial Closing Date between, amongst others, the Issuer and the Issuer Security Trustee and each deed of accession or supplement entered into in connection therewith;

Issuer Priority of Payments means the Issuer Pre-acceleration Revenue Priority of Payments, the Issuer Pre-acceleration Principal Priority of Payments, the Issuer Post-acceleration Principal Priority of Payments or the Issuer Priority of Payments following an intercompany loan acceleration notice, as the case may be, each as set out in the Issuer Cash Management Agreement or the Issuer Deed of Charge (as the case may be);

Issuer Secured Creditors means the Issuer Security Trustee, the Note Trustee, the Issuer Swap Providers, the Issuer Corporate Services Provider, the Issuer Account Bank, the Issuer Cash Manager, the Paying Agents, the Agent Bank, the Exchange Rate Agent, the Transfer Agent, the Registrar and the Noteholders and any new Issuer Secured Creditor who accedes to the Issuer Deed of Charge from time to time under a deed of accession or a supplemental deed;

Issuer Security means the security created by the Issuer pursuant to the Issuer Deed of Charge;

Issuer Security Trustee means Law Debenture Trust Company of New York and its successors or any other security trustee under the Issuer Deed of Charge;

Issuer Swap Agreement means the ISDA master agreements, schedules and confirmations relating to the currency and/or interest rate swaps to be entered into on or prior to each Closing Date between the Issuer, the applicable Issuer Swap Provider and the Issuer Security Trustee in connection with the Notes (as each of the same may be amended, restated, novated and/or supplemented from time to time);

Issuer Swap Providers means in respect of a Series and Class of Notes, the institutions identified in the applicable Final Terms;

LIBOR means the London inter-bank offered rate;

Loan means each loan referenced by its loan identifier number and comprising the aggregate of all principal sums, interest, costs, charges, expenses and other monies (including all Further Advances) due or owing with respect to that loan under the relevant Mortgage Conditions by a Borrower on the security of a Mortgage from time to time outstanding or, as the context may require, the Borrower's obligations in respect of the same;

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

Mandatory Transfer Date means, in respect of any Series and Class of Remarketable Notes, the Interest Payment Date specified as such for such Remarketable Notes in the applicable Final Terms;

Mandatory Transfer Price means, in respect of any Series and Class of Remarketable Notes, the Principal Amount Outstanding of such Remarketable Notes on the relevant Mandatory Transfer Date following the application of Note Principal Payments on such date;

Mandatory Transfer Termination Event shall occur in respect of any Series and Class of Remarketable Notes if the Conditional Purchaser has purchased an interest in all such Remarketable Notes;

Managers means the entities specified as such in the applicable Final Terms;

Margin means, in respect of any Series and Class of Notes, the amount specified as such for such Notes in the applicable Final Terms and, in the case of Remarketable Notes, shall include the Reset Margin;

Maximum Reset Margin means, in respect of any Series and Class of Remarketable Notes, the amount specified as such for such Remarketable Notes in the applicable Final Terms;

Maximum Rate of Interest means, in respect of any Series and Class of Notes, the rate of interest specified as such for such Notes in the applicable Final Terms;

Minimum Rate of Interest means, in respect of any Series and Class of Notes, the rate of interest specified as such for such Notes in the applicable Final Terms;

Money Market Notes means Notes which will be "Eligible Securities" within the meaning of Rule 2a-7 under the United States Investment Company Act of 1940, as amended;

Monthly Dates means the 18th day of each calendar month in each year (or, if such day is not a Business Day, the next succeeding Business Day);

Monthly Interest Payment Dates means, in respect of any Monthly Payment Notes, the Monthly Dates specified in the applicable Final Terms for the payment of interest and/or principal subject, in each case, to the appropriate Business Day Convention, if any, specified in the applicable Final Terms;

Monthly Payment Notes means either Money Market Notes or any other Notes in respect of which Monthly Interest Payment Dates are specified in the applicable Final Terms;

Mortgage Sale Agreement means the mortgage sale agreement entered into on the Initial Closing Date and made between the Seller, Funding 1, the Mortgages Trustee and the Funding 1 Security Trustee in relation to the sale of Loans to the Mortgages Trustee from time to time (as the same may be amended, restated, novated and/or supplemented from time to time);

Mortgages Trust Deed means the mortgages trust deed entered into between (amongst others) the Mortgages Trustee, Funding 1 and the Seller on or about the Initial Closing Date (as the same may be amended, restated, novated and/or supplemented from time to time);

Mortgages Trustee means Fosse Trustee Limited (registered number 94410), a private company with limited liability incorporated in Jersey, Channel Islands, whose registered office is at 22 Grenville Street, St. Helier, Jersey JE4 8PX, Channel Islands;

Mortgages Trustee Account Bank means the bank at which the Mortgages Trustee GIC Account is maintained from time to time (being Santander UK plc acting through its offices at 2 Triton Square, Regent's Place, London NW1 3AN and, thereafter, such other replacement account bank as the Mortgages Trustee may appoint in accordance with the Transaction Documents);

Mortgages Trustee Bank Account Agreement means the agreement entered into on or about the Initial Closing Date between (amongst others) the Mortgages Trustee Account Bank; and the Mortgages Trustee which governs the operation of the Mortgages Trustee GIC Account (as the same may be amended restated, novated and/or supplemented from time to time);

Mortgages Trustee Corporate Services Agreement means the agreement entered into on or about the Initial Closing Date between the Mortgages Trustee Corporate Services Provider, Alliance & Leicester (which has been replaced by Santander UK since the Part VII Effective Date) and the Mortgages Trustee for the provision by the Mortgages Trustee Corporate Services Provider of certain corporate services to the Mortgages Trustee (as the same may be amended, restated, novated and/or supplemented from time to time);

Mortgages Trustee Corporate Services Provider means State Street (Jersey) Limited or such other person or persons for the time being acting as corporate services provider to the Mortgages Trustee under the Mortgages Trustee Corporate Services Agreement;

Mortgages Trustee GIC Account means the account in the name of the Mortgages Trustee maintained with the Mortgages Trustee Account Bank pursuant to the Mortgages Trustee Bank Account Agreement or such additional or replacement bank account of the Mortgages Trustee as may for the time being be in place (as the same may be amended, restated, novated and/or supplemented from time to time);

New York Business Day means a day (other than a Saturday or a Sunday) on which banks are open for general business (including dealings in foreign currency) in the city of New York;

Note Event of Default means the occurrence of an event of default by the Issuer as specified in **Condition 9**;

Note Trust Deed means the trust deed entered into on the Initial Closing Date between the Issuer and the Note Trustee, and each supplemental deed entered into in connection therewith;

Note Trustee means Law Debenture Trust Company of New York and its successors or any further or other note trustee under the Note Trust Deed, as trustee for the Noteholders;

Noteholders means the Holders for the time being of the Notes;

Notes means any Global Notes or Definitive Notes;

NSS means the New Safekeeping Structure for Global Notes which are intended to constitute eligible collateral for Eurosystem monetary policy operations;

Part VII Effective Date means 28 May 2010;

Pass-Through Trigger Event means any of the following events:

- (a) a Trigger Event;
- (b) the service of a Note Acceleration Notice by the Note Trustee on the Issuer; or
- (c) the service of an Intercompany Loan Acceleration Notice by the Funding 1 Security Trustee on Funding 1;

Paying Agent and Agent Bank Agreement means the paying agent and agent bank agreement entered into on the Initial Closing Date between, among others, the Issuer, the Paying Agents, the Transfer Agent, the Registrar, the

Agent Bank and the Issuer Security Trustee (as the same may be amended, restated, novated and/or supplemented from time to time);

Paying Agents means the Principal Paying Agent and the U.S. Paying Agent, together with any further or other paying agents for the time being appointed under the Paying Agent and Agent Bank Agreement;

PECOH Corporate Services Provider means Structured Finance Management Limited or such other person or persons for the time being acting as corporate services provider to the Post-Enforcement Call Option Holder under the PECOH Corporate Services Agreement;

Post-Enforcement Call Option Agreement means the post-enforcement call option agreement entered into on the Initial Closing Date between the Issuer, the Post-Enforcement Call Option Holder and the Note Trustee (as the same may be amended, restated, novated and/or supplemented from time to time);

Post-Enforcement Call Option Holder or PECOH means Fosse PECOH Limited;

Post-Enforcement Call Option Holder Corporate Services Agreement or PECOH Corporate Services Agreement means the agreement entered into on the Initial Closing Date between (amongst others) the PECOH Corporate Services Provider, PECOH and the Note Trustee for the provision by the PECOH Corporate Services Provider of certain corporate services and personnel to PECOH (as the same may be amended, restated, novated and/or supplemented from time to time);

Principal Amount Outstanding has the meaning indicated in **Condition 5.3**;

Principal Paying Agent means Citibank, N.A., London Branch in its capacity as principal paying agent at its Specified Office or such other person for the time being acting as principal paying agent under the Paying Agent and Agent Bank Agreement;

Programme Agreement means the agreement entered into on or around the Initial Closing Date between (amongst others) the Issuer, and the Dealers named therein (or deemed named therein) (as the same may be amended, restated, novated and/or supplemented from time to time);

Quarter Dates means the 18th day of any of the following dates (or any one of such dates occurring annually or two of such dates occurring semi-annually) as specified in the Final Terms for the payment of interest and/or principal on the Notes and any corresponding Loan Tranche:

- (a) January, April, July and October; or
- (b) February, May, August and November; or
- (c) March, June, September and December;

Quarterly Interest Payment Dates means, in respect of a Series and Class of Notes (other than Monthly Payment Notes), the Quarter Dates specified in the Final Terms for the payment of interest and/or principal until the occurrence of a Pass-Through Trigger Event and, following such occurrence, the Monthly Dates, subject, in each case, to the appropriate Business Day Convention, if any, specified in the applicable Final Terms;

Rate of Interest and Rates of Interest means, in respect of any Series and Class of Notes, the rate or rates (expressed as a percentage per annum) of interest payable in respect of such Notes specified in the applicable Final Terms or calculated and determined in accordance with the applicable Final Terms;

Rating Agencies means Standard & Poor's Rating Services, a division of Standard & Poor's Credit Market Services Europe Limited, Moody's Investors Service Limited and Fitch Ratings Ltd.;

Reference Price means, in respect of any Series and Class of Notes, the price specified as such for such Notes in the applicable Final Terms;

Reference Rate means, in respect of any Series and Class of Notes, the rate specified as such for such Notes in the applicable Final Terms;

Reg S means Regulation S under the United States Securities Act of 1933, as amended;

Reg S Notes means each Series and Class of Notes that are sold outside the United States to non-U.S. persons in reliance on Reg S;

Reg S Global Notes means the note certificates representing the Reg S Notes while in global form;

Register means the register of Noteholders kept by the Registrar and which records the identity of each Noteholder and the number of Notes that each Noteholder owns;

Registrar means Citibank, N.A., London Branch in its capacity as registrar at its Specified Office or such other person for the time being acting as registrar under the Paying Agent and Agent Bank Agreement;

Relevant Screen means a page of the Reuters service or Bloomberg service, or any other medium for electronic display of data as may be previously approved in writing by the Note Trustee and has been notified to Noteholders in the manner set out in **Condition 14**;

Relevant Screen Page means, in respect of any Series and Class of Notes, the screen page specified as such for such Notes in the applicable Final Terms;

Remarketing Agent means, in respect of any Series and Class of Remarketable Notes, the Remarketing Agent specified in the applicable Final Terms, or such other agent appointed to act as remarketing agent under the terms of the relevant Remarketing Agreement;

Remarketing Agreement means, in respect of any Series and Class of Remarketable Notes, the agreement between the Issuer and the Remarketing Agent pursuant to which the Remarketing Agent agrees to use reasonable efforts to identify third party purchasers for such Remarketable Notes on each Mandatory Transfer Date prior to the occurrence of a Mandatory Transfer Termination Event (as the same may be amended, restated, novated and/or supplemented from time to time);

Remarketable Notes means any Series and Class of Notes identified as such in the applicable Final Terms;

Repayment Tests means Rules 1 and 2 under the Funding 1 Pre-acceleration principal priority of payments as set out in the Funding 1 Deed of Charge;

Reset Margin means, in respect of any Series and Class of Remarketable Notes, (i) for each Reset Period a percentage not exceeding the Maximum Reset Margin determined by the Remarketing Agent in accordance with the Remarketing Agreement or (ii) if the Remarketing Agreement has been terminated, the Maximum Reset Margin;

Reset Period means, in respect of any Series and Class of Remarketable Notes, the period commencing on the first Mandatory Transfer Date specified in the applicable Final Terms up to but excluding the next Mandatory Transfer Date and thereafter the period from each Mandatory Transfer Date up to but excluding the next Mandatory Transfer Date;

Rule 144A Global Notes means the note certificates representing the Rule 144A Notes while in global form;

Rule 144A Notes means each Series and Class of Notes which are sold in the United States only to qualified institutional buyers within the meaning of Rule 144A under the United States Securities Act of 1933, as amended;

Santander UK means Santander UK plc (registered number 2294747), a public limited company incorporated under the laws of England and Wales, whose registered office is at 2 Triton Square, Regent's Place, London NW1 3AN;

Scottish Declaration of Trust means each declaration of trust in relation to Scottish Loans and their Related Security granted by the Seller in favour of the Mortgages Trustee pursuant to the Mortgage Sale Agreement;

Scottish Loan means a Loan secured by a standard security over a Property located in Scotland;

Seller means Alliance & Leicester or (on and after the Part VII Effective Date) Santander UK;

Series means, in relation to the Notes, all Notes (of any Class) issued on a given day and designated as such;

Series and Class means a particular Class of Notes of a given Series or, where such Class of such Series comprises more than one sub-class, **Series and Class** means any sub-class of such Class;

Servicer means Alliance & Leicester or (on and after the Part VII Effective Date) Santander UK, or such other person as may from time to time be appointed as servicer of the Portfolio pursuant to the Servicing Agreement;

Servicing Agreement means the agreement entered into on the Initial Closing Date between the Servicer, the Mortgages Trustee, the Funding 1 Security Trustee, Funding 1, and the Seller pursuant to which the Servicer agrees to

administer the Loans and their Related Security comprised in the Portfolio (as the same may be amended, restated, novated and/or supplemented from time to time);

Specified Currency means, in respect of any Series and Class of Notes, the currency or currencies specified as such for such Notes in the applicable Final Terms;

Specified Currency Exchange Rate means, in relation to a Series and Class of Notes, the exchange rate specified in the Issuer Swap Agreement relating to such Series and Class of Notes or, if the Issuer Swap Agreement has been terminated, the applicable spot rate;

Specified Denomination means, in respect of any Series and Class of Notes, the denomination specified as such for such Notes in the applicable Final Terms which shall be in the case of Rule 144A Notes a minimum of \$200,000 (or its equivalent in any other currency as at the date of issue of such Notes) and in the case of Reg S Notes a minimum of £100,000 if denominated in sterling or €100,000 or more (or its equivalent in any other currency as at the date of issue of such Notes) if denominated in a currency other than sterling;

Specified Office means, as the context may require, in relation to any of the Agents, the office specified against the name of such Agent in the Paying Agent and Agent Bank Agreement or such other specified office as may be notified to the Issuer and the Note Trustee pursuant to the Paying Agent and Agent Bank Agreement;

Step-Up Date means:

- (a) in respect of any Loan Tranche, the Funding 1 Interest Payment Date on which the interest rate payable in respect of the relevant Loan Tranche made under the Intercompany Loan increases by a pre-determined amount; and
- (b) in respect of any Notes, the date on which the interest rate payable by the Issuer in respect of those Notes increases by a pre-determined amount;

Sterling, Pounds Sterling or £ means the lawful currency for the time being of the United Kingdom of Great Britain and Northern Ireland;

Sterling Notes means each Series and Class of Notes denominated in Sterling;

Subscription Agreement means an agreement supplemental to the Programme Agreement in or substantially in the form set out in the Programme Agreement or such other form as may be agreed between the Issuer, Managers and the Dealers;

sub-Unit means, with respect to any currency other than Sterling, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to Sterling, one pence;

TARGET Business Day means a day on which the Trans-European Automated Real-time Gross settlement Express (known as TARGET2) system which was launched on 19 November 2007, or any successor thereto, is open;

Tender Agent means, in respect of any Series and Class of Remarketable Notes, the Tender Agent specified in the applicable Final Terms;

Transaction Documents means the Cash Management Agreement, the Funding 1 Bank Account Agreement, the Corporate Services Agreement, the Controlling Beneficiary Deed, the Funding 1 Deed of Charge, each Funding 1 Deed of Charge Deed of Accession, the Funding 1 Swap Agreement, the Intercompany Loan Agreement, the Issuer Deed of Charge, each Issuer Deed of Charge Deed of Accession, the Master Definitions and Construction Schedule, the Issuer Bank Account Agreement, the Issuer Cash Management Agreement, the Issuer Corporate Services Agreement, the Issuer Master Definitions and Construction Schedule, each Issuer Swap Agreement and any related Issuer Swap Guarantees, the Mortgage Sale Agreement, the Mortgages Trust Deed, the Mortgages Trustee Bank Account Agreement, the Mortgages Trustee Corporate Services Agreement, the Post-Enforcement Call Option Holder Corporate Services Agreement, the Paying Agent and Agent Bank Agreement, the Post-Enforcement Call Option Agreement, the Programme Agreement, each Scottish Declaration of Trust, the Servicing Agreement, each Funding 1 Start-Up Loan Agreement, each Subscription Agreement, the Note Trust Deed, each Loan Tranche Supplement, each Conditional Purchase Agreement, each Remarketing Agreement, any other deeds of accession or supplemental deeds relating to any such documents and any other agreement or document from time to time designated as such by the Issuer and Note Trustee and/or the Issuer Security Trustee and/or the Funding 1 Security Trustee;

Transfer Agent means Citibank, N.A., London Branch in its capacity as transfer agent at its Specified Office or such other person for the time being acting as transfer agent under the Paying Agent and Agent Bank Agreement;

USD-LIBOR means the London inter-bank offered rate for deposits in U.S. dollars; and

U.S. Paying Agent means Citibank, N.A., New York Branch acting in its capacity as U.S. paying agent through its New York office or such other person for the time being acting as U.S. paying agent under the Paying Agent and Agent Bank Agreement.

SCHEDULE 6

PROVISIONS FOR MEETINGS OF NOTEHOLDERS

1. (a) As used in this Schedule the following expressions shall have the following meanings unless the context otherwise requires:
 - (i) **voting certificate** shall mean an English language certificate issued by a Registrar and dated in which it is stated:
 - (A) that on the date thereof Notes (represented by a Global Note and not being Notes in respect of which a block voting instruction has been issued and is outstanding in respect of the meeting specified in such voting certificate or any adjourned such meeting) were (to the satisfaction of such Registrar) held to its order or under its control and that no such Notes will cease to be so held until the first to occur of:
 - I. the conclusion of the meeting specified in such certificate or, if applicable, of any adjourned such meeting; and
 - II. the surrender of the certificate to the Registrar who issued the same; and
 - (B) that the bearer thereof is entitled to attend and vote at such meeting and any adjourned such meeting in respect of the Notes represented by such certificate;
 - (ii) **block voting instruction** shall mean an English language document issued by a Paying Agent and dated in which:
 - (A) it is certified that Notes (represented by a Global Note and not being Notes in respect of which a voting certificate has been issued and is outstanding in respect of the meeting specified in such block voting instruction and any adjourned such meeting) were (to the satisfaction of such Registrar) held to its order or under its control and that no such Notes will cease to be so held until the first to occur of:
 - I. the conclusion of the meeting specified in such document or, if applicable, of any adjourned such meeting; and
 - II. the surrender to that Registrar not less than 48 hours before the time for which such meeting or any adjourned such meeting is convened of the receipt issued by such Registrar in respect of each such Note which is to be released or (as the case may require) the Note or Notes ceasing with the agreement of that Paying Agent to be held to its order or under its control and the giving of notice by that Registrar to the Issuer in accordance with **paragraph 17** hereof of the necessary amendment to the block voting instruction;
 - (B) it is certified that each holder of such Notes has instructed such Paying Agent that the vote(s) attributable to the Note or Notes so held should be cast in a particular way in relation to the resolution or resolutions to be put to such meeting or any adjourned such meeting and that all such instructions

are during the period commencing 48 hours prior to the time for which such meeting or any adjourned such meeting is convened and ending at the conclusion or adjournment thereof neither revocable nor capable of amendment;

- (C) the aggregate principal amount of the Notes so held are listed distinguishing with regard to each such resolution between those in respect of which instructions have been given as aforesaid that the votes attributable thereto should be cast in favour of the resolution and those in respect of which instructions have been so given that the votes attributable thereto should be cast against the resolution; and
 - (D) one or more persons named in such document (each hereinafter called a **proxy**) is or are authorised and instructed by such Registrar to cast the votes attributable to the Notes so listed in accordance with the instructions referred to in (C) above as set out in such document;
- (iii) **24 hours** shall mean a period of 24 hours including all or part of a day upon which banks are open for business in both the place where the relevant meeting is to be held and in each of the places where the Registrar has its specified office (disregarding for this purpose the day upon which such meeting is to be held) and such period shall be extended by one period or, to the extent necessary, more periods of 24 hours until there is included as aforesaid all or part of a day upon which banks are open for business in all of the places as aforesaid;
- (iv) **48 hours** shall mean a period of 48 hours including all or part of two days upon which banks are open for business both in the place where the relevant meeting is to be held and in each of the places where the Registrar has its specified office (disregarding for this purpose the day upon which such meeting is to be held) and such period shall be extended by one period or, to the extent necessary, more periods of 24 hours until there is included as aforesaid all or part of two days upon which banks are open for business in all of the places as aforesaid; and
- (v) **Notes** and **Noteholders** shall mean:
- (A) in connection with a single meeting of Class A Noteholders, Class A Notes and Class A Noteholders, respectively;
 - (B) in connection with a single meeting of Class B Noteholders, Class B Notes and Class B Noteholders respectively;
 - (C) in connection with a single meeting of Class M Noteholders, Class M Notes and Class M Noteholders, respectively;
 - (D) in connection with a single meeting of Class C Noteholders, Class C Notes and Class C Noteholders respectively;
 - (E) in connection with a single meeting of Class D Noteholders, Class D Notes and Class D Noteholders, respectively; and
 - (F) in connection with a single meeting of Class Z Noteholders, Class Z Notes and Class Z Noteholders, respectively.

- (b) A holder of a Note represented by a Global Note may obtain a voting certificate in respect of such Note from a Paying Agent or require a Paying Agent to issue a block voting instruction in respect of such Note or by such Note (to the satisfaction of such Paying Agent) being held to its order or under its control, in each case not less than 48 hours before the time fixed for the relevant meeting and on the terms set out in **subparagraph (a)(i)(A) or (a)(ii)(A) above** (as the case may be), and (in the case of a block voting instruction) instructing such Paying Agent to the effect set out in **subparagraph (a)(ii)(B) above**. The holder of any voting certificate or the proxies named in any block voting instruction shall for all purposes in connection with the relevant meeting or adjourned meeting of Noteholders be deemed to be the holder of the Notes to which such voting certificate or block voting instruction relates and the person holding the same to the order or under the control of such Paying Agent shall be deemed for such purposes not to be the holder of those Notes.
- (c) (i) A holder of a Note may, by an instrument in writing in the English language (a **form of proxy**) signed by the holder or, in the case of a corporation, executed under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation and delivered to the specified office of the Registrar not less than 48 hours before the time fixed for the relevant meeting, appoint any person (a **proxy**) to act on his or its behalf in connection with any meeting of the Noteholders and any adjourned such meeting.
- (ii) If the Holder of a Note is The Depository Trust Company (**DTC**) or a nominee of DTC, such nominee or DTC may appoint proxies in accordance with and in the form used by DTC as part of its usual procedures from time to time in relation to meetings of Noteholders. Any proxy so appointed may, by an instrument in writing in the form of the English language available from the specified office of the Principal Paying Agent or the Registrar, as the case may be, or in such other form as approved by the Note Trustee, signed by the proxy or, in the case of a corporation, executed under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation and delivered to the principal Paying Agent or the Registrar, as the case may be, not later than 48 hours before the time fixed for any meeting, appoint any person (the **sub-proxy**) to act on his or its behalf in connection with any meeting or proposed meeting of Noteholders, provided that any such appointment certifies that no other person has been appointed as a sub-proxy in respect of the relevant Notes and that no voting instruction has been given in relation to those Notes. All references to "proxy" or "proxies" in this Schedule other than in this paragraph shall be read so as to include references to "sub-proxy" or "sub-proxies".
- (iii) Any holder of a Note which is a corporation may by resolution of its directors or other governing body authorise any person to act as its representative (a **representative**) in connection with any meeting of the Noteholders and any adjourned such meeting.
- (iv) Any proxy appointed pursuant to **subparagraph (i) above** or representative appointed pursuant to **subparagraph (iii) above** shall so long as such appointment remains in force be deemed, for all purposes in connection with the relevant meeting or adjourned meeting of the Noteholders, to be the holder of the Notes to which such appointment relates and the holder of the Notes shall be deemed for such purposes not to be the holder.
- (d) For so long as the Notes are eligible for settlement through DTC's book-entry settlement system, the Issuer may fix a record date for the purpose of any meeting, provided such date is not more than 10 days prior to the date fixed for such meeting or such other number of

days prior thereto as the Note Trustee shall in its absolute discretion determine. The person in whose name a Note is registered on the record date shall be the holder for the purposes of the relevant meeting.

2. The Issuer or the Note Trustee may at any time and the Note Trustee shall upon a requisition in writing signed by the holders of not less than one-tenth in principal amount of the Notes of any Class for the time being outstanding convene a meeting of the Noteholders and if the Issuer makes default for a period of seven days in convening such a meeting the same may be convened by the Note Trustee or the requisitionists. Every such meeting shall be held at such time and place as the Note Trustee may appoint or approve.
3. At least 21 days' notice (exclusive of the day on which the notice is given and the day on which the meeting is to be held) specifying the place, day and hour of meeting shall be given to the relevant Noteholders prior to any meeting of such Noteholders. Such notice, which shall be in the English language, shall state generally the nature of the business to be transacted at the meeting thereby convened but (except for an Extraordinary Resolution) it shall not be necessary to specify in such notice the terms of any resolution to be proposed. Such notice shall include statements, if applicable, to the effect that the holders of Notes of the relevant class may appoint proxies by executing and delivering a form of proxy in the English language to the specified office of the Registrar not less than 48 hours before the time fixed for the meeting or, in the case of corporations, may appoint representatives by resolution of their directors or other governing body. A copy of the notice shall be sent by post to the Note Trustee (unless the meeting is convened by the Note Trustee) and, to the Issuer (unless the meeting is convened by the Issuer).
4. A person (who may but need not be a Noteholder) nominated in writing by the Note Trustee shall be entitled to take the chair at the relevant meeting or adjourned meeting but if no such nomination is made or if at any meeting or adjourned meeting the person nominated shall not be present within 15 minutes after the time appointed for holding the meeting or adjourned meeting the Noteholders present shall choose one of their number to be Chairman, failing which the Issuer may appoint a Chairman. The Chairman of an adjourned meeting need not be the same person as was Chairman of the meeting from which the adjournment took place.
5. At any such meeting one or more persons present holding Notes of the relevant Series and Class or of any one or more Series of the same Class for the time being outstanding or voting certificates or being proxies or representatives and holding or representing in the aggregate not less than one-twentieth of the aggregate Principal Amount Outstanding of the Notes of the relevant Series and Class or of any one or more Series of the same Class for the time being outstanding shall (except for the purpose of passing an Extraordinary Resolution including, for the avoidance of doubt, a Programme Resolution) form a quorum for the transaction of business and no business (other than the choosing of a Chairman) shall be transacted at any meeting unless the requisite quorum be present at the commencement of the relevant business. The quorum at any such meeting for passing an Extraordinary Resolution including, for the avoidance of doubt, a Programme Resolution shall (subject as provided below) be two or more persons present holding or representing Notes of the relevant Series and Class or of any one or more Series of the same Class or voting certificates or being proxies or representatives and holding or representing in the aggregate not less than 50 per cent. in Principal Amount Outstanding of the Notes outstanding of the relevant Series and Class or of any one or more Series of the same Class (or, at any adjourned meeting, two or more persons being or representing Noteholders whatever the aggregate Principal Amount Outstanding of the Notes outstanding of such Series and Class or such one or more Series of the same Class so held or represented) **PROVIDED THAT** at any meeting the business of which includes the passing of an Extraordinary Resolution to sanction any of the following matters (each a **Basic Terms Modification**) namely:

- (a) reduction or cancellation of the amount payable or, where applicable, modification, (except where such modification is in the opinion of the Note Trustee bound to result in an increase), of the method of calculating the amount payable or modification of the date of payment or, where applicable, of the method of calculating the date of payment in respect of any principal or interest in respect of the Notes of the relevant Series and Class;
- (b) alteration of the currency in which payments under such Notes are to be made;
- (c) alteration of the quorum or majority required to pass an Extraordinary Resolution in respect of any such Basic Terms Modification; and
- (d) alteration of this proviso or the proviso to **paragraph 6 below**,

the quorum for passing the requisite Extraordinary Resolution shall be two or more persons present holding Notes of the relevant Series and Class or voting certificates or being proxies or representatives and holding or representing in the aggregate not less than three quarters (or, at any adjourned meeting, not less than one quarter) of the Principal Amount Outstanding of the Notes outstanding of the relevant Series and Class for the time being outstanding.

6. If within 15 minutes (or such longer period not exceeding 30 minutes as the Chairman may decide) after the time appointed for any such meeting a quorum is not present for the transaction of any particular business, then, subject and without prejudice to the transaction of the business (if any) for which a quorum is present, the meeting shall if convened upon the requisition of Noteholders be dissolved. In any other case it shall stand adjourned to the same day in the next week (or if such day is a public holiday the next succeeding Business Day) at the same time and place (except in the case of a meeting at which an Extraordinary Resolution is to be proposed in which case it shall stand adjourned for such period, being not less than 13 clear days nor more than 42 clear days, and to such place as may be appointed by the Chairman either at or subsequent to such meeting and approved by the Note Trustee). If within 15 minutes (or such longer period not exceeding 30 minutes as the Chairman may decide) after the time appointed for any adjourned meeting a quorum is not present for the transaction of any particular business, then, subject and without prejudice to the transaction of the business (if any) for which a quorum is present, the Chairman may either (with the approval of the Note Trustee) dissolve such meeting or adjourn the same for such period, being not less than 13 clear days (but without any maximum number of clear days), and to such place as may be appointed by the Chairman either at or subsequent to such adjourned meeting and approved by the Note Trustee, and the provisions of this sentence shall apply to all further adjourned such meetings. At any adjourned meeting one or more persons present holding Notes or being proxies or representatives (whatever the principal amount of the Notes so held or represented by them) shall (subject as provided below) form a quorum and shall (subject as provided below) have power to pass any Extraordinary Resolution or other resolution and to decide upon all matters which could properly have been dealt with at the meeting from which the adjournment took place had the requisite quorum been present **PROVIDED THAT** at any adjourned meeting the quorum for the transaction of business comprising any of the matters specified in the proviso to **paragraph 5 above** shall be one or more persons present holding Notes or voting certificates or being proxies or representatives and holding or representing in the aggregate not less than one-third of the principal amount of the Notes of the relevant Series and Class/es for the time being outstanding.
7. Notice of any adjourned meeting at which an Extraordinary Resolution is to be submitted shall be given in the same manner as notice of an original meeting but as if 10 were substituted for 21 in **paragraph 3 above** and such notice shall state the relevant quorum. Subject as aforesaid it shall not be necessary to give any notice of an adjourned meeting.

8. Every question submitted to a meeting shall be decided in the first instance by a show of hands and in case of equality of votes the Chairman shall both on a show of hands and on a poll have a casting vote in addition to the vote or votes (if any) to which he may be entitled as a Noteholder or as a holder of a voting certificate or as a proxy or as a representative.
9. At any meeting unless a poll is (before or on the declaration of the result of the show of hands) demanded by the Chairman, the Issuer, the Note Trustee or any person present holding a Note or a voting certificate or being a proxy or representative (whatever the principal amount of the Notes so held or represented by him) a declaration by the Chairman that a resolution has been carried or carried by a particular majority or lost or not carried by a particular majority shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.
10. Subject to **paragraph 12 below**, if at any such meeting a poll is so demanded it shall be taken in such manner and subject as hereinafter provided either at once or after an adjournment as the Chairman directs and the result of such poll shall be deemed to be the resolution of the meeting at which the poll was demanded as at the date of the taking of the poll. The demand for a poll shall not prevent the continuance of the meeting for the transaction of any business other than the motion on which the poll has been demanded.
11. The Chairman may with the consent of (and shall if directed by) any such meeting adjourn the same from time to time and from place to place but no business shall be transacted at any adjourned meeting except business which might lawfully (but for lack of required quorum) have been transacted at the meeting from which the adjournment took place.
12. Any poll demanded at any such meeting on the election of a Chairman or on any question of adjournment shall be taken at the meeting without adjournment.
13. The Note Trustee and its lawyers and any director, officer or employee of a corporation being a trustee of the Note Trust Deed and any director or officer of the Issuer and its lawyers and any other person authorised so to do by the Note Trustee may attend and speak at any meeting. Save as aforesaid, but without prejudice to the definition of Principal Amount Outstanding, no person shall be entitled to attend and speak nor shall any person be entitled to vote at any meeting of the Noteholders or join with others in requesting the convening of such a meeting or to exercise the rights conferred on the Noteholders by **Clause 11** of the Note Trust Deed unless he either produces Note(s) or a voting certificate or is a proxy or a representative or is the holder of a Definitive Note or Definitive Notes. No person shall be entitled to vote at any meeting in respect of Notes held by, for the benefit of, or on behalf of, the Issuer, Funding 1, the Mortgages Trustee or the Seller, any holding company of any of them or any other Subsidiary or any such holding company or the Borrowers Nothing herein shall prevent any of the proxies named in any block voting instruction or form of proxy or any representative from being a director, officer or representative of or otherwise connected with the Issuer.
14. Subject as provided in **paragraph 13** hereof at any meeting:
 - (a) on a show of hands every person who is present in person or is a holder of Notes or is a proxy or representative shall have one vote; and
 - (b) on a poll every person who is so present shall have one vote in respect of each £1 in respect of Sterling Notes, each U.S.\$1 in respect of US Dollar Notes, each €1 in respect of Euro Notes or such amount as the Note Trustee may in its absolute discretion stipulate in respect of Notes denominated in any other specified currency in Principal Amount Outstanding of the Notes outstanding represented by the voting certificate so produced or in respect of which he is a proxy or representative or in respect of which he is the holder.

Without prejudice to the obligations of the proxies named in any block voting instruction or form of proxy any person entitled to more than one vote need not use all his votes or cast all the votes to which he is entitled in the same way.

15. The proxies named in any block voting instruction or form of proxy and representatives need not be Noteholders.
16. Each block voting instruction together (if so requested by the Note Trustee) with proof satisfactory to the Note Trustee of its due execution on behalf of the relevant Paying Agent and each form of proxy shall be deposited by the relevant Paying Agent or (as the case may be) by the Registrar at such place as the Note Trustee shall approve not less than 24 hours before the time appointed for holding the meeting or adjourned meeting at which the proxies named in the block voting instruction or form of proxy propose to vote and in default the block voting instruction or form of proxy shall not be treated as valid unless the Chairman of the meeting decides otherwise before such meeting or adjourned meeting proceeds to business. A notarially certified copy of each block voting instruction and form of proxy shall be deposited with the Note Trustee before the commencement of the meeting or adjourned meeting but the Note Trustee shall not thereby be obliged to investigate or be concerned with the validity of or the authority of the proxies named in any such block voting instruction or form of proxy.
17. Any vote given in accordance with the terms of a block voting instruction or form of proxy shall be valid notwithstanding the previous revocation or amendment of the block voting instruction or form of proxy or of any of the Noteholders' instructions pursuant to which it was executed provided that no intimation in writing of such revocation or amendment shall have been received from the relevant Paying Agent or in the case of a Definitive Note from the holder thereof by the Issuer at its registered office (or such other place as may have been required or approved by the Note Trustee for the purpose) by the time being 24 hours and 48 hours respectively before the time appointed for holding the meeting or adjourned meeting at which the block voting instruction or form of proxy is to be used.
18. Subject always to the provisions of **Clause 21** of the Note Trust Deed, a meeting of the Noteholders shall in addition to the powers hereinbefore given have the following powers exercisable only by Extraordinary Resolution (subject to the provisions relating to quorum contained in **paragraphs 5 and 6 above**) namely:
 - (a) power to sanction any compromise or arrangement proposed to be made between the Issuer, the Note Trustee, any appointee of the Note Trustee and the Noteholders or any of them;
 - (b) power to sanction any abrogation, modification, compromise or arrangement in respect of the rights of the Note Trustee, any appointee of the Note Trustee, the Noteholders or the Issuer against any other or others of them or against any other party to any of the Issuer Transaction Documents or against any of their property whether such rights shall arise under the Note Trust Deed, any other Issuer Transaction Document or otherwise;
 - (c) power to assent to any modification of the provisions of the Conditions, the Note Trust Deed or any other Issuer Transaction Document which shall be proposed by the Issuer, the Note Trustee, or any Noteholder or any other person;
 - (d) power to give any authority or sanction which under the provisions of the Conditions or the Note Trust Deed is required to be given by Extraordinary Resolution;
 - (e) power to appoint any persons (whether Noteholders or not) as a committee or committees to represent the interests of the Noteholders and to confer upon such committee or committees

any powers or discretions which the Noteholders could themselves exercise by Extraordinary Resolution;

- (f) power to approve of a person to be appointed a trustee and power to remove any trustee or trustees for the time being of the Note Trust Deed;
- (g) power to discharge or exonerate the Note Trustee and/or any appointee of the Note Trustee from all liability in respect of any act or omission for which the Note Trustee and/or such appointee may have become responsible under the Note Trust Deed;
- (h) power to authorise the Note Trustee and/or any appointee of the Note Trustee to concur in and execute and do all such deeds, instruments, acts and things as may be necessary to carry out and give effect to any Extraordinary Resolution; and
- (i) power to sanction any scheme or proposal for the exchange or sale of the Notes for or the conversion of the Notes into or the cancellation of the Notes in consideration of shares, stock, notes, bonds, debentures, debenture stock and/or other obligations and/or notes of the Issuer or any other company formed or to be formed, or for or into or in consideration of cash, or partly for or into or in consideration of such shares, stock, notes, bonds, debentures, debenture stock and/or other obligations and/or notes as aforesaid and partly for or into or in consideration of cash and for the appointment of some person with power on behalf of the Noteholders to execute an instrument of transfer of the Definitive Notes held by them in favour of the persons with or to whom the Notes are to be exchanged or sold respectively,

PROVIDED THAT:

- (i) no Extraordinary Resolution of the Class A Noteholders or the Class B Noteholders or the Class M Noteholders or the Class C Noteholders or the Class D Noteholders or the Class Z Noteholders (in each case of any one or more Series) to sanction a modification of the Conditions, the Note Trust Deed or any of the other Issuer Transaction Documents or a waiver or authorisation of any breach or proposed breach of any of the provisions of the Conditions, the Note Trust Deed or any of the other Issuer Transaction Documents shall be effective for any purpose unless either:
 - (A) the Note Trustee is of the opinion that it will not be materially prejudicial to the interests of (in the case of an Extraordinary Resolution of the Class A Noteholders) the Class B Noteholders, the Class M Noteholders, the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders, in each case of each Series, or (in the case of an Extraordinary Resolution of the Class B Noteholders) the Class M Noteholders, the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders, in each case of each Series, or (in the case of an Extraordinary Resolution of the Class M Noteholders) the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders, in each case of each Series or (in the case of an Extraordinary Resolution of the Class C Noteholders) the Class D Noteholders and the Class Z Noteholders, in each case of each Series, or (in the case of an Extraordinary Resolution of the Class D Noteholders) the Class Z Noteholders of each Series; or
 - (B) it shall have been sanctioned by an Extraordinary Resolution of (in the case of an Extraordinary Resolution of the Class A Noteholders) the Class B Noteholders, the Class M Noteholders, the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders, in each case of each Series, or (in the case of an Extraordinary Resolution of the Class B Noteholders) the Class M Noteholders, the Class C Noteholders, Class D Noteholders and the Class Z Noteholders, in each case of each

Series, or (in the case of an Extraordinary Resolution of the Class M Noteholders) the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders, in each case of each Series, or (in the case of an Extraordinary Resolution of the Class C Noteholders) the Class D Noteholders and the Class Z Noteholders, in each case of each Series, or (in the case of an Extraordinary Resolution of the Class D Noteholders) the Class Z Noteholders of each Series;

- (ii) no Extraordinary Resolution of the Class B Noteholders of any Series shall be effective for any purpose while any Class A Notes (of that Series or any other Series) remain outstanding unless either (A) the Note Trustee is of the opinion that it will not be materially prejudicial to the interests of the Class A Noteholders of each Series or (B) it is sanctioned by an Extraordinary Resolution of the Class A Noteholders of each Series;
- (iii) no Extraordinary Resolution of the Class M Noteholders of any Series shall be effective for any purpose while any Class A Notes or Class B Notes (in each case, of that Series or of any other Series) remain outstanding unless either (A) the Note Trustee is of the opinion that it will not be materially prejudicial to the interests of the Class A Noteholders and/or the Class B Noteholders (as the case may be), in each case of each Series, or (B) it is sanctioned by an Extraordinary Resolution of the Class A Noteholders and/or the Class B Noteholders (as the case may be) of each Series;
- (iv) no Extraordinary Resolution of the Class C Noteholders of any Series shall be effective for any purpose while any Class A Notes, Class B Notes or Class M Notes (in each case, of that Series or of any other Series) remain outstanding unless either (A) the Note Trustee is of the opinion that it will not be materially prejudicial to the interests of the Class A Noteholders and/or the Class B Noteholders and/or the Class M Noteholders (as the case may be), in each case of each Series, or (B) it is sanctioned by an Extraordinary Resolution of the Class A Noteholders and/or the Class B Noteholders and/or the Class M Noteholders (as the case may be) of each Series;
- (v) no Extraordinary Resolution of the Class D Noteholders of any Series shall be effective for any purpose while any Class A Notes, Class B Notes, Class M Notes or Class C Notes (in each case, of that Series or of any other Series) remain outstanding unless either (A) the Note Trustee is of the opinion that it will not be materially prejudicial to the interests of the Class A Noteholders and/or the Class B Noteholders and/or the Class M Noteholders and/or the Class C Noteholders (as the case may be), in each case of each Series, or (B) it is sanctioned by an Extraordinary Resolution of the Class A Noteholders and/or the Class B Noteholders and/or the Class M Noteholders and/or the Class C Noteholders (as the case may be) of each Series; and
- (vi) no Extraordinary Resolution of the Class Z Noteholders of any Series shall be effective for any purpose while any Class A Notes, Class B Notes, Class M Notes, Class C Notes or Class D Notes (in each case, of that Series or of any other Series) remain outstanding unless either (A) the Note Trustee is of the opinion that it will not be materially prejudicial to the interests of the Class A Noteholders and/or the Class B Noteholders and/or the Class M Noteholders and/or the Class C Noteholders and/or the Class D Noteholders (as the case may be), in each case of each Series, or (B) it is sanctioned by an Extraordinary Resolution of the Class A Noteholders and/or the Class B Noteholders and/or the Class M Noteholders and/or the Class C Noteholders and/or the Class D Noteholders (as the case may be) of each Series.

19. Subject to the provisos to **paragraph 18 25** any resolution passed at a meeting of the Noteholders duly convened and held in accordance with the Note Trust Deed shall be binding upon the Noteholders of all classes whether present or not present at such meeting and whether or not voting and each of them shall be bound to give effect thereto accordingly and the passing of any such

resolution shall be conclusive evidence that the circumstances justify the passing thereof. Notice of the result of the voting on any resolution duly considered by the Noteholders shall be given by the Issuer to the Noteholders in accordance with **Condition 14** within 14 days of such result being known **PROVIDED THAT** the non-publication of such notice shall not invalidate such result.

20. Subject to **paragraph 26 below**:

- (a) A resolution which in the opinion of the Note Trustee affects the interests of the holders of Class A Notes of one Class only shall be deemed to have been duly passed if passed at a meeting of the holders of the Class A Notes of that Class.
- (b) A resolution which, in the opinion of the Note Trustee, affects the interests of the holders of Class A Notes of any two or more Classes but does not give rise to a conflict of interest between the holders of such two or more Classes of Class A Notes, shall be deemed to have been duly passed if passed at a single meeting of the holders of such two or more Classes of Class A Notes.
- (c) A resolution which in the opinion of the Note Trustee affects the interests of the holders of Class A Notes of any two or more Classes and gives or may give rise to a conflict of interest between the holders of such two or more Classes of the Class A Notes shall be deemed to have been duly passed only if, in lieu of being passed at a single meeting of the holders of such two or more Classes of Class A Notes, it shall be duly passed at separate meetings of the holders of such two or more Classes of the Class A Notes.

21. Subject to **paragraph 26 below**:

- (a) A resolution which, in the opinion of the Note Trustee, affects the interests of the holders of Class B Notes of one Class only shall be deemed to have been duly passed if passed at a meeting of the holders of the Class B Notes of that Class.
- (b) A resolution which, in the opinion of the Note Trustee, affects the interests of the holders of Class B Notes of any two or more Classes but does not give rise to a conflict of interest between the holders of such two or more Classes of the Class B Notes, shall be deemed to have been duly passed if passed at a single meeting of the holders of such two or more Classes of Class B Notes.
- (c) A resolution which, in the opinion of the Note Trustee, affects the interests of the holders of Class B Notes of any two or more Classes and gives or may give rise to a conflict of interest between the holders of such two or more Classes of Class B Notes, shall be deemed to have been duly passed only if, in lieu of being passed at a single meeting of the holders of such two or more Classes of Class B Notes, it shall be duly passed at separate meetings of the holders of such two or more Classes of the Class B Notes.

22. Subject to **paragraph 26 below**:

- (a) A resolution which in the opinion of the Note Trustee affects the interests of the holders of Class M Notes of one Class only shall be deemed to have been duly passed if passed at a meeting of the holders of the Class M Notes of that Class.
- (b) A resolution which, in the opinion of the Note Trustee, affects the interests of the holders of Class M Notes of any two or more Classes but does not give rise to a conflict of interest between the holders of such two or more Classes of Class M Notes, shall be deemed to have been duly passed if passed at a single meeting of the holders of such two or more Classes of Class M Notes.

- (c) A resolution which in the opinion of the Note Trustee affects the interests of the holders of Class M Notes of any two or more Classes and gives or may give rise to a conflict of interest between the holders of such two or more Classes of the Class M Notes shall be deemed to have been duly passed only if, in lieu of being passed at a single meeting of the holders of such two or more Classes of Class M Notes, it shall be duly passed at separate meetings of the holders of such two or more Classes of the Class M Notes.

23. Subject to **paragraph 26 below**:

- (a) A resolution which, in the opinion of the Note Trustee, affects the interests of the holders of Class C Notes of one Class only shall be deemed to have been duly passed if passed at a meeting of the holders of Class C Notes of that Class.
- (b) A resolution which, in the opinion of the Note Trustee, affects the interests of the holders of Class C Notes of any two or more Classes but does not give rise to a conflict of interest between the holders of such two or more Classes of Class C Notes, shall be deemed to have been duly passed if passed at a single meeting of the holders of such two or more Classes of Class C Notes.
- (c) A resolution which, in the opinion of the Note Trustee, affects the interests of the holders of Class C Notes of any two or more Classes and gives or may give rise to a conflict of interest between the holders of such two or more Classes of Class C Notes, shall be deemed to have been duly passed only if, in lieu of being passed at a single meeting of the holders of such two or more Classes of Class C Notes, it shall be duly passed at separate meetings of the holders of such two or more Classes of Class C Notes.

24. Subject to **paragraph 26 below**:

- (a) A resolution which, in the opinion of the Note Trustee, affects the interests of the holders of Class D Notes of one Class only shall be deemed to have been duly passed if passed at a meeting of the holders of Class D Notes of that Class.
- (b) A resolution which, in the opinion of the Note Trustee, affects the interests of the holders of Class D Notes of any two or more Classes but does not give rise to a conflict of interest between the holders of such two or more Classes of Class D Notes, shall be deemed to have been duly passed if passed at a single meeting of the holders of such two or more Classes of Class D Notes.
- (c) A resolution which, in the opinion of the Note Trustee, affects the interests of the holders of Class D Notes of any two or more Classes and gives or may give rise to a conflict of interest between the holders of such two or more Classes of Class D Notes, shall be deemed to have been duly passed only if, in lieu of being passed at a single meeting of the holders of such two or more Classes of Class D Notes, it shall be duly passed at separate meetings of the holders of such two or more Classes of Class D Notes.

25. Subject to **paragraph 26**:

- (a) A resolution which, in the opinion of the Note Trustee, affects the interests of the holders of Class Z Notes of one Class only shall be deemed to have been duly passed if passed at a meeting of the holders of Class Z Notes of that Class.
- (b) A resolution which, in the opinion of the Note Trustee, affects the interests of the holders of Class Z Notes of any two or more Classes but does not give rise to a conflict of interest between the holders of such two or more Classes of Class Z Notes, shall be deemed to have

been duly passed if passed at a single meeting of the holders of such two or more Classes of Class Z Notes.

(c) A resolution which, in the opinion of the Note Trustee, affects the interests of the holders of Class Z Notes of any two or more Classes and gives or may give rise to a conflict of interest between the holders of such two or more Classes of Class Z Notes, shall be deemed to have been duly passed only if, in lieu of being passed at a single meeting of the holders of such two or more Classes of Class Z Notes, it shall be duly passed at separate meetings of the holders of such two or more Classes of Class Z Notes.

26. An Extraordinary Resolution to direct the Note Trustee to give a Note Acceleration Notice or to take any proceedings or give any directions mentioned in **Clause 10.1** or any other action mentioned in **Clause 11.1** shall be deemed to have been duly passed only if passed at a single meeting of the holders of the Notes of all Series of the relevant Class.
27. In the case of any meeting of Noteholders where the relevant Notes (or any of them) are not denominated in Sterling, the Principal Amount Outstanding of any note not denominated in Sterling shall be converted into Sterling at the relevant Specified Currency Exchange Rate.
28. The expression **Extraordinary Resolution** when used in the Note Trust Deed means (a) a resolution passed at a meeting of the Noteholders of a relevant class or classes of Notes duly convened and held in accordance with the provisions of this **Schedule 4** by a majority consisting of not less than three-fourths of the persons voting thereat upon a show of hands or if a poll is duly demanded by a majority consisting of not less than three-fourths of the votes cast on such poll or (b) a resolution in writing signed by or on behalf of all the Noteholders of a relevant class or classes of Notes, which resolution in writing may be contained in one document or in several documents in like form each signed by or on behalf of one or more of the Noteholders of a relevant class or classes of Notes.
29. Minutes of all resolutions and proceedings at every meeting of the Noteholders shall be made and entered in books to be from time to time provided for that purpose by the Issuer and any such Minutes as aforesaid if purporting to be signed by the Chairman of the meeting at which such resolutions were passed or proceedings transacted shall be conclusive evidence of the matters therein contained and until the contrary is proved every such meeting in respect of the proceedings of which Minutes have been made shall be deemed to have been duly held and convened and all resolutions passed or proceedings transacted thereat to have been duly passed or transacted.
30. Subject to all other provisions of the Note Trust Deed the Note Trustee may without the consent of the Issuer or the Noteholders prescribe such further regulations regarding the requisitioning and/or the holding of meetings of Noteholders and attendance and voting thereat as the Note Trustee may in its sole discretion think fit.

SIGNATORIES

The Issuer

EXECUTED and DELIVERED as a DEED by)
FOSSE MASTER ISSUER PLC)
acting by two directors)
per pro SFM Directors Limited and)
SFM Directors (No. 2) Limited)

The Note Trustee

EXECUTED and DELIVERED as a DEED by)
LAW DEBENTURE TRUST COMPANY)
OF NEW YORK)
acting by its authorised signatory)
)