

**EXECUTION VERSION**

**NOTE TRUST DEED**

**DATED 1 OCTOBER 2010**

**LANGTON SECURITIES (2010-1) PLC**  
**CITICORP TRUSTEE COMPANY LIMITED**

constituting

**£2,125,000,000 Class A1 Floating Rate Notes due December 2054**  
**£2,125,000,000 Class A2 Floating Rate Notes due December 2054**  
**£2,125,000,000 Class A3 Floating Rate Notes due December 2054**  
**£2,125,000,000 Class A4 Floating Rate Notes due December 2054**  
**£400,000,000 Class A5 Floating Rate Notes due December 2054**  
**£1,385,715,000 Class Z1 Floating Rate Notes due December 2054**  
**£2,500,000,000 Class A6 Floating Rate Notes due December 2054**  
**£2,500,000,000 Class A7 Floating Rate Notes due December 2054**  
**£2,500,000,000 Class A8 Floating Rate Notes due December 2054**  
**£2,500,000,000 Class A9 Floating Rate Notes due December 2054**  
**Up to £1,981,494,000 Class A10 Floating Rate Notes due December 2054**  
**Not less than £1,711,643,000 Class Z2 Floating Rate Notes due December 2054**

**ALLEN & OVERY**

**Allen & Overy LLP**

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**THIS NOTE TRUST DEED** is made on 1 October 2010

**BETWEEN:**

- (1) **LANGTON SECURITIES (2010-1) PLC** (registered number 7381471) whose registered office is at 35 Great St. Helen's, London, EC3A 6AP (the **Issuer**); and
- (2) **CITICORP TRUSTEE COMPANY LIMITED**, acting through its offices at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB (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 28 September 2010, the Issuer has resolved to issue the Notes to be constituted by these presents.
- (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 issuer master definitions and construction schedule, signed by, amongst others, the parties to this Deed and dated on 1 October 2010 (as the same may be amended, varied, restated and/or supplemented from time to time with the consent of the parties to this Deed) (the **Issuer Master Definitions and Construction Schedule**) is expressly and specifically incorporated into this Deed and, accordingly, the expressions defined in the Issuer Master Definitions and Construction Schedule (as so amended, restated, varied and/or supplemented) 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 4.3** or, if applicable, under any undertaking or covenant to pay interest given pursuant to **Clause 2.1**.
  - (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.
  - (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 Euroclear and/or 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.
- (h) Unless the context otherwise requires, words or expressions used in these presents shall bear the same meanings as in the Companies Act 2006, as amended.
- (i) The Schedules are part of this Deed and have effect accordingly.

## 2. COVENANT TO REPAY AND TO PAY INTEREST ON NOTES

2.1 The Issuer covenants with the Note Trustee that it will, in accordance with these presents, on the due date for the final maturity of the Notes provided for in the Conditions, or on such earlier date as the same or any part thereof may become due and repayable thereunder, unconditionally pay or procure to be paid to or to the order of the Note Trustee in sterling in London in immediately available funds the principal amount of the Notes repayable on that date and 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 each 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) Subject to **Clause 2.2(b)**, 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 2.1** 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 any principal is not made to the Note Trustee or the Principal Paying Agent on or before the due date (being the date specified in the Paying Agent and Agent Bank Agreement), interest shall continue to accrue on the principal amount of the 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 on which the full amount due has been received by the Note Trustee or Principal Paying Agent and notice to that effect has been given to the Noteholders, except to the extent there is failure in its subsequent payment to the relevant Noteholders; and
- (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 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 sterling 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 sterling, payable in respect of such Note is available for payment, provided that, upon further presentation thereof being duly made, such payment is made.

The Issuer shall pay Additional Interest in accordance with **Condition 4.3**.

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.

2.2 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:

(a) by notice in writing to the Issuer, the Principal Paying Agent and the Registrar require the Principal Paying Agent and the Registrar pursuant to the Paying Agent and Agent Bank Agreement to:

(i) act thereafter as Principal Paying 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 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 2.1(a)** relating to the Notes shall cease to have effect.

2.3 If any Notes become immediately due and repayable under **Condition 9**, 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, of which the first calculation of the rate and/or amount of interest payable will commence on the first day immediately following the last day of the Interest Period during which the Notes of the

relevant 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.

- 2.4 All payments in respect of, under and in connection with these presents and each Class of the Notes to the relevant Noteholders shall be made in sterling.
- 2.5 Each Class of Note shall be initially offered and sold to non-US persons outside the United States of America in reliance on Regulation S (**Reg S**) under the United States Securities Act of 1933, as amended (the **Securities Act**). Each Class of Note shall be represented initially by a separate Global Note in registered form, without coupons or talons attached for each class and which, in aggregate, will represent the aggregate Principal Amount Outstanding of such Notes.
- 2.6 The Global Notes shall be printed or typed in, or substantially in, the respective forms set out in **Schedule 1** and may be executed in facsimile, which the Issuer shall deposit with the Common Depositary. Each Global Note shall represent such of the outstanding Notes of the relevant Class as shall be specified therein and each shall provide that it shall represent the aggregate Principal Amount Outstanding of the relevant 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 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.
- 2.7 The Global Notes shall be issued by the Issuer to Citivic Nominees Limited, as nominee for the Common Depositary in respect of each Global Note, on terms that the Common Depositary shall, hold the same for the account of the persons who would otherwise be entitled to receive the Notes in definitive form (each, a **Definitive Note**) and the successors in title to such persons appearing in the records of, Euroclear and Clearstream, Luxembourg for the time being. Upon the issuance of each such Global Note, 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.
- 2.8 The provisions of the Operating 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 Global Notes that are held through Euroclear and Clearstream, Luxembourg respectively.
- 2.9 The Issuer shall issue Definitive Notes only if any of the following applies while any of the Notes of any Class are represented by a Global Note of that Class 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 Notes:

- (a) 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 the Notes which would not be required were the Notes in definitive form.

If required by this **Clause 2.9**, 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 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 Global Notes of each Class shall be exchanged by the Issuer for Definitive Notes of that Class.

- 2.10 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 of £100,000 plus integral multiples of £1,000 or such other denomination as the Note Trustee shall determine and notify to the Noteholders, and 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.
- 2.11 If the Issuer is obliged to issue or procure the issue of any Definitive Notes pursuant to **Clause 2.9** but fails to do so within 30 days of the occurrence of the relevant event described in **Clause 2.9**, then the Issuer shall indemnify and/or secure the Note Trustee, the registered holder of the relevant Global Note(s) and the relevant Noteholders and keep them indemnified and/or secured 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 2.9**. If and for so long as the Issuer discharges its obligations under this indemnity, the breach by the Issuer of the provisions of **Clause 2.9** shall be deemed to be cured *ab initio*.

### 3. FURTHER NOTES AND NEW NOTES

- (a) The Issuer shall be at liberty from time to time, without the consent of the Noteholders, to create and issue Further Notes and New Notes (together, the **Further Securities**) subject to and in accordance with Condition 16 (Further Notes and New Notes).
- (b) Any Further Securities shall be constituted by a note trust deed supplemental to this Deed. In any such case the Issuer shall prior to the issue of any Further Securities execute and deliver to the Note Trustee a note trust deed supplemental to this Deed

(in relation to which all applicable stamp duties or other documentation fees, duties or taxes have been paid and, if applicable, duly stamped or denoted accordingly) and containing such provisions (whether or not corresponding to any of the provisions contained in this Deed) as the Note Trustee shall require.

- (c) A memorandum of every such supplemental note trust deed shall be endorsed by the Note Trustee on this Deed and by the Issuer on its duplicate of this Deed.
- (d) Whenever it is proposed to create and issue any Further Securities, the Issuer shall give to the Note Trustee not less than 14 days' notice in writing of its intention so to do, other than in the case of the Further Securities expected to be issued on the Second Issue Closing Date.

#### **4. REPLACEMENT OF NOTES**

If a mutilated or defaced Global Note or Definitive Note is surrendered to the Registrar 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 AND EXCHANGE OF NOTES**

##### **5.1 Transfer and Exchange of Book-Entry Interests**

The transfer and exchange of Book-Entry Interests shall be effected through 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 thereof of 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 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.

##### **5.2 Transfer of Definitive Notes**

Definitive Notes may be transferred in whole or in part in the principal amount of £100,000 plus integral multiples of £1,000. 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.

### **5.3 Regulation S Legend**

Each Global Note and each 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."

### **5.4 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 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 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."

#### **5.5 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.

#### **5.6 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.

#### **5.7 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. So long as the Common Depositary or its nominee is the registered holder of a Global Note, the Common Depositary will be considered the sole registered holder of such Global Note for all purposes under this 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 and duties of a similar nature payable in the United Kingdom, Belgium or Luxembourg, including interest and penalties, payable on or in connection with: (a) the execution, delivery and performance of these presents and the Issuer Transaction Documents to which it is a party and any documents executed pursuant thereto, (b) the constitution and 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 the Issuer Transaction Documents.

## 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 may be).

## 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.

## 9. CANCELLATION OF NOTES AND RECORDS

- 9.1 The Issuer shall procure that all Notes (a) redeemed in full, (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 Outstanding of Notes of each Class which have been redeemed and the due date of such redemptions;
- (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 the Notes of each Class; and
- (d) the aggregate Principal Amount Outstanding of the Notes of each 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, takes place. 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, where applicable, 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 party to any Transaction Document as it may think fit to enforce the provisions of the Notes, this 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 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 2.1(b) and 2.1(c)** or the provisions of any trust deed supplemental to this Deed corresponding to **Clauses 2.1(b) and 2.1(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** 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 (i) respectively directed or requested to do so by an Extraordinary Resolution of the holders of the Class A Notes for the time being outstanding or the Class Z Noteholders, as the case may be, for the time being outstanding (which for this purpose means an Extraordinary Resolution of the holders of each Class of the Class A Notes or an Extraordinary Resolution of the holders of each Class of the Class Z Notes for time being outstanding (as applicable), or in writing by the holders of at least one-quarter in aggregate of the Principal Amount Outstanding of the Class A Notes or the Class Z Notes, as the case may be, for the time being outstanding, and (which for this purpose means directions from the requisite percentage of the holders of each Class of the Class A Notes or the holders of each Class of the Class Z Notes for the time being outstanding (as applicable)) (ii) 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 Z Noteholders as aforesaid unless none of the Class A Notes are outstanding, or, in all other circumstances, 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 (which for this purpose means an Extraordinary Resolution of the holders of each Class of the Class A Notes for the time being outstanding);

- (b) 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 Noteholder will be entitled to commence proceedings for the winding up or administration of the Issuer.

## 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 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 any of the Notes are listed on the official list of the UK Listing Authority and admitted to trading on the London Stock Exchange's regulated market for listed securities, in accordance with the listing rules of the UK Listing Authority and the rules of the London Stock Exchange;
- (h) **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;
- (i) **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;
- (j) **Information:** so far as permitted by applicable law, give to the Note Trustee such information as it reasonably requires to perform its functions;

- (k) **Agent Bank, Reference Banks etc.:** at all times maintain an Agent Bank, four Reference Banks, a Paying 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 sterling of the monies payable on such due date on all such Notes, or (ii) there are insufficient funds in sterling 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 maintained by the UK Listing Authority and to maintain the admission to trading of such 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 such 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 (i) any appointment, resignation or removal of any Agent Bank, Reference Banks, Paying Agent or Registrar (other than the appointment of the initial Agent Bank, Reference Banks, Paying Agent and Registrar), 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 (ii) any change of any Paying Agent's, Agent Bank'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, the Registrar or the Principal Paying Agent no such termination shall take effect until a new Agent Bank, 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 Agent, 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 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 Agent and the Registrar) any notice given by the Note Trustee pursuant to **Clause 2.2** 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 Issuer Intercompany Loan Agreement the Issuer shall exercise its right to redeem the corresponding 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**;
- (t) **Redemption Requirements:** not give notice of its election to redeem all or any part of any Class/es of Notes pursuant to **Condition 5.4** or **5.5** 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 and/or the Issuer Cash Management Agreement to be paid in priority to such Class/es of Notes on the redemption date, and to redeem such 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(p)**
- (u) **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;
- (v) **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;
- (w) **United Kingdom 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;



- (x) **Financial Assets:** ensure that its assets and any derivative contracts (for the purposes of Part 7 of the Corporation Tax Act 2009) which it enters into in accordance with the Transaction Documents are and will consist only of “financial assets” as defined in the Taxation of Securitisation Companies Regulations 2006;
- (y) **Pre-Enforcement Payments:** ensure that amounts standing to the credit of the Issuer Transaction Accounts 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 Agent, the Agent Bank, the Note Trustee, the Issuer Security Trustee and the Noteholders with the information specified in **Condition 5.3**;
- (aa) **Ratings:**
  - (i) 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 Rated 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 Rated Notes by the Rating Agencies);
  - (ii) It is agreed and acknowledged that, notwithstanding the foregoing, a credit rating is an assessment of credit and does not address other matters that may be of relevance to the Noteholders. In being entitled to rely on the fact that the Rating Agencies have confirmed that the then current rating of the relevant series and/or class or classes of Rated Notes would not be adversely affected, it is expressly agreed and acknowledged by the Note Trustee and the Issuer Security Trustee and specifically notified to the Noteholders (and to which they are bound by the Conditions) that the above does not impose or extend any actual or contingent liability for the Rating Agencies to the Note Trustee or the Issuer Security Trustee, the Noteholders or any other person or create any legal relations between the Rating Agencies and the Note Trustee, the Issuer Security Trustee, the Noteholders or any other person whether by way of contract or otherwise.
- (bb) **Calculations:** do, or procure that there are done on its behalf, all calculations required pursuant to the Conditions;
- (cc) **Euroclear and Clearstream, Luxembourg:** use its reasonable endeavours to procure that 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 31 December of each year, commencing 31 December 2010 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 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 directors setting out the total number and aggregate nominal amount of the Notes of each 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) **Conduct of Business and Affairs:** conduct its business and affairs such that, at all times, its "centre of main interests" for the purposes of Council Regulation (EC) No. 1346/2000 of 29th May, 2000 and the Cross-Border Insolvency Regulations 2006 SI2006/1030 (the **UNCITRAL Implementing Regulations**) shall not be in any Member State other than the United Kingdom and it will not have any "establishment" (as defined in the Insolvency Regulation and the **UNCITRAL Implementing Regulations**) in any Member State other than the United Kingdom; and
- (hh) **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 out of its after tax profit, (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. REPRESENTATIONS BY THE ISSUER

The Issuer represents to the Note Trustee that:

- (a) 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/or (ii) its profit; and

- (b) 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.

## **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. Upon the issue of any Further Securities, the rate of remuneration in force immediately prior thereto shall be increased by such amount as shall be agreed between the Issuer and the Note Trustee, such increased remuneration to be calculated from such date as shall be agreed as aforesaid. The rate of remuneration in force from time to time may upon the final redemption of the whole of the Notes of any 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 Potential Note Event of Default or 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 VAT or similar tax chargeable in respect of any supply of services to which its remuneration under this Deed is consideration 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 losses, liabilities, claims, actions, demands, 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 Transaction Documents.

- 16.6 All amounts payable pursuant to **sub-clause 16.5** above and/or **Clause 17(I)** 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(I)** 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 Class of Notes any liabilities incurred under this Deed have been incurred or to allocate any such liabilities between the Notes of any 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 is not 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 2000 and/or the Trustee Act 1925 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 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 act, 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, transaction or thing 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) **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, rights, powers, authorities and discretions under these presents and the other Issuer Transaction Documents (the exercise or non-exercise of which as between the Note Trustee and the Noteholders shall be conclusive and binding on the Noteholders), and shall not be responsible for any liability which may result from their exercise or non-exercise;
- (g) **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 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;

- (h) **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;
- (i) **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;
- (j) **Reliance on Certificates or Confirmations:** 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 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;
- (k) **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;
- (l) **Indemnity:** without prejudice to the right of indemnity by law given to trustees, the Issuer shall indemnify the Note Trustee and each of its officers, employees and advisers 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 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 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 17** but the consent of any such agent or delegate shall not be required for any amendment to these presents;

- (m) **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 Transaction Document and no Noteholder shall be entitled to take any action to obtain from the Note Trustee any such information;
- (n) **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;
- (o) **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 capable of remedy and/or materially prejudicial to the interests of the Noteholders of the relevant Class or Classes and any such certificate shall be conclusive and binding upon the Issuer and the Noteholders;
- (p) **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;
- (q) **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 Class of Notes 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 and even if the Note Trustee knows that any of the Noteholders is a Relevant Person (as defined in the definition of "outstanding"), the Note Trustee shall have regard to the general interests of the relevant Class of Noteholders as if none of them was a Relevant Person;

- (ii) except where expressly provided otherwise, it shall have regard to the interests of the Class A Noteholders and the Class Z Noteholders equally **PROVIDED THAT** 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 Z Noteholders on the other hand, the Note Trustee shall have regard only to the interests of the Class A 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 as contemplated above the Note Trustee shall have regard to the interests of all Class A 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 on the one hand and the interests of another Class of the Class A 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 Class of the Class A Notes for the time being outstanding or in writing by the holders of at least one-quarter in aggregate of the Principal Amount Outstanding of each Class of the Class A Notes for the time being outstanding, and the Note Trustee shall have no liability to any person in this regard; 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;
- (r) **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 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 Class thereof, if (subject to Clause 20.4) each of the Rating Agencies rating the relevant 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 Class of Notes (if any) would not be downgraded, withdrawn or qualified by such exercise or performance and/or (ii) if the original rating of the relevant Class of Notes has been downgraded previously, that such exercise or performance will not prevent the restoration of such original rating of such Class of Notes; The Note Trustee shall be entitled to rely on each Rating Agency's confirmation, without liability to any person provided that if a Non-Responsive Rating Agency indicates that it does not consider such confirmation is necessary in the circumstances or no such confirmation is forthcoming and at least one Rating Agency gives such a confirmation based on the same facts, then the



reference to each of the Rating Agencies in this paragraph shall in such circumstances be deemed to exclude any such Non-Responsive Rating Agency;

- (s) **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. Any such certificate or other document may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear's EUCLID or Clearstream, Luxembourg's Creation Online system) in accordance with its usual procedures and in which the relevant information is clearly identified. 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;
- (t) **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;
- (u) **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;
- (v) **Power of Attorney:** the Note Trustee may whenever it thinks fit 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;
- (w) **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;
- (x) **Ratings:** the Note Trustee shall have no responsibility for the maintenance of any rating of any of the Rated Notes by the Rating Agencies or any other person;
- (y) **Nominees:** in relation to any asset held by it under this Deed, the Note Trustee may appoint any person to act as its nominee on any terms;

- (z) **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 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;
- (aa) **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;
- (bb) **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(ff)**) 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.
- (cc) **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, certificates or legal opinions delivered to the Note Trustee, and is under no obligation to inform Noteholders of the contents of any such reports, information, documents, certificates or legal opinions, other than allowing Noteholders upon reasonable notice, to inspect such reports, information, documents, certificates and legal opinions;
- (dd) **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;
- (ee) **Limitation of Liability:** the Note Trustee shall not be responsible for the genuineness, validity, effectiveness or suitability of any of the 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 Transaction Document or any other document entered into in connection therewith;
- (iii) the title to or the 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 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 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 and may assume until it has actual knowledge to the contrary that such parties are so performing or observing the provisions of such documents;
- (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 Transaction Document;
- (viii) any deficiency that may arise because it is liable for tax in respect of the proceeds of any Issuer Security;
- (ix) the title of the Issuer to any Issuer Charged Property;
- (x) the suitability, adequacy or sufficiency of any applicable criteria for any advances under the Issuer Intercompany Loan Agreement and the Funding 1 Start-Up Loan Agreement or the legality or recoverability or enforceability thereof or the priority of any security (howsoever described) in relation thereto;
- (xi) 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;

- (xii) 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 Transaction Documents or any other document;
  - (xiii) 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 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;
  - (xiv) any accounts, books, records or files maintained by the Issuer or any other person in respect of any of the Issuer Charged Property or Transaction Documents; or
  - (xv) any other matter or thing relating to or in any way connected with any Issuer Charged Property or any Transaction Document or any document entered into in connection therewith whether or not similar to the foregoing; and
- (ff) 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 seeks to limit its liability (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.

#### **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 Transaction Documents or any person or body corporate associated with the Issuer or any other party to the 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 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 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 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 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 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 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 any breach or proposed breach by the Issuer or any other person of any of the covenants or provisions contained in any of the 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 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 the Noteholders 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 to these presents or any of the other Transaction Documents which in the opinion of the Note Trustee it may be proper to make **PROVIDED THAT** (a) the Note Trustee is of the opinion that such modification will not be materially prejudicial to the interests of the holders of any Class of Notes (except in the case of a Basic Terms Modification where the Note Trustee shall have no such power) or (b) any modification to these presents or any of the other Transaction Documents if in the 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 Trustee 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 (subject to Clause 20.4) each of the Rating Agencies has confirmed in writing that the then current ratings of the applicable Classes of Rated 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 Class/es of Notes.

- (c) In addition, the Note Trustee shall give its consent to any modifications to any 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) New Intercompany Loan Agreements to be advanced to Funding 1 or any Further Funding Companies or the amendment of any existing Issuer Intercompany Loan and/or the issue of New Issuer Notes or Further Securities by New Issuers or the Issuer;
  - (ii) New Funding 1 Start-Up Loan Agreements and/or new Issuer Start-Up Loan Agreements of Funding 1 or the amendment or increase in size of any existing Start-Up Loan Agreement of Funding 1 or any Further Funding Companies (as the case may be), the Issuer and/or any New Issuer;
  - (iii) the addition of New Issuer Secured Creditors, New Funding 1 Secured Creditors or secured creditors of 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 their Related Security to the Mortgages Trustee;
  - (vii) changes to the Funding 1 Reserve Required Amount, the Issuer Reserve Fund Required Amount or the Issuer Liquidity Reserve Required Amount (or equivalent amounts in respect of any Further Funding Company and/or New Issuer) or to the manner in which each such amounts are funded; and/or
  - (viii) 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) Loan Tranches being made available to Funding 1 (as set out in Clause 3.1 of the Issuer Intercompany Loan Agreement);

- (B) the assignment of New Loans to the Mortgages Trustee (as set out in Clause 4 (Sale and Purchase of new Portfolios, Product Switches and Further Advances) of the Mortgage Sale Agreement);
- (C) the inclusion of a New Beneficiary of the Mortgages Trust (as set out in Clause 17 (New Beneficiary of the Mortgages Trust) of the Mortgages Trust Deed),

have been satisfied; and

- (ii) the Note Trustee has received confirmation from, subject to Clause 20.4, each of the Rating Agencies in respect of **paragraph (c)(i) to (c)(viii)** above that as a result of the relevant modifications the then current ratings of the Rated 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 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 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 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 either 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 **paragraph (b)** (above) so that there shall be no requirement for the confirmation or response from any 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)** and (c) (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 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 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 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(I)**) 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 New Note Trustee**

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 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 Registrar, the Noteholders and the Rating Agencies.

### **23.2 Separate and Co-Trustees**

Notwithstanding the provisions of **sub-clause 23.1** 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 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 an 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 reduced, 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 and that, pursuant to **Clause 20.4**, the confirmation of one of the Rating Agencies may be sufficient for such purpose)).

**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:**

Langton Securities (2010-1) 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:**

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

For the attention of: Agency and Trust  
Facsimile: +44 (0) 20 7500 5877

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) a 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) a legal opinion from a reputable firm (which shall include the statements set forth in **Clause 28.2**) 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, the Notes and any non-contractual obligations arising out of or in connection with it 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 Note 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 (including a dispute relating to any non-contractual obligations in connection with these presents) 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 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

#### CLASS [A1/A2/A3/A4/A5/A6/A7/A8/A9/A10/Z1/Z2] 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, 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 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.]#

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

**LANGTON SECURITIES (2010-1) PLC**

(Incorporated with limited liability in England with registered number 7381471)

**£[●] CLASS [A1/A2/A3/A4/A5/A6/A7/A8/A9/A10/Z1/Z2] GLOBAL NOTES**  
representing up to

**£[●] Class [A1/A2/A3/A4/A5/A6/A7/A8/A9/A10/Z1/Z2] Floating Rate Notes due [December 2054]**

(Initial aggregate principal amount of Class [A1/A2/A3/A4/A5/A6/A7/A8/A9/A10/Z1/Z2] Global Notes: [●])

This Class [A1/A2/A3/A4/A5/A6/A7/A8/A9/A10/Z1/Z2] Global Note is issued without principal or interest coupons in respect of a duly authorised issue of Class [A1/A2/A3/A4/A5/A6/A7/A8/A9/A10/Z1/Z2] Notes of Langton Securities (2010-1) 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*] pounds sterling (£[●]) and constituted by a Note Trust Deed dated 1 October 2010 (the **Note Trust Deed**) between the Issuer and Citicorp Trustee Company Limited 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 3** (Terms and Conditions of the Notes) to the Note Trust Deed. Terms used but not defined herein have the meanings ascribed to them in the issuer master definitions and construction schedule, signed by, amongst others, the parties to the Note Trust Deed and dated 1 October 2010 (the **Issuer Master Definitions and Construction Schedule**) (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** (Interpretation and Construction) 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 £[*Initial Principal Amount*] as shall be shown by the latest entry duly made in the Schedule hereto.

This is to certify that:

Citic Nominees Limited as nominee on behalf of the Common Depositary for both Euroclear Bank S.A./N.V. (**Euroclear**) and Clearstream, Luxembourg, *société anonyme* (**Clearstream, Luxembourg**)

is the duly registered holder(s) of one of the Class [A1/A2/A3/A4/A5/A6/A7/A8/A9/A10/Z1/Z2] 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 quarterly 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.

## 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) 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 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 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 £100,000 each, plus integral multiples of £1,000 or in such other denominations as the Note Trustee shall determine (which must be higher than £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 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. 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.

**5. 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.

**6. Governing law**

This Global Note and any non-contractual obligations arising out of or in connection with it are 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.

**7. 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.

**LANGTON SECURITIES (2010-1) PLC**

By: \_\_\_\_\_  
by its duly authorised attorney

Issued in London, England on 1 October 2010.

**Certificate of authentication**

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

\_\_\_\_\_  
Duly authorised  
for and on behalf of  
**CITIBANK, N.A., LONDON BRANCH**  
as Registrar

**PART I**

**PAYMENTS OF PRINCIPAL AND INTEREST**

The following payments on this Global Note have been made:




**PART II**  
**EXCHANGES,**  
**PURCHASES AND CANCELLATIONS**

The following exchanges for Definitive Notes and purchases and cancellations of a part of this Global Note have been made:




## SCHEDULE 2

### FORM OF DEFINITIVE NOTES

#### CLASS [A1/A2/A3/A4/A5/A6/A7/A8/A9/A10/Z1/Z2] DEFINITIVE NOTE

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[SERIAL NO.]

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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 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.]#

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# To delete on the Euro Global Notes.

**LANGTON SECURITIES (2010-1) PLC**

(Incorporated with limited liability in England with registered number 7381471)

**£[●]Class [[●]] Floating Rate Notes due December 2054  
(the Class [A1/A2/A3/A4/A5/A6/A7/A8/A9/A10/Z1/Z2] Notes)**

The Class [A1/A2/A3/A4/A5/A6/A7/A8/A9/A10/Z1/Z2] Notes are constituted by a note trust deed (the **Note Trust Deed**) dated [1] October 2010 made between Langton Securities (2010-1) plc (the **Issuer**) and Citicorp Trustee Company Limited, as note trustee for the holders of the Class [A1/A2/A3/A4/A5/A6/A7/A8/A9/A10/Z1/Z2] Notes (the **Note Trustee**) and issued as registered Class [A1/A2/A3/A4/A5/A6/A7/A8/A9/A10/Z1/Z2] Notes in denominations of £100,000 each, plus integral multiples of £1,000, or in such other denominations (which must be higher than £100,000 as the Note Trustee shall determine and notify to the holders of the relevant Class [A1/A2/A3/A4/A5/A6/A7/A8/A9/A10/Z1/Z2] Notes.

**THIS IS TO CERTIFY** that [●]

is/are the registered holder(s) of:

£[●] in principal amount of the registered Class [A1/A2/A3/A4/A5/A6/A7/A8/A9/A10/Z1/Z2] Notes, such Class [A1/A2/A3/A4/A5/A6/A7/A8/A9/A10/Z1/Z2] Notes being in the denomination of 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 Class [A1/A2/A3/A4/A5/A6/A7/A8/A9/A10/Z1/Z2] Notes (the **Conditions**) endorsed hereon) to the repayment of such principal sum of:

£[●]

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 5.3**) endorsed hereon of this Class [A1/A2/A3/A4/A5/A6/A7/A8/A9/A10/Z1/Z2] 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 Class [A1/A2/A3/A4/A5/A6/A7/A8/A9/A10/Z1/Z2] Note has been executed on behalf of the Issuer.

**LANGTON SECURITIES (2010-1) PLC**

By: \_\_\_\_\_  
acting by its authorised attorney  
in the presence of:

Witness's signature:

Name:

Address:

Dated

**Certificate of authentication**

This Class [A1/A2/A3/A4/A5/A6/A7/A8/A9/A10/Z1/Z2] Note is duly authenticated without recourse, warranty or liability.

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

**(REVERSE OF NOTE)**

**THE CONDITIONS**

**[In the form set out in Schedule 3]**

**FORM OF TRANSFER OF DEFINITIVE NOTE**

**FOR VALUE RECEIVED** the undersigned hereby transfer(s) to

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

£ \_\_\_\_\_ principal amount of this Class  
[A1/A2/A3/A4/A5/A6/A7/A8/A9/A10/Z1/Z2] Note and all rights hereunder, hereby irrevocably  
constituting and appointing \_\_\_\_\_ as attorney to transfer such  
principal amount of this Class [A1/A2/A3/A4/A5/A6/A7/A8/A9/A10/Z1/Z2] Note in the register  
maintained by or on behalf of **LANGTON SECURITIES (2010-1) 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 Class [A1/A2/A3/A4/A5/A6/A7/A8/A9/A10/Z1/Z2] Note in every particular, without alteration or enlargement or any change whatever.

## SCHEDULE 3

### 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 Note Purchaser 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 £2,125,000,000 Floating Rate Class A1 Notes due 2054 (the **Class A1 Notes** and the holders thereof, the **Class A1 Noteholders**), the £2,125,000,000 Floating Rate Class A2 Notes due 2054 (the **Class A2 Notes** and, the holders thereof, the **Class A2 Noteholders**), the £2,125,000,000 Floating Rate Class A3 Notes due 2054 (the **Class A3 Notes** and, the holders thereof, the **Class A3 Noteholders**), the £2,125,000,000 Floating Rate Class A4 Notes due 2054 (the **Class A4 Notes** and, the holders thereof, the **Class A4 Noteholders**), the £400,000,000 Floating Rate Class A5 Notes due 2054 (the **Class A5 Notes** and, the holders thereof, the **Class A5 Noteholders**), the £2,500,000,000 Floating Rate Class A6 Notes due 2054 (the **Class A6 Notes** and, the holders thereof, the **Class A6 Noteholders**), the £2,500,000,000 Floating Rate Class A7 Notes due 2054 (the **Class A7 Notes** and, the holders thereof, the **Class A7 Noteholders**), the £2,500,000,000 Floating Rate Class A8 Notes due 2054 (the **Class A8 Notes** and, the holders thereof, the **Class A8 Noteholders**), the £2,500,000,000 Floating Rate Class A9 Notes due 2054 (the **Class A9 Notes** and, the holders thereof, the **Class A9 Noteholders**), the Floating Rate Class A10 Notes due 2054 to be issued in an amount not exceeding £1,981,494,000 (the **Class A10 Notes** and, together with the Class A1 Notes, the Class A2 Notes, the Class A3 Notes, the Class A4 Notes, the Class A5 Notes, the Class A6 Notes, the Class A7 Notes, the Class A8 Notes and the Class A9 Notes, the **Class A Notes** and, the holders thereof, the **Class A10 Noteholders** and, together with the Class A1 Noteholders, the Class A2 Noteholders, the Class A3 Noteholders, the Class A4 Noteholders, the Class A5 Noteholders, the Class A6 Noteholders, the Class A7 Noteholders, the Class A8 Noteholders and the Class A9 Noteholders the **Class A Noteholders**), the £1,385,715,000 Floating Rate Class Z1 Notes due 2054 (the **Class Z1 Notes** and the holders thereof, the **Class Z1 Noteholders**), the Floating Rate Class Z2 Notes due 2054 to be issued in an amount not less than £1,711,643,000 and not more than £2,000,000,000 (the **Class Z2 Notes** and together with the Class Z1 Notes, the **Class Z Notes** and, the holders thereof, the **Class Z2 Noteholders** and, together with the Class Z1 Noteholders, the **Class Z Noteholders** and, the Class Z Notes together with the Class A Notes, the **Notes** and the holders thereof, the **Noteholders**) in each case of the Issuer are constituted by a trust deed (the **Note Trust Deed**) dated the Closing Date and made between the Issuer and the Note Trustee (as defined below) as trustee for the Noteholders.

Any reference in these **Conditions** to a **Class** shall be a reference to each class of the Class A Notes and/or the Class Z, as the case may be or to the respective holders thereof.

The expressions Class A Notes and Class Z Notes shall, in these **Conditions**, unless the context otherwise requires, include any Further Notes (as defined below) issued pursuant to **Condition 16.1 (Further Notes)** and forming a single series with the Class A Notes or the Class Z, as the case may be, and the expression Notes shall be construed accordingly and the expression Notes shall, unless the context otherwise requires, include any New Notes issued pursuant to **Condition 16.2 (New Notes)**.

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, the Issuer Deed of Charge and the Issuer Cash Management 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 or a supplemental deed to the Note Trust Deed and shall mean:

- (a) in relation to any Notes of a Class represented by a Global Note, units of the Minimum Denomination in each case of such Class of Notes;
- (b) any Global Note; and
- (c) any Definitive Note.

In addition to the Note Trust Deed and the Issuer Deed of Charge, the Notes are the subject of the Paying Agent and Agent Bank Agreement dated the Closing Date.

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 Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, United Kingdom and at the registered office of the Issuer, being at 35 Great St. Helen's, London EC3A 6AP, United Kingdom and the specified office for the time being of the Principal Paying Agent, being at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB and any Noteholder must produce evidence satisfactory to the Principal Paying Agent as to its holding of Notes and identity.

The Holders of any 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 and each of the other Transaction Documents.

A list of defined terms used in these Conditions appears in **Condition 19 (Definitions)**.

References herein to the Class A Noteholders and the Class Z Noteholders shall, in each case and unless specified otherwise, be references to the Holders of the Notes of all Classes thereof.

## **1. FORM, DENOMINATION, REGISTER, TITLE AND TRANSFERS**

### **1.1 Form and Denomination**

The Issuer Notes will be issued in sterling.

Each Global Note will be deposited with, and registered in the name of a nominee of, a common depositary for Euroclear and Clearstream, Luxembourg. Each Global Note will be numbered serially with an identifying number which will be recorded on the relevant Global Note and in the Register.

Global Notes will be exchanged for Notes in definitive registered form (the **Definitive Notes**) only under certain limited circumstances as described in the relevant Global Note. If Global Notes are exchanged for Definitive Notes, such Definitive Notes 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 minimum denominations (the **Minimum Denominations**) of £100,000 and in integral multiples of £1,000 in excess thereof.

### **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 other Agents 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, together with such evidence as the Registrar

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 Minimum 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 (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 the 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 are direct, secured and unconditional obligations of the Issuer.

Subject to the provisions of **Conditions 4** (Interest) and **5** (Redemption and Mandatory Transfer) and subject to the other payment conditions set out in the Transaction Documents:

- (a) the Class A Notes will rank *pari passu* without any preference or priority among themselves but in priority to the Class Z Notes; and
- (b) the Class Z Notes will rank *pari passu* without any preference or priority among themselves.

### **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 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), for so long as there are any Class A Notes outstanding, 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 any Class of the Class A Noteholders and the interests of the Class Z Noteholders.

If, in relation to any matter, in the opinion of the Note Trustee, there is or may be a conflict between the interests of one Class of Class A Noteholders on the one hand and another Class of Class A Noteholders on the other, the Note Trustee shall not be obliged to take any action in relation to such matter, unless and until directed to do so by the Class A Noteholders (which, for these purposes, means each Class of the Class A Noteholders for the time being outstanding) subject to and in accordance with the other provisions of these Conditions and the Note Trust Deed.

The Note Trust Deed also contains provisions limiting the powers of the Class Z Noteholders, *inter alia*, to request or direct the Note Trustee to take certain action or to pass an effective Extraordinary Resolution according to the effect thereof on the interests of the Class A Noteholders. Except in certain circumstances described in **Condition 11** (Meetings of Noteholders, Modifications and Waiver), 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 Z Noteholders, irrespective of the effect thereof on their interests.



The Note Trustee and the Issuer Security Trustee shall be entitled to assume, without liability to any person, 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, if (subject to **Condition 15** (Rating Agencies)) each of the Rating Agencies has confirmed in writing that the then current ratings of each Class of Rated Notes would not be reduced, withdrawn or qualified by such exercise.

### **2.3 Further Notes and New Notes**

In the event of an issue of Further Notes (as defined in **Condition 16.1** (Further Notes)) or New Notes (as defined in **Condition 16.2** (New Notes)), the provisions of these Conditions, the Note Trust Deed, the Issuer Deed of Charge and the other Transaction Documents, including those concerning:

- (i) the basis on which the Note Trustee will be required to exercise or perform its rights, powers, trusts, authorities, duties and discretions (including in circumstances where, in the opinion of the Note Trustee, there is a conflict between the interests of any class of the Noteholders and the holders of such New Notes);
- (ii) the circumstances in which the Note Trustee will become bound to take action, as referred to in **Condition 9** (Events of Default) and **Condition 10** (Enforcement of Notes);
- (iii) meetings of Noteholders and the passing of effective Extraordinary Resolutions; and
- (iv) the order of priority of payments (including the order which applies prior to the acceleration of the Notes (both prior to, and upon, enforcement of the security constituted by the Issuer Deed of Charge) and the order which applies upon acceleration of the Notes),

will be modified in such manner as the Note Trustee or, as the case may be, the Issuer Security Trustee considers necessary to reflect the issue of such Further Notes or, as the case may be, New Notes and any new Transaction Documents entered into in connection with such Further Notes or, as the case may be, New Notes and the ranking thereof and of the claims of any party to any of such new Transaction Documents in relation to each class of the Notes.

If any New Notes are issued, the Issuer will immediately advise the UK Listing Authority and the London Stock Exchange accordingly, procure the publication of a notice of the issue in accordance with **Condition 14** (Notice to Noteholders), file a new prospectus in respect of the issue of the New Notes with the UK Listing Authority and the London Stock Exchange and make such prospectus and any related agreements available in London at the specified office of the Principal Paying Agent.

### **2.4 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 any Notes or the Issuer Start-up Loan Agreement.

### **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, except where the same is given in connection with the issue of any Notes or the Issuer Start-up Loan Agreement.

### **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 any Notes 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 and the Issuer Start-up Loan Agreement.

### **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 any Notes.

### **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.

### **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 Accrual of interest on Notes

#### (a) *Interest Payment Dates*

Each Note bears interest on its Principal Amount Outstanding from (and including) the Closing Date or the Second Issue Closing Date, as applicable, and such interest will be payable quarterly in arrear on the 18th day of March, June, September and December of each year (or, if such day is not a Business Day, the next succeeding Business Day (each such day, an **Interest Payment Date**)). Such interest will be payable in respect of each Interest Period (as defined below).

As used in these Conditions, **Interest Period** means the period from (and including) an Interest Payment Date (or, as applicable, the Closing Date or the Second Issue Closing Date) to (but excluding) the next (or the first) Interest Payment Date.

#### (b) *Rate of Interest*

The rate of interest (the **Rate of Interest**) in respect of each Class of the Notes for each Interest Period will, subject as provided below, be determined on the relevant Interest Payment Date (the **Determination Date**) by 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) on the Determination Date, 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 **Condition 4.1(b)** 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.

#### (c) *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 Notes in respect of each Minimum 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 penny, half of a penny 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.

#### (d) *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 Principal Paying Agent, the Registrar and to any stock exchange or other relevant competent authority or quotation system on which the relevant 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** (Notice to Noteholders) 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 Notes are for the time being listed or by which they have been admitted to listing and to Noteholders in accordance with **Condition 14** (Notice to Noteholders).

**(e) 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 Note or the Agent Bank defaults in its obligation to calculate any Interest Amount for such Note in accordance with subparagraph (b) above and in accordance with paragraph (c) 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 4**), 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.

**(f) 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**, whether by the Agent Bank 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 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 Note Trustee in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

**4.2 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 to the holder thereof that such payment will be made, provided that subsequently, payment is in fact made.

**4.3 Deferred Interest**

To the extent that, subject to and in accordance with the Issuer Priority of Payments, the funds available to the Issuer to pay interest on any Class of Notes (other than the most senior Class of Notes) 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 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 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 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 then outstanding will not be deferred. In the event of the delivery of a Note Acceleration Notice (as described in

**Condition 9** (Events of Default)), 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 each Class of Notes at their Principal Amount Outstanding together with all accrued interest on their Final Maturity Date.

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** (Mandatory Redemption), **5.4** (Optional Redemption in Full) or **5.5** (Optional Redemption for Tax and other Reasons) below, but without prejudice to **Condition 9** (Events of Default).

### **5.2 Mandatory Redemption**

- (a) Subject to paragraph (b) below, prior to the service of a Note Acceleration Notice on the Issuer and unless the Class A Notes and the Class Z Notes have previously been redeemed in full or purchased and cancelled as provided for in this **Condition 5**, the Issuer will redeem:
- (i) the Class A1 Notes on each Interest Payment Date from and including the scheduled redemption date in December 2011 or any earlier Interest Payment Date following a trigger event in an amount equal to the amount repaid by Funding 1 to the Issuer on such date in respect of the AAA (Class A1) Loan Tranche;
  - (ii) the Class A2 Notes on each Interest Payment Date from and including the scheduled redemption date in March 2013 or any earlier Interest Payment Date following a trigger event in an amount equal to the amount repaid by Funding 1 to the Issuer on such date in respect of the AAA (Class A2) Loan Tranche;
  - (iii) the Class A3 Notes on each Interest Payment Date from and including the scheduled redemption date in March 2015 or any earlier Interest Payment Date following a trigger event in an amount equal to the amount repaid by Funding 1 to the Issuer on such date in respect of the AAA (Class A3) Loan Tranche;
  - (iv) the Class A4 Notes on each Interest Payment Date from and including the scheduled redemption date in December 2015 or any earlier Interest Payment Date following a trigger event in an amount equal to the amount repaid by Funding 1 to the Issuer on such date in respect of the AAA (Class A4) Loan Tranche;
  - (v) the Class A5 Notes on each Interest Payment Date from and including the Interest Payment Date falling in December 2015 or any earlier Interest Payment Date following a trigger event in an amount equal to the amount repaid by Funding 1 to the Issuer on such date in respect of the AAA (Class A5) Loan Tranche;
  - (vi) the Class A6 Notes on each Interest Payment Date from and including the scheduled redemption date in September 2011 or any earlier Interest Payment Date following a trigger event in an amount equal to the amount repaid by Funding 1 to the Issuer on such date in respect of the AAA (Class A6) Loan Tranche;
  - (vii) the Class A7 Notes on each Interest Payment Date from and including the scheduled redemption date in December 2012 or any earlier Interest Payment Date following a trigger event in an amount equal to the amount repaid by Funding 1 to the Issuer on such date in respect of the AAA (Class A7) Loan Tranche;
  - (viii) the Class A8 Notes on each Interest Payment Date from and including the scheduled redemption date in June 2014 or any earlier Interest Payment Date following a trigger event in an amount equal to the amount repaid by Funding 1 to the Issuer on such date in respect of the AAA (Class A8) Loan Tranche;
  - (ix) the Class A9 Notes on each Interest Payment Date from and including the scheduled redemption date in December 2015 or any earlier Interest Payment Date following a trigger event in an

- amount equal to the amount repaid by Funding 1 to the Issuer on such date in respect of the AAA (Class A9) Loan Tranche;
- (x) the Class A10 Notes on each Interest Payment Date from and including the Interest Payment Date falling in December 2015 or any earlier Interest Payment Date following a trigger event in an amount equal to the amount repaid by Funding 1 to the Issuer on such date in respect of the AAA (Class A10) Loan Tranche;
  - (xi) the Class Z1 Notes on each Interest Payment Date from and including the Interest Payment Date falling in December 2015 or any earlier Interest Payment Date following a trigger event in an amount equal to the amount repaid by Funding 1 to the Issuer on such date in respect of the NR (Class Z1) Loan Tranche; and
  - (xii) the Class Z2 Notes on each Interest Payment Date from and including the Interest Payment Date falling in December 2015 or any earlier Interest Payment Date following a trigger event in an amount equal to the amount repaid by Funding 1 to the Issuer on such date in respect of the NR (Class Z2) Loan Tranche.
- (b) If, and to the extent that, the Issuer does not receive an amount applicable to the AAA (Class A1) Loan Tranche, the AAA (Class A2) Loan Tranche, the AAA (Class A3) Loan Tranche, the AAA (Class A4) Loan Tranche, the AAA (Class A5) Loan Tranche, the AAA (Class A6) Loan Tranche, the AAA (Class A7) Loan Tranche, the AAA (Class A8) Loan Tranche, the AAA (Class A9) Loan Tranche, the AAA (Class A10) Loan Tranche, the NR (Class Z1) Loan Tranche or the NR (Class Z2) Loan Tranche the Issuer is under no obligation to make a repayment of principal on the Class A1 Notes, the Class A2 Notes, the Class A3 Notes, the Class A4 Notes, the Class A5 Notes, the Class A6 Notes, the Class A7 Notes, the Class A8 Notes, the Class A9 Notes, the Class A10 Notes, the Class Z1 Notes or Class Z2 Notes, respectively, to the extent of the relevant shortfall on that Interest Payment Date. Any such shortfall will be payable on the next Interest Payment Date (to the extent that amounts are received to meet this shortfall but without prejudice to **Condition 5.1** (Final Redemptions)).

### 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 Class on any Interest Payment Date under **Condition 5.2** (Mandatory Redemption) above shall be a proportion of the amount required as at that Interest Payment Date to be applied in redemption of such 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 Class of Notes rounded down to the nearest penny, provided always that no such Note Principal Payment may exceed the Principal Amount Outstanding of the relevant Note.

On each 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 Class on the immediately following Interest Payment Date and (b) the Principal Amount Outstanding of each such Note which shall be the Minimum Denomination less 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 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 Minimum 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 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 Determination Date, to the Note Trustee, the Issuer Security Trustee, the Principal Paying Agent, 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** (Notice to Noteholders) 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 (or an agent on its behalf) 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 (a) and (b) below, not more than 30 days nor less than five days' prior notice) to the Note Trustee, Principal Paying Agent and the Noteholders in accordance with **Condition 14** (Notice to Noteholders), the Issuer may redeem all but not some only of any Class of Notes at the Principal Amount Outstanding of such Notes together with any accrued and unpaid interest in respect thereof:

- (a) on the Interest Payment Date falling in 18 March 2011 and on any Interest Payment Date thereafter provided that, in the case of redemption of the Class Z Notes, the Class A Notes have been redeemed in full; or
- (b) on such Interest Payment Date on which the aggregate Principal Amount Outstanding of such Notes and all other Classes of Notes is less than 10 per cent. of the aggregate Principal Amount Outstanding of such Notes as at the Closing Date or and Second Issue Closing Date (as applicable),

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 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.

#### **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 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 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 amounts due under the Intercompany Loan Agreement 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 under the Intercompany Loan Agreement upon the Note Trustee (1) being satisfied that such substitution will not be materially prejudicial to the interests of Noteholders, (2) receiving written confirmation from the Rating Agencies that the then current ratings of the Rated Notes will not be downgraded, withdrawn or qualified and any other confirmation which it considers, in its absolute discretion, is necessary and/or appropriate (subject to **Condition 15** (Rating Agencies)), and (3) 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 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 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. 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**. The Note Trustee may: (i) have regard to the written confirmations referred to in (2) above; and (ii) rely on the certificate referred to in (3) above which shall be binding on the Note Trustee and the Noteholders, without having to call for any further evidence and without liability to any Noteholder for so doing.

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) and (c) 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** (Notice to Noteholders), redeem all (but not some only) of such Notes on the immediately succeeding Interest Payment Date for such Notes at their aggregate Principal Amount Outstanding 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 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.

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 Funding 1 Interest 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 Principal Amount Outstanding 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 and the Noteholders in accordance with **Condition 14** (Notice to Noteholders), 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.

## **6. PAYMENTS**

### **6.1 Payment of Interest and Principal**

Payments of principal shall be made by cheque in sterling 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** (Record Date)), 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 sterling or 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** (Interest) will be paid in accordance with this **Condition 6**.

## **6.4 Change of Agents**

The initial Principal Paying Agent and the Registrar 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 and the Registrar and to appoint an additional or other paying agents. The Issuer will at all times maintain the Principal Paying Agent with a Specified Office in London 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 Principal Paying Agent or the Registrar or their Specified Offices to be given in accordance with **Condition 14** (Notice to Noteholders) 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 the 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 the 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 the Principal 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 in the place of the Registrar's Specified Office (i) where 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 for such payment, and (ii) where in definitive form, at the close of business on the fifteenth day (whether or not such fifteenth day is a business day) before the relevant 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** (Payment of Interest and Principal), 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** (Notice to Noteholders).

## **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 ten 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 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** (Notice to Noteholders).

## **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 for the time being outstanding (as defined in the Note Trust Deed (which for this purpose means directions from the requisite percentage of holders of each Class of the Class A Notes for the time being outstanding) or (if so directed by or pursuant to an Extraordinary Resolution passed at a meeting or meetings of the Class A Noteholders for the time being outstanding (as defined in the Trust Deed) (which for this purpose means an Extraordinary Resolution of the holders of each Class of the Class A Notes for the time being outstanding)) 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:

- (a) default being made for a period of three Business Days in the payment of any amount of principal of the Class A Notes 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 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, 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 Class A Noteholders; 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 Class A Noteholders; 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 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 any Class A Notes are outstanding.

## 9.2 Class Z Noteholders

This **Condition 9.2** shall have no effect if, and for as long as, any Class A Notes 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 outstanding (as defined in the Note Trust Deed (which for this purpose and the purpose of any Extraordinary Resolution referred to in this **Condition 9.2** means the Class Z Notes constituted by the Note Trust Deed)) or (if so directed by or pursuant to an Extraordinary Resolution passed at a meeting of the Class Z Noteholders 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 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 Z Notes 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 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.

## 9.3 Following Service of a Note Acceleration Notice

In these Conditions, a **Note Acceleration Notice** means any of the Class A 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** (Class A Noteholders) or **9.2** (Class Z Noteholders) all Notes shall immediately become due, without further action, notice or formality at their Principal Amount Outstanding together with accrued interest.

## 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** (Events of Default)), 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 and paragraphs (b) (i) and (ii) below) it shall have been so directed by an Extraordinary Resolution of the Class A Noteholders or the Class Z Noteholders for the time being outstanding (as defined in the Trust Deed) (which for this purpose means an Extraordinary Resolution of the holders of each Class of the Class A Notes or an Extraordinary Resolution of the holders of the Class Z Notes for the time being outstanding (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 or Class Z Notes for the time being outstanding (as defined in the Note Trust Deed) (which, for this purpose, means directions from the requisite percentage of the holders of each Class of the Class A Notes or the holders of the Class Z Notes for the time being outstanding as applicable); and
- (b) it shall have been indemnified and/or secured to its satisfaction:
  - (i) provided that the Note Trustee shall not be obliged to act at the direction or request of the Class Z Noteholders as aforesaid unless none of the Class A Notes are outstanding, or, in all other circumstances, either the Note Trustee is of the 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 (which, for this purpose, means an Extraordinary Resolution of the holders of each Class of the Class A Notes); and
  - (ii) 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.

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 Noteholder will be entitled to commence proceedings for the winding-up or administration of the Issuer.

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 undertakings of the Issuer the subject of any security created by the Issuer Deed of Charge (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 WAIVERS**

### **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** (Limitations on Noteholders):

- (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 for the time being outstanding;
- (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 for the time being outstanding; 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 for the time being outstanding.

The Note Trust Deed contains similar provisions in relation to requests in writing or directions from Holders of a specified percentage of the Principal Amount Outstanding of each Class of Class A Notes for the time being outstanding.

#### **(b) Class Z Notes**

In respect of the class Z Notes, the Note Trust Deed provides that, subject to **Condition 11.2** (Limitation on Noteholders), a resolution which, in the opinion of the Note Trustee, affects the interests of the Class Z Noteholders only shall be deemed to have been duly passed if passed at a meeting of the Class Z Noteholders.

The quorum for any meeting of the Holders of any Class or Classes of Notes convened to consider a resolution (except for the purpose of passing an Extraordinary Resolution) will be one or more persons holding or representing not less than one-twentieth of the aggregate Principal Amount Outstanding of such Class or Classes of Notes outstanding (as defined in the Note Trust Deed) or, at any adjourned meeting, one or more persons being or representing Noteholders of such Class or Classes of Notes, 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) 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 Class or Classes 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 Class or Classes of Notes outstanding (as defined in the Note Trust Deed) or, at any adjourned meeting, one or more persons being or representing Noteholders of such Class or Classes of Notes, whatever the aggregate Principal Amount Outstanding of the relevant Notes outstanding (as defined in the Note Trust Deed) 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 Class or of such Classes or the rate, the day or the timing of payments of interest thereon or of the currency of payment of the Notes of such Class or of such Classes 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 Class or of the Classes of Notes outstanding (as defined in the Note Trust Deed) 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 Class or of the Classes of Notes outstanding (as defined in the Note Trust Deed).

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

A resolution signed by or on behalf of all the Noteholders of the relevant Class or of the relevant Classes 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 the relevant Class or of the relevant Classes of Notes.

### **11.2 Limitations on Noteholders**

Subject as provided in **Condition 11.3** (Approval of Modifications and Waivers by Noteholders):

- (a) an Extraordinary Resolution of the Class A Noteholders shall be binding on all Class Z Noteholders; and
- (b) no Extraordinary Resolution of the Class Z Noteholders shall take effect for any purpose while any Class A Notes remain outstanding unless it shall have been sanctioned by an Extraordinary Resolution of the Class A Noteholders or the Note Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class A Noteholders.

### **11.3 Approval of Modifications and Waivers by Noteholders**

No Extraordinary Resolution of the Noteholders of the 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 these Conditions shall take effect unless it has been sanctioned by an Extraordinary Resolution of the Class Z Noteholders, or the Note Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class Z Noteholders.

### **11.4 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 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 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 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 thereof if each of the Rating Agencies has confirmed that the then

current ratings of each Class of Rated Notes would not be reduced, withdrawn or qualified by such modification, waiver, determination or authorisation, subject to **Condition 15** (Rating Agencies).

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 independent investment bank or financial adviser acting in relation to the Notes as to any matter referred to above and, in the absence of manifest error, shall not be responsible for any loss, liability, costs, damages, expenses or inconvenience that may be caused as a result.

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** (Notice to Noteholders) as soon as practicable thereafter.

### **11.5 Redenomination**

The Note Trustee may agree, without the consent of the Holders of the Notes on or after the Specified Date (as defined below), to such modifications to the 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 the 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 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 Notes and, unless the Note Trustee agrees otherwise, any such modification shall be notified to the Noteholders in accordance with **Condition 14** (Notice to Noteholders) as soon as practicable thereafter.

### **11.6 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, THE ISSUER SECURITY TRUSTEE AND THE FUNDING 1 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 and/or secured 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 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.

Each of the Note Trustee, the Issuer Security Trustee and the Funding 1 Security Trustee may refrain from taking any action or exercising any right, power, authority or discretion vested in it relating to the transactions contemplated in the Transaction Documents until it has been indemnified and/or secured to its satisfaction against any and all actions, charges, claims, costs, damages, demands, expenses, liabilities, losses and proceedings which might be sustained by it as a result and none of them will be required to do anything which may cause it to 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, powers or discretions if it has reasonable grounds for believing that repayment of such funds or adequate indemnity or security against such risk or liability is not assured to it.

Citicorp Trustee Company Limited (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 the 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 New Issuer, 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 Agent' 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 Agent's 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 the 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 such newspaper 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 the Noteholders will be validly given if such notice is provided in accordance with **Condition 14.1** (Publication of Notice) or (at the option of the Issuer) if delivered to Euroclear and/or Clearstream, Luxembourg. Any notice delivered to Euroclear and/or Clearstream, Luxembourg 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 Class or Classes thereof 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 Noteholders in such manner as the Note Trustee shall require.

## **15. 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 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 any 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 independent investment bank or financial adviser acting in relation to the Notes as to any matter referred to in (b) and (c) 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.

Each of the Issuer, the Note Trustee, the Issuer Security Trustee and the Funding 1 Security Trustee shall agree and acknowledge that, notwithstanding the foregoing, a credit rating is an assessment of credit and does not address other matters that may be of relevant to the Noteholders. Further, that their reliance on a confirmation provided by any of the Rating Agencies does not impose or extend any actual or contingent liability for the Rating Agencies to any of them or any other person, or create any legal relations between the Rating Agencies and any of them or any other person (whether by way of contract or otherwise).

## **16. FURTHER NOTES AND NEW NOTES**

### **16.1 Further Notes**

The Issuer may, without the consent of the Noteholders, raise further funds, from time to time, on any date by the creation and issue of further notes (**Further Notes**) carrying the same terms and conditions in all respects (or in all respects except for the first Interest Period) as, and so that the same shall be consolidated and form a single series and rank *pari passu* with the relevant class of the Notes provided that:

- (a) the aggregate principal amount of all Further Notes to be issued on such date is not less than £5,000,000;
- (b) any Further Notes which are Rated Notes are assigned the same ratings as are then applicable to the class of Rated Notes with which they are to be consolidated and form a single series;
- (c) the ratings of each class of Rated Notes at that time outstanding are not downgraded, withdrawn or qualified as a result of such issue of Further Notes and none of such ratings is lower than it was upon the date of issue of any of the Rated Notes;
- (d) an amount equal to the aggregate principal amount of such Further Notes will be on-lent by the Issuer to Funding 1 and/or a Further Funding Company; and
- (e) application will be made, in respect of the Further Notes, for such notes to be admitted to trading on the London Stock Exchange's regulated market and listed on the official list of the UK Listing Authority or, if the Notes then issued are no longer admitted to trading on that exchange, such exchange, if any, on which the Notes then issued are then admitted to trading.

### **16.2 New Notes**

The Issuer may, without the consent of the Noteholders, raise further funds, from time to time and on any date, by the creation and issue of new notes (**New Notes**) which may rank *pari passu* with the Class A Notes or Class Z Notes or after the Class A Notes but ahead of the Class Z Notes or after the Class Z Notes and which may have terms and conditions which differ from the Notes and which do not form a single series with the Class A Notes or the Class Z Notes provided that the conditions to the issue of Further Notes as set out in **Condition 16.1(a), (c), (d) and (e)** are satisfied, *mutatis mutandis*, in respect of such issue of New Notes.

### **16.3 Supplemental trust deeds and security**

Any such Further Notes or New Notes will be constituted by a further deed or deeds supplemental to the Note Trust Deed and have the benefit of the security constituted by the Issuer Deed of Charge. Any of the Transaction Documents may be amended as provided in **Condition 2.3 (Further Notes and New Notes)** or otherwise, and further Transaction Documents may be entered into, in connection with the issue of such Further Notes or New Notes and the claims of any of the parties to any amended Transaction Document or any further Transaction Document may rank ahead of, *pari passu* with, or behind, any class or classes of the Notes, provided, in each case, that the condition set out in **Condition 16.1(c)** is satisfied, *mutatis mutandis*.

## 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 (and any non-contractual obligations arising out of or in connection with them) are governed by Scots law. Certain provisions in the Transaction Documents relating to property situated in Northern Ireland (and any non-contractual obligations arising out of or in connection with them) 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 Issuer Master Definitions and Construction Schedule. The provisions of **Clause 3 (Interpretation and Construction)** of the Issuer Master Definitions and Construction Schedule are incorporated into and shall apply to these Conditions.

**AAA Loan Tranche** means any Loan Tranche made by the Issuer to Funding 1 under the Intercompany Loan Agreement from the proceeds of issue of the Class A1 Notes, the Class A2 Notes, the Class A3 Notes, the Class A4 Notes, the Class A5 Notes, the Class A6 Notes, the Class A7 Notes, the Class A8 Notes, the Class A9 Notes or the Class A10 Notes;

**Additional Interest** has the meaning set out in **Condition 4.3 (Deferred Interest)**;

**Agents** means the Principal Paying 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;

**Basic Terms Modification** has the meaning as set out in **Condition 11.1 (Meetings of Noteholders)**;

**Beneficiaries** means the Funding Companies and the Seller, as beneficiaries of the Mortgages Trust;

**Borrower** means, in relation to a Loan, the individual or individuals specified as such in the relevant Mortgage Terms together with the individual or individuals (if any) from time to time assuming an obligation to repay such Loan or any part of it;

**Business Day** means a day that is a London Business Day, a New York Business Day and a TARGET2 Business Day;

**Cash Management Agreement** means the cash management agreement entered into on the Initial Closing Date between the Alliance & Leicester (and to which Santander UK acceded as Cash Manager on the Part VII effective date), 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 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 A Note Acceleration Notice** has the meaning as set out in **Condition 9.1** (Class A Noteholders);

**Class Z Note Acceleration Notice** has the meaning as set out in **Condition 9.2** (Class Z Noteholders);

**Clearstream, Luxembourg** means Clearstream Banking, société anonyme;

**Closing Date** means 1 October 2010 and, where applicable, the Second Issue Closing Date;

**Controlling Beneficiary Deed** means the controlling beneficiary deed entered into on the Initial Closing Date between the Mortgages Trustee, Funding 1, the Funding 1 Security Trustee and Alliance & Leicester (and to which Santander UK acceded as Seller on the Part VII effective date) to which any Further Funding Company and any Further Funding Security Trustee will accede at the time that such Further Funding Company becomes a Beneficiary of the Mortgages Trust (as the same may be amended, restated, novated and/or supplemented from time to time);

**Customer Files** means the file or files relating to each Loan containing, *inter alia*:

- (a) all material correspondence relating to that Loan; and
- (b) the completed mortgage documentation applicable to the Loan,

whether original documentation, electronic form or otherwise or information provided by such documentation stored on an electronic database;

**Day Count Fraction** means, in respect of the calculation of an amount of interest for a Note in accordance with **Condition 4.1(c)** (Determination of Rate of Interest and calculation of Interest Amounts) for any Interest Period, the actual number of days in the Interest Period divided by 365;

**Deferred Interest** has the meaning set out in **Condition 4.3** (Deferred Interest);

**Definitive Notes** has the meaning set out in **Condition 1.1** (Form and Denomination);

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

**Designated Bank** means a bank in London;

**Determination Date** has the meaning, set out in **Condition 4.1(b)** (Rate of Interest);

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

**Extraordinary Resolution** means a resolution passed at a meeting of the Noteholders of a particular Class or Classes 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;

**Final Maturity Date** means:

- (a) in relation to the Class A1 Notes, the Interest Payment Date falling in December 2054;
- (b) in relation to the Class A2 Notes, the Interest Payment Date falling in December 2054;
- (c) in relation to the Class A3 Notes, the Interest Payment Date falling in December 2054;
- (d) in relation to the Class A4 Notes, the Interest Payment Date falling in December 2054;
- (e) in relation to the Class A5 Notes, the Interest Payment Date falling in December 2054;
- (f) in relation to the Class A6 Notes, the Interest Payment Date falling in December 2054;
- (g) in relation to the Class A7 Notes, the Interest Payment Date falling in December 2054;
- (h) in relation to the Class A8 Notes, the Interest Payment Date falling in December 2054;
- (i) in relation to the Class A9 Notes, the Interest Payment Date falling in December 2054;

- (j) in relation to the Class A10 Notes, the Interest Payment Date falling in December 2054;
- (k) in relation to the Class Z1 Notes, the Interest Payment Date falling in December 2054; and
- (l) in relation to the Class Z2 Notes, the Interest Payment Date falling in December 2054.

**FSA** means the Financial Services Authority;

**Funding 1** means Langton 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 Closing Date, Santander UK acting through its offices at 2 Triton Square, Regents 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) Alliance & Leicester (and to which Santander UK acceded as the Funding 1 Account Bank on the Part VII effective date) 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 Corporate Services Agreement** means the agreement entered into on the Initial Closing Date and made between (amongst others) the Funding 1 Corporate Services Provider, the Issuer and Holdings for the provision by the Funding 1 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);

**Funding 1 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 Funding 1 Corporate Services Agreement;

**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, including on the Second Closing Date the Third Closing Date and the Closing Date) between, amongst others, Funding 1, the Funding 1 Security Trustee, the Mortgages Trustee, Alliance & Leicester (and to which Santander UK acceded as the Funding 1 Account Bank and the Seller on the Part VII effective date), the Issuer and the Issuer Security Trustee (as the same may be amended, restated, novated and/or supplemented from time to time) 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 the 18<sup>th</sup> day of March, June, September and December in each calendar 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, the Secretarial Service Provider, the Issuer, the Funding 1 Start-Up Loan Provider, the Previous Issuers, the Previous Funding 1 Start-Up Loan Provider 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 Citicorp Trustee Company Limited and its successors or any other security trustee under the Funding 1 Deed of Charge;

**Funding 1 Start-Up Loan Agreement** means the start-up loan agreement entered into on or about the Closing Date between the Issuer (in its capacity as the Funding 1 Start-Up Loan Provider), Funding 1 and the

Funding 1 Security Trustee (as the same may be amended, restated, novated and/or supplemented from time to time);

**Funding 1 Start-Up Loan Provider** means the Issuer;

**Funding 1 Swap Agreement** means the ISDA master agreement including the schedule and credit support annex thereto entered into on the Initial Closing Date between Funding 1 and Alliance & Leicester (and to which Santander UK acceded as the Funding 1 Swap Provider on the Part VII effective date) and any confirmation thereunder from time to time between Funding 1 and the Funding 1 Swap Provider (as each of the same may be amended, restated, novated and/or supplemented from time to time, including on the Second Closing Date, the Third Closing Date and the Closing Date);

**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 Advance** means an advance made following a request from an existing Borrower for a further amount to be lent to him or her under his or her Mortgage, where Santander UK has a discretion as to whether to accept that request;

**Further Funding Company** means any funding entity (other than Funding 1) established in the future by Holdings that accedes to the Mortgages Trust Deed as a beneficiary;

**Further Funding Company Deed of Charge** means any deed of charge (other than the Funding 1 Deed of Charge) entered into after the Initial Closing Date between, *inter alios*, the Issuer, a Further Funding Company and a Further Funding Security Trustee pursuant to which such Further Funding Company creates security over all of its assets in favour of such Further Funding Security Trustee;

**Further Funding Security Trustees** means any security trustee (other than the Funding 1 Security Trustee) appointed under any Further Funding Company Deed of Charge;

**Further Notes** means notes (other than Notes) issued by the Issuer and carrying the same terms and conditions in all respects (or in all respects except for the first Interest Period) as, and so that the same shall be consolidated and form a single series and rank *pari passu* with, any Class of Notes;

**Global Notes** means any Notes in global form;

**Holder** has the meaning set out in **Condition 1.2** (Register);

**Holdings** means Langton Securities Holdings Limited (registered number 6432540), 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 25 January 2008;

**Initial Issuer** means Langton Securities (2008-1) plc;

**Initial Trustee** has the meaning as set out in **Condition 12** (Indemnification of the Note Trustee and the Issuer Security Trustee);

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

**Intercompany Loan Agreement** means the Intercompany Loan Terms and Conditions and the Intercompany Loan Confirmation;

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

**Intercompany Loan Terms and Conditions** means the terms and conditions signed for identification on the Initial Closing Date by Funding 1, the Funding 1 Security Trustee and the Agent Bank;

**Interest Amount** has the meaning as set out in **Condition 4.1(c)** (Determination of Rate of Interest and calculation of Interest Amounts);

**Interest Payment Date** has the meaning as set out in **Condition 4.1(a)** (Interest Payment Dates);

**Interest Period** has the meaning as set out in **Condition 4.1(a)** (Interest Payment Dates);

**Issuer** means Langton Securities (2010-1) plc (registered number 7381471), a public limited company incorporated under the laws of England and Wales, whose registered office is at 35 Great St. Helen's London EC3A 6AP;

**Issuer AAA (Class A1) Loan Tranche** means the loan tranche made by the Issuer to Funding 1 under the Issuer Intercompany Loan Agreement from the proceeds of issue of the Class A1 Notes;

**Issuer AAA (Class A2) Loan Tranche** means the loan tranche made by the Issuer to Funding 1 under the Issuer Intercompany Loan Agreement from the proceeds of issue of the Class A2 Notes;

**Issuer AAA (Class A3) Loan Tranche** means the loan tranche made by the Issuer to Funding 1 under the Issuer Intercompany Loan Agreement from the proceeds of issue of the Class A3 Notes;

**Issuer AAA (Class A4) Loan Tranche** means the loan tranche made by the Issuer to Funding 1 under the Issuer Intercompany Loan Agreement from the proceeds of issue of the Class A4 Notes;

**Issuer AAA (Class A5) Loan Tranche** means the loan tranche made by the Issuer to Funding 1 under the Issuer Intercompany Loan Agreement from the proceeds of issue of the Class A5 Notes;

**Issuer AAA (Class A6) Loan Tranche** means the loan tranche made by the Issuer to Funding 1 under the Issuer Intercompany Loan Agreement from the proceeds of issue of the Class A6 Notes;

**Issuer AAA (Class A7) Loan Tranche** means the loan tranche made by the Issuer to Funding 1 under the Issuer Intercompany Loan Agreement from the proceeds of issue of the Class A7 Notes;

**Issuer AAA (Class A8) Loan Tranche** means the loan tranche made by the Issuer to Funding 1 under the Issuer Intercompany Loan Agreement from the proceeds of issue of the Class A8 Notes;

**Issuer AAA (Class A9) Loan Tranche** means the loan tranche made by the Issuer to Funding 1 under the Issuer Intercompany Loan Agreement from the proceeds of issue of the Class A9 Notes;

**Issuer AAA (Class A10) Loan Tranche** means the loan tranche made by the Issuer to Funding 1 under the Issuer Intercompany Loan Agreement from the proceeds of issue of the Class A10 Notes;

**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 (being the Issuer Sterling Account), the Issuer GIC Account, the Issuer Share Capital Account (each as defined in the Issuer Master Definitions and Construction Schedule) and any other account opened and maintained by the Issuer with the Issuer Account Bank pursuant to the Transaction Documents;

**Issuer Bank Account Agreement** means the bank account agreement entered into on the 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 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 Corporate Services Agreement** means the agreement entered into on or about the Closing Date and made between (amongst others) the Issuer Corporate Services Provider, the Issuer and Holdings for the

provision by the Issuer Corporate Services Provider of certain corporate services and personnel to the Issuer and Holdings (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;

**Issuer Deed of Charge** means the deed of charge entered into on the Closing Date, between, among others, the Issuer and the Issuer Security Trustee (as the same may be amended, restated, novated and/or supplemented from time to time) and each deed of accession or supplement entered into in connection therewith;

**Issuer GIC Account** means the bank account in the name of the Issuer and maintained subject to the terms of the Issuer Bank Account Agreement held at the Issuer Account Bank;

**Issuer Master Definitions and Construction Schedule** means, in relation to the Issuer, the issuer master definitions and construction schedule signed on or about the Closing Date, as the same may be amended, restated, novated and/or supplemented from time to time;

**Issuer Notes** means the Class A Notes and Class Z Notes.

**Issuer NR (Class Z1) Loan Tranche** means the loan tranche made by the Issuer to Funding 1 under the Intercompany Loan Agreement from the proceeds of issue of the Class Z1 Notes;

**Issuer NR (Class Z2) Loan Tranche** means the loan tranche made by the Issuer to Funding 1 under the Intercompany Loan Agreement from the proceeds of issue of the Class Z2 Notes;

**Issuer Post-Enforcement Priority of Payments Following an Intercompany Loan Acceleration** means the post-enforcement priority of payments following the service of an Intercompany Loan Acceleration Notice as set out in Clause 7.3 of the Issuer Deed of Charge;

**Issuer Post-Acceleration Principal Priority of Payments** means the post-acceleration principal priority of payments as set out in Clause 7.2 of the Issuer Deed of Charge;

**Issuer Pre-Acceleration Principal Priority of Payments** means the pre-acceleration principal priority of payments as set out in paragraph 4 of Schedule 2 to the Issuer Cash Management Agreement;

**Issuer Pre-Acceleration Revenue Priority of Payments** means the pre-acceleration revenue priority of payments as set out in paragraph 3 of Schedule 2 to the Issuer Cash Management Agreement;

**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 Post-Enforcement Priority of Payments, 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, the Noteholders, the Issuer Corporate Services Provider, the Secretarial Services Provider, the Issuer Account Bank, the Issuer Cash Manager, the Paying Agent, the Agent Bank, the Registrar, the Issuer Start-up Loan Provider 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 Citicorp Trustee Company Limited and its successors or any other security trustee under the Issuer Deed of Charge;

**Issuer Share Capital Account** means the account of the Issuer held with the Issuer Account Bank, maintained subject to the terms of the Issuer Bank Account Agreement and the Issuer Deed of Charge, or any additional or replacement account as may for the time being be in place with the prior consent of the Issuer Security Trustee;

**Issuer Start-Up Loan Agreement** means the start-up loan agreement entered into on or about the Closing Date between the Issuer, the Issuer Start-Up Loan Provider and the Issuer Security Trustee (as the same may be amended and/or supplemented from time to time) in connection with the issuance of the Notes;



**Issuer Start-Up Loan Provider** means Santander UK;

**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;

**Loan Acceleration Notice** means a notice served by the Funding 1 Security Trustee on Funding 1 following the occurrence of an Intercompany Loan Event of Default, pursuant to the Intercompany Loan Agreement;

**Loan Tranches** means the AAA Loan Tranches and the NR Loan Tranche, being the advances made by the Issuer to Funding 1 pursuant to the Intercompany Loan Agreement, each being funded from proceeds received by the Issuer from the issue of Notes;

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

**London Stock Exchange** means the London Stock Exchange plc;

**Margin** means:

- (a) in respect of the Class A1 Notes, 1.25 per cent. per annum for the period from (and including) the Closing Date up to (but excluding) the Interest Payment Date falling in December 2015 and thereafter 2.50 per cent. per annum;
- (b) in respect of the Class A2 Notes, 1.25 per cent. per annum for the period from (and including) the Closing Date up to (but excluding) the Interest Payment Date falling in December 2015 and thereafter 2.50 per cent. per annum;
- (c) in respect of the Class A3 Notes, 1.25 per cent. per annum for the period from (and including) the Closing Date up to (but excluding) the Interest Payment Date falling in December 2015 and thereafter 2.50 per cent. per annum;
- (d) in respect of the Class A4 Notes, 1.25 per cent. per annum for the period from (and including) the Closing Date up to (but excluding) the Interest Payment Date falling in December 2015 and thereafter 2.50 per cent. per annum;
- (e) in respect of the Class A5 Notes, 1.25 per cent. per annum for the period from (and including) the Closing Date up to (but excluding) the Interest Payment Date falling in December 2015 and thereafter 2.50 per cent. per annum;
- (f) in respect of the Class A6 Notes, 1.25 per cent. per annum for the period from (and including) the Second Issue Closing Date up to (but excluding) the Interest Payment Date falling in December 2015 and thereafter 2.50 per cent. per annum;
- (g) in respect of the Class A7 Notes, 1.25 per cent. per annum for the period from (and including) the Second Issue Closing Date up to (but excluding) the Interest Payment Date falling in December 2015 and thereafter 2.50 per cent. per annum;
- (h) in respect of the Class A8 Notes, 1.25 per cent. per annum for the period from (and including) the Second Issue Closing Date up to (but excluding) the Interest Payment Date falling in December 2015 and thereafter 2.50 per cent. per annum;
- (i) in respect of the Class A9 Notes, 1.25 per cent. per annum for the period from (and including) the Second Issue Closing Date up to (but excluding) the Interest Payment Date falling in December 2015 and thereafter 2.50 per cent. per annum;
- (j) in respect of the Class A10 Notes, 1.25 per cent. per annum for the period from (and including) the Second Issue Closing Date up to (but excluding) the Interest Payment Date falling in December 2015 and thereafter 2.50 per cent. per annum;

- (k) in respect of the Class Z1 Notes, 0.90 per cent. per annum for the period from (and including) the Closing Date up to (but excluding) the Interest Payment Date falling in December 2015 and thereafter 1.80 per cent. per annum; and
- (l) in respect of the Class Z2 Notes, 0.90 per cent. per annum for the period from (and including) the Closing Date up to (but excluding) the Interest Payment Date falling in December 2015 and thereafter 1.80 per cent. per annum;

**Minimum Denominations** has the meaning given to it in **Condition 1.1** (Form and Denomination);

**Mortgage** means a first fixed charge by way of legal mortgage (in relation to English Loans and Northern Irish Loans) or a first ranking standard security (in relation to Scottish Loans) sold by the Seller to the Mortgages Trustee pursuant to the Mortgage Sale Agreement, which secures the repayment of the relevant Loan or Loans;

**Mortgage Conditions** means the terms and conditions applicable to a Loan as contained in the Standard Documentation provided to Borrowers from time to time;

**Mortgage Sale Agreement** means the mortgage sale agreement entered into on the Initial Closing Date and made between Alliance & Leicester (and to which Santander UK acceded as Seller on the Part VII effective date), 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);

**Mortgage Terms** means all the terms and conditions applicable to a Loan, including, without limitation, the applicable Mortgage Conditions and Offer Conditions;

**Mortgages Trust** means the bare trust of the trust property as to both capital and income held by the Mortgages Trustee on trust absolutely for Funding 1, for each Further Funding Company and the Seller pursuant to the terms of the Mortgages Trust Deed as 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 Alliance & Leicester (and to which Santander UK acceded as Seller on the Part VII effective date) on or about the Initial Closing Date, as amended, restated, novated and/or supplemented from time to time;

**Mortgages Trustee** means Langton Mortgages Trustee Limited (registered number 99388), 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 Closing Date, Santander UK 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) Alliance & Leicester (and to which Santander UK acceded as Mortgages Trustee Account Bank on the Part VII effective date) 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 to which Santander UK acceded on 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;

**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;

**New Intercompany Loan** means an intercompany loan entered into between the any New Issuer and Funding 1;

**New Issuer** means any company other than the Issuer, which is established after the Closing Date to make a New Intercompany Loan to issue New Notes where all or part of the proceeds of the issue of New Notes will be on-lent to Funding 1 and/or a Further Funding Company;

**New Notes** means any notes (other than Notes) issued by the Issuer and any notes of any New Issuer (as applicable);

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

**Note Acceleration Notice** has the meaning set out in **Condition 9.3** (Following Service of a Note Acceleration Notice);

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

**Note Principal Payment** has the meaning set out in **Condition 5.3** (Note Principal Payments and Principal Amount Owing);

**Note Purchase Agreements** means:

- (i) a purchase agreement in relation to the Class A1 Notes, Class A2 Notes, Class A3 Notes, Class A4 Notes, Class A5 Notes and Class Z1 Notes dated the Closing Date between Santander UK, Barclays Bank plc, Funding 1 and the Mortgages Trustee and the Issuer; and
- (ii) a purchase agreement in relation to the Class A6 Notes, Class A7 Notes, Class A8 Notes, Class A9 Notes, Class A10 Notes and Class Z2 Notes dated the Second Issue Closing Date between Santander UK, Barclays Bank plc, Funding 1 and the Mortgages Trustee and the Issuer;

**Note Purchaser** means Santander UK;

**NR Loan Tranche** means the Issuer NR (Class Z1) Loan Tranche and the Issuer NR (Class Z2) Loan Tranche;

**Note Trustee** means Citicorp Trustee Company Limited and its successors or any further or other note trustee under the Note Trust Deed, as trustee for the Noteholders;

**Offer Conditions** means the terms and conditions applicable to a specific Loan as set out in the relevant offer of advance to the Borrower;

**Part VII effective date** means 28 May 2010;

**Paying Agent** means any new or additional paying agent appointed by the Issuer from time to time;

**Paying Agent and Agent Bank Agreement** means the agreement entered into on the Closing Date between the Issuer, the Note Trustee and the Security Trustee;

**Pool Factor** has the meaning set out in **Condition 5.3** (Note Principal Payments and Principal Amount Owing);

**Portfolio** means at any time the Loans and their Related Security sold to or held on trust for the Mortgages Trustee on trust for the Beneficiaries;

**Previous Funding 1 Start-Up Loan Providers** means the Previous Issuers;

**Previous Issuers** means Langton Securities (2008-1) plc, Langton Securities (2008-2) plc and Langton Securities (2008-3) plc;

**Previous Seller** means Alliance & Leicester;

**Principal Amount Outstanding** has the meaning set out in **Condition 5.3** (Note Principal Payments and Principal Amount Owning);

**Principal Paying Agent** means Citibank N.A. in its capacity as principal paying agent under the Paying Agent and Agent Bank Agreement;

**Property** means a freehold, heritable, leasehold or commonhold property (or in Scotland a property held under a long lease) which is subject to a Mortgage;

**Rated Notes** means the Class A Notes;

**Rate of Interest** has the meaning as set out in **Condition 4.1(b)** (Rate of Interest);

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

**Reasonably, Prudent Mortgage Lender** means a reasonably prudent prime residential mortgage lender lending to borrowers in England, Wales, Scotland and Northern Ireland who generally satisfy the lending criteria of traditional sources of residential mortgage capital;

**Record Date** has the meaning set out in **Condition 6.7** (Record Date);

**Reference Banks** means the principal London office of each of four major banks engaged in the London interbank market selected by the Agent Bank with the approval of the Issuer, provided that, once a Reference Bank has been selected by the Agent Bank, that Reference Bank shall not be changed unless and until it ceases to be capable of acting as such;

**Reference Rate** means the rate for three month deposits in sterling which appears on the Reuters screen LIBOR01 (or such other page as may replace that page on that service) or, in the case of the first Interest Period, a linear interpolation of the rates for five and six month deposits in sterling which appear as aforesaid;

**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;

**Related Security** means, in relation to a Loan, the security for the repayment of that Loan including the relevant Mortgage and all other matters applicable thereto acquired as part of the Portfolio sold to or held on trust for the Mortgages Trustee, including (without limitation):

- (a) the benefit of all affidavits, consents, renunciations, guarantees, indemnities, waivers and postponements from occupiers and other persons having an interest in or rights in connection with the relevant Property;
- (b) each right of action of the Seller against any person (including, without limitation, any valuer, licensed or qualified conveyancer, solicitor and any registrar or registry) in connection with any report, valuation, opinion, certificate or other statement of fact or opinion given or received in connection with all or part of any Loan and its Related Security or affecting the decision of the Seller to make or offer to make all or part of the relevant Loan; and
- (c) the benefit of (including, without limitation, the rights as the insured person under and as notations of interest on, returns of premium and proceeds of claims under) insurance policies (including the buildings policies) deposited, charged, obtained, or held in connection with the relevant Loan, Mortgage and/or Property and Customer Files;

**Relevant Date** has the meaning set out in **Condition 7** (Prescription);

**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** (Notice to Noteholders);

**Relevant Screen Page** means the Reuters screen LIBOR01 (or such other page as may replace that page on that service);

**Resolution** has the meaning as set out in **Condition 11.1** (Meetings of Noteholders);

**Scottish Declaration of Trust** means each declaration of trust granted or to be granted by the Previous Seller or the Seller (as applicable) in favour of the Mortgages Trustee pursuant to the Mortgage Sale Agreement transferring the beneficial interest in Scottish Loans and their Related Security to the Mortgages Trustee;

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

**Second Closing Date** means 5 March 2008;

**Second Issue Closing Date** means 12 October 2010;

**Secretarial Services Agreement** means the agreement entered into on or about the Initial Closing Date and made between (amongst others) Alliance & Leicester (and to which Santander UK acceded as Secretarial Services Provider on the Part VII effective date), Funding 1, the Initial Issuer and Holdings (and acceded to on the Closing Date by the Issuer) for the provision by the Secretarial Services Provider of certain corporate services and personnel to the Issuer, the Previous Issuers, Funding 1 and Holdings (as the same may be amended, restated, novated and/or supplemented from time to time, including on the Second Closing Date, the Third Closing Date and the Closing Date);

**Secretarial Services Provider** means Santander UK or such other person or persons for the time being acting as secretarial services provider to the Issuer, Funding 1 and/or Holdings under the Secretarial Services Agreement;

**Seller** means Santander UK;

**Servicer** means 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 Alliance & Leicester (and to which Santander UK acceded as Servicer and Seller on the Part VII effective date), the Mortgages Trustee, the Funding 1 Security Trustee and Funding 1 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 Date** has the meaning as set out in **Condition 11.5** (Redenomination);

**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;

**Standard Documentation** means the standard documentation or any update or replacement therefor as the Seller may from time to time introduce acting in accordance with the standards of a Reasonably, Prudent Mortgage Lender;

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

**TARGET2 Business Day** means a day on which the Trans European Automated Real-time Gross settlement Express (TARGET2) system is open;

**Third Closing Date** means 17 June 2008;

**Transaction Documents** means the Cash Management Agreement, the Funding 1 Bank Account Agreement, the Funding 1 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 Funding 1 Start-Up Loan Agreements, the Intercompany Loan Agreements, 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 Secretarial Services Agreement, the Issuer Start-Up Loan Agreement, the Issuer Master Definitions and Construction Schedule, the Mortgage Sale Agreement, the Mortgages Trust Deed, the Mortgages Trustee Bank Account Agreement, the Mortgages Trustee Corporate Services Agreement, the Paying Agent and Agent Bank Agreement, each Scottish Declaration of Trust, the Servicing Agreement, the Note Purchase Agreements, the Note Trust Deed, any other deeds of accession or supplemental deeds (including deeds of amendment and/or

restatement) relating to any such documents and any other agreement or document from time to time designated as such by the Issuer and the Issuer Security Trustee and/or Funding 1 and the Funding 1 Security Trustee;

**Trustee** has the meaning as set out in **Condition 12** (Indemnification of the Note Trustee, the Issuer Security Trustee and the Funding 1 Security Trustee);

**UK Listing Authority** means the FSA in its capacity as competent authority under Part VI of the FSMA;

## 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) **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;
  - (ii) **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;
  - (iii) For the purposes of calculating a period of **Clear Days** in relation to a meeting, no account shall be taken of the day on which the notice of such meeting is given (or, in the case of an adjourned meeting, the day on which the meeting to be adjourned is held) or the day on which such meeting is held; and
  - (iv) **Notes and Noteholders** shall mean:
    - (A) in connection with a single meeting of Class A1 Noteholders, Class A1 Notes and Class A1 Noteholders, respectively;
    - (B) in connection with a single meeting of Class A2 Noteholders, Class A2 Notes and Class A2 Noteholders, respectively;
    - (C) in connection with a single meeting of the Class A3 Noteholders, Class A3 Notes and Class A3 Noteholders;
    - (D) in connection with a single meeting of the Class A4 Noteholders, Class A4 Notes and Class A4 Noteholders;
    - (E) in connection with a single meeting of the Class A5 Noteholders, Class A5 Notes and Class A5 Noteholders;
    - (F) in connection with a single meeting of the Class A6 Noteholders, Class A6 Notes and Class A6 Noteholders;
    - (G) in connection with a single meeting of the Class A7 Noteholders, Class A7 Notes and Class A7 Noteholders;

- (H) in connection with a single meeting of the Class A8 Noteholders, Class A8 Notes and Class A8 Noteholders;
  - (I) in connection with a single meeting of the Class A9 Noteholders, Class A9 Notes and Class A9 Noteholders;
  - (J) in connection with a single meeting of the Class A10 Noteholders, Class A10 Notes and Class A10 Noteholders;
  - (K) in connection with a single meeting of Class Z1 Noteholders, Class Z1 Notes and Class Z1 Noteholders, respectively; and
  - (L) in connection with a single meeting of Class Z2 Noteholders, Class Z2 Notes and Class Z2 Noteholders, respectively.
- (b) (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) 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.
- (iii) Any proxy appointed pursuant to **subparagraph (i)** above or representative appointed pursuant to **subparagraph (ii)** 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.
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 Outstanding 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 Clear Day's notice specifying the place, day and hour of meeting shall be given to the relevant Noteholders prior to any meeting of the 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 Class for the time being outstanding 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 Class for the time being outstanding shall (except for the purpose of passing an Extraordinary 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 shall (subject as provided below) be one or more persons present holding or representing Notes of the relevant Class 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 of the relevant Class for the time being outstanding of the relevant Class (or, at any adjourned meeting, one or more persons being or representing Noteholders whatever the aggregate Principal Amount Outstanding of the Notes of the relevant Class for the time being outstanding so 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 Class;
  - (b) alteration of the timing of payments of interest or principal of the Notes of the relevant Class;
  - (c) alteration of the priority of payments;
  - (d) alteration of the currency in which payments under such Notes are to be made;
  - (e) alteration of the quorum or majority required to pass an Extraordinary Resolution in respect of any such Basic Terms Modification; and
  - (f) 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 or representing Notes of the relevant Class 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 of the relevant 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 shall dissolve such meeting. 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-quarter of the Principal Amount Outstanding of the Notes of the relevant 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 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 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 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** (Proceedings, Actions and Indemnification) of the Note Trust Deed unless he 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 except where in the case of the Seller, any holding company of the Seller or any other Subsidiary of any such holding company (the **Relevant Persons**) all of the Notes of any Class or Classes (which for the purposes of the Class A Notes shall mean all Class A Notes) are held by or on behalf of or for the benefit of one or more Relevant Persons and there are no Classes of Notes ranking pari passu or junior thereto all or some of which are held by or on behalf of or for the benefit of persons other than Relevant Persons. Nothing herein shall prevent any of the proxies 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 and 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 the 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 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 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 form of proxy and representatives need not be Noteholders.
16. Each form of proxy shall be deposited 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 form of proxy propose to vote and in default the 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 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 form of proxy.

17. Any vote given in accordance with the terms of a form of proxy shall be valid notwithstanding the previous revocation or amendment of the 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 Registrar 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 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 Transaction Documents or against any of their property whether such rights shall arise under the Note Trust Deed, any other Transaction Document or otherwise;
  - (c) power to assent to any modification of the provisions of the Conditions, the Note Trust Deed or any other 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 or any other Transaction Document 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 or the Issuer Deed of Charge;
  - (g) power to discharge or exonerate the Note Trustee, the Issuer Security Trustee and/or any appointee of the Note Trustee or the Issuer Security Trustee from all liability in respect of any act or omission for which the Note Trustee, the Issuer Security Trustee and/or such appointee may have become responsible under the Note Trust Deed or the Issuer Deed of Charge, as applicable;
  - (h) power to authorise the Note Trustee, the Issuer Security 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 to sanction a modification of the Conditions, the Note Trust Deed or any of the other 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 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 the Class Z Noteholders; or
    - (B) it shall have been sanctioned by an Extraordinary Resolution of the Class Z Noteholders;
  - (ii) subject to as provided in (i) above, an Extraordinary Resolution of the Class A Noteholders of any Class shall be binding on all Class Z Noteholders irrespective of the effect upon them;
  - (iii) no Extraordinary Resolution of the Class Z Noteholders shall be effective for any purpose while any Class A Notes 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 or (B) it is sanctioned by an Extraordinary Resolution of the Class A Noteholders ; and
  - (iv) where Relevant Persons are not the beneficial owners of all of any Class of Notes (which in the case of the Class A Notes means all Notes of each Class of the Class A Notes) and the holders of such Class of Notes for the time being outstanding sanction by Extraordinary Resolution any such modification, waiver or authorisation referred to in (i) above, then such modification, waiver or authorisation shall be deemed also to have been sanctioned by an Extraordinary Resolution of the holders of each other Class of Notes where Relevant Persons are the beneficial owners of all of such other Class of Notes.
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** (Notice to Noteholders) 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 21** below:
- (i) 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 for the time being outstanding.
  - (ii) 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 for the time being outstanding.
  - (iii) 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 for the time being outstanding.
21. An Extraordinary Resolution of the Class A Noteholders 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** (Enforcement) or any other action mentioned in **Clause 11.1** shall be deemed to have been duly passed only if passed at separate meetings of the holders of each Class of the Class A Notes for the time being outstanding.
22. 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 **0** 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.
23. 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.
24. 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 )

**LANGTON SECURITIES (2010-1) PLC** )

acting by its attorney )

in the presence of: )

Witness's signature: )

Name:

Address:

**The Note Trustee**

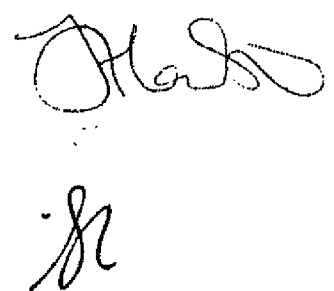
EXECUTED and DELIVERED as a DEED by )

**CITICORP TRUSTEE COMPANY LIMITED** )

acting by two directors )

Director: )

Director: )



Wafa Investment  
Company